



# **SIMRAN FARMS LIMITED**

( Farmers ' Friend Since 1989 )

CIN : L01222MP1984PLC002627

**29th**  
**Annual Report**  
**2 0 1 5 - 2 0 1 6**

**BOARD OF DIRECTORS**

**Mr. Harender Singh Bhatia**  
*Managing Director*

**Mr. Kawaljeet Singh Bhatia**  
*Executive Director*

**Mr. Gurdeep Singh Bhatia**  
*Non Executive Director*

**Mr. Harbhajan Singh Khanuja**  
*Independent Director*

**Dr. Surendra Singh**  
*Independent Director*

**Mrs. Jasmeet Kaur Bhatia**  
*Independent Director*

**COMPANY SECRETARY**

**Ms. Tanu Parmar**

**CHIEF FINANCIAL OFFICER**

**Mr. Mahesh Patidar**

**STATUTORY AUDITORS**

M/s Khandelwal Kakani & Co.  
Chartered Accountants  
Indore (M.P.)

**BANKER'S**

ICICI Bank Ltd.  
Punjab National Bank

**LISTED AT**

Bombay Stock Exchange Ltd., Mumbai

**REGISTERED OFFICE**

SIMRAN FARMS LIMITED  
CIN: L01222MP1984PLC002627  
Regd. Office: 1-B, Vikas Rekha Complex,  
Khatiwala Tank, Indore 452001 (M.P.)  
Ph.: 0731-4255900, Fax: 0731-4255949  
Web: www.simranfarms.com  
Email: compliance@simranfarms.com

**REGISTRAR & SHARE TRANSFER AGENT**

Ankit Consultancy Private Limited  
CIN: U74140MP1985PTC003074  
Plot No. 60, Electronic Complex,  
Pardeshipura, Indore - 452010 (M.P.)  
Tel.: 0731-4065797, 4065799  
Fax: 0731-4065798  
Email Id: ankit\_4321@yahoo.com

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## NOTICE OF 29TH ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting of the Members of **SIMRAN FARMS LIMITED** (CIN L01222MP1984PLC002627) will be held on Thursday, 22nd September, 2016 at 10.00 A.M. at Pishori Premises, 910, Khatiwala Tank, Tower Square, Indore - 452001 (M.P.) to transact the following businesses:

### ORDINARY BUSINESSSES:

1. To receive, consider, approve and adopt:
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2016 together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, together with the Report of the Auditors thereon.
2. To re-appoint Shri Gurdeep Singh Bhatia (DIN 00401929) who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider ratification of appointment Auditors of the Company and fix their remuneration.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Khandelwal Kakani & Co., Chartered Accountants, Indore, registered with the Institute of Chartered Accountants of India vide ICAI Registration No. (001311C), who were appointed as the Auditors of the Company in the AGM held in the year 2014 for a period of three years (from the conclusion of 27th AGM up to the conclusion of 30th AGM to be held in the year 2017 subject to ratification of their appointment at every AGM), to hold the office for the remaining term of one year i.e. up to the conclusion of 30th (Thirtieth) Annual General Meeting on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### SPECIAL BUSINESS:

**4. Re-appointment of Shri Harender Singh Bhatia (DIN : 00509426) as Managing Director of the Company:**  
To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) subject to the approval of the Central Government, if required and such other consents and permissions as may be necessary and pursuant to the recommendation of Audit Committee and Nomination and Remuneration Committee, the approval of the members of the Company be and is hereby accorded for re-appointment for Shri Harender Singh Bhatia as Managing Director of the Company for a period of three years with effect from 1st June, 2016 to 31st May, 2019, as well as payment of salary, commission and perquisites and upon such terms and conditions, which are approved and sanctioned with the authority of the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Director and Shri Harender Singh Bhatia.

- a) **Salary:** ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) per month.
- b) **Perquisites:** In addition to the above salary as mentioned in the resolution, Shri Harender Singh Bhatia, Managing Director shall also be entitled to the perquisites (evaluated as per Income Tax Rule wherever applicable and at actual cost to the Company in other cases) like benefits of furnished accommodation/House Rent Allowance with gardener and security guard, gas, electricity, water and furnishings, chauffeur driven car and telephone at residence, medical reimbursement, personal accident insurance, leave and leave travel concession, club fees, provident fund, Superannuation fund, exgratia & gratuity in accordance with the scheme(s) and rule(s) applicable to the members of the staff or any modification(s) that may be made in any scheme/rule for the aforesaid benefits. However, perquisites shall be restricted to an amount equal to 25% of annual salary.”

**“RESOLVED FURTHER THAT** wherein a financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the remuneration payable to him shall not exceed the ceiling limit prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 for that year, which will be payable to him as minimum remuneration for that year.”



**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to vary, alter, increase or enhance/change from time to time, subject to overall limit on remuneration payable to all the managerial personnel taken together, as laid down in the Companies Act, 2013, read with Schedule V thereto, and subject to the requisite approvals, if any, being obtained.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper.”

**5. Re-appointment of Shri Kawaljeet Singh Bhatia (DIN : 00401827) as Whole-time Director of the Company: To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) subject to the approval of the Central Government, if required and such other consents and permissions as may be necessary and pursuant to the recommendation of Audit Committee and Nomination and Remuneration Committee, the approval of the members of the Company be and is hereby accorded for re-appointment of Shri Kawaljeet Singh Bhatia as Whole-time Director of the Company for a period of three years with effect from 1st June, 2016 to 31st May, 2019, as well as payment of salary, commission and perquisites and upon such terms and conditions, which are approved and sanctioned with the authority of the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Director and Shri Kawaljeet Singh Bhatia.

- a) **Salary:** ₹ 2,25,000/- (Rupees Two Lakhs Twenty Five Thousand Only) per month.
- b) **Perquisites:** In addition to the above salary as mentioned in the resolution, Shri Kawaljeet Singh Bhatia, Whole Time Director shall also be entitled to the perquisites (evaluated as per Income Tax Rule wherever applicable and at actual cost to the Company in other cases) like benefits of furnished accommodation/House Rent Allowance with gardener and security guard, gas, electricity, water and furnishings, chauffeur driven car and telephone at residence, medical reimbursement, personal accident insurance, leave and leave travel concession, club fees, provident fund, Superannuation fund, exgratia & gratuity in accordance with the scheme(s) and rule(s) applicable to the members of the staff or any modification(s) that may be made in any scheme/rule for the aforesaid benefits. However, perquisites shall be restricted to an amount equal to 25% of annual salary.”

**“RESOLVED FURTHER THAT** wherein a financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the remuneration payable to him shall not exceed the ceiling limit prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 for that year, which will be payable to him as minimum remuneration for that year.”

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to vary, alter, increase or enhance/change from time to time, subject to overall limit on remuneration payable to all the managerial personnel taken together, as laid down in the Companies Act, 2013, read with Schedule V thereto, and subject to the requisite approvals, if any, being obtained.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper.”

Place: Indore  
Date : 11.08.2016

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

**SIMRAN FARMS LIMITED**  
CIN: L01222MP1984PLC002627  
Registered Office: 1-B, Vikas Rekha Complex,  
Khatiwala Tank, Indore - 452001 (M.P.)

**TANU PARMAR  
COMPANY SECRETARY  
(ACS- 34769)**

**Notes:-**

- **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE**



**COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF ANNUAL GENERAL MEETING.**

- During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 2 days' written notice is given to the Company.
- The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed herewith.
- Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Book of the Company shall remain closed during the period from Saturday 17th Day of September, 2016 to Thursday 22nd Day of September, 2016 (both days inclusive) for the purpose of 29th Annual General Meeting.
- Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 will be available for inspection by the members at the AGM.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) for transactions involving transfer of shares. Therefore, members holding shares in physical form are requested to furnish their PAN along with self attested photocopy of PAN card to the R & STA. Members holding shares in demat mode are requested to register the details of PAN with their DPs.
- Pursuant to Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, additional information in respect of the Director/s seeking appointment / re-appointment at the AGM is furnished and forms a part of the Notice.
- Pursuant to the provisions of section 205A and 205C of the Companies Act, 1956 dividend which remain unclaimed for a period of seven years from the date of transfer to the unpaid dividend account are required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.
  - Members who have not encashed the dividend warrant(s) till date are requested to make their claim directly to the company or to M/s Ankit Consultancy Private Limited(R&STA), without any delay.
  - Members are requested to refer Corporate Governance Report which inter-alia contains details regarding unclaimed dividend.
- Sections 101 and 136 of the Companies Act, 2013 read together with the rules made there under, permit the listed companies to send the notice of Annual General Meeting and the Annual Report, including Financial Statements, Board's Report, etc. by electronic mode. The Company is accordingly forwarding electronic copy of the Annual Report for 2016 to all the Members whose e-mail ids are registered with the Company/Depository Participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For the Members who have not registered their e-mail address, physical copies of the Annual Report for 2016 is being sent in the permitted mode. Members who have not yet registered their e-mail id so far are requested to register the same with the Company (if shares are held in physical form) or Depository participant (if shares are held in demat mode). Members are also requested to intimate to the Company the changes, if any in their e-mail address.
- Documents referred in the notice and the explanatory statement will be kept open for inspection by the members at the registered office of the Company on all working days (Monday to Saturday) from 11.00 a.m. to 1.00 p.m. except holidays, upto the date of the ensuing 29th Annual General Meeting.
- Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic form, the nomination form may be filed with the respective depository participant.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- The Members are requested to:
  - a) Intimate changes, if any, in their registered addresses immediately.
  - b) Quote their ledger folio/DPID number in all their correspondence.



- c) Hand over the enclosed attendance slip, duly signed in accordance with their specimen registered with the Company for admission to the meeting place.
- d) Bring their Annual Report and Attendance Slips with them at the AGM venue.
- e) Send their Email address to us for prompt communication and update the same with their Depository Participants to receive softcopy of the Annual Report of the Company.
- Corporate Members are requested to forward a Certified Copy of Board Resolution authorizing their representatives to attend and vote at the 29th Annual General Meeting.
- The Notice of AGM alongwith Annual Report shall be dispatched to those shareholder who are registered as member in the Register of Member as on 19th Aug., 2016. Members may also note that notice of 29th Annual General Meeting and Annual Report for the Financial Year 2015-2016 will also be available on the company's website [www.simranfarms.com](http://www.simranfarms.com).
- Route map for the venue of 29th Annual General meeting is enclosed with this Report. Prominent Landmark- Bhanwarkuwa Police Station.
- The Members who still hold shares in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization, which include easy liquidity, since trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
- Members are requested to send their queries relating to accounts and operations to the Company Secretary, if any, at least 7 days in advance so that the information can be made available at the meeting.
- Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such folio and send relevant share certificates to company's Registrar and Share Transfer Agent for doing needful.
- Members are requested to contact the Registrar and Share Transfer Agent for all matter connected with Company's shares at Ankit Consultancy Private Limited, 60 Pardeshipura, Electronic Complex, Indore.
- The Company has designated an exclusive email ID [compliance@simranfarms.com](mailto:compliance@simranfarms.com) which would enable the members to post their grievances and monitor its redressal. Any member having any grievance may post the same to the said Email address for its quick redressal.
- The businesses as set out in the Notice may be transacted through electronic voting system and the Company shall provide a facility for voting by electronic means. In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by MCA vide its notification dated March 19, 2015, the company is pleased to offer the facility of "remote e-voting" (e-voting from a place other than venue of the AGM) as an alternate, to all its members to enable them to cast their votes electronically instead of casting their vote at the meeting. If a member has opted for remote e-voting, then he/she should not vote by physical ballot and vice-versa. However, in case members cast their vote both via physical ballot and remote e-voting, then voting through electronic mode shall prevail and voting done by physical ballot shall be treated as invalid. For E-voting facility, the Company has entered in to an agreement with the CDSL for facilitating remote E-voting. The Procedure and instructions for E-voting given below:

Instructions for shareholders voting through electronic means:

- (i) The e-voting period begins on Monday 19th September, 2016 from 9.00 a.m. and ends on Wednesday, 21st September, 2016 at 5.00 p.m. 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) 15th September, 2016, may cast their vote electronically in proportion to their shares in the paid up equity share capital of the company. 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) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (iv) Click on "Shareholders" tab.
- (v) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:



	For Members holding shares in Demat Form and Physical Form
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>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</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.</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <SIMRAN FARMS LIMITED > on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out a print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app M-voting available for android based mobiles. The M-voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) Note for Non – Individual Shareholders and Custodians
  - a) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - b) 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).
  - c) 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.
  - d) The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.





- e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- Mr. L.N. Joshi, Practicing Company Secretary (Membership No. 5201) has been appointed as the scrutinizer to receive and scrutinize the completed ballot forms and votes casted electronically by the members in a fair and transparent manner.
- The Scrutinizer shall after scrutinizing the vote cast at the AGM (Poll) and through Remote E-Voting not later than three days of the conclusion of AGM, make and submit a consolidated scrutinizers report to the Chairman. The Results declared along with the consolidated scrutinizers report shall be placed on the website of the company and CDSL. The results shall simultaneously be communicated to the Stock Exchanges where the company's shares are listed.
- The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 22nd September, 2016 subject to receipt of the requisite number of votes in favor of the Resolutions.

Relevant documents referred to in this Notice are open for inspection at the Registered Office of the Company on all working days (except Saturdays) between 11.00 a.m. to 1.00 p.m. upto the date of ensuing Annual General Meeting.

Place: Indore

Date : 11.08.2016

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

**SIMRAN FARMS LIMITED**

CIN: L01222MP1984PLC002627

Registered Office: 1-B, Vikas Rekha Complex,  
Khatiwala Tank, Indore - 452001 (M.P.)

**TANU PARMAR  
COMPANY SECRETARY  
(ACS- 34769)**

**Pursuant to Regulation 36 of the SEBI (LODR) Regulations, 2015, the additional information of Directors seeking appointment/re-appointment in the ensuing Annual General Meeting under Item no 2, 4 and 5 is as follows:**

<b>Name of Director/ Appointee</b>	<b>Shri Gurdeep Singh Bhatia</b>	<b>Shri Harender Singh Bhatia</b>	<b>Shri Kawaljeet Singh Bhatia</b>
DIN No.	00401929	00509426	00401827
Date of Birth	13/05/1949	09/12/1952	18/05/1973
Date of Appointment	10/11/1988	26/10/1984	01/04/2002
Qualification	Graduate	Bachelor of Science and Post Graduate in Arts	Bachelor of Science and Masters in International Business
Expertise/ Experience in specific functional areas	25 years rich experience in poultry farms and finance	35 years rich experience in Poultry Industry	20 years of vast experience in Poultry industry
No. & % of Equity Shares held	83300 [2.20%]	61100 [1.61%]	84400 [2.23%]
List of outside Company's Directorship held	<ul style="list-style-type: none"> <li>• Simran Hatcheries Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Simran Hatcheries Private Limited</li> <li>• Puregene Biotech Limited</li> <li>• Simran Infotech Pvt. Limited</li> <li>• Simran Bio-energy Private Limited</li> <li>• HSB Holdings Pvt. Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Simran Hatcheries Private Limited</li> <li>• Puregene Biotech Limited</li> <li>• Simran Infotech Private Limited</li> <li>• Simran Feeds Pvt. Limited</li> <li>• Bhatia Township &amp; Constructions Private Limited</li> <li>• BTC Constructions (India) Private Limited</li> <li>• Simran Infraproject Private Limited</li> </ul>



Name of Director/ Appointee	Shri Gurdeep Bhatia	Shri Harender Singh Bhatia	Shri Kawaljeet Singh Bhatia
Remuneration last drawn by him	Nil	₹ 2,50,000/- per month	₹ 2,25,000/- per month
Remuneration sought to be paid	Nil	Nil	Nil
Chairman / Member of the Committees of the Board of Directors of the Company	Member of Finance Committee of the Company.	Member of Finance Committee of the Company.	Member of Finance Committee of the Company
Chairman / Member of the Committees of the Board Directors of other Companies in which he is director	Nil	Nil	Nil
Relationship between directors inter-se	Mr. Harender Singh Bhatia is brother of Mr. Gurdeep Bhatia	Mr. Gurdeep Bhatia is brother of Mr. Harender Singh Bhatia	None

## EXPLANATORY STATEMENT

### Pursuant to Section 102 of the Companies Act, 2013

As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out all the material facts to the business mentioned under item no. 4 and 5 of the accompanying Notice:

#### Item No. 4:

Shri Harender Singh Bhatia aged 63 years is the Founder, Chairperson and Managing Director of the Company. He is associated with the Company since incorporation and a matured Business Personality. He is Bachelor of Science and Post Graduate in Arts. Mr. Bhatia's core competency lies in the field of poultry as he has 35 years rich experience in the Poultry Industry. His vast experience has given the Company an operational benefit in various aspects of the business like feed management, farms management, hatching management and his keen focus on quality with the intention of serving the society with nutritional poultry products and delivering actual value to its customers through products and services at large. He carries a vision of growth of the Company and has made invaluable contributions to the success and performance of the Company over the years. Looking into his devotion and contribution towards the resultant progress made by the Company, the Board feels that his continuation on the Board will be highly beneficial to the Company and recommend the adoption of the resolution proposed under this item.

Shri Harender Singh Bhatia who was appointed as Managing Director to hold office up to 30th September, 2016 is proposed to be re-appointed as Managing Director of the Company for a further period of three years w.e.f. 1st June, 2016 on such remuneration as mentioned in the resolution. The brief details of the proposed appointee is mentioned in Annexure attached with this Notice.

Except Shri Gurdeep Singh Bhatia and proposed appointee, none of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution as set out at item No. 4 of the Notice.

#### Item No. 5:

Shri Kawaljeet Singh Bhatia is a Whole-time Director of the Company. He is Bachelor of Science and has completed his Masters in International business. He is vested with wide power of administration and management of business activities of the Company more particularly purchase of raw ingredients, hatching of eggs, management of Hatcheries etc. He is also responsible for production of chicks and eggs and marketing and distribution of the same. His innovative nature & capability of succeeding against the current challenges took the business to new heights. He plays a major role



in providing strategic directions and effective business planning. Keeping in view the contribution made by him it is proposed to reappoint him as a Whole-time Director of the Company for a further period of three years w.e.f. 1st June, 2016 on such remuneration as mentioned in the resolution. The brief details of the proposed appointee is mentioned in Annexure attached with this Notice.

Except proposed appointee none of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution as set out at item No. 5 of the Notice.

Place: Indore  
Date : 11.08.2016

**SIMRAN FARMS LIMITED**  
CIN: L01222MP1984PLC002627  
Registered Office: 1-B, Vikas Rekha Complex,  
Khatiwala Tank, Indore - 452001 (M.P.)

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

**TANU PARMAR  
COMPANY SECRETARY  
(ACS- 34769)**



## BOARD'S REPORT

To,  
The Members,  
Simran Farms Limited

Your Directors have pleasure in presenting the 29th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended on March 31, 2016.

### 1. FINANCIAL PERFORMANCE OF THE COMPANY

The performance highlights and summarized financial results of the Company are given below:

(Rupees in Lacs)

Particulars	Standalone Year Ended		Consolidated Year Ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Total Income	44720.47	44417.48	44720.47	44417.48
Total Expenditure	44691.80	44364.67	44675.61	44350.16
<b>Profit/Loss before exceptional &amp; extraordinary items and tax</b>	<b>28.67</b>	<b>52.81</b>	<b>44.86</b>	<b>67.32</b>
Exceptional & extraordinary items	0.00	0.00	0.00	0.00
<b>Profit/Loss before tax</b>	<b>28.67</b>	<b>52.81</b>	<b>44.86</b>	<b>67.32</b>
Provision for Tax:				
Less: Current Tax	5.46	10.06	11.42	15.92
Add: Tax provisions written back	12.21	0.00	12.21	0.00
Add: Deferred tax assets	13.02	18.58	13.02	18.58
Add: MAT Credit	10.06	16.13	10.06	31.27
<b>Profit/Loss after tax</b>	<b>58.51</b>	<b>77.47</b>	<b>68.73</b>	<b>101.25</b>
Less: Minority Interest	0.00	0.00	1.77	4.11
<b>Total</b>	<b>58.51</b>	<b>77.47</b>	<b>66.96</b>	<b>97.13</b>
Surplus Carried to Balance Sheet	853.24	794.73	885.92	918.25
Paid up Equity Share Capital	379.17	379.17	379.17	379.17
Earning per share (₹ 10/- each) Basic & Diluted (in ₹)	1.54	2.04	1.81	2.67

During the year under review, the Company has achieved turnover of ₹ 447.20 crores as compared to ₹ 444.17 crores in the previous year and net profit of ₹ 58.51 Lacs as against ₹ 77.47 Lacs in the previous year. Due to increase in cost of feed ingredients and lower realization of sale of grown up birds, the profit of the company has been decreased by 24.47%. Further, the consolidated profit after tax during the year under review is ₹ 68.73 Lacs as compared to previous figures of ₹ 101.25 Lacs.

### 2. OPERATIONAL AND STATE OF AFFAIRS OF THE COMPANY

The company is engaged in the business of integrated poultry and poultry farming. The company is mainly focused on integration and consolidation of poultry activities and has arranged large manufacturing set-up for production of poultry feed for self consumption. Company is an integrated company with expertise across the poultry value chain and its management has three decades of experience in the industry.

### 3. CHANGE IN NATURE OF BUSINESS

The company is engaged in the business of integrated poultry and poultry farming only and during the year there was no change in business activity of the company.

### 4. DIVIDEND

Due to inadequate profit and with the view to conserve the resources of company, the directors have not recommended any dividend for the year under review.



## 5. AMOUNT TRANSFERRED TO RESERVES

During the year under review, no amount was transferred to General Reserve.

## 6. DEPOSITS

During the year under review, the Company has not accepted any deposits from the public within the meaning of section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time. Further company has received unsecured loan from Director amounting ₹ 75.00 lakhs during the Financial Year end.

## 7. SHARE CAPITAL

The paid up Equity Share Capital of the Company as at March 31, 2016 stood at ₹ 379.17 Lacs. During the year under review, the Company has not issued any shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2016, none of the Directors of the Company holds instruments convertible into equity shares of the Company.

## 8. EXTRACTS OF ANNUAL RETURN:

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the details pertaining to extract of the Annual Return in Form MGT-9 is included in this Report as **ANNEXURE-I**.

## 9. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANY

The Company has only one subsidiary company in the name of "Puregene Biotech Limited" as on March 31, 2016. There is no associate company/Joint Venture within the meaning of section 2(6) of the Companies Act, 2013. There has been no material change in the nature of the business of the subsidiary company. Further, the company has not given any loan and advances to subsidiary company. Therefore, no information is reportable under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 10. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in accordance with the relevant Accounting Standard 21 issued by the Institute of Chartered Accountants of India and forms a part of this Annual Report.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the Financial Statements of the Company's subsidiary is given in Form AOC-1 (**ANNEXURE-II**) and attached to the financial statements of the Company.

Pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company. The annual accounts of the subsidiary company will also be kept open for inspection at the registered office of the company.

## 11. NUMBER OF BOARD MEETINGS, COMMITTEE MEETINGS AND AGM:

The details of the number of meetings of the Board and its Committees held during the Financial Year 2015-2016 forms part of the Corporate Governance Report. Further, Annual General Meeting of the Company for Financial year 2014-15 was held on 24th September, 2015.

## 12. PARTICULARS OF LOANS, INVESTMENTS OR GUARANTEE BY COMPANY UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Details of loans, investments or guarantee covered under the provisions of section 186 of the Companies Act, 2013 are given in notes to the financial statements. However, during the year under review, the Company has neither made any loans and investments in other body corporate or to any person, nor it has given any guarantee or provided any security in connection with a loan to any other body corporate or person within the meaning of Section 186 of Companies Act, 2013.

## 13. PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTIES

The transaction entered with related parties for the year under review were on arms length basis and in the ordinary course of business and the provision of section 188 of the Companies Act, 2013 and the Rules made there under are not attracted. Thus disclosure in form AOC-2 is not required. Further there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel.

All related party transactions are placed before the Audit Committee. Omnibus Approval was obtained on a quarterly basis for transactions which are of repetitive nature.

The policy on related party transactions as approved by the Board of directors has been uploaded on the website of the company at the web link:

[http://www.simranfarms.com/pdf/policy/related\\_party\\_transaction\\_policy.pdf](http://www.simranfarms.com/pdf/policy/related_party_transaction_policy.pdf).



#### 14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri Gurdeep Singh Bhatia, Non-Executive Non-independent Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

In the Board Meeting held on 30th May, 2016, Shri Harender Singh Bhatia and Shri Kawaljeet Singh Bhatia were re-appointed by the Board of Directors as Managing Director and Whole-time Director of the Company respectively for a further period of three years with effect from 1st June, 2016 till 31st May, 2019 (as their tenure was going to be expired on 30th September, 2016) subject to the approval of members in ensuing Annual General Meeting.

During the year under review, there was no change in the Board of Directors of the Company. The following have been designated as the Key Managerial Personnel of the Company pursuant to sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time:

1. Harender Singh Bhatia, Managing Director
2. Kawaljeet Singh Bhatia, Whole Time Director
3. Mahesh Patidar, Chief Financial Officer
4. Tanu Parmar, Company Secretary and Compliance Officer

#### Disqualifications of Directors:

During the year under review, declarations received from all the Directors of the Company pursuant to Section 164 of the Companies Act, 2013. The Board appraised the same and found that none of the director is disqualified for holding office as director as per the provisions of the Companies Act, 2013.

#### 15. DECLARATION BY INDEPENDENT DIRECTOR

The Company has received declarations from all the Independent Directors of the Company confirming that they fulfill the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

#### 16. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met once during the year under review. The Meeting was conducted on 16th March, 2016 in an informal manner without the presence of the Chairman, the Whole Time Director, the Non-Executive Non-Independent Directors and the Chief Financial Officer.

#### 17. FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS

The details of familiarization programme for Independent Directors have been disclosed on the website of the Company at the link given here:

[http://www.simranfarms.com/pdf/policy/familiarization\\_programme\\_for\\_independent\\_directors.pdf](http://www.simranfarms.com/pdf/policy/familiarization_programme_for_independent_directors.pdf)

#### 18. COMMITTEES OF THE BOARD OF DIRECTORS

The Company has various committees which have been constituted as a part of the good corporate governance practices and the same are in compliance with the requirements of the relevant provisions of applicable laws and statutes. Your Company has an adequately qualified and experienced Audit Committee consisting of Shri Harbhajan Singh Khanuja as Chairman and Dr. Surendra Singh and Smt. Jasmeet Kaur Bhatia as Members. The recommendations of the Audit Committee were duly approved and accepted by the Board during the year under review.

The other Committees of the Board are:

- (i) Nomination and Remuneration Committee
- (ii) Stakeholders' Relationship Committee
- (iii) Finance Committee
- (iv) Sub-Committee of Directors
- (v) Internal Complaint Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details with respect to the composition, powers, roles, terms of reference, meetings held and attendance of the Directors at such Meetings of the relevant Committees are given in detail in the Report on Corporate Governance of the Company which forms part of this Annual Report.

#### 19. STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE, ITS DIRECTORS, AND THAT OF ITS COMMITTEES

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, performance evaluation of the Board, its Committees' and the Independent Directors was carried out



from time to time. The manner in which the evaluation is carried out has been explained in the Corporate Governance Report.

## 20. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to information and explanations obtained by them, your Directors make the following in terms of Section 134(3)(c) of the Companies Act, 2013, shall state that—

- a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the directors have 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 as at March 31, 2016 and of the profit of the company for that year ended on that date;
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) that 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) that 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.

## 21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under sub-section (3) (m) of section 134 of the Companies Act, 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 are given as under :

### (A) Conservation of Energy

The steps taken or impact on conservation of energy:

- (i) The operations of the Company are not power intensive as the Company owns the facility and controls the breeding, hatching and/ or processing of broilers but it works on Contract Rearing basis i.e. it contracts with the private poultry farmers for the raising of the chicks. Nevertheless, the Company continues its efforts to conserve energy wherever practicable, by economizing on the use of power at the farms, hatcheries and offices.
- (ii) The capital investment on energy conservation equipments: Nil

### (B) Technology Absorption

- (i) The efforts made towards technology absorption: Not Applicable.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): The Company has neither purchased within India nor imported any technology.
- (iv) Company has not incurred any expenditure on Research and Development during the year under review.

### (C) Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings : Nil  
Foreign Exchange Outgo : ₹ 0.66 Lakhs

## 22. STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS

The company has an effective internal control and risk mitigation system, which are constantly assessed and strengthened with new or revised standard operating procedures. The company's internal control system is commensurate with its size, scale and complexities of its operations. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. The scope of internal audit includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The company has a robust management information system, which is an integral part of the control mechanism.





The Audit Committee of the Board of Directors and statutory auditors are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of director. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. Report of statutory auditors for internal financial control system is part of Audit Report.

### **23. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

Provisions of section 135 of the Companies Act, 2013 does not apply to the Company, therefore Company has not constituted Corporate Social responsibility (CSR) committee as required under the Act.

### **24. NOMINATION AND REMUNERATION POLICY/DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL**

In accordance with section 178 and other applicable provisions, if any of the Companies Act, 2013 read with the Rules issued thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee framed a policy for selection and appointment, re-appointment, removal and appraisals of Directors and Senior Management and the same is stated in the Corporate Governance Report and the policy has been uploaded on the Company's website at the web link

[http://www.simranfarms.com/pdf/policy/nomination\\_remuneration.pdf](http://www.simranfarms.com/pdf/policy/nomination_remuneration.pdf).

Pursuant to Section 197(14) of the Companies Act, 2013, neither the Managing Director nor Whole Time Director of the company received any remuneration or commission from the subsidiary company.

### **25. PARTICULARS OF EMPLOYEES**

During the year under review, none of the employee of the company is drawing more than ₹ 1,02,00,000/- per annum or ₹ 8,50,000/- per month for the part of the year, therefore Particulars of the Employees as required under Section 197 of Companies Act, 2013 read with Rule 5(2) & Rule 5(3) of Companies (Appointment and Remuneration) Rules, 2014 as amended from time to time are not applicable, during the year under review.

### **Ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year:**

Statement pursuant to Section 197(12) of the Companies Act 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. Further, in compliance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014 as amended by MCA vide its notification dated 30th June, 2016, the name of top ten employees of the Company in terms of remuneration drawn is also given. **(ANNEXURE-III)**

### **26. REPORT ON MANAGEMENT AND DISCUSSION ANALYSIS**

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

### **27. REPORT ON CORPORATE GOVERNANCE**

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on "Corporate Governance Practices" followed by the Company together with a certificate from the Auditors of the Company confirming compliance of the conditions of the Corporate Governance as stipulated under Schedule V is annexed hereto and forms part of the Annual Report.

### **28. DISCLOSURE OF ESTABLISHMENT OF VIGIL MECHANISM /WHISTLE BLOWER POLICY**

As per the requirement of section 177(9) & (10) of the Companies Act, 2013 and Schedule V of SEBI (LODR) Regulations, 2015, the Company has established a Vigil Mechanism called the "Whistle Blower Policy" for directors and employees to report concerns of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. No person has been denied access to the Audit Committee.

The details of the "Whistle Blower Policy" have been uploaded on the Company's website at the web link: [http://www.simranfarms.com/pdf/policy/vigil\\_mechanism.pdf](http://www.simranfarms.com/pdf/policy/vigil_mechanism.pdf).

### **29. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY.**

There are no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company.

### **30. SECRETARIAL AUDIT REPORT**

In terms of Section 204 of the Companies Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, the Company has appointed M/s. Ramesh Chandra Bagdi & Associates, Practicing Company Secretary, Indore (ACS: 11800, CP No. 2871) to undertake the Secretarial Audit of the





Company. The report of the Secretarial Auditors is enclosed as **(ANNEXURE-IV)** and forms an integral part of this Report.

Further, the report is self-explanatory and do not call for any further comments.

### **31. STATUTORY AUDITORS**

Pursuant to the provision of section 139 of the Act and the rules framed thereunder, M/s. Khandelwal Kakani & Co., Chartered Accountants, were appointed as the statutory auditors of the Company from the conclusion of the twenty seventh (27th) Annual General Meeting of the Company held on September 25, 2014 till the conclusion of the thirtieth (30th) Annual General Meeting to be held in the year 2017, subject to ratification of their appointment at every Annual General Meeting held thereafter.

A resolution for appointment of M/s. Khandelwal Kakani & Co., Chartered Accountants, as auditors for the remaining period from the conclusion of the ensuing 29th AGM till the conclusion of the 30th AGM and for fixation of their remuneration for the year 2016-17 is being proposed in the notice of the ensuing AGM for the approval of the members. The Company has received from M/s. Khandelwal Kakani & Co, Chartered Accountant a written consent for ratification of their appointment from the conclusion of the 29th AGM till the conclusion of the 30th AGM and a certificate to the effect that their appointment shall be in accordance with the prescribed conditions and that the firm is not disqualified under the Companies Act, 2013.

### **32. EXPLANATION TO AUDITOR'S REMARKS**

The Auditors in their report have referred to the notes forming part of the Accounts which are self-explanatory and does not contain any qualification, reservation or adverse remark or disclaimer and do not call for any further explanation / clarification by the Board of Directors.

Further there was no fraud in the Company, which was required to report by statutory auditors of the Company under sub-section (12) of section 143 of Companies Act, 2013.

### **33. INTERNAL AUDITOR**

The company has appointed Ms. Tanu Parmar as Internal Auditor of the company and takes her suggestions and recommendations to improve and strengthen the internal control systems. Her scope of work includes review of operational efficiency, effectiveness of systems & processes, compliances and assessing the internal control strengths in all areas.

The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations including those relating to strengthening of the Company's risk management policies and systems.

### **34. COST AUDIT**

Your company does not falls within the provisions of Section 148 of Companies Act, 2013 read with the Companies (Cost records & Audit) Rules, 2014, as amended from time to time, therefore no such records required to be maintained.

### **35. REVISION OF ANNUAL FINANCIAL STATEMENT**

There was no such case of revision in financial statements during the year under review.

### **36. CODE OF CONDUCT**

The Company has laid down a code of conduct for all Board members and senior management and independent directors of the Company. All the Board members including independent directors and senior management personnel have affirmed compliance with the code of conduct.

The policy on Code of Conduct has been uploaded on the Company's website at the web link [http://www.simranfarms.com/pdf/policy/code\\_of\\_conduct.pdf](http://www.simranfarms.com/pdf/policy/code_of_conduct.pdf).

### **37. STATEMENT INDICATING DEVELOPMENT & IMPLEMENTATION OF RISK MANAGEMENT**

The Board of Directors have adopted risk management policy for the Company which provides for identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company. The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy.

### **38. MATERIAL CHANGES & COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year to which the financial statements relate and the date of this Board's report.

### **39. ENVIRONMENT AND SAFETY**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy required conduct of operations in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

**40. 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 Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress the complaints received regarding sexual harassment. There was no case of sexual harassment reported during the year under review.

The policy on Prevention of Sexual Harassment as approved by the Board of directors has been uploaded on the website of the company at the web link:

[http://www.simranfarms.com/pdf/policy/sexual\\_harassment.pdf](http://www.simranfarms.com/pdf/policy/sexual_harassment.pdf)

**41. LISTING WITH STOCK EXCHANGES**

The Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE), Mumbai, which provides the wider access to the investors nationwide.

The Company has made all the compliances of Listing Agreement and SEBI (LODR) Regulations, 2015 including payment of Annual Listing Fees up to March 31, 2017 to BSE.

**42. BUSINESS RESPONSIBILITY REPORT**

Business responsibility reporting as required by Regulation 34(2) of SEBI (LODR) Regulations, 2015 with stock exchange is not applicable to your company for the financial year ending 31st March 2016.

**43. DEPOSITORY SYSTEM**

Your Company's shares are tradable compulsorily in electronic form and your Company has connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL). In view of the numerous advantage offered by the Depository System, members are requested to avail of the facility of Dematerialization of the Company's shares on either of the Depositories mentioned as aforesaid. The company has paid the Annual Custody Fee to both the Depositories for Financial Year 2016-17.

**44. PREVENTION OF INSIDER TRADING**

In view of the SEBI (Prohibition of Insider Trading) Regulation, 2015 effective from 15<sup>th</sup> May, 2015 the Company had 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.

The Code requires Trading Plan, pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The details of the said code is available on website of the company at the below link:

[http://www.simranfarms.com/pdf/policy/prevention\\_insider\\_trading.pdf](http://www.simranfarms.com/pdf/policy/prevention_insider_trading.pdf)

**45. MD & CFO CERTIFICATION**

The Managing Director and the Chief Financial Officer of the Company have given annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of Listing Regulations. The CEO and CFO Certification of the financial statements and the cash flow statement for the year is obtained and was placed before the Board.

**46. INDUSTRIAL RELATIONS**

Company's Industrial relations continued to be healthy, cordial and harmonious during the period under review.

**47. ACKNOWLEDGEMENTS**

The Board of Directors wish to place on record its sincere appreciation for the support and co-operation received from all its stakeholders including customers, promoters, shareholders, bankers, suppliers, various departments/agencies of State and Central Government and business associates of the Company.

Your Board recognizes and appreciates the contribution made by all employees at all levels that ensures sustained performance in challenging environment.

**For and on behalf of the Board of Directors**

Date : 11.08.2016  
Place: Indore

**Harender Singh Bhatia**  
Chairman & Managing Director  
(DIN: 00509426)

**Gurdeep Singh Bhatia**  
Director  
(DIN: 00401929)

**ANNEXURE-I****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2016**

**(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014)**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L01222MP1984PLC002627
2.	Registration Date	26-10-1984
3.	Name of the Company	SIMRAN FARMS LIMITED
4.	Category/Sub-category of the Company	Public Company Limited By Shares/Indian Non-government Company
5.	Address of the Registered office & contact details	1-B, Vikas Rekha Complex, Khatiwala Tank, Indore, Madhya Pradesh, 452001 Tel.: 0731-4255900 Fax: 0731-4255949
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Ankit Consultancy Pvt. Ltd. 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010 Tel.: 0731-4065797, 4065799 Fax:0731-4065798

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

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

S.No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Poultry and Poultry farming	01222	100%

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

S. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	%age of Shares Held	Applicable Sections
1.	Puregene Biotech Limited 1-B, Vikas Rekha Complex, Tower Square, Indore - 452001 (M.P.)	U01222MP1999PLC013303	Subsidiary Company	82.70	2(87)(ii)



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

## (A) CATEGORY-WISE SHARE HOLDING

Category of Share-holders	No. of Shares held at the beginning of the year [As on 1st April-2015]				No. of Shares held at the end of the year [As on 31st March-2016]				%age Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1341600	31550	1373150	36.21	1346600	31550	1378150	36.34	0.13
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	32900	0	32900	0.87	32900	0	32900	0.87	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	1374500	31550	1406050	37.08	1379500	31550	1411050	37.21	0.13
(2) Foreign									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
Total share-holding of Promoter (A)= (A)(1) +(A)(2)	1374500	31550	1406050	37.08	1379500	31550	1411050	37.21	0.13
B. Public Share-holding									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	2100	2100	0.06	0	2100	2100	0.06	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	0	2100	2100	0.06	0	2100	2100	0.06	0



Category of Share-holders	No. of Shares held at the beginning of the year [As on 1st April-2015]				No. of Shares held at the end of the year [As on 31st March-2016]				%age Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	106666	49400	156066	4.12	104426	44900	149326	3.94	-0.18
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual share-holders holding nominal share capital up to ₹1 lakh	827566	617485	1445051	38.11	972997	610585	1583582	41.76	3.65
ii) Individual share-holders holding nominal share capital in excess of ₹ 1 lakh	617732	37900	655632	17.29	473094	37900	510994	13.48	-3.81
c) Others (specify)									
i) NRI & OCB	64184	50500	114684	3.02	82648	50500	133148	3.51	0.49
ii) Clearing Member	12117	0	12117	0.32	1500	0	1500	0.04	-0.28
Sub-total (B)(2):-	1628265	755285	2383550	62.86	1634665	743885	2378550	62.73	-0.13
Total Public share-holding (B)= (B)(1) +(B)(2)	1628265	757385	2385650	62.92	1634665	745985	2380650	62.79	-0.13
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	3002765	788935	3791700	100.00	3014165	777535	3791700	100.00	0.00

**B) SHAREHOLDING OF PROMOTER-**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			%age change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Harender Singh Bhatia (HUF)	251700	6.64	0	251700	6.64	0	0
2	Amarjeet Singh Bhatia (HUF)	195800	5.16	0	195800	5.16	0	0
3	Gurdeep Singh Bhatia (HUF)	136100	3.59	0	136100	3.59	0	0
4	Amarjeet Kaur Bhatia	132900	3.51	0	132900	3.51	0	0
5	Gurmeet Singh Bhatia (HUF)	130600	3.44	0	130600	3.44	0	0
6	Kawaljeet Singh Bhatia	84400	2.23	0	84400	2.23	0	0
7	Gurdeep Singh Bhatia	78300	2.07	0	83300	2.20	0	0.13
8	Dilraj Singh Bhatia (HUF)	72000	1.90	0	72000	1.90	0	0
9	Kawaljeet Singh Bhatia (HUF)	72000	1.90	0	72000	1.90	0	0
10	Gurmeet Singh Bhatia	65100	1.72	0	65100	1.72	0	0
11	Harender Singh Bhatia	61100	1.61	0	61100	1.61	0	0
12	Simran Hatcheries Pvt Ltd.	32900	0.87	0	32900	0.87	0	0
13	Harpal Singh Bhatia	22000	0.58	0	22000	0.58	0	0
14	Sumeet Singh Bhatia	14300	0.38	0	14300	0.38	0	0
15	Mohinder Kaur Bhatia	12900	0.34	0	12900	0.34	0	0
16	Dilraj Singh Bhatia	9600	0.25	0	9600	0.25	0	0
17	Avneet Singh Bhatia	9600	0.25	0	9600	0.25	0	0
18	Gurcharan Singh Kakkad	8600	0.23	0	8600	0.23	0	0
19	Amarjit Singh Bhatia	8100	0.21	0	8100	0.21	0	0
20	Miss Navneet Kaur Bhatia	3650	0.10	0	3650	0.10	0	0
21	Kawaljeet Kaur Bhatia	3000	0.08	0	3000	0.08	0	0
22	Jaspal Kaur Kakkad	1400	0.04	0	1400	0.04	0	0
	<b>TOTAL</b>	<b>1406050</b>	<b>37.08</b>	<b>0</b>	<b>1411050</b>	<b>37.21</b>	<b>0</b>	<b>0.13</b>

**C) CHANGE IN PROMOTERS' SHAREHOLDING (please specify, if there is no change)**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	%age of total shares of the company	No. of Shares	%age of total shares of the company
	At the beginning of the year	1406050	37.08	1406050	37.08
	Increase in Shareholding of Shri Gurdeep Singh Bhatia on 11.03.2016 by 5000 Shares <b>Reason: Purchase</b>	5000	0.13	1411050	37.21
	At the end of the year	<b>1411050</b>	<b>37.21</b>	<b>1411050</b>	<b>37.21</b>

**D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS**

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Top Ten Shareholders Name	Shareholding		Date wise increase/decrease in top ten shareholder	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning/end of the year	% of total shares of the company				No. of Shares	% of total share of the company
01	Porinju V Veliyath	100000	2.64	01.04.2015	-	-	100000	2.64
				10.04.2015	-60000	Transfer	40000	1.05
		40000	1.05		No Change	-	40000	1.05
02	Gandhi Kantheti	40000	1.05	01.04.2015	-	-	-	-
				03.04.2015	-5000	Transfer	35000	0.92
				10.04.2015	-1000	Transfer	34000	0.90
				24.04.2015	-11025	Transfer	22975	0.61
				(OUT OF TOP 10 W.E.F. 24.4.2015)				
03	Adi Lim Bilimoria	27506	0.73	01.04.2015	-	-	27506	0.73
				17.04.2015	5000	Transfer	32506	0.86
				24.04.2015	-200	Transfer	32306	0.85
				01.05.2015	-300	Transfer	32006	0.84
				29.05.2015	-6	Transfer	32000	0.84
				19.06.2015	1860	Transfer	33860	0.89
				26.06.2015	5162	Transfer	39022	1.03
				10.07.2015	1900	Transfer	40922	1.08
				17.07.2015	5000	Transfer	45922	1.21
				21.08.2015	-2000	Transfer	43922	1.16
				28.08.2015	700	Transfer	44622	1.18
				11.09.2015	2025	Transfer	46647	1.23
				09.10.2015	-18105	Transfer	28542	0.75
				30.10.2015	-3000	Transfer	25542	0.67
				(OUT OF TOP 10 W.E.F. 30.10.2015)				



Sr. No.	Top Ten Shareholders Name	Shareholding		Date wise increase/decrease in top ten shareholder	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning/end of the year	% of total shares of the company				No. of Shares	% of total share of the company
				20.11.2015- (JOINED TOP 10 W.E.F. 20.11.2015)			25542	0.67
				31.12.2015	-35	Transfer	25507	0.67
				15.01.2016	-1975	Transfer	23532	0.62
				22.01.2016 (OUT OF TOP 10 W.E.F 22.01.2016)	-7024	Transfer	16508	0.44
04	Keshav Garg	50000	1.32	01.04.2015	-	-	50000	1.32
				30.10.2015	-500	Transfer	49500	1.31
				06.11.2015	-22955	Transfer	26545	0.70
				20.11.2015 (OUT OF TOP 10 W.E.F 20.11.2015)	-3920	Transfer	22625	0.60
05	M/s Kasila Farms Ltd. 31.03.2016	40000	1.05	01.04.2015	-	-	40000	1.05
		40000	1.05		No Change	-	40000	1.05
06	Bhagwan Advani	31600	0.83	01.04.2015	-	-	31600	0.83
				17.04.2015 (OUT OF TOP 10 W.E.F 17.04.2015)	No Change	-	31600	0.83
				24.04.2015 (JOINED TOP 10 W.E.F 24.04.2015)	No Change	-	31600	0.83
	31.03.2016	31600	0.83		No Change	-	31600	0.83
07	Dr. Ramesh Chimanlal Shah	85000	2.24	01.04.2015	-	-	85000	2.24
				17.04.2015	5216	Transfer	90216	2.38
				12.06.2015	7494	Transfer	97710	2.58
				26.06.2015	-741	Transfer	96969	2.56
				24.07.2015	-6969	Transfer	90000	2.37
				14.08.2015	-2000	Transfer	88000	2.32
	31.03.2016	88000	2.32		No Change	-	88000	2.32
08	Kolisetty Venkata Krishna Charan	50350	1.33	01.04.2015	-	-	50350	1.33
				10.04.2015	-150	Transfer	50200	1.32
				24.04.2015	-200	Transfer	50000	1.32
				22.05.2015	-1000	Transfer	49000	1.29
				29.05.2015	-1000	Transfer	48000	1.27
				05.06.2015	-200	Transfer	47800	1.26
				30.06.2015	100	Transfer	47900	1.26
				31.07.2015	200	Transfer	48100	1.27
				14.08.2015	-100	Transfer	48000	1.27
				04.09.2015	50	Transfer	48050	1.27
				11.09.2015	-550	Transfer	47500	1.25
				18.09.2015	-50	Transfer	47450	1.25





Sr. No.	Top Ten Shareholders Name	Shareholding		Date wise increase/decrease in top ten shareholder	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning/end of the year	% of total shares of the company				No. of Shares	% of total share of the company
				25.09.2015	-375	Transfer	47075	1.24
				30.09.2015	25	Transfer	47100	1.24
				09.10.2015	-1100	Transfer	46000	1.21
				23.10.2015	-1500	Transfer	44500	1.17
				30.10.2015	-1000	Transfer	43500	1.15
				13.11.2015	100	Transfer	43600	1.15
				27.11.2015	-5600	Transfer	38000	1.00
				04.12.2015	-150	Transfer	37850	1.00
				08.01.2016	-550	Transfer	37300	0.98
				29.01.2016	-405	Transfer	36895	0.97
				12.02.2016	-895	Transfer	36000	0.95
				11.03.2016	200	Transfer	36200	0.95
	31.03.2016	36200	0.95		No Change	-	36200	0.95
09	Sonia Gulati	50160	1.32	01.04.2015	-	-	50160	1.32
	31.03.2016	50160	1.32		No Change	-	50160	1.32
10	Sundararajan Syamsundar	50001	1.32	01.04.2015	-	-	50001	1.32
				10.04.2015	10	Transfer	50011	1.32
				17.04.2015	05	Transfer	50016	1.32
				08.05.2015	1249	Transfer	51265	1.35
				15.05.2015	90	Transfer	51355	1.35
				12.06.2015	1291	Transfer	52646	1.39
				19.06.2015	2550	Transfer	55196	1.46
				26.06.2015	255	Transfer	55451	1.46
				10.07.2015	200	Transfer	55651	1.47
				19.02.2016	35	Transfer	55686	1.47
	31.03.2016	55686	1.47		No Change	-	55686	1.47
11	Varsha Chugh	20000	0.53	11.03.2016 (JOINED TOP 10 W.E.F 11.03.2016)	-	-	20000	0.53
				18.03.2016	17287	Transfer	37287	0.98
	31.03.2016	37287	0.98		No Change	-	37287	0.98
12	Akhil Chandra Dekha	26473	0.70	30.10.2015 (JOINED TOP 10 W.E.F 30.10.2015)	-	-	26473	0.70
				06.11.2015	5210	Transfer	31683	0.84
				27.11.2015	1991	Transfer	33674	0.89
				18.12.2015	64	Transfer	33738	0.89
				25.12.2015	50	Transfer	33788	0.89
				11.03.2016	95	Transfer	33883	0.89
				18.03.2016	208	Transfer	34091	0.90
	31.03.2016	34091	0.90		No Change	-	34091	0.90



Sr. No.	Top Ten Shareholders Name	Shareholding		Date wise increase/decrease in top ten shareholder	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning/end of the year	% of total shares of the company				No. of Shares	% of total share of the company
13	Rajneesh Jhawar	37750	1.00	17.04.2015 (JOINED TOP 10 W.E.F 17.04.2015)	-	-	37750	1.00
				24.04.2015	22250	Transfer	60000	1.58
				01.05.2015	8000	Transfer	68000	1.79
				08.05.2015	8000	Transfer	76000	2.00
				05.06.2015	5000	Transfer	81000	2.14
				04.03.2016	-18639	Transfer	62361	1.64
				11.03.2016	-31361	Transfer	31000	0.82
				18.03.2016	-31000	Transfer	0	0.00
				(OUT OF TOP 10 W.E.F. 18.03.2016)				
14	Sumita Chugh	20337	0.54	22.01.2016 (JOINED TOP 10 W.E.F. 22.01.2016)	-	-	20337	0.54
				11.03.2016 (OUT OF TOP 10 W.E.F. 11.03.2016)	-20337	Transfer	0	0.00
15	Satyanarayan Balmukund Jhanwar	20120	0.53	18.03.2016 (JOINED TOP 10 W.E.F 18.03.2016)	-	-	20120	0.53
	31.03.2016	20120	0.53		No Change	-	20120	0.53

**E) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	%age of total shares of the company	No. of Shares	%age of total shares of the company
01	<b>Harender Singh Bhatia (Managing Director)</b>				
	At the beginning of the year	61100	1.61	61100	1.61
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc).	0	0	61100	1.61
	<b>At the End of the year</b>	<b>61100</b>	<b>1.61</b>	<b>61100</b>	<b>1.61</b>



Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
02	Kawaljeet Singh Bhatia (Whole Time Director)	No. of Shares	%age of total shares of the company	No. of Shares	%age of total shares of the company
	At the beginning of the year	84400	2.23	84400	2.23
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc).	0	0	84400	2.23
	<b>At the End of the year</b>	<b>84400</b>	<b>2.23</b>	<b>84400</b>	<b>2.23</b>

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
03	Gurdeep Singh Bhatia (Director)	No. of Shares	%age of total shares of the company	No. of Shares	%age of total shares of the company
	At the beginning of the year	78300	2.07	78300	2.07
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc).	-	-	-	-
	11.03.2016 (Reason : Purchase)	5000	0.13	83300	2.20
	<b>At the End of the year</b>	<b>83300</b>	<b>2.20</b>	<b>83300</b>	<b>2.20</b>

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
04	Surendra Singh (Independent Director)	No. of Shares	%age of total shares of the company	No. of Shares	%age of total shares of the company
	At the beginning of the year	1400	0.04	1400	0.04
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc).	-	-	-	-
	08.05.2015 (Reason : Sale)	-300	0	1100	0.03
	10.07.2015 (Reason : Sale)	-300	0.00	800	0.02
	19.02.2016 (Reason : Purchase)	111	0.00	911	0.02
	11.03.2016 (Reason : Purchase)	489	0.00	1400	0.04
	<b>At the End of the year</b>	<b>1400</b>	<b>0.04</b>	<b>1400</b>	<b>0.04</b>



Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	%age of total shares of the company	No. of Shares	%age of total shares of the company
05	<b>Harbhajan Singh Khanuja (Independent Director)</b>				
	At the beginning of the year	100	0.00	100	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc).	0	0	100	0.00
	<b>At the End of the year</b>	<b>100</b>	<b>0.00</b>	<b>100</b>	<b>0.00</b>

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	%age of total shares of the company	No. of Shares	%age of total shares of the company
06	<b>Jasmeet Kaur Bhatia (Independent Director)</b>				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc).	0	0	0	0
	<b>At the End of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	%age of total shares of the company	No. of Shares	%age of total shares of the company
07	<b>Mahesh Patidar (Chief Financial Officer)</b>				
	At the beginning of the year	12	0.00	12	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	12.06.2015 <b>(Reason : Transfer)</b>	-02	0.00	10	0.00
	<b>At the End of the year</b>	<b>10</b>	<b>0.00</b>	<b>10</b>	<b>0.00</b>



Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	%age of total shares of the company	No. of Shares	%age of total shares of the company
08	Tanu Parmar (Company Secretary)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	0	0.00	0	0.00

**V) INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2271.88	593.08	-	2864.96
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2271.88	593.08	-	2864.96
Change in Indebtedness during the financial year				
* Addition	2321.03	0.0	-	2321.03
* Reduction	161.13	248.45	-	409.58
Net Change	2159.90	(248.45)	-	1911.45
Indebtedness at the end of the financial year				
i) Principal Amount	4431.78	344.63	-	4776.41
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4431.78	344.63	-	4776.41

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****(A) Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WT/ Manager		Total Amount
		Shri Harender Singh Bhatia	Shri Kawaljeet Singh Bhatia	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	30,00,000/-	24,00,000/-	54,00,000/-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Stock Equity	-	-	-
4	Commission - as % of profit	-	-	-
5	Others, Allowances	-	-	-
6	Overall Ceiling as per the Act	30,00,000/-	30,00,000/-	60,00,000/-

**(B) Remuneration to other directors**

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri Harbhajan Singh Khanuja (ID)	Dr. Surendra Singh (ID)	Smt. Jasmeet Kaur Bhatia (ID)	Shri Gurdeep Singh Bhatia (NED)	
1	Independent Directors * Fee for attending board/ committee meetings * Commission * Others, please specify Total (1)	<p><i>During the year under review, no remuneration/sitting fees/commission is paid to the Independent directors &amp; other non-executive directors.</i></p>				
2	Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify Total (2) Total (B)=(1+2) Total Managerial Remuneration Overall Ceiling as per the Act					

**(C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Mahesh Patidar (CFO)	Ms. Tanu Parmar (CS)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 535,116/-	₹ 185,993/-	₹ 721,109/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
5	Others, please specify	-	-	-
	Total	₹ 535,116/-	₹ 185,993/-	₹ 721,109/-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : Nil****ANNEXURE II (Form AOC-1)**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part "A": Subsidiaries**

Sr.No.	Particulars	Details (Amounts in Lacs)
1	Name of the subsidiary	Puregene Biotech Limited
2	The date since when subsidiary was acquired	13.07.2002
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	(01.04.2015 to 31.03.2016) Same as Holding Company
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA (There is no foreign subsidiary)
5	Share capital	144.67
6	Reserves & surplus	39.75
7	Total assets	193.85
8	Total Liabilities	9.43
9	Investments	0.00
10	Turnover	54.00
11	Profit/(Loss) before taxation	16.19
12	Provision for taxation	5.96
13	Profit after taxation	10.23
14	Proposed Dividend	0.00
15	Extent of shareholding (in percentage)	82.70

**Part "B": Associates and Joint Ventures**

(Not Applicable to the company as company neither has any associate company nor it has entered into any joint venture with any entity)

**FOR KHANDELWAL KAKANI & CO.**  
Chartered Accountants

**CA. SANTOSH DESHMUKH**  
PARTNER  
(M.No. 071011)

Place : Indore  
Date : 30th May 2016

**H.S. Bhatia**  
Managing Director  
DIN 00509426

**Mahesh Patidar**  
Chief Financial Officer

**G.S. Bhatia**  
Director  
DIN 00401929

**Tanu Parmar**  
Company Secretary  
(M.No. 34769)

**ANNEXURE-III**

[Statement pursuant to Section 197(12) of the Companies Act 2013 and rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- (I) The Ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the financial year:

Sr. No.	Name of Executive Directors	Ratio of remuneration of Director to median remuneration of employees	
		2015-16	2014-15
1	Harender Singh Bhatia	36.08	35.71
2	Kawaljeet Singh Bhatia	28.86	28.57

- (II) The percentage increase in the remuneration of each Director, CFO & Company Secretary in the financial year 2015-16 is as follows:

(Amount in ₹)

Sr.No.	Name of Person	Designation	% Increase in Remuneration
1	Harender Singh Bhatia	Managing Director	The remuneration to MD and WTD was not increased in the said financial year. Further, %age Increase in Remuneration of Non-Executive Non-independent Director and Non-executive Independent Director doesn't apply as no remuneration is paid to them
2	Kawaljeet Singh Bhatia	Whole-time Director	
3	Gurdeep Singh Bhatia	Non-executive Non-Independent Director	
4	Harbhajan Singh Khanuja	Non-executive Independent Director	
5	Surendra Singh	Non-executive Independent Director	
6	Jasmeet Kaur Bhatia	Non-executive Independent Director	
7	Mahesh Patidar	Chief Financial Officer	72.58
8	Tanu Parmar	Company Secretary	10.71

- (III) The Percentage increase in the median remuneration of all employees in the financial year:

Median Remuneration of Employees	Median Remuneration of Employees	Percentage Increase in the median remuneration of all employees in the Financial Year
In the beginning of the year	At the end of the year	-1.00%
84000	83160	

- (IV) The Number of permanent employees on the rolls of the Company:

Particulars	As on 31st March 2016	As on 31st March 2015
Number of permanent employees on the rolls of the company	629	649

- (V) 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

The average increase in salary/wages of the employees (other than managerial personnel) was around 1% whereas remuneration to Managerial personnel remained same during the year.

- (VI) The key parameters for any variable component of remuneration availed by the directors: Not applicable

- (VII) Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per remuneration policy of the Company.





(VIII) Pursuant to amendment made in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by MCA vide its notification dated 30th June, 2016, the details of top ten employees of the Company in terms of remuneration drawn during the year 2015-16 is as given hereunder:

Serial No.	1	2	3
Name	Shri Harender Singh Bhatia	Shri Kawaljeet Singh Bhatia	Gurmeet Singh Bhatia
Designation	Chairman & Director	Whole-time Director & Managing Director (Production)	Vice President (Marketing)
Remuneration received	₹ 30,00,000/-	₹ 24,00,000/-	₹ 24,00,000/-
Nature of Employment, whether contractual or otherwise	Permanent & Salaried	Permanent & Salaried	Permanent & Salaried
Qualification	B.Sc. & Masters in Arts	B.Sc. and Masters in International Business	B.Com
Experience	35 years rich experience in Poultry Industry	20 years of vast experience in poultry Industry	18 years experience in poultry business
Age	63 years	43 years	40 years
Date of Commencement of Employment	26.10.1984	01.04.2002	01.04.2007
Last employment held by the employee before joining the company	1st employment	1st employment	Singh Hatcheries (HUF of his father)
%age of equity shares as per Rules 5(2)(iii) of Companies (App. & Remuneration of Managerial Personnel) Rules, 2014	Not Applicable	Not Applicable	Not Applicable
Relation with any director or manager of the Company	Brother of Shri Gurdeep Singh Bhatia	None	Son of Shri Gurdeep Singh Bhatia

Serial No.	4	5	6
Name	Sanjay Choudhary	Avneet Singh Bhatia	Datta Sampat Padol
Designation	General Manager	Vice President (Operations)	Deputy General Manager
Remuneration received	₹ 20,51,203/-	₹ 15,00,000/-	₹. 12,77,029/-
Nature of Employment, whether contractual or otherwise	Permanent & Salaried	Permanent & Salaried	Permanent & Salaried
Qualification	M.V.SC (Nutrition)	Post Graduate & Certificate in Business Management	B.V.Sc & A.H.
Experience	27 years in poultry field	7 years in poultry business	15 years in poultry business
Age	21 years	31 years	37 years
Date of Commencement of Employment	01.04.2010	01.04.2009	18.07.2012
Last employment held by the employee before joining the company	General Manager in C & M Farming Pvt. Ltd.	1st employment	Manager in CP India Pvt. Ltd.
%age of equity shares as per Rules 5(2)(iii) of Companies (App. & Remuneration of Managerial Personnel) Rules, 2014	Not Applicable	Not Applicable	Not Applicable
Relation with any director or manager of the Company	None	None	None



Serial No.	7	8
Name	Sanjan Patel	Munikant Rawat
Designation	Deputy General Manager	Chief Production Manager
Remuneration received	₹ 11,88,767/-	₹ 10,00,500/-
Nature of Employment, whether contractual or otherwise	Permanent & Salaried	Permanent & Salaried
Qualification	B.V.Sc. & A.H.	Post Graduate
Experience	17 years in poultry production	37 years in Hatchery Management
Age	42 years	59 years
Date of Commencement of Employment	01.04.2010	01.04.2013
Last employment held by the employee before joining the company	Zonal Sales Manager in Simran Hatcheries	Hatchery Manager in Venkateshwara Hatcheries Private Limited
%age of equity shares as per Rules 5(2)(iii) of Companies (App. & Remuneration of Managerial Personnel) Rules, 2014	Not Applicable	Not Applicable
Relation with any director or manager of the Company	None	None

Serial No.	9	10
Name	Prakash Pillay	K. Pandiselvam
Designation	Zonal Sales Manager	Branch Manager (Integration)
Remuneration received	₹ 8,30,209/-	₹ 7,07,212/-
Nature of Employment, whether contractual or otherwise	Permanent & Salaried	Permanent & Salaried
Qualification	M.Com.	M.A
Experience	23 years in poultry production	17 yrs. in poultry business
Age	58 years	48 years
Date of Commencement of Employment	01.04.2010	15.02.2006
Last employment held by the employee before joining the company	Zonal Sales Manager in Singh Hatcheries	Manager in Venkateshwara Hatcheries Private Limited
%age of equity shares as per Rules 5(2)(iii) of Companies (App. & Remuneration of Managerial Personnel) Rules, 2014	Not Applicable	Not Applicable
Relation with any director or manager of the Company	None	None



## ANNEXURE - IV SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended on 31st March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**SIMRAN FARMS LIMITED**  
CIN: L01222MP1984PLC002627  
**Registered Office:**  
1-B, Vikas Rekha Complex,  
Khatiwala Tank,  
Indore (M.P.)-452001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Simran Farms Limited** (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 Company's 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 March, 2016** 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 **Simran Farms Limited** for the financial year ended on 31 March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under. **(not applicable to the company during the audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The erstwhile Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 notified with effect from 15th May, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(not applicable to the company during the audit period);**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(not applicable to the company during the audit period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(not applicable to the company during the audit period);**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(not applicable to the company during the audit period);**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(not applicable to**

***the company during the audit period);***

- (vi) I have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, laws and Regulations to the Company on test check basis. The laws, regulations, directions, orders applicable specifically to the Company as follows:
- a) Environment Protection Act, 1986 and other environmental laws
  - b) Employees Provident Fund and Miscellaneous Provisions Act, 1952

I have also examined compliance with the applicable clauses of the following:

- (i) The Secretarial Standards on Meeting of Board of Directors and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India applicable w.e.f. July 1, 2015.
- (ii) The erstwhile Listing Agreement entered into by the company with Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from December 1, 2015.

I further report that I have not reviewed the applicable financial laws (direct and indirect tax laws), Accounting standard, since the same have been subject to review and audit by the statutory Auditors of the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the 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.

All decisions at Board Meeting and Committee Meeting are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors on Committee of the Board, as the case may be.

**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.

I further report that during the audit period, there were no instances of:

- (i) Public/Rights/Preferential issue of Shares/debentures/ sweat equity.
- (ii) Redemption/buy-back of securities.
- (iii) Merger/ amalgamation/ reconstruction etc.
- (iv) Foreign technical collaborations.

**For Ramesh Chandra Bagdi & Associates  
Company Secretaries**

**Ramesh Chandra Bagdi  
Proprietor  
ACS: 11800. C P No 2871**

Place: Indore  
Dated: 11th August, 2016

Note: This report is to be read with our letter of even date which is annexed as Annexure herewith and forms and integral part of this report.



**ANNEXURE TO  
Secretarial Audit Report**

To

The Members

**SIMRAN FARMS LIMITED**

CIN: L01222MP1984PLC002627

**Registered Office:**

1-B, Vikas Rekha Complex,

Khatiwala Tank,

Indore (M.P.)-452001

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 the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
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.

**For, Ramesh Chandra Bagdi & Associates  
Company Secretaries**

**Ramesh Chandra Bagdi**

**Proprietor**

**ACS: 11800. C P No 2871**

Place: Indore

Dated: 11th August, 2016



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **1. INDUSTRY STRUCTURE AND DEVELOPMENTS**

The structure of India's poultry industry varies from region to region. While independent and relatively small-scale producers account for the bulk of production, integrated large-scale producers do account for a growing share of output in some regions. Integrators include large regional firms that incorporate all aspects of production, including the raising of grandparent and parent flocks, contracting production, compounding feed, providing veterinary services, and wholesaling. Further, Indian Gross Domestic Product (GDP) is expected to grow at 7-7.75 per cent in FY 2016-17 as against 7.60% during the year 2015-16 despite the uncertainties in the global market. Recent indicators from the global economy have been positive; hence the outlook for the current year for poultry industry looks to be optimistic in the expectation of higher economic growth. Further, initiatives like Make in India and Digital India will play a vital role in driving the Indian Economy.

### **2. INDUSTRY OUTLOOK**

Poultry is the most organized sector in animal agriculture worth Rupees one lakh crores. The growth is 6-8% in layers and 10-12% in broilers per year against the growth of agriculture as a whole which is around 2.5%. India is the third-largest egg producer and the fourth largest chicken producer in the world. The vast gap between our present per capita consumption (68 eggs and 2.50 kg of chicken) and National Institute of Nutrition (NIN) recommended level (180 eggs and 11kg of chicken) offers and excellent opportunity for the growth of poultry industry. There is scope for enhancing the production and move ahead of consumption resulting in optimum prices and with good profits. Poultry sector in India has been extremely beneficial for the common masses and has also contributed to earning foreign exchange through exports.

It is expected that the coming years offer a well-framed picture of poultry industry dynamics, which are essential to get a grasp of the market nerve.

### **3. OPPORTUNITIES, THREATS, RISKS AND CONCERNS**

The Poultry Industry in India has made rapid progress in the last three decades. Its development has not only been in size but also in productivity, technology up-gradation, and quality of its products. The Indian Poultry Industry provides direct and indirect employment to about 5-6 million people especially in much needed Rural India, and contributes to about INR 29000 Crores to the National GDP.

However, the industry faces various key challenges threats and weaknesses such as lack of adequate cold storage facilities and retail infrastructure at key locations, poor power and transport infrastructure, competitive local prices etc. Higher volatile behavior of feed ingredients prices is also one of the concerns of the poultry industry. Also, the consumption of poultry and other meats is adversely affected during religious festivals leading to significant drop in demand.

### **4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has a comprehensive system of internal control to safeguard the Company's assets against the loss from unauthorized use and ensure proper authorization of financial transactions. The Company also has internal control systems which commensurate with the size and nature of the business. The Company takes abundant care in designing, reviewing and monitoring regularly the working of internal control systems and internal control compliances for all important financial internal control processes.

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance with laws and regulations

### **5. HUMAN RESOURCES**

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. The Company considers Human Resource as its one of the most valuable resource. The focus is on developing a performance culture with high standards of efficiency and innovation. The Company is committed to nurturing, enhancing and retaining best talent through proper training & organizational development. The Company continues to have cordial relations with its employees and provide personnel development opportunities for all round exposure to them.

### **6. FINANCIAL AND OPERATIONAL PERFORMANCE**

Financial and Operational performance forms part of the Annual Report and is presented elsewhere in the report.

### **7. SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE**

The company performs in one segment only i.e. poultry and poultry farming. Company also deals in one product only i.e. broilers. Hence no information is reportable under this head.

### **8. DISCLOSURE OF ACCOUNTING TREATMENT**

The Company has complied all the requirement of Accounting standard applicable to the company and during the year company has not changed any accounting policies.

### **9. CAUTIONARY STATEMENT**

*Some of the Statements in Management discussion and Analysis describing company's objective may be "forward looking statement" within the meaning of applicable Securities law and Regulations. Actual results may differ substantially or materially from those expressed or implied. Important factors that could influence companies operation include various global and domestic economic factors.*



## **REPORT ON CORPORATE GOVERNANCE**

Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“**Listing Regulations**”], the Directors present a report on Corporate Governance practices mentioned in the said Regulations and as followed by the Company:

### **I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company recognizes the importance of good Corporate Governance which is a tool for building a strong and everlasting beneficial relationship with the customers, suppliers, bankers and more importantly with the investors. The Company believes that its key decisions must serve the underlying goals of enhancing shareholder's value over a sustained period of time and achieving the definite and measurable performance targets. For this purpose, the Company continues to focus on the fiduciary and trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.

The Company's governance framework is based on various principles such as appropriate composition and size of the Board wherein each member brings expertise in his respective field, timely disclosure of material operational and financial information to the stakeholders, proper business conduct by the Board, Senior Management and Employees in order to maintain value of transparency, customer satisfaction, integrity, professionalism and accountability. The Company continuously endeavors to create and adhere to ethical business practices, integrity and regulatory compliances. The Company's philosophy on corporate governance is guided by the company's philosophy of knowledge, action and care. The Company has complied with all the requirements of listing regulation and listed below is the status with regard to same.

### **II. BOARD OF DIRECTORS:**

- (i) The Company is fully compliant with the Corporate Governance norms in the terms of constitution of the Board of Directors (“the Board”). As on March 31, 2016 the Company had 6 (six) directors is given in the table below. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act, 2013.
- (ii) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.
- (iii) The Board of your Company comprises of 6 (Six) Directors as on 31st March, 2016. The names and categories of Directors, the number of Directorships and Committee positions held by them in the companies are given below. None of the Director is a Director in more than 10 public limited companies (as specified in section 165 of the Act) or acts as an Independent Director in more than 7 listed companies or 3 listed companies in case he/she serves as a Whole-time Director in any listed company (as specified in Regulation 25 of the Listing Regulations). Further, none of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees (as specified in Regulation 26 of the Listing Regulations), across all the Indian public limited companies in which he/she is a Director. The Board does not have any nominee director representing any institution.

#### **A) Composition and Categories of Directors**

Name of Director	Category	No. of Board Meetings Attended	Date of joining the Board	Whether Attended Last AGM held on 24.09.2015	No. of directorship (including this Company)		No. of committee membership positions (including this Company)	
					Chairman	Member	Chairman	Member
Mr. Harender Singh Bhatia (Din:00509426)	Promoter & MD	4	26.10.1984	Yes	1	1	Nil	Nil
Mr. Kawaljeet Singh Bhatia (Din:00401827)	WTD	4	01.04.2002	Yes	Nil	1	Nil	Nil
Mr. Gurdeep Singh Bhatia (Din:00401929)	NED	4	10.11.1988	Yes	Nil	1	Nil	Nil
Mr. Harbhajan Singh Khanuja (Din:03614872)	ID, NED	4	13.08.2012	Yes	Nil	1	3	3
Dr. Surendra Singh (Din:00645965)	ID, NED	2	01.04.1994	Yes	Nil	1	Nil	3
Mrs Jasmeet Kaur Bhatia (DIN:06949992)	ID, NED	4	14.08.2014	No	Nil	1	Nil	3





WTD= Whole Time Director, ID = Independent Director, NED= Non Executive Director

- Directorship excludes Private Limited Companies, Foreign Companies and Companies Registered under section 8 of the Companies Act 2013.
- Committee considered as Audit Committee and Stakeholders Relationship Committee, including that of your Company. Committee membership(s) and Chairmanship(s) are counted separately.

#### B) Meeting of the Board

The necessary quorum remained present in all the meetings. Leave of absence was granted to the concerned directors who could not attend the respective Board Meeting. In Financial year 2015-16, 4 (Four) Board Meetings were held and the gap between two meetings did not exceed 120 days. The Board met once in every calendar quarter. The dates on which the said Meetings were held are as follows:

29.05.2015	14.08.2015	14.11.2015	11.02.2016
------------	------------	------------	------------

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

#### C) Board Procedure:

A detailed Agenda, setting out the business to be transacted at the meeting(s), supported by detailed notes is sent to each Director at least seven days before the date of the Board Meeting(s) and of the Committee Meeting(s).

The Board also, inter alia, periodically reviews strategy and business plans, annual operating and capital expenditure budget(s), investment and exposure limit(s), compliance report(s) of all laws applicable to your Company, as well as steps taken by your Company to rectify instances of non compliances, review of major legal issues, minutes of the Committees of the Board, approval of quarterly/half-yearly/annual results, transactions pertaining to purchase/disposal of property(ies), major accounting provisions and write-offs, material default in financial obligations, if any and information on recruitment of Senior Officers just below the Board level etc.

The Board sets annual performance objectives, oversees the actions and results of the management, evaluates its own performance, performance of its Committees and individual Directors on an annual basis and monitors the effectiveness of the Company's governance practices for enhancing the stakeholders' value.

Apart from Board members and the Company Secretary, the Board and Committee Meetings are generally also attended by the Chief Financial Officer and wherever required the Heads of various corporate functions.

#### D) Inter-se Relationship among directors:

Mr. Harender Singh Bhatia and Mr. Gurdeep Singh Bhatia are brothers and Mr. Kawaljeet Singh Bhatia is the brother's son of Mr. Harender Singh Bhatia and Mr. Gurdeep Singh Bhatia. Except this, there is no inter-se relationship among the directors.

#### E) Equity shareholding of Non-Executive Director:

The Number of equity shares held by Non-Executive Directors as on 31.03.2016 was as under:

S.No.	Name of Director	No. of shares
1	Mr. Gurdeep Singh Bhatia (Din:00401929)	83300
2	Dr. Surendra Singh (Din:00645965)	1400
3	Mr. Harbhajan Singh Khanuja (Din:03614872)	100
4	Mrs Jasmeet Kaur Bhatia (DIN:06949992)	Nil

#### F) The details of Familiarisation Programmes imparted to Independent Directors:

##### Brief Terms of reference

Pursuant to Regulation 25(7) of the Listing Regulations, the Company imparted various familiarisation programmes for its Directors including visit to Company's office, industry outlook at the Board Meetings, regulatory updates at Board and Audit Committee Meetings, Presentations on Internal Control over Financial Reporting, Operational Control over Financial Reporting, Prevention of Insider Trading Regulations, SEBI Listing Regulations, Framework for Related Party Transactions, etc. Pursuant to Regulation 46 the details required are available on the website of your Company at the web link: [http://www.simranfarms.com/pdf/policy/familiarization\\_programme\\_for\\_independent\\_directors.pdf](http://www.simranfarms.com/pdf/policy/familiarization_programme_for_independent_directors.pdf)



**G) Independent Directors Meeting**

Pursuant to the Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and schedule IV of the Companies Act, 2013, the Independent Directors of the Company shall hold at least one meeting in a year without attendance of non-independent directors and members of the Management. Accordingly, independent directors of the Company met on 16th March, 2016 to consider the following business as required under Regulation 25(4) of Listing Regulations and the Companies Act, 2013:-

- Review the performance of Non-Independent Directors and the Board of Directors as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors and;
- Assess the quality, quantity and timelines of flow of information between the company's management and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.

Attendance of Independent Directors meeting:

Directors	Meetings held during the Year	Meetings Attended
Mr. Harbhajan Singh Khanuja (Din:03614872)	1	1
Dr. Surendra Singh (Din:00645965)	1	1
Mrs Jasmeet Kaur Bhatia (DIN:06949992)	1	1

**III. AUDIT COMMITTEE**

The Company has an independent Audit Committee. The Composition, procedure, role/function of the committee complies with the requirements of the Companies Act, 2013 as well as those of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**A) Composition and Attendance of Members at the meeting of Committee held during 2015-16:**

The composition of the Audit Committee as on 31.03.2016 and attendance record of the members at the meetings held during the year is as under:

Name of the Member	Category	Status	No. of meetings during the financial year 2015-16	
			Held	Attended
Mr. Harbhajan Singh Khanuja (DIN:03614872)	Non-Executive Independent Director	Chairman	4	4
Dr. Surendra Singh (DIN:00645965)	Non-Executive Independent Director	Member	4	2
Mrs. Jasmeet Kaur Bhatia (DIN:06949992)	Non-Executive Independent Director	Member	4	4

**B) Meetings of Audit Committee:**

During the year under review, the committee met on four occasions during the year on following dates namely:

29.05.2015	14.08.2015	14.11.2015	11.02.2016
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In pursuance of Regulation 18 of Listing Regulations,

- The representatives of statutory and internal auditors of the company are also invited in the audit committee meetings.
- The gap between two audit committee meetings was not more than 120 days.
- The Chairman of the Audit Committee, Mr. Harbhajan Singh Khanuja was present at the 28th Annual General Meeting of the Company held on 24th September, 2015 to answer shareholders' queries.

**C) Terms of Reference:**

The terms of reference of the Audit Committee are as under:

- Oversight the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;



- Recommendation the appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with management, the annual financial statement and auditor's report thereon before submission to the Board for approval, with particular reference to and auditor's report thereon:
  - a. Matters required to be included in the Directors responsibility statement to be included in the board's report as per Section 134(3)(c) of the Companies Act, 2013.
  - b. Changes in the Accounting policies and practices and the reasons for the same, if any
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
- f. Modified opinion in the draft audit report
- Reviewing with the management the quarterly financial statements before submission to the Board for approval;.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Scrutiny of inter-corporate loans and investments;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositories, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate
- Undertake such other functions as may be entrusted to it by the Board from time to time.

**D) The Audit Committee mandatorily reviews the following information:**

- (1) Management Discussion and Analysis of financial condition and results of operations;
- (2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) Management letters/letters of internal control weaknesses issued by the statutory auditors;
- (4) Internal audit reports relating to internal control weaknesses; and
- (5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

**IV. NOMINATION AND REMUNERATION COMMITTEE:**

Pursuant to Regulation 19 of Listing Regulation and Section 178 of the Act, the Board has constituted Nomination and Remuneration Committee. The constitution and terms of reference are in compliance with the provisions of Companies Act, 2013 and the Listing Regulations.

**A) Composition and Attendance of Members at the meeting of Committee held during 2015-16:**

The Composition of Committee as on 31.03.2016 and attendance record of the members at the meetings held during the year was as under:



Name of the Member	Category	Status	No. of meetings during the financial year 2015-16	
			Held	Attended
Mr. Harbhajan Singh Khanuja (DIN:03614872)	Non-Executive Independent Director	Chairman	2	2
Dr. Surendra Singh (DIN:00645965)	Non-Executive Independent Director	Member	2	1
Mrs. Jasmeet Kaur Bhatia (DIN:06949992)	Non-Executive Independent Director	Member	2	2

**B) Meetings of the Committee:**

During the year, the committee met on 2 (two) occasions during the year on following dates namely:

29.05.2015	14.11.2015
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As per section 178(7) of the Act and Secretarial Standards, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meeting of the Company. The Chairman of the Nomination and Remuneration Committee Mr. Harbhajan Singh Khanuja was present at the 28th Annual General Meeting of the Company held on 24th September, 2015 to answer shareholders' queries.

**C) Terms of Reference:**

- To formulate a criteria for determining qualifications, positive attributes and independence and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- To formulate a criteria for evaluation of performance of independent directors and the board of directors
- Devising a policy on diversity of board of directors;
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board the appointment and removal of Directors and Senior Management personnel.
- To decide and recommend whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

**D) Performance evaluation criteria for Independent Directors and Board of Directors**

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of Listing Regulations the Nomination and Remuneration Committee formulated evaluation criteria for performance evaluation of Independent Director and Board of Directors which is as below:

**A. INDEPENDENT DIRECTORS:**

The roles, duties and responsibilities will be those normally required of a Non-executive Independent Director under the Companies Act, 2013 and the Listing Regulations. Performance Evaluation of the independent director shall be based on the following criteria herein below:

- In terms of Section 166 of the Companies Act, 2013, the Independent Directors shall act in accordance with the Company's Articles of Association.
- They shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company and in the best interests its employees, the shareholders, the community and for the protection of environment.
- They shall exercise their duties with due and reasonable care, skill and diligence.
- They shall not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- They shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
- They shall not assign their office as Director and any assignments and if so made shall be void.
- They shall also abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013, and duties of directors as provided in the said Act and Listing Regulations.



## B. BOARD OF DIRECTORS:

Performance evaluation of each of the director of the Board shall be based on the criteria mentioned herein below:

- The Board shall fulfill its responsibilities and obligation in respect of Attendance and participations in the Meetings and expert opinions in respect of the serious issues.
- The strategies formulated and successfully implemented by the Board.
- Various Directions provided in the best interest of the Company on key issues.
- Performance of the Company on the Stock Exchanges.
- Financial Performance of the Company.
- Avoidance of High Financial Risk while executing the functions and duties
- Avoidance from any other high risk.
- Review of Detailed Compliances applicable under the various Laws, Rules & Regulations.
- Reviewing whether the Business is running legally or not.
- Provision for Additional or Alternate Directors.
- Strategy to resolve the conflict of interest in other Directors.
- Strategy to resolve the conflict of interest in other Employees.
- Control on Financial Dealings.
- Control on internal Operational Activities.
- Initiative to maintaining Corporate Culture, Moral Values, High level of Integrity and High level of Ethic in the Company.
- Functioning of Duties and Responsibilities as per the Code of Conduct for Directors and Senior Management.
- Abidance and behavior in accordance with Code of Conduct for Directors.
- Communication skills and quick responsiveness.

## V. REMUNERATION OF DIRECTORS

### A) Remuneration paid to Directors:

Remuneration paid or payable to Directors during the year 2015-16.

Name of Director	Sitting Fees	Commission on Profit	Salary & Allowance	Contribution to PF	Perquisites	Total
Mr. Harender Singh Bhatia (Managing Director) DIN: 00509426	---	---	3000000	---	---	3000000
Mr. Kawaljeet Singh Bhatia (Whole-time Director) DIN: 00401827	---	---	2400000	---	---	2400000

- No sitting fees was paid to any Director of the Company during the Financial year.
- The company does not have any service contract with any of its directors.
- The company has not granted any stock option to any of its director/employees.

### B) Nomination and Remuneration Policy

Pursuant to Regulation 20 read with Part D of Schedule II of Listing Regulations and Section 178 of the Act, the Nomination and Remuneration Committee has adopted a Nomination and Remuneration Policy which provides guidance on:

## APPOINTMENT AND REMOVAL OF DIRECTORS, KMP'S AND SENIOR MANAGEMENT

### • APPOINTMENT CRITERIA AND QUALIFICATIONS:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this

position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **TERM/TENURE:**

1. **Managing Director/Whole-time Director/Manager (Managerial Person):**

- The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. **Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director served is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

#### **PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSONNEL, KMP AND SENIOR MANAGEMENT**

- **GENERAL:**

1. The remuneration/compensation/commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
3. Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration

- **REMUNERATION TO MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT:**

1. **Fixed Pay:**

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.



### 3. Provisions For Excess Remuneration:

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### • REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR:

#### 1. Remuneration / Commission:

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

#### 2. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

#### 3. Limit of Remuneration /Commission:

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

#### 4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

### VI. STAKEHOLDERS' RELATIONSHIP COMMITTEE

As required under Section 178(5) of the Companies Act, 2013 ("the Act") read with the provisions of Regulation 20 of Listing Regulations, the Board has in place Stakeholders Relationship Committee to specifically look into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders. The Company is also registered with SCORES, a centralized web based complaints redressal system launched by SEBI and complaints received on SCORES are monitored regularly and resolved from time to time. The constitution and terms of reference are in compliance with the provisions of Companies Act, 2013 and the Listing Regulations.

#### A. Composition and Attendance of Members at the meeting of the Committee:

The Composition of Committee as on 31.03.2016 and attendance record of the members at the meetings held during the year was as under:

Name of the Member	Category	Status	No. of meetings during the financial year 2015-16	
			Held	Attended
Mr. Harbhajan Singh Khanuja (DIN:03614872)	Non-Executive Independent Director	Chairman	4	4
Dr. Surendra Singh (DIN:00645965)	Non-Executive Independent Director	Member	4	2
Mrs. Jasmeet Kaur Bhatia (DIN:06949992)	Non-Executive Independent Director	Member	4	4

#### B. Meetings of the Committee:

During the year the committee met on 4 (four) occasions during the year on following dates namely:

29.05.2015	14.08.2015	14.11.2015	11.02.2016
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As per section 178(7) of the Act and Secretarial Standards, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meeting of the Company. The Chairman of the Stakeholders' Relationship Committee Mr. Harbhajan Singh Khanuja was present at the 28th Annual General Meeting of the Company held on 24th September, 2015 to answer shareholders' queries.

**C. Complaints received during the year**

During the year under review 7 (Seven) complaints were received from shareholders and the same were resolved to the satisfaction of the shareholder and there were no complaints pending unresolved as at the end of the year.

**D. Name, designation and address of Compliance Officer:-**

Ms. Tanu Parmar  
Company Secretary  
1-B, Vikas Rekha Complex  
Khatiwala Tank, Tower Square, Indore - 452001 (M.P.)  
Tele: 0731-4255900-21; Fax No. : 0731-4255949  
Email: compliance@simranfarms.com; Website: www.simranfarms.com

**E. Terms of Reference of the Stakeholders' Relationship Committee include:**

To consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non- receipt of declared dividend.

**VII. GENERAL BODY MEETINGS**

**(a) Location and time of last three Annual General Meetings:**

The last three Annual General Meetings of the Company were held as detailed below:

Financial Year	Date	Time	Venue
26th AGM 2012-13	September 26, 2013	10.00 A.M.	Kings Park Hotel, 1 Vishnupuri Main,, A.B. Road, Bhanwarkua, Indore (M.P.)
27th AGM 2013-14	September 25, 2014	10.00 A.M.	Kings Park Hotel, 1, Vishnupuri Main, A.B. Road, Bhanwarkua, Indore (M.P.)
28th AGM 2014-15	September 24, 2015	10.00 A.M.	Pishori Premises, 910, Khatiwala Tank, Tower Square, Indore (M.P.)

**Extra Ordinary General Meeting:**

No extraordinary general meeting of the members was held during the year 2015-16.

**(b) Special Resolutions passed in last three Annual General Meeting:**

A. The Company has in its **AGM held on September 26, 2013** has passed the following special resolutions:

- Re-appointment of Shri Harender Singh Bhatia, as Managing Director of the Company for the period of 3 years with effect from 1st October, 2013 to 30th September, 2016.
- Re-appointment of Shri Kawaljeet Singh Bhatia, as Executive Director of the Company for the period of 3 years with effect from 1st October, 2013 to 30th September, 2016.
- Appointment of Mr. Avneet Singh Bhatia as Vice President (Operation) with effect from 1st April, 2013, pursuant to the provisions of sections 314 (1B) read with Director's Relative (Office or Place of Profit) Rules, 2011.

B. The Company has in its **AGM held on September 25, 2014** has passed the following special resolutions:

- Creation of mortgage and/or charge on all or any of the movable and/or immovable properties of the company in terms of section 180(1)(a) of the Companies Act, 2013.
- Authority to obtain loans/borrowings under section 180(1)(c) & (2) of the Companies Act, 2013.

C. The Company has in its **AGM held on September 24, 2015** has passed the following special resolutions:

- Adoption of New Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.

**(c) Postal Ballot**

- During the last three years, no resolutions were passed by postal ballot.





- None of the business proposed to be transacted in the ensuing Annual General Meeting require passing of a resolution through Postal Ballot.

#### VIII. MEANS OF COMMUNICATIONS:

Your Company, from time to time and as may be required, communicates with its security-holders and investors through multiple channels of communications such as dissemination of information on the website of the Stock Exchanges, Press Releases, the Annual Reports and uploading relevant information on its website. The website of the Company [www.simranfarms.com](http://www.simranfarms.com) acts as the primary source of information regarding the operations of the Company.

#### A. Quarterly & Yearly Financial Results and New-paper Publication:

The unaudited quarterly results are announced within forty five days of the close of each quarter, other than the last quarter. The audited annual results are announced within sixty days from the end of the financial year as required under the Listing Regulations. The approved financial results are forthwith send to the Stock exchange within the statutory time period from the conclusion of the Board Meeting(s) at which these were considered and approved and also posted on the website of the Company. These results are also published in widely circulated newspapers such as Hindustan Times (English) & Dabang Dunia (Hindi).

#### B. Website of the Company where results and other information is displayed:

The Company's financial results, shareholding patterns and all other corporate communication are displayed on company's website [www.simranfarms.com](http://www.simranfarms.com). The quarterly financial results are not sent individually to the shareholders. Your Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part 'A' and Part 'B' of Schedule III of the Listing Regulations including material information having a bearing on the performance/operations of the Company and other price sensitive information. All information is filed electronically on BSE's online portal – BSE Corporate Compliance & Listing Centre ([www.listing.bseindia.com](http://www.listing.bseindia.com)).

#### IX. GENERAL SHAREHOLDER INFORMATION:

##### (a) General Information:

<b>AGM: Date, time and Venue</b>	Thursday, 22nd September, 2016 at 10.00 A.M. Venue: Pishori Premises, 910, Khatiwala Tank, Tower Square, Indore (M.P.) 452001
<b>Last date for receipt of proxy forms:</b>	20th September, 2016
<b>Financial Year Reporting Calendar: 1st April, 2016 to 31st March, 2017</b> 1st Quarter ending 30th June, 2016 2nd Quarter ending 30th Sept, 2016 3rd Quarter ending 31st Dec, 2016 4th Quarter ending 31st Mar, 2017	Second fortnight 14th Aug. 2016 Second fortnight 14th Nov. 2016 Second fortnight 14th Feb. 2017 Before 30th May 2017
<b>Dividend Payment:</b>	No Dividend was recommended by the Board of Directors for financial year ended March 31, 2016
<b>Annual Book Closure</b>	The annual book closure period is from Saturday, 17th September, 2016 to Thursday 22nd September, 2016 (both days inclusive).
<b>Address of Registered office of the Company</b>	1-B, Vikas Rekha Complex, Khatiwala Tank, Indore (M.P) 452001
<b>Corporate Identity Number (CIN) of the Company:</b>	L01222MP1984PLC002627
<b>Name of the Stock Exchange: Stock Code: ISIN Code on both is NSDL and the CDSL</b>	Bombay Stock Exchange, Mumbai 519566 INE354D01017
<b>Listing Fees</b>	Annual Listing Fees for the year 2016-17 have been paid to Bombay Stock Exchange.
<b>Suspension of Securities</b>	The Securities of the Company were/are not suspended from trading





<b>Registrar and Share Transfer Agent (For physical and demat shares)</b>	"Ankit Consultancy Pvt. Ltd." 60, Electronics Complex, Pardeshipura, Indore - 452010 (M.P.) Tel.:0731-4065797, 4065799, Fax: 0731-4065798 E-mail: ankit_4321@yahoo.com
<b>Share Transfer System:</b>	All the transfer received is processed by the Registrar and Share Transfer Agent.
<b>Dematerialisation of shares &amp; liquidity</b>	30,14,165 shares are dematerialized (as on 31.03.2016) i.e.79.49% of total shares viz.; 37,91,700 equity shares
<b>Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:</b>	The Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments.
<b>Commodity Price Risk or Foreign Exchange Risk and Hedging activities</b>	Your Company does not deal in any commodity and hence is not directly exposed to any commodity price risk. Further, the Company has no foreign exchange exposure; hence hedging is not required.
<b>Address for Shareholders' correspondence:</b>	Simran Farms Limited 1-B, Vikas Rekha Complex, Khatiwala Tank, Indore (M.P.) 452001 Telephone: 91-731-4255900 Fax: 0731-4255949 Designated e-mail address for Investor Services: compliance@simranfarms.com Website: www.simranfarms.com
<b>Others farms of the Company situated at:</b>	<b>SIMRAN FARMS LIMITED (NEW FARM)</b> Khandwa Road; Tehsil:- Mhow, Gram:- Simrol; District:- Indore (M.P.) <b>SIMRAN FARMS LIMITED (OLD FARM)</b> Khandwa Road; Tehsil:- Mhow, Gram:- Simrol; Post:- Simrol District:- Indore (M.P.)
<b>Market Price Data: High/Low/Close During each month in the last Financial Year.</b>	As per attached Table-1
<b>Distribution of shareholding as on 31.03.2016</b>	As per attached Table-2
<b>Relative Performance of Share Price v/s BSE Sensex</b>	As per attached Table-3
<b>Shareholding Pattern as on 31.03.2016</b>	As per attached Table-4

## X. DISCLOSURES

### A) Materially Significant Related Party Transactions & Policy for the same:-

There are no materially significant related party transactions of the company which have potential conflict with the interest of the Company at large. Further, the particulars of transactions between the Company and its related parties in accordance with the accounting standard 18 are set out in Note No. 26 Annual report. These transactions are in the ordinary course of business and on arms lengths basis and are not likely to have any conflict with the interest of the Company.

**B)** There has been no non-compliance by the company and no penalty or strictures imposed on the company by the stock exchange or SEBI or any statutory authority, on any matter related to capital markets during last three years.



### C) Vigil Mechanism Policy

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In order to provide a secure environment and to encourage employees of the Company to report unethical, unlawful or improper practice, acts or activities, the Company has adopted a Vigil Mechanism policy. The reportable matter may be disclosed to the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

### D) Compliance with mandatory / Non-mandatory requirements:

The Company has complied with all applicable mandatory requirements as given under Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Further, pursuant to Regulation 27(1) read with Part E of Schedule II of the Listing Regulations, the following non-mandatory requirements have been adopted by the Company:

- a) During the year under review, there is no audit qualification in your company's standalone financial statements. Your company continues to adopt best practices to ensure regime of unqualified financial statements
- b) The Company has not appointed separate persons to the posts of Chairman and Managing Director or Chief Executive Officer.
- c) The Internal Auditors report directly to the Audit Committee.

### E) Policy for determining 'material' subsidiaries:-

Your Company has formulated a Policy for Determining 'Material' Subsidiaries as defined in Regulation 16 of the Listing Regulations. This Policy has also been posted on the website of the Company and can be accessed through web-link:

<http://simranfarms.com/pdf/policy/Policy%20on%20Material%20Subsidiary.pdf>

### F) Policy on Materiality of and Dealing with Related Party Transactions:

Your Company has formulated a Policy on Materiality of and Dealing with Related Party Transactions which specify the manner of entering into related party transactions. This Policy has also been posted on the website of the Company and can be accessed through web link:

[http://simranfarms.com/pdf/policy/related\\_party\\_transaction\\_policy.pdf](http://simranfarms.com/pdf/policy/related_party_transaction_policy.pdf)

### G) Accounting Standards:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and comply with the Accounting Standards specified under section 133 of the Act.

H) Your Company has complied with all the applicable requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

## XI. RISK MANAGEMENT

The Company is not required to constitute Risk Management Committee. However the company has a well defined risk management framework in place.

## XII. CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

In compliance with the SEBI Regulations on prevention of Insider trading, the Company has adopted a Code of Conduct for its Directors and designated employees. The code lays down guidelines which include procedures to be followed and disclosures to be made while dealing with the shares of the Company.

## XIII. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis is a part of the Annual report and annexed separately.

## XIV. DISCLOSURE REGARDING RE-APPOINTMENT OF DIRECTORS:

Brief resume(s) of the Directors proposed to be appointed / re-appointed are given in the Notice convening the Annual General Meeting in separate annexure.

## XV. SUBSIDIARY COMPANIES

Regulation 16 of the Listing Regulations defines a "material subsidiary" to mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. Under this definition, the Company did not have any unlisted material subsidiary, incorporated in India during the year under review.

The subsidiary of the Company functions independently with an adequately empowered Board of Directors and adequate resources. For more effective governance, the minutes of Board Meetings of subsidiary of the Company are



placed before the Board of Directors of the Company for their review at every quarterly Meeting. The other requirements of Regulation 24 of the Listing Regulations with regard to Corporate Governance requirements for Subsidiary Companies have been complied with.

#### **XVI. TRANSFER OF UNPAID/UNCLAIMED AMOUNT OF DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

Those members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the Company for payment thereof as the same will be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government, pursuant to Section 205 of Companies Act 1956, on the respective dates mentioned below. Intimation in this regard is being sent to the concerned shareholder periodically. Kindly note that after such dates the members will lose their right to claim such dividend.

Financial Year	Date of Declaration	Due date of transfer unpaid dividend to IEPF
2010-11	22.09.2011	21.10.2018
2011-12	27.09.2012	26.10.2019

#### **XVII. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT**

The Company does not have any shares in the demat suspense account/unclaimed suspense account.

#### **XVIII. CODE OF CONDUCT**

The Board of Directors has laid down the Code of Conduct for all the Board Members and members of the senior management. The Code is also placed on the Company's website at the below mentioned web-link – [http://simranfarms.com/pdf/policy/code\\_of\\_conduct.pdf](http://simranfarms.com/pdf/policy/code_of_conduct.pdf). A certificate from the Managing Director, affirming compliance of the said Code by all the Board Members and members of the senior management to whom the Code is applicable, is annexed separately to this report.

Further, the Directors and the Senior Management of the Company has submitted disclosure to the Board that they do not have any material financial and commercial transactions that may have a potential conflict with the interest of the Company at large.

#### **XIX. OTHERS**

- (i) Proceeds from public issues, rights issues, preferential issues, etc.  
Not Applicable.
- (ii) The company has adopted a policy on dissemination of information on the material events to stock exchanges in accordance with the regulation 30 of the SEBI (LODR) Regulations, 2015. The said policy is available on the website of the company at: [http://www.simranfarms.com/pdf/policy/material\\_disclosure.pdf](http://www.simranfarms.com/pdf/policy/material_disclosure.pdf)
- (iii) The company has adopted the policy on preservation of documents in accordance with the regulation 9 of the SEBI (LODR) Regulations, 2015. The documents preservation policy is available on the website of the company at: [http://www.simranfarms.com/pdf/policy/doc\\_preserve.pdf](http://www.simranfarms.com/pdf/policy/doc_preserve.pdf)

#### **XX. MD & CFO CERTIFICATION**

The Managing Director and the Chief Financial Officer of the Company gives annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) read with Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results to the Board in terms of Regulation 33(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **XXI. CERTIFICATE ON CORPORATE GOVERNANCE**

The Company has obtained the certificate from the Auditors of the Company regarding compliance with the conditions of corporate governance laid down in Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Certificate is annexed with this report.

#### **XXII. DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a code of conduct for the Directors, Senior Management and designated employees of the Company. The same is available on website of the Company [www.simranfarms.com](http://www.simranfarms.com).

I Harender Singh Bhatia, Managing Director of Simran Farms Limited declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended on 31st March 2016.

Place: Indore  
Date : 11.08.2016

**HARENDER SINGH BHATIA**  
(Chairman & Managing Director)  
DIN: 00509426



## ANNEXURE TO GENERAL SHAREHOLDER INFORMATION

**TABLE-1****Market Price Data:**

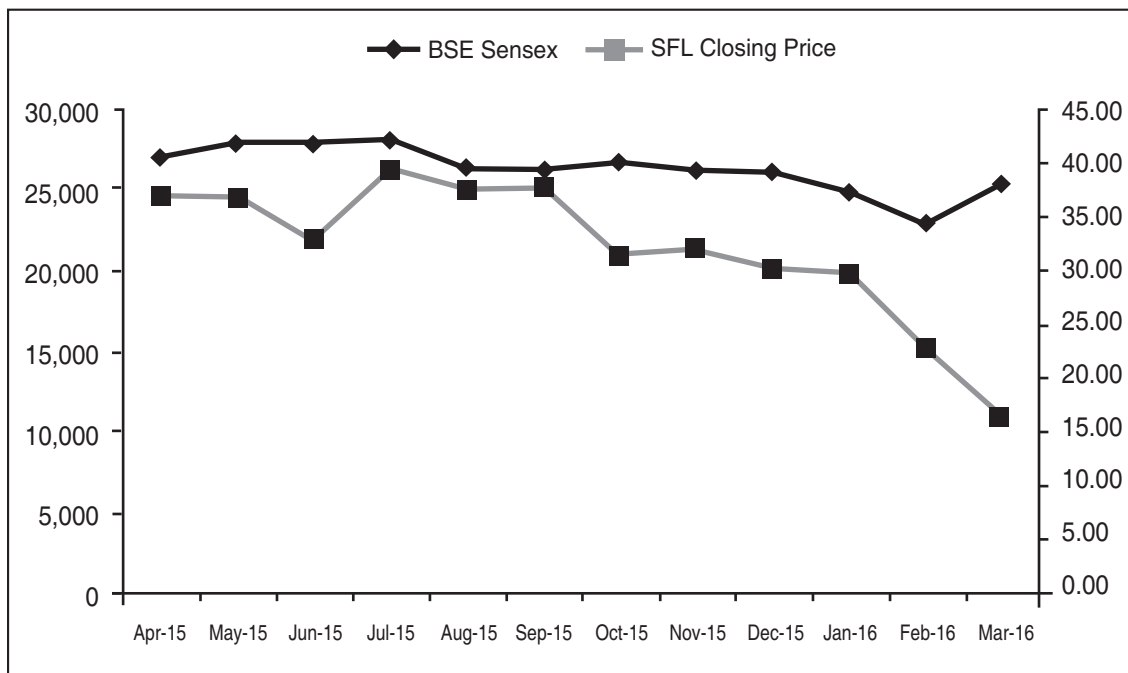
The monthly high and low quotations and volume of shares traded on the Stock Exchange, Mumbai (BSE) is as follows:

(Price in ₹)

Month	High	Low	Volume of Shares Traded
April 2015	44.90	35.00	241117
May 2015	38.55	30.00	067670
June 2015	42.30	30.85	075291
July 2015	41.85	31.50	086866
August 2015	49.00	35.00	114504
September 2015	39.30	34.20	041821
October 2015	39.50	31.15	095963
November 2015	34.00	25.50	101369
December 2015	33.60	26.65	031527
January 2016	32.50	25.00	092490
February 2016	30.25	21.30	051072
March 2016	23.90	16.10	172830

**TABLE-2****Distribution of Shareholding as on March 31, 2016**

Share Holding of Nominal Value of ₹	Number of Shareholders	%age of Shareholders	Amount of Shares in ₹	%age of Shareholding
Upto 1000	4052	63.19	3792070	10.00
1001-2000	1134	17.69	2232820	05.89
2001-3000	358	05.58	1045250	02.76
3001-4000	128	02.00	0500930	01.32
4001-5000	188	02.93	0925820	02.44
5001-10000	245	03.82	2026030	05.34
10001-20000	138	02.15	2159640	05.70
20001-30000	58	00.90	1452720	03.83
30001-40000	22	00.34	0758760	02.00
40001-50000	20	00.31	0941920	02.48
50001-100000	31	00.48	2369700	06.25
100000-Above	38	00.59	19711340	51.99
<b>Total</b>	<b>6412</b>	<b>100.00</b>	<b>37917000</b>	<b>100.00</b>

**TABLE-3****Stock Performance Index in relation to BSE sensex:****TABLE-4****Category of shareholders as on March 31, 2016**

Category	No. of Share held	Percentage of Shareholding
<b>Promoter and Promoter Group</b>		
1) Indian		
A Individual/Hindu Undivided Family	1378150	36.35
B Central Govt./State Govt.	-	-
C Financial Institutions/Banks	-	-
D Any Other (Specify) Body Corporate	32900	0.87
<b>Sub Total (1)</b>	<b>1411050</b>	<b>37.21</b>
2) Foreign		
A Individuals (Non Resident Individuals / Foreign Individuals)	-	-
B Government	-	-
C Institutions	-	-
D Foreign Portfolio Investor	-	-
E Any Other (Specify)	-	-
<b>Sub-Total (2)</b>	<b>-</b>	<b>-</b>
<b>TOTAL (1) + (2)</b>	<b>1411050</b>	<b>37.21</b>



Category	No. of Share held	Percentage of Shareholding
<b>Public Shareholding</b>		
1) Institutions		
A Mutual Funds	-	-
B Venture Capital Funds	-	-
C Alternate Investment Funds	-	-
D Foreign Venture Capital Investors	-	-
E Foreign Portfolio Investors	-	-
F Financial Institutions / Banks	2100	0.06
G Insurance Companies	-	-
H Provident Funds / Pension Funds	-	-
I Any Other (Specify)	-	-
<b>Sub-total (1)</b>	<b>2100</b>	<b>0.06</b>
2) Central Govt/State Govt(s)/President Of India	-	-
<b>Sub-total (2)</b>	<b>0</b>	<b>0.00</b>
3) Non- Institutions		
A Individuals - I. Individual Shareholders holding nominal share capital up to ₹ 2 lakhs	1701432	44.87
B Individuals - II. Individual Shareholders holding nominal share capital in excess Of ₹ 2 lakhs	393144	10.37
C NBFCs Registered with RBI	-	-
D Employee Trusts	-	-
E Overseas Depositories (holding DRs) (Balancing figure)		
F Any Other (Specify)		
G Body Corporate	149326	3.94
H NRI & OCB	133148	3.51
I Clearing Member	1500	0.04
<b>Sub-total (3)</b>	<b>2378550</b>	<b>62.73</b>
<b>Total (1)+(2)+(3)</b>	<b>2380650</b>	<b>62.79</b>
<b>Grand Total</b>	<b>3791700</b>	<b>100.00</b>

**CEO & CFO CERTIFICATION UNDER REGULATION 17(8) READ WITH PART B OF SCHEDULE II OF SEBI (LODR) REGULATIONS, 2015**

To,  
The Board of Directors,  
Simran Farms Limited

We hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement of the Company for the year ended on March 31, 2016 and that to the best of our knowledge and belief, we state that:
- 1) these statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;



- 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
- 1) significant changes, if any, in internal control over financial reporting during the year;
  - 2) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For, SIMRAN FARMS LIMITED**

**Place: Indore**  
**Date : 11.08.2016**

**HARENDER SINGH BHATIA**  
**(Managing Director)**  
**DIN: 00509426**

**MAHESH PATIDAR**  
**(Chief Financial Officer)**

#### **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

We have examined the compliance of conditions of Corporate Governance by SIMRAN FARMS LIMITED ('the Company'), for the year ended 31st March 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges and as per regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulation').

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Khandelwal Kakani & Company,**  
**Chartered Accountants**

**Date : 11.08.2016**  
**Place: Indore**

**CA Santosh Deshmukh**  
**(Partner)**  
**M. No. 071011**



## INDEPENDENT AUDITOR'S REPORT

TO,  
THE MEMBERS OF  
SIMRAN FARMS LIMITED,  
INDORE (M.P.)

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Simran Farms Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 2016 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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) 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 and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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"; and
- (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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The company does not have any pending litigation which would impact its financial position.
  - ii. The company did not have any long term contracts including derivative contracts for which there were any foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, incorporated in India

Place: Indore

**For KHANDELWAL KAKANI & Co.**  
Chartered Accountants

Date : 30<sup>th</sup> May 2016

FRN: 001311C

**CA SANTOSH DESHMUKH**  
PARTNER  
M.No. 071011

### **Annexure "A" to the Auditor's Report**

The Annexure referred to in our Independent Auditor's Report to the members of Simran Farms Limited on the standalone financial statements for the year ended 31st March 2016, we report that:

#### **1. In respect of Fixed Assets:**

- a. The Company has maintained proper records showing full particulars, including Quantitative details and situation of fixed assets.
  - b. The Management has physically verified the Fixed Assets at reasonable intervals during the year and on the basis of information and explanations given to us, no 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.
2. In our opinion, physical verification of Inventories have been conducted at reasonable intervals by the management of company during the year and on the basis of information and explanations given to us, no discrepancies were noticed on such verification.
  3. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
  4. In our opinion and according to information and explanations given to us, the company is not advanced any loans, made investments, gave guarantees, and provided security prescribed in provisions of section 185 and 186 of the Companies Act, 2013. Thus, paragraph (4) of the Order is not applicable to the Company.
  5. The company has not accepted any deposits from public and hence paragraph (5) of the order is not applicable to the company.
  6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company or goods produced or sold by the company.



7. According to the information and explanations given to us, in respect of statutory dues:
  - a. According to the information and explanation given to us and on the basis of our examination of records of the company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Value Added Tax, Cess and other statutory dues have been regularly deposited during the year by the company with the appropriate authorities.
  - b. According to information and explanations given to us and on the basis of examination of records of the company there is no dispute in respect of income tax or sales tax or service tax or value added tax.
8. The company has not defaulted in repayment of loans or borrowing to a bank. Also company has not taken any loans or borrowings from Government or debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) . The Company raise the term loans during the year for purchasing the vehicles the same are applied for the purposes for which those are raised.
10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. 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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Indore

Date : 30<sup>th</sup> May 2016

**For KHANDELWAL KAKANI & Co.**

Chartered Accountants

FRN: 001311C

**CA SANTOSH DESHMUKH**

PARTNER

M.No. 071011

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

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

We have audited the internal financial controls over financial reporting of Simran Farms Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and



maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**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.

**Opinion**

In our opinion, 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 2016, 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.

Place: Indore

Date: 30<sup>th</sup> May 2016

**For KHANDELWAL KAKANI & Co.**

Chartered Accountants

FRN: 001311C

**CA SANTOSH DESHMUKH**

PARTNER

M.No. 071011

**BALANCE SHEET AS AT 31st MARCH, 2016**

( ₹ in Lakhs )

Particulars	Note	31st March, 2016	31st March, 2015
<b>A EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	1	379.17	379.17
(b) Reserves and surplus	2	1240.55	1182.04
		<u>1619.72</u>	<u>1561.21</u>
<b>2. Non-current Liabilities</b>			
(a) Long term borrowing	3	486.52	661.50
(b) Deferred tax liabilities (net)	4	79.28	92.30
(c) Long-term provisions	5	89.43	100.68
		<u>655.23</u>	<u>854.47</u>
<b>3. Current Liabilities</b>			
(a) Short term borrowing	6	4289.89	2042.34
(b) Trade payables	7	7449.76	7927.52
(c) Other current liabilities	8	308.11	306.91
(d) Short-term provisions	9	233.80	198.03
		<u>12281.56</u>	<u>10474.80</u>
		<b>14556.51</b>	<b>12890.49</b>
<b>B ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	1827.89	1613.74
(ii) Capital work in progress		0.00	105.12
(b) Non current investments	11	131.54	131.54
(c) Long term loans and advances	12	18.85	63.24
		<u>1978.28</u>	<u>1913.64</u>
<b>2. Current assets</b>			
(a) Inventories	13	9541.42	8137.23
(b) Trade receivables	14	2055.62	2093.24
(c) Cash and bank balances	15	330.28	391.19
(d) Short-term loans and advances	16	650.91	355.19
		<u>12578.23</u>	<u>10976.84</u>
		<b>14556.51</b>	<b>12890.49</b>
<b>See accompanying notes forming part of the Accounts</b>			

In terms of our report attached.

**FOR KHANDELWAL KAKANI & CO.**

Chartered Accountants

FRN: 001311C

**H.S. Bhatia**  
Managing Director  
DIN 00509426

**G.S. Bhatia**  
Director  
DIN 00401929

**CA SANTOSH DESHMUKH****PARTNER****(M.No. 071011)****Place : Indore****Date : 30th May 2016**

**Mahesh Patidar**  
Chief Financial Officer

**Tanu Parmar**  
Company Secretary  
(M.No. 34769)



# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

( ₹ in Lakhs except EPS )

Particulars	Note	31st March, 2016	31st March, 2015
Revenue from operation Sales (Net)		44717.02	44401.21
Other income	17	3.45	16.27
<b>Total revenue</b>		<b>44720.47</b>	<b>44417.48</b>
<b>Expenses</b>			
(a) Cost of materials consumed	18	36251.59	35796.72
(b) Farm expenses	19	3888.06	4244.51
(c) Hatcheri expenses	20	401.04	413.03
(d) Administrative expenses	21	579.45	586.15
(e) Selling & distribution expenses	22	1733.48	1772.40
(f) Employee benefits expense	23	1154.37	1032.65
(g) Finance costs	24	477.51	343.49
(h) Depreciation	10	206.31	175.71
<b>Total expenses</b>		<b>44691.80</b>	<b>44364.66</b>
<b>Profit / (Loss) before exceptional and extraordinary items</b>		<b>28.67</b>	<b>52.81</b>
<b>Profit / (Loss) before extraordinary items</b>		<b>28.67</b>	<b>52.81</b>
Extraordinary items		0.00	0.00
<b>Profit / (Loss) before tax</b>		<b>28.67</b>	<b>52.81</b>
<b>Tax expense:</b>			
Less:- (a) Current tax		5.46	10.06
Add:- (b) Tax provision written back		12.21	0.00
Add/Less (c) Deferred tax assets	4	13.02	18.58
Add:- (d) MAT Credit		10.06	16.13
<b>Profit / (Loss) for the year</b>		<b>58.51</b>	<b>77.47</b>
<b>Earnings per share (of ₹ 10/- each)</b>			
Basic and diluted	25	1.54	2.04
<b>Earnings per share (excluding extraordinary items)</b>			
(of ₹ 10/- each)			
Basic and diluted		1.54	2.04

See accompanying notes forming part of the accounts

In terms of our report attached.

**FOR KHANDELWAL KAKANI & CO.**

Chartered Accountants

FRN: 001311C

**H.S. Bhatia**  
Managing Director  
DIN 00509426

**G.S. Bhatia**  
Director  
DIN 00401929

**CA SANTOSH DESHMUKH**

PARTNER

(M.No. 071011)

Place : Indore

Date : 30th May 2016

**Mahesh Patidar**  
Chief Financial Officer

**Tanu Parmar**  
Company Secretary  
(M.No. 34769)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

(₹ in Lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>NET PROFIT BEFORE TAX &amp; EXTRA ORDINARY ITEM</b>	28.67	52.81
Adjustment to reconcile profit before tax to cash generated by operating activities		
<b>Add :</b> Depreciation	206.31	175.71
Provision for employee benefits	0.96	27.25
Interest Paid	181.89	156.81
loss on sale of assets	1.29	0.94
<b>Operating Profit before working capital change</b>	<b>419.12</b>	<b>413.52</b>
<b>Add :</b>		
Trade receivable	37.62	0.00
Short Term Provisions	40.36	32.53
Trade Payable	0.00	2320.19
Other Current Liabilities	1.20	0.00
<b>Less :</b> Inventories	1404.19	2575.28
Short Term Loans & Advance	286.14	107.52
Trade Payable	477.76	0.00
Other Current Liabilities	0.00	505.23
Trade receivable	0.00	856.85
<b>Operating profit after working capital change</b>	<b>(1,669.79)</b>	<b>(1,278.64)</b>
<b>Less :</b> Income tax paid	9.59	7.78
Operating profit before charging Extra Ordinary Items	<b>(1,679.38)</b>	<b>(1,286.42)</b>
<b>Add/Less: Extra Ordinary Item</b>	0.00	0.00
<b>Net Cash flow from operating activities</b>	<b>A (1,679.38)</b>	<b>(1,286.42)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Add :</b> Sale of Fixed Assets	5.40	3.20
Inflow form Long term Loans & Advances	44.39	0.00
Capital Work in Progress	105.12	0.00
<b>Less:</b> Purchase of Assets	427.14	441.65
Capital Work in Progress	0.00	82.55
Outflow from Long term Loans & Advances	0.00	0.80
<b>Net Cash flow from Investing Activities</b>	<b>B (272.23)</b>	<b>(521.80)</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
<b>Add:</b> Vehicle Loan	23.49	110.36
Unsecured loans from directors	0.00	543.08
CC Loan	2297.55	1501.79
Short term loan	0.00	50.00
<b>Less:</b> Interest Paid	181.89	156.81
Unsecured loans from directors	198.45	0.00
Repayment of short term loan	50.00	0.00
<b>Net Cash flow from financing activities</b>	<b>(C) 1,890.70</b>	<b>2048.42</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(60.91)</b>	<b>240.20</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>391.19</b>	<b>150.99</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>330.28</b>	<b>391.19</b>



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

( ₹ in Lakhs )

Particulars	As at			
	31st March, 2016	31st March, 2015		
<b>1. Share Capital</b>				
(a) Authorised 60,00,000 Equity shares of ₹ 10/- each	600.00	600.00		
(b) Issued Subscribe and Paid Up 37,91,700 Equity Shares of ₹ 10/- each	379.17	379.17		
The details of shareholders holding more than 5 % shares :-				
Name of Shareholder	31st March, 2016		31st March, 2015	
	No. of Shares	% Held	No. of Shares	% Held
Harender Singh Bhatia (HUF)	251700	6.64%	251700	6.64%
Amarjeet Singh Bhatia (HUF)	195800	5.16%	195800	5.16%
<b>2. Reserve and Surplus</b>				
<b>a. General Reserves</b>				
As per Last Balance Sheet		217.18		217.18
<b>b. Securities Premium Account</b>				
As per Last Balance Sheet		169.59		169.59
<b>c. Utilised Investment Allo. Reserve</b>				
As per Last Balance Sheet		0.54		0.54
<b>d. Surplus</b>				
As per Last Balance Sheet		794.73		760.33
Less :- Depreciation from retain earning		0.00		43.06
(+) Net Profit/(Net Loss) For the current year		58.51		77.47
Closing Balance		<b>853.24</b>		<b>794.73</b>
<b>Total</b>		<b>1240.55</b>		<b>1182.04</b>
<b>3. Long term borrowings</b>				
<b>Secured</b>				
From banks				
Vehicle Loans ( First Charge on Trucks and Cars)		141.90		118.41
Unsecured Loans from Director		344.63		543.08
		<b>486.52</b>		<b>661.50</b>
<b>4. Deferred tax liabilities</b>				
<b>(a) Deferred tax liabilities on account of:</b>				
Opening Deferred tax liabilities		92.30		110.88
(i) Depreciation		4.75		0.00
<b>(b) Deferred tax Asset on account of:</b>				
(i) Others {Disallowance u/s 43B & 40(a)}		(17.07)		0.00
(ii) Depreciation		-		(10.16)
(iii) Leave Encashment		(0.06)		(0.07)
(iv) Gratuity		(0.24)		(8.35)
(v) Loss on sale of asset		(0.40)		-
		<b>79.28</b>		<b>92.30</b>

Note: During the year there is a reversal of Deferred Tax Liability amounting to ₹ 13.02 lacs which has been recorded in the Profit & Loss A/c.



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

( ₹ in Lakhs )

Particulars	As at	
	31st March, 2016	31st March, 2015
<b>5. Long term provisions</b>		
<b>(a) Provision for employee benefits</b>		
Gratuity (funded)	60.28	59.51
Leave Encashment (unfunded)	29.15	28.96
<b>(b) Others</b>		
Income tax payable	0.00	12.21
	<b>89.43</b>	<b>100.68</b>
<p><b>Note:</b> The assessee company has no tax liabilities to the tune of Rs. 12.21 Lacs pertaining to A.Y. 1994-95 and 1997-98 as per the present record of Income tax also there is no demand appearing in the tax files/ websites and company thereafter has received the refund of tax which shows there is no tax liability. As per the information by the management the assessee had applied for "Kar vivad Samadhan Scheme(KVSS)" long back for these liabilities and therefore the tax is not payable hence reversed during the year.</p>		
<b>6. Short term borrowing</b>		
Punjab National Bank (cash credit) Raipur	2739.67	1758.27
Punjab National Bank (cash credit) Indore	1550.22	234.08
<b>Loan from company</b>		
Simran Feeds Pvt. Ltd.	0.00	50.00
	<b>4289.89</b>	<b>2042.34</b>
<p><b>Note:</b> The cash credit facility has been secured by hypothecation of book debts, stock and first charge over fixed assets of the company &amp; personal guarantee of directors.</p>		
<b>7. Trade Payables</b>	7449.76	7927.52
All Balances of Sundry Creditors are subject to confirmation.	<b>7449.76</b>	<b>7927.52</b>
<b>8. Other current liabilities</b>		
<b>Vehicle Loans ( First Charge on Trucks and Cars)</b>		
ICICI Bank Ltd.	146.71	161.13
Advances from Customers	0.00	2.33
Unclaimed Dividends	25.00	13.42
Rearing Charges Receivable	11.19	11.22
	125.21	118.81
	<b>308.11</b>	<b>306.91</b>
<b>9. Short term provisions</b>		
<b>(a) Provision for employee benefits</b>		
Salary payable	50.52	55.43
Bonus payable	34.08	20.37
Contribution to PF ( Employees)	5.33	5.03
<b>(b) Provisions Others</b>		
Service Tax payable	0.21	0.19
Professional Tax (Staff)	0.00	1.54
Income Tax Payable	5.46	10.06
TDS Payable	16.46	21.59
<b>(c) Others Payable</b>	121.74	83.81
	<b>233.80</b>	<b>198.03</b>





# **NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2016**

Note-10

( ₹ in Lakhs )

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block	
	Balance as at April 1, 2015	Additions During the Period	Sales/ Deduction	Balance as at 31st March 2016	Balance at as at 1st April 2015	Depreciation for the Period	Deduction during the period	Depreciation charged from retain earning	Balance as at 31st March 2016
<b>Tangible Assets</b>									
Land	43.51	0.00	0.00	43.51	0.00	0.00	0.00	0.00	43.51
Buildings ( Factory)	601.74	0.36	0.00	602.11	248.16	18.13	0.00	0.00	353.59
Buildings ( Office & Staff)	62.66	0.00	0.00	62.66	12.16	1.51	0.00	0.00	50.50
Building Hatcheries	20.43	131.00	0.00	151.44	0.00	3.09	0.00	0.00	20.43
Poultry Equipment	813.09	22.88	0.00	835.97	415.67	47.86	0.00	0.00	397.42
Hatchery Equipment	26.92	45.47	0.00	72.38	2.87	3.35	0.00	0.00	24.05
Feed Mill Equipment	46.94	0.00	0.00	46.94	3.45	2.94	0.00	0.00	43.49
Cycle	0.10	0.00	0.00	0.10	0.07	0.02	0.00	0.00	0.04
Computer Equipment	68.11	6.75	0.00	74.86	63.70	9.07	0.00	0.00	4.41
Office equipment	73.73	7.33	0.00	81.06	46.46	10.64	0.00	0.00	27.27
Furniture and Fixtures	79.22	7.99	0.00	87.21	44.41	5.80	0.00	0.00	34.81
Motor Car	276.53	76.15	14.00	338.68	65.43	39.67	7.32	0.00	211.11
Eicher Trucks	435.10	119.52	0.00	554.62	91.74	53.18	0.00	0.00	97.78
Electrical Installation	95.10	6.94	0.00	102.03	53.49	6.06	0.00	0.00	144.93
Tubewell & Land Development	41.96	1.32	0.00	43.28	32.45	3.69	0.00	0.00	59.55
Vehicles	16.38	1.43	0.00	17.81	7.73	1.30	0.00	0.00	36.14
									9.02
									8.66
									8.79
<b>Total</b>	<b>2701.53</b>	<b>427.14</b>	<b>14.00</b>	<b>3114.67</b>	<b>1087.79</b>	<b>206.31</b>	<b>7.32</b>	<b>0.00</b>	<b>1286.78</b>
<b>Previous Year</b>	<b>2270.89</b>	<b>441.65</b>	<b>11.01</b>	<b>2701.53</b>	<b>875.89</b>	<b>175.71</b>	<b>6.87</b>	<b>43.06</b>	<b>1087.79</b>
									<b>1613.74</b>
									<b>1395.00</b>
									<b>1613.74</b>



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

( ₹ in Lakhs )

Particulars	As at	
	31st March, 2016	31st March, 2015
<b>11. Non Current investment (Unquoted)</b>		
Simran Hatcheries Private Limited	11.89	11.89
Puregene Biotech Limited (subsidiaries)	119.65	119.65
	<b>131.54</b>	<b>131.54</b>
<b>12. Long term loans and advances (Unsecured Considered goods)</b>		
Security deposits	0	44.60
MPEB Deposit	14.4	14.38
Others Deposits	4.48	4.27
	<b>18.85</b>	<b>63.24</b>
<b>13. Inventories</b>		
<b>(a) Raw materials</b>		
a) Parent Birds	973.85	798.55
b) Feed & Medicines	5180.68	4295.19
c) Commercial Chicks	3083.54	2789.57
d) Hatching Eggs	303.35	253.92
	<b>9541.42</b>	<b>8137.23</b>
<b>14. Trade receivables</b>		
(Unsecured considered goods)		
Over six months	654.95	650.85
Others	1400.67	1442.38
	<b>2055.62</b>	<b>2093.24</b>
<b>All Balances of Sundry Debtors are subject to confirmation.</b>		
<b>15. Cash and bank balances</b>		
<b>(a) Cash on hand</b>	219.07	204.05
<b>(b) Balances with banks</b>		
<b>(i) In current accounts</b>		
ICICI Bank Indore -765	3.37	168.82
ICICI Bank Indore -255	94.18	0.00
ICICI Bank Indore Dhulia	0.74	0.00
Punjab national bank	0.40	0.40
Punjab & Sindh Bank	1.22	4.74
Punjab national bank	0.10	0.10
Bank of Baroda Chickli	0.00	1.86
<b>(ii) Unclaimed dividends</b>		
ICICI bank	5.57	5.59
Axis bank	5.62	5.64
	<b>330.28</b>	<b>391.19</b>



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

( ₹ in Lakhs )

Particulars	As at	
	31st March, 2016	31st March, 2015
<b>16. Short term loan and advances (Unsecured Considered goods)</b>		
Advances to employees	10.53	3.90
Advance income tax	5.00	5.00
Prepaid expenses	16.80	21.61
MAT Entitlement Credit	26.20	16.13
Advances recoverable in cash or in kind or for value to be received	592.38	308.54
	<b>650.91</b>	<b>355.19</b>
<b>17. Other Income</b>		
Rearing charges (Income)	2.31	15.15
Interest received MPEB/FD	1.14	1.12
	<b>3.45</b>	<b>16.27</b>
<b>18. Cost of material consumed</b>		
<b>Opening Stock</b>	<b>8137.23</b>	<b>5561.95</b>
<b>Add:- Purchases</b>		
Feed & Medicines	33666.61	33319.14
Store Spares & Consumable	114.98	93.02
Parent Birds	274.69	249.62
Packing Material	442.39	522.62
Carriage Inward	598.72	702.98
Godown rent	56.16	45.53
Chicks	2026.33	2742.73
Hatching Eggs	475.90	696.36
	<b>45793.01</b>	<b>43933.94</b>
<b>Less:- Closing Stock</b>	<b>9541.42</b>	<b>8137.23</b>
Cost of material consumed	<b>36251.59</b>	<b>35796.72</b>
<b>19. Farm expenses</b>		
Expenses at Farm	101.55	154.93
Power & Energy	144.29	116.71
Fuel Consumption	42.08	59.42
Light & Water Charges	39.16	34.02
Farm Rent	18.73	86.18
Lease Rent	67.20	66.75
Rearing Charges Expenses	3475.05	3726.50
	<b>3888.06</b>	<b>4244.51</b>



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

( ₹ in Lakhs )

Particulars	As at	
	31st March, 2016	31st March, 2015
<b>20. Hatcheri expenses</b>		
Hatcheri Expenses	124.21	21.98
Hatching expenses	36.52	129.67
Hatcheries Rent	167.22	172.80
Power & Energy (Hatcheries)	73.09	88.58
	<b>401.04</b>	<b>413.03</b>
<b>21. Administrative expenses</b>		
General Office Expenses	239.52	236.61
Travelling & Conveyance	300.48	319.32
Certification & consultancy fees to auditors	1.03	1.01
Audit Fees	3.44	3.37
Legal & Professional Expenses	19.55	18.88
Tax after assessment	1.85	4.03
Service Tax Exp.	2.21	1.94
Software Development Charges	11.37	0.99
	<b>579.45</b>	<b>586.15</b>
<b>22. Selling and distribution Exp.</b>		
Forwarding Expenses	1639.08	1690.01
Advertisement & Publicity	1.56	0.80
Vehicle Repair & Maintenance	43.36	43.40
Sales Promotion Expenses	47.69	35.46
Technical Seminar & Conference	0.51	1.78
Loss on sale of assets	1.29	0.94
	<b>1733.48</b>	<b>1772.40</b>
<b>23. Employee benefits expense</b>		
Salary wages & Bonus	959.16	858.93
Remuneration to directors	54.00	54.00
Remuneration to vice president	39.00	24.00
Contribution to Provident Fund	72.33	60.46
Staff welfare	5.52	6.82
Gratuity	22.37	27.02
Leave Encashment	0.19	0.23
House rent allowance	1.80	1.19
	<b>1154.37</b>	<b>1032.65</b>
<b>24. Finance cost</b>		
Bank Charges & Commission	23.46	21.81
Interest to others	181.89	156.81
Interest on late payment	1.51	1.12
Interest on CC Loan	270.64	163.75
	<b>477.51</b>	<b>343.49</b>
<b>25. Earning Per Share</b>		
Basic & Diluted earning per equity share have been worked out in accordance with AS-20 "Earnings Per Share". Basic and diluted earnings per equity share has been calculated by dividing Net profit of ₹ 58.51 lacs by 3791700 equity shares (Face Value of ₹ 10/- each).		



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

### 26. Related parties disclosures :

#### 1. Relationship

##### (a) Subsidiary Companies

Puregene Biotech Ltd.  
w.e.f. from 13/7/2002  
[formerly Simran Breeders (P) Ltd.]

##### (b) Key Managerial Personnel:

Mr. Harendar Singh Bhatia  
(Managing Director)  
Mr. Gurdeep Singh Bhatia  
(Director)  
Mr. Kawaljeet Singh Bhatia  
(Whole Time Director)  
Mr. Mahesh Patidar  
(Chief Financial Officer)  
Ms. Tanu Parmar  
(Company Secretary)

##### (c) Relatives of key managerial personnel and their enterprises where transaction have taken place:

Mrs. Amarjeet Kaur Bhatia  
Mr. Amarjeet Singh Bhatia (HUF)  
Mr. Kawaljeet Singh Bhatia (HUF)  
Simran Feed (P) Ltd.  
Simran Poultry  
Singh Poultry  
Simran Hatcheries  
Simran Hatcheries (P) Ltd.  
Early Bird Hatcheries  
Simfa Labs Pvt. Ltd.  
Simran Foods Pvt. Ltd.  
Singh Hatcheries  
Mrs. Simrath Kaur Bhatia  
Mrs. Kawaljeet Kaur Bhatia  
Mrs. Jagdeep Kaur Bhatia  
M/s. Simran Infra  
M/s. Sumeet Construction  
Mr. Gurmeet Singh Bhatia  
Mr. Avneet Singh Bhatia

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

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

( ₹ in lacs )

Nature of Transaction	Referred in 1 (a) above	Referred in 1 (b) above	Referred in 1 (c) above
Purchase			566.44
Sales			270.59
Director Remuneration		54.00	
Vice President Remuneration			39.00
Rearing Charges	45.00		
Chief Financial Officer 's Salary		5.35	
Company Secretary 's Salary		1.86	
Marketing Executive's Salary			4.80
Office Rent			25.80
Tractor Rent			0.96
<b>Rent:-</b>			
Land & Building	9.00		193.20
Auto Hire Expenses			0.72
Feed Processing Charges (Payable)			285.14
Feed Processing Charges (Receivable)			5.31
Hatching Charges (Payable)			124.21
Setting Charges			1.84
Transportation & Loading Unloading Charges (Payable)			58.64
Purchase of Assets			0.77
Interest on Loan			40.96
Payable	49.10	370.49	889.19
Receivable	0.00	0.57	82.29



## Related Party Transactions

( ₹ in Lakhs )

S.No.	Transactions	2015-2016	2014-2015
	<b>Purchase of Raw Material/Finished goods</b>		
1	Simfa Labs Pvt.Ltd.	541.43	633.52
2	Simran Feeds Pvt Ltd	25.01	573.49
	<b>Total</b>	<b>566.44</b>	<b>1207.01</b>
	<b>Sales of Material/ Finished Goods</b>		
1	Simran Food (P) Ltd.	175.77	198.65
2	Simran Feeds Pvt Ltd	94.82	171.54
	<b>Total</b>	<b>270.59</b>	<b>370.19</b>
	<b>Rearing Charges</b>		
1	Puregen Biotech Ltd.	45.00	45.00
	<b>Total</b>	<b>45.00</b>	<b>45.00</b>
	<b>Rent Paid:-</b>		
a)	<b>Office Rent:-</b>		
1	Mrs. Amarjeet Kaur Bhatia	4.80	4.80
2	Mrs. Simrath Kaur Bhatia	4.80	4.80
3	Mrs. Kawaljeet Kaur Bhatia	4.80	4.80
4	Mrs. Jagdeep Kaur Bhatia	5.70	2.38
5	Mr. Kawaljeet Singh Bhatia	5.70	2.38
	<b>Total</b>	<b>25.80</b>	<b>19.15</b>
b)	<b>Tractor Rent:-</b>		
1	Amarjeet Singh Bhatia (HUF)	0.96	0.96
	<b>Total</b>	<b>0.96</b>	<b>0.96</b>
c)	<b>Land &amp; Building Rent</b>		
1	Simran Poultry	5.40	5.40
2	Singh Poultry	36.00	36.00
3	Early Bird Hatcheries	49.80	49.80
4	Puregen Biotech Ltd.	9.00	9.00
5	Simran Hatcheries	46.80	46.80
6	Singh Hatcheries	55.20	49.80
	<b>Total</b>	<b>202.20</b>	<b>196.80</b>
d)	<b>Auto Hire Expenses</b>		
1	Kawaljeet Singh Bhatia (HUF)	0.72	0.72
	<b>Total</b>	<b>0.72</b>	<b>0.72</b>
e)	<b>Feed Processing Charges</b>		
1	Simran Feed (P) Ltd.		
	Payable	285.14	318.09
	Receivable	5.31	2.35
	<b>Total</b>	<b>290.45</b>	<b>320.44</b>



( ₹ in Lakhs )

S.No.	Transactions	2015-2016	2014-2015
f)	<b>Sample &amp; Testing Charges</b>		
1	Simran Feed (P) Ltd.		
	Payable	0.00	9.88
	Receivable	0.00	1.06
	<b>Total</b>	<b>0.00</b>	<b>10.94</b>
g)	<b>Setting Charges</b>		
1	Simran Feed (P) Ltd.		
	Receivable	1.84	0.00
	<b>Total</b>	<b>1.84</b>	<b>0.00</b>
h)	<b>Transportation &amp; Loading Unloading Charges</b>		
1	Simran Feed (P) Ltd.		
	Payable	0.00	2.43
	Receivable	0.00	6.01
2	Simran Hatcheries Pvt. Ltd.		
	Payable	58.64	53.86
	<b>Total</b>	<b>58.64</b>	<b>62.30</b>
i)	<b>Vaccine Charges</b>		
1	Simran Feed (P) Ltd.		
	Receivable	0.00	2.17
	<b>Total</b>	<b>0.00</b>	<b>2.17</b>
j)	<b>Hatching Charges</b>		
1	Simran Hatcheries Pvt. Ltd.		
	Payable	124.21	111.55
2	Simran Feed (P) Ltd.		
	Receivable	0.00	15.15
	<b>Total</b>	<b>124.21</b>	<b>126.70</b>
	<b>Interest on Fund raised</b>		
1	Gurdeep Singh Bhatia	36.02	28.93
2	Kawaljeet Singh Bhatia	3.50	0.43
3	Simran Feeds (P) Ltd.	1.44	0.00
	<b>Total</b>	<b>40.96</b>	<b>29.36</b>
	<b>Assets Purchase</b>		
1	Singh Hatcheries	0.77	0.00
	<b>Total</b>	<b>0.77</b>	<b>0.00</b>
	<b>Salary</b>		
1	Mrs. Simrath Kaur Bhatia	4.80	4.80
2	Mr. Gurmeet Singh Bhatia	24.00	24.00
3	Mr. Avneet Singh Bhatia	15.00	6.00
	<b>Total</b>	<b>43.80</b>	<b>34.80</b>
	<b>Deposits</b>		
1	Simran Feeds Pvt. Ltd.	0.00	50.00
	<b>Total</b>	<b>0.00</b>	<b>50.00</b>

**3a DETAILS REGARDING PAYMENTS MADE TO KEY MANAGERIAL PERSONNEL**

S.No.	Transactions	2015-2016	2014-2015
1	<b>Remuneration</b>		
	Salary	61.21	57.92

**3b BREAKUP OF PAYMENTS MADE TO KEY MANAGERIAL PERSONNEL**

S.No.	Transactions	2015-2016	2014-2015
1	<b>Remuneration</b>		
	Mr Harender singh Bhatia	30.00	30.00
	Mr. Kawaljeet Singh Bhatia	24.00	24.00
	Mr. Mahesh Patidar	5.35	3.10
	Ms. Tanu Parmar	1.86	0.14
	Mr. Mayank Lashkari	0.00	0.68
	<b>Total</b>	<b>61.21</b>	<b>57.92</b>

**3c Collaterals and guarantees**

M/s. Sumeet construction has provided Collateral security to secure the Cash credit facility with Punjab national Bank.

27. Payment to Auditors	2015-16	2014-15
1) As Auditor	3.44	3.37
2) As per Certification	1.03	1.01
<b>Total</b>	<b>4.47</b>	<b>4.38</b>

**28. Employee Benefits**

The Company has obtained the LIC policy for Gratuity liability and position of liability worked out by LIC for calculation of premium to be paid and position of funded asset is as under:

**1. Expenses recognized in Income Statement**

(₹ in Lakhs)

Particulars	2015-16	2014-15
Current Service Cost	15.48	12.21
Interest on Obligation	6.23	4.52
Actuarial Losses / (Gains)	3.85	6.30
Expected return on plan assets	(3.20)	0.00
Past service cost	0.00	0.00
Losses (gains) on curtailments and settlement	0.00	0.00
Expense recognised in P & L	<b>22.36</b>	<b>23.04</b>

**2. Amount to be recognized in Balance Sheet**

Particulars	2015-16	2014-15
Present value of funded obligation	101.78	77.92
Fair value of plan assets	61.37	38.31
Present value of unfunded obligations	40.41	39.62
Unrecognised past service cost	0.00	0.00
Net Liability	40.41	39.62
Amount in the Balance Sheet Liability	40.41	39.62
Amount in the Balance Sheet Assets	0.00	0.00
Net Liability	<b>40.41</b>	<b>39.62</b>



**3. Table showing change in benefit obligation**

( ₹ in Lakhs )

Particulars	2015-16	2014-15
Opening Defined Benefit obligation on 1.04.2014	77.92	56.56
Service cost for the year	15.49	12.21
Interest cost for the year	6.23	4.52
Acturial Losses / (Gains)	3.85	6.30
Benefits paid	(1.71)	1.67
Closing defined benefit obligation	<b>101.78</b>	<b>77.92</b>

**4. Table showing fair value of plan assets**

Particulars	2015-16	2014-15
Fair value of plan assets at beginning of year	38.31	36.56
actual return on plan assets	3.20	3.29
Contributions	21.57	0.13
Benefits Paid	(1.71)	1.67
Fair value of plan assets at the end of year	<b>61.37</b>	<b>38.31</b>

**Actuarial Assumption**

Valuation Method	Projected unit Credit Method
Discount Rate	8%
Annual increase in salary costs	5%
Mortality Rate	LIC (1994-96) ultimate
Withdrawal rate	1% to 3% depending on Age

**NOTE**

The Liability Provided as on 31/03/2016 is ₹ 60.28 Lacs as against ₹ 40.41 Lacs worked out above.

The difference of ₹ 19.87 lacs is under process of reconciliation and shall be adjusted thereupon.

**Compensated absences**

The Company provides for the encashment of leave or leave with pay subject to certain rules The employees are entitled to accumulate leave subject to certain limits for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date.

**29. Additional information pursuant to the provisions of of Schedule III of the Companies Act,2013**

(i) a. RAW - MATERIAL :

Consumed	Quantity (in M.T.)		Value (in Lakhs)	
	2015-16	2014-15	2015-16	2014-15
MIXED FEEDS	124736	118419	31960.22	30620.78
INDIGENOUS & IMPORTED				
(INDIGENOUS)	100%	100%	100%	100%
(IMPORTED)	-	-	-	-



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

	Value ( in Lakhs )				Value ( in Lakhs )			
	2015-2016				2014-2015			
	RAW MAT.		ST. & SP.		RAW MAT.		ST. & SP.	
	VAL.	%	VAL.	%	VAL.	%	VAL.	%
INDIGENOUS	31960.22	100%	114.98	100	30620.78	100%	93.02	100%
IMPORTED	-	-	-	-	-	-	-	-

(₹ in Lacs)

ii)	2015-2016	2014-2015
a) Value of imports CIF basis accounted during the year.	-	-
b) Expenditure in Foreign currency	0.66	0.00
c) Earning in Foreign Exchange.	-	-
d) Particulars relating to non-residential Share-holders.	-	-

**30. Sales Offices**

Company having following sales offices during the period in India:

Bhopal, Anand, Chickli, Billimora, Vadodara, Ahmedabad, Palanpur, Raipur, Bhilai, Bilaspur, Seoni, Korba, Malegaon, Dhulia, Nashik, Sangamner, Narayangaon, Loharu, Jaipur, Ajmer, Nawalgarh, Palsana, Sonipat, Mohali, Pathankot, Hoshiyarpur, Kathua.

**31. Disclosure Under Micro, Small & Medium Scale Enterprise Development Act, 2006**

In view of no information from supplier regarding their status as SSI/MSME company amount overdue to such undertaking could not be ascertained. The company is in the process of compiling the additional information required to be disclosed under the Micro Small Enterprises Development Act 2006. The management does not envisage any material impact on the financial statement in this regard which has been relied upon by the Auditors.

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

## 1. SIGNIFICANT ACCOUNTING POLICIES :

### A) Basis of preparation of Financial Statements

#### a) Method of Accounting

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India, including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

GAAP comprises mandatory Accounting standard as Prescribed under section 133 of the Companies Act, 2013 read with rule 7 of companies (Accounts) rules, 2014.

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

### B. Use of Estimate

The preparation of financial statement in conformity with generally accepted accounting principles require estimate and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statement and the reported amounts of revenues and expenses during the reporting period, actual results could differ from these estimates and difference between actual results and estimate are recognized in the periods in which the results are known/materialize.

### C. Cash Flow Statement

The cash flow statement is prepared using the "Indirect method set out in Accounting Standard 3 "Cash Flow statement" which presents cash flow from operating, investing and financing activities of the company.

### D) Valuation of Inventories

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

### E) Fixed Assets

- i) Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any, where cost is inclusive of duties, taxes, incidental expenses erection / commissioning expenses and preliminary and pre-operative expenses till date of commencement of production and all necessary expenses to bring the asset to its working condition.
- ii) Capital Work in Progress comprises the cost of Fixed Asset that are yet not ready for their intended use at the Balance Sheet date..

### F) Depreciation

Depreciation is provided on the basis of straight-line method over the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

### G) Revenue Recognition

- i) Revenues from sale of goods are recognised when risks and rewards of ownership of goods are passed on to the customers, which are generally on dispatch of goods and are recorded net of taxes and duties.
- ii) Income from services are recognised on prorata basis i.e. as and when service are rendered.

### H) Investment

Investment are classified as Current Investments and Long Term Investments based on intention of the management at the time of purchase. Current investments are stated at the lower of the cost and fair value and long term investments are stated at cost.

**I) Retirement / Post Retirement Benefits**

The Company Provides retirement benefits in the form of gratuity and leave encashment. The Company has worked out the liability towards gratuity based on actuarial valuation through LIC and estimated the liability towards Leave Encashment and has provided entire liabilities during the year.

**J) Borrowing Cost**

Borrowing cost that are directly attributable to the acquisition, Construction or production of the qualifying assets are capitalised as part of the cost of such assets. A qualifying assets is one that necessarily take substantial period of time to get ready for intended use. All other borrowing cost are charged to the statement of profit and loss account.

**K) Operating lease**

Lease arrangements where risks and rewards incidental to the ownership of an asset substantially vest with lessor are classified as operating lease. Rental income on assets given and rental expense on assets obtained under operating lease arrangements are recognised in the statement of profit and loss for the year as per the terms and conditions of the respective lease agreement;

**L) Earning Per Share**

Basic & Diluted earning per equity share are recorded in accordance with AS-20 "Earnings Per Share". Earnings per equity share are calculated by dividing Net profit attributable to the equity shareholder by weighted average number of equity shares outstanding during the year.

**M) Taxes on income**

- 1) Tax expenses for a year comprises of current tax and Deferred tax.
- 2) Tax on income for the current year is determined on the basis of the taxable income and tax Credits computed in accordance with the provision of Income Tax Act, 1961, and based in Expected outcome of Assessments/ Appeals.
- 3) Deferred Tax is recognized on timing difference between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognised and carried forward to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- 4) Minimum alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay income tax higher than the computed under MAT, during the period under which MAT is permitted to be set off under applicable laws.
- 5) In the year in which MAT credit become eligible to be recognised as an asset in accordance with recommendation contained in the guidance Note issued by the Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the statement of profit and loss account shown as MAT credit entitlement. The company reviews the same at each Balance sheet date and writes down the carrying Amount of MAT credit entitlement to the extent there is longer convincing evidence to the effect that company will pay Income tax higher than MAT during the specified period.

**N) Research and Development**

Revenue expenditure on research and development is charged to Statement of Profit and loss for the year.

**O) Provisions , Contingent Liabilities and contingent assets:****1) Provisions**

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**2) Contingent Liabilities**

A contingent liability is a possible obligation that arise from past event whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required



to settle the obligation. A contingent liability also arises in extremely rare case where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize contingent liabilities but discloses its existence in the financial statements.

**3) Contingent Assets**

Contingent Assets are neither recognized nor disclosed in the financial statements.

**P. Cash & Cash Equivalents**

Cash & cash equivalents for the purpose of Cash Flow Statement comprises of Cash at Bank & Cash on Hand and Fixed Deposits in bank with original maturity less than three months.

**Q. Foreign Currency Transactions**

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (b) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.



## INDEPENDENT AUDITOR'S REPORT

To,  
**THE MEMBERS OF  
SIMRAN FARMS LIMITED,  
INDORE (M.P.)**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Simran Farms Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), comprising of the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Company as at 31 March 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.



### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - b. 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 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 Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
  - 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The company does not have any pending litigation which would impact its financial position.
    - ii) The Group companies did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, incorporated in India.

Place : Indore  
Date : 30<sup>th</sup> May 2016

**For: Khandelwal Kakani & Co.**  
Chartered Accountants  
FRN No. : 001311C

**CA Santosh Deshmukh**  
Partner  
M.No. : 071011

### Annexure – A to the Auditors' Report

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

In conjunction with our audit of the Consolidated financial statements of the Company as of and for the year ended 31st March 2016, We have audited the internal financial controls over financial reporting of **Simran Farms Limited** ("the Holding Company") and its subsidiary company which is company incorporated in India, as of that date.

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

The Respective Board of Directors of the Holding Company and its subsidiary company, which are companies incorporated in India, are 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.

**Opinion**

In our opinion, the Holding Company and its subsidiary company, which is company incorporated in India have, 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 2016, 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.

Place : Indore  
Date : 30<sup>th</sup> May 2016

**For: Khandelwal Kakani & Co.**  
Chartered Accountants  
FRN No. : 001311C

**CA Santosh Deshmukh**  
Partner  
M.No. : 071011



**CONSOLIDATED BALANCE SHEET AS AT 31st March, 2016**

( ₹ in Lakhs )

Particulars	Note	31st March, 2016	31st March, 2015
<b>A EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	1	379.17	379.17
(b) Reserves and surplus	2	1273.42	1206.46
		<b>1652.59</b>	<b>1585.63</b>
Minority interest		31.90	30.13
<b>2. Non-current Liabilities</b>			
(a) Long term borrowings	3	486.52	661.50
(b) Deferred tax liabilities (net)	4	76.51	89.53
(c) Long-term provisions	5	89.43	100.68
		<b>652.46</b>	<b>851.71</b>
<b>3. Current Liabilities</b>			
(a) Short term borrowing	6	4289.89	2042.34
(b) Trade payables	7	7428.32	7884.00
(c) Other current liabilities	8	308.11	306.91
(d) Short-term provisions	9	215.57	205.35
		12241.90	10438.61
		<b>14578.84</b>	<b>12906.07</b>
<b>B ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	1954.33	1749.20
(ii) Capital work in progress		0.00	105.12
(b) Non current investments	11	11.89	11.89
(c) Long term loans and advances	12	19.92	44.21
		<b>1986.14</b>	<b>1910.42</b>
<b>2. Current assets</b>			
(a) Inventories	13	9541.42	8137.23
(b) Trade receivables	14	2055.62	2093.24
(c) Cash and bank balances	15	332.56	394.91
(d) Short-term loans and advances	16	663.11	370.28
		12592.71	10995.65
		<b>14578.84</b>	<b>12906.07</b>
<b>See accompanying notes forming part of the Accounts</b>			

In terms of our report attached.  
**FOR KHANDELWAL KAKANI & CO.**  
Chartered Accountants  
FRN: 001311C

**SANTOSH DESHMUKH**  
**PARTNER**  
(M.No. 071011)

Place : Indore  
Date : 30<sup>th</sup> May 2016

**H.S. Bhatia**  
Managing Director  
DIN 00509426

**Mahesh Patidar**  
Chief Financial Officer

**G.S. Bhatia**  
Director  
DIN 00401929

**Tanu Parmar**  
Company Secretary  
(M.No. 34769)

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2016**

(₹ in Lakhs except EPS)

Particulars		31st March, 2016	31st March, 2015
Revenue from operation Sales (Net)		44717.02	44401.21
Other income	17	3.45	16.27
<b>Total revenue</b>		<b>44720.47</b>	<b>44417.48</b>
<b>Expenses</b>			
(a) Cost of materials consumed	18	36251.59	35796.72
(b) Farm expenses	19	3843.55	4198.69
(c) Hatcheri expenses	20	401.04	413.03
(d) Administrative expenses	21	579.97	587.15
(e) Selling & distribution expenses	22	1733.65	1772.51
(f) Employee benefits expense	23	1172.85	1051.55
(g) Finance costs	24	477.64	343.55
(h) Depreciation	10	215.32	186.97
<b>Total expenses</b>		<b>44675.61</b>	<b>44350.16</b>
<b>Profit / (Loss) before exceptional and extraordinary items</b>		<b>44.86</b>	<b>67.32</b>
<b>Profit / (Loss) before extraordinary items</b>		<b>44.86</b>	<b>67.32</b>
Extraordinary items		0.00	0.00
<b>Profit / (Loss) before tax</b>		<b>44.86</b>	<b>67.32</b>
<b>Tax expense:</b>			
Less: (a) Current tax		11.42	15.92
Add:- (a) Tax provision written back		12.21	0.00
Add/Less (b) Deferred tax	4	13.02	18.58
Add:- (c) MAT Credit		10.06	31.27
<b>Profit / (Loss) for the year</b>		<b>68.73</b>	<b>101.25</b>
<b>Less : Minority Interest</b>		<b>1.77</b>	<b>4.11</b>
<b>TOTAL</b>		<b>66.96</b>	<b>97.13</b>
<b>Earnings per share (of ₹ 10/- each)</b>			
Basic and diluted	25	1.81	2.67
<b>Earnings per share (excluding extraordinary items)</b>			
<b>(of ₹ 10/- each)</b>			
Basic and diluted		1.81	2.67
<b>See accompanying notes forming part of the accounts</b>			

In terms of our report attached.  
**FOR KHANDELWAL KAKANI & CO.**  
Chartered Accountants  
FRN: 001311C

**H.S. Bhatia**  
Managing Director  
DIN 00509426

**G.S. Bhatia**  
Director  
DIN 00401929

**SANTOSH DESHMUKH**  
**PARTNER**  
(M.No. 071011)  
Place : Indore  
Date : 30<sup>th</sup> May 2016

**Mahesh Patidar**  
Chief Financial Officer

**Tanu Parmar**  
Company Secretary  
(M.No. 34769)

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

( ₹ in Lakhs )

Particulars	As at 31.03.2016	As at 31.03.2015
<b>A. CASH FLOW FROM OPERATING SYSTEM :</b>		
<b>NET PROFIT BEFORE TAX &amp; EXTRA ORDINARY ITEM</b>	44.86	67.32
Adjustment to reconcile profit before tax to cash generated by operating activities		
<b>Add :</b> Depreciation	215.32	186.96
Provision for employee benefits	0.96	27.25
Interest Paid	182.02	156.81
loss on sale of assets	1.29	0.94
<b>Operating Profit before working capital change</b>	<b>444.45</b>	<b>439.28</b>
<b>Add :</b> Trade receivable	37.62	0.00
Short Term Provisions	14.72	32.40
Trade Payable	0.00	2320.19
Other Current Liabilities	1.20	0.00
<b>Less :</b> Inventories	1404.19	2575.28
Short Term Loans & Advance	286.62	106.87
Trade Payable	455.69	0.00
Other Current Liabilities	0.00	505.23
Trade receivable	0.00	877.51
<b>Operating profit after working capital changes</b>	<b>(1,648.51)</b>	<b>(1,273.02)</b>
<b>Less :</b> Income tax paid	12.19	10.95
Operating profit before charging Extra Ordinary Items	<b>(1,660.70)</b>	<b>(1,283.97)</b>
<b>Add/Less:</b> Extra Ordinary Item	0.00	0.00
<b>Net Cash flow from operating activities (A)</b>	<b>(1,660.70)</b>	<b>(1,283.97)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Add:</b> Sale of Fixed Assets	5.40	3.20
Inflow form Long term Loans & Advances	24.29	0.00
Capital Work in Progress	105.12	0.00
Deposit	0.00	0.83
<b>Less:</b> Purchase of Assets	427.14	441.65
Capital Work in Progress	0.00	82.55
Outflow from Long term Loans & Advances	0.00	0.80
<b>Net Cash flow from Investing Activities (B)</b>	<b>(292.33)</b>	<b>(520.97)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Add:</b> Vehicle Loan	23.49	110.36
Unsecured loans from directors	0.00	543.08
CC loan	2297.55	1501.80
Short term borrowings	0.00	50.00
<b>Less:</b> Interest Paid	181.91	156.81
Unsecured loans from directors	198.45	0.00
Short term borrowing	50.00	0.00
<b>Net Cash flow from financing activities (C)</b>	<b>1,890.68</b>	<b>2048.43</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(62.35)</b>	<b>243.59</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>394.91</b>	<b>151.32</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>332.56</b>	<b>394.91</b>



## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

( ₹ in Lakhs )

Particulars	As at			
	31st March, 2016	31st March, 2015		
<b>1. Share Capital</b>				
(a) Authorised 60,00,000 Equity shares of ₹ 10/- each	600.00	600.00		
(b) Issued Subscribe and Paid Up 37,91,700 Equity Shares of ₹ 10/- each	379.17	379.17		
The details of shareholders holding more than 5 % shares :-				
Name of Shareholder	31st March, 2016		31st March, 2015	
	No. of Shares	% Held	No. of Shares	% Held
Harender Singh Bhatia (HUF)	251700	6.64%	251700	6.64%
Amarjeet Singh Bhatia (HUF)	195800	5.16%	195800	5.16%
<b>2. Reserve and Surplus</b>				
<b>a. General Reserves</b>				
As per Last Balance Sheet	217.18		217.18	
<b>b. Securities Premium Account</b>				
As per Last Balance Sheet	169.59		169.59	
<b>c. Utilized Investment Allo. Reserve</b>				
As per Last Balance Sheet	0.54		0.54	
<b>d. Surplus</b>				
As per Last Balance Sheet	818.96		771.47	
Less :- Depreciation from retain earning	0.00		49.64	
(+) Net Profit/(Net Loss) For the current year	66.96		97.14	
Closing Balance	885.92		918.25	
<b>Total</b>	<b>1273.42</b>		<b>1206.46</b>	
<b>3. Long term borrowings</b>				
<b>Secured</b>				
From banks				
Vehicle Loans (First Charge on Trucks and Cars)	141.90		118.41	
Unsecured Loans from Director	344.63		543.08	
	<b>486.52</b>		<b>661.50</b>	
<b>4 Deferred tax liabilities</b>				
(a) Deferred tax liabilities on account of:				
Opening Deferred tax liabilities	89.53		108.11	
(i) Depreciation	4.75		0.00	
(b) Deferred tax Asset on account of:				
(i) Others {Disallowance u/s 43B & 40(a)}	(17.08)		(10.16)	
(ii) Depreciation	0.00		(8.35)	
(iii) Leave Encashment	(0.06)		(0.07)	
(iv) Gratuity	(0.24)		0.00	
(v) Loss on sale of asset	(0.40)		0.00	
	<b>76.51</b>		<b>89.53</b>	

Note: During the year there is a reversal of Deferred Tax Liability amounting to ₹ 13.02 lacs which has been recorded in the Profit & Loss A/c.



## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

( ₹ in Lakhs )

Particulars	As at	
	31st March, 2016	31st March, 2015
<b>5. Long term provisions</b>		
<b>(a) Provision for employee benefits</b>		
Gratuity (funded)	60.28	59.51
Leave Encashment (unfunded)	29.15	28.96
<b>(b) Others</b>		
Income tax payable	0.00	12.21
	<b>89.43</b>	<b>100.68</b>
<p><b>Note:</b> The assessee company has no tax liabilities to the tune of ₹ 12.21 Lacs pertaining to A.Y. 1994-95 and 1997-98 as per the present record of Income tax also there is no demand appearing in the tax files/ websites and company thereafter has received the refund of tax which shows there is no tax liability. As per the information by the management the assessee had applied for "Kar vivad Samadhan Scheme(KVSS)" long back for these liabilities and therefore the tax is not payable hence reversed during the year.</p>		
<b>6. Short term borrowing</b>		
Punjab National Bank (cash credit) Raipur	2739.67	1758.27
Punjab National Bank (cash credit) Indore	1550.22	234.08
<b>Loan from company</b>		
Simran Feeds Pvt. Ltd.	0.00	50.00
	<b>4289.89</b>	<b>2042.34</b>
<p><b>Note:</b> The cash credit facility has been secured by hypothecation of book debts, stock and first charge over fixed assets of the company &amp; personal guarantee of directors.</p>		
<b>7. Trade Payables</b>	7428.32	7884.00
All Balances of Sundry Creditors are subject to confirmation.	<b>7428.32</b>	<b>7884.00</b>
<b>8. Other current liabilities</b>		
<b>Vehicle Loans ( First Charge on Trucks and Cars)</b>		
ICICI Bank Ltd.	146.71	161.13
Advances from Customers	0.00	2.33
Unclaimed Dividends	25.00	13.42
Unclaimed Dividends	11.19	11.22
Rearing Charges Receivable	125.21	118.81
	<b>308.11</b>	<b>306.91</b>
<b>9. Short term provisions</b>		
<b>(a) Provision for employee benefits</b>		
Salary payable	51.43	56.24
Bonus payable	34.08	20.37
Contribution to PF (Employees)	5.45	5.14
Contribution to PF ( Company)	0.13	0.13
<b>(b) Provisions Others</b>		
Service Tax payable	0.21	0.19
Audit Fees	0.24	0.12
Professional Tax (Staff)	0.00	1.54
Income Tax Payable	11.42	15.92
TDS Payable	16.46	21.59
<b>(c) Others Payable</b>	96.15	84.12
	<b>215.57</b>	<b>205.35</b>



# NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

Note-10

(₹ in Lakhs)

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block	
	Balance as at April 1, 2015	Additions During the Period	Sales/ Deduction	Balance as at 31st March 2016	Balance at 1st April 2015	Depreciation for the Period	Deduction during the period	Depreciation charged from retain earning	Balance as at 31st March 2016
<b>Tangible Assets</b>									
Land	65.46	0.00	0.00	65.46	0.00	0.00	0.00	0.00	65.46
Buildings ( Factory)	772.43	0.36	0.00	772.79	330.15	23.22	0.00	0.00	442.28
Buildings ( Office & Staff)	62.66	0.00	0.00	62.66	12.16	1.51	0.00	0.00	50.50
Building Hatcheries	20.43	131.00	0.00	151.44	0.00	3.09	0.00	0.00	20.43
Poultry Equipment	866.93	22.88	0.00	889.81	445.28	51.77	0.00	0.00	421.65
Hatchery Equipment	26.92	45.47	0.00	72.38	2.87	3.35	0.00	0.00	24.05
Feed Mill Equipment	46.94	0.00	0.00	46.94	3.45	2.94	0.00	0.00	43.49
Cycle	0.10	0.00	0.00	0.10	0.07	0.02	0.00	0.00	0.04
Computer Equipment	68.11	6.75	0.00	74.86	63.70	9.07	0.00	0.00	4.41
Office equipment	73.73	7.33	0.00	81.06	46.46	10.64	0.00	0.00	27.27
Furniture and Fixtures	79.64	7.99	0.00	87.63	44.78	5.81	0.00	0.00	34.87
Motor Car	276.53	76.15	14.00	338.68	65.43	39.67	7.32	0.00	211.11
Eicher Trucks	435.10	119.52	0.00	554.62	91.74	53.18	0.00	0.00	343.36
Electrical Installation	95.35	6.94	0.00	102.29	53.74	6.06	0.00	0.00	41.61
Tubewell & Land Development	52.62	1.32	0.00	53.94	42.58	3.69	0.00	0.00	10.04
Vehicles	16.38	1.43	0.00	17.81	7.73	1.30	0.00	0.00	8.66
<b>Total</b>	2959.33	427.14	14.00	3372.47	1210.13	215.32	7.32	0.00	1749.20
<b>Previous Year</b>	2528.68	441.65	11.01	2959.33	979.01	186.97	6.87	51.02	1549.68



## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

( ₹ in Lakhs )

Particulars	As at	
	31st March, 2016	31st March, 2015
<b>11. Non Current investment (Unquoted)</b>		
Simran Hatcheries Private Limited	11.89	11.89
	<b>11.89</b>	<b>11.89</b>
<b>12. Long term loans and advances</b>		
(Unsecured Considered goods)		
Security deposits	0.00	24.60
MPEB Deposit	15.44	15.44
Others Deposits	4.48	4.17
	<b>19.92</b>	<b>44.21</b>
<b>13. Inventories</b>		
<b>Raw materials</b>		
a) Parent Birds	973.85	798.55
b) Feed & Medicines	5180.68	4295.19
c) Commercial Chicks	3083.54	2789.57
d) Hatching Eggs	303.35	253.92
	<b>9541.42</b>	<b>8137.23</b>
<b>14. Trade receivables</b>		
(Unsecured considered goods)		
Over six months	654.95	650.85
Others	1400.67	1442.38
	<b>2055.62</b>	<b>2093.24</b>
<b>All Balances of Sundry Debtors are subject to confirmation.</b>		
<b>15. Cash and bank balances</b>		
(a) Cash on hand	221.34	204.48
(b) Balances with banks		
(i) In current accounts		
ICICI Bank, Indore -765	3.37	171.99
ICICI Bank, Indore -255	94.18	0.00
ICICI Bank, Indore Dhulia	0.74	0.00
Punjab national bank	0.40	0.40
Punjab & Sindh Bank	1.22	4.75
Punjab national bank	0.10	0.10
Bank of Baroda Chickli	0.00	1.86
(ii) Unclaimed dividends		
ICICI bank	5.57	5.59
Axis bank	5.62	5.64
	<b>332.56</b>	<b>394.91</b>



## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

( ₹ in Lakhs )

Particulars	As at	
	31st March, 2016	31st March, 2015
<b>16. Short term loan and advances</b> (Unsecured Considered goods)		
Advances to employees	10.53	4.01
Advance income tax	5.75	6.00
Prepaid expenses	16.80	21.61
MAT Entitlement Credit	35.28	28.32
Advances recoverable in cash or in kind or for value to be received	594.75	310.34
	<b>663.11</b>	<b>370.28</b>
<b>17. Other Income</b>		
Rearing charges (Income)	2.31	15.15
Interest received MPEB/FD	1.14	1.12
	<b>3.45</b>	<b>16.27</b>
<b>18. Cost of material consumed</b>		
Opening Stock	8137.23	5561.95
<b>Add:- Purchases</b>		
Feed & Medicines	33666.61	33319.14
Store, Spares & Consumable	114.98	93.02
Parent Birds	274.69	249.62
Packing Material	442.39	522.62
Carriage Inward	598.72	702.98
Godown rent	56.16	45.53
Chicks	2026.33	2742.73
Hatching Eggs	475.90	696.36
	<b>45793.01</b>	<b>43933.94</b>
<b>Less:- Closing Stock</b>	<b>9541.42</b>	<b>8137.23</b>
<b>Cost of material consumed</b>	<b>36251.59</b>	<b>35796.72</b>
<b>19. Farm expenses</b>		
Expenses at Farm	104.80	157.17
Power & Energy	150.52	122.65
Fuel Consumption	42.08	59.42
Light & Water Charges	39.16	34.02
Farm Rent	18.73	32.18
Lease Rent	58.20	66.75
Rearing Charges Expenses	3430.05	3726.50
	<b>3843.55</b>	<b>4198.69</b>





## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

( ₹ in Lakhs )

Particulars	As at	
	31st March, 2016	31st March, 2015
<b>20. Hatcheri expenses</b>		
Hatcheri Expenses	124.21	21.98
Hatching expenses	36.52	129.67
Hatcheries Rent	167.22	172.80
Power & Energy (Hatcheries)	73.09	88.58
	<b>401.04</b>	<b>413.03</b>
<b>21. Administrative expenses</b>		
General Office Expenses	239.71	237.43
Traveling & Conveyance	300.48	319.32
Certification & consultancy fees to auditors	1.03	1.01
Audit Fees	3.55	3.49
Legal & Professional Expenses	19.76	18.94
Tax after assessment	1.85	4.03
Service Tax Exp.	2.21	1.94
Software Development Charges	11.37	0.99
	<b>579.97</b>	<b>587.15</b>
<b>22. Selling and distribution Exp.</b>		
Forwarding Expenses	1639.08	1690.01
Advertisement & Publicity	1.56	0.80
Vehicle Repair & Maintenance	43.53	43.51
Sales Promotion Expenses	47.69	35.46
Technical Seminar & Conference	0.51	1.78
Loss on sale of assets	1.29	0.94
	<b>1733.65</b>	<b>1772.51</b>
<b>23. Employee benefits expense</b>		
Salary wages & Bonus	973.18	876.15
Remuneration to directors	54.00	54.00
Remuneration to vice president	41.80	24.00
Contribution to Provident Fund	73.99	61.95
Staff welfare	5.52	6.99
Gratuity	22.37	27.02
Leave Encashment	0.19	0.23
House rent allowance	1.80	1.19
	<b>1172.85</b>	<b>1051.55</b>
<b>24. Finance cost</b>		
Bank Charges & Commission	23.49	21.82
Interest to others	181.89	156.81
Interest on late payment	1.62	1.17
Interest on CC Loan	270.64	163.75
	<b>477.64</b>	<b>343.55</b>
<b>25. Earning Per Share</b>		
Basic & Diluted earning per equity share have been worked out in accordance with AS-20 "Earnings Per Share".		
Basic and diluted earnings per equity share has been calculated by dividing Net profit of ₹ 66.96 lacs by 3791700 equity shares (Face Value of ₹ 10/- each).		



## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

### 26. Related parties disclosures :

#### (a) Key Managerial Personnel:

Mr. Harendar Singh Bhatia  
(Managing Director)  
Mr. Gurdeep Singh Bhatia  
(Director)  
Mr. Kawaljeet Singh Bhatia  
(Whole Time Director)  
Mr. Gurmeet Singh Bhatia  
(Director)  
Mr. Mahesh Patidar  
(Chief Financial Officer)  
Ms. Tanu Parmar  
(Company Secretary)

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

Mrs. Amarjeet Kaur Bhatia  
Mr. Amarjeet Singh Bhatia (HUF)  
Mr. Kawaljeet Singh Bhatia (HUF)  
Simran Feed (P) Ltd.  
Simran Poultry  
Singh Poultry  
Simran Hatcheries  
Simran Hatcheries (P) Ltd.  
Early Bird Hatcheries  
Simfa Labs Pvt. Ltd.  
Simran Foods Pvt. Ltd.  
Singh Hatcheries  
Mrs. Simrath Kaur Bhatia  
Mrs. Kawaljeet Kaur Bhatia  
Mrs. Jagdeep Kaur Bhatia  
M/s. Simran Infra  
M/s. Sumeet Construction  
Mr. Gurmeet Singh Bhatia  
Mr. Avneet Singh Bhatia

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

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

( ₹ in Lacs )

Nature of Transaction	Referred in 1 (a) above	Referred in 1 (b) above
Purchase		566.44
Sales		270.59
Director Remuneration	54	
Vice President Remuneration		39.00
Chief Financial Officer 's Salary	5.35	
Company Secretary 's Salary	1.86	
Office Rent		25.80
Tractor Rent		0.96
<b>Rent:-</b>		
Land & Building		193.20
Auto Hire Expenses		0.72
Feed Processing Charges (Payable)		285.14
Feed Processing Charges (Receivable)		5.31
Hatching Charges (Payable)		124.21
Setting Charges		1.84
Transportation & Loading Unloading Charges (Payable)		58.64
Purchase of Assets		0.77
Salary		4.80
Interest on Loan		40.96
Payable	370.49	889.19
Receivable	0.57	82.29

**Related Party Transactions**

( ₹ in Lakhs )

S.No.	Transactions	2015-2016	2014-2015
	<b>Purchase of Raw Material/Finished goods</b>		
1	Simfa Labs Pvt. Ltd.	541.43	633.52
2	Simran Feeds Pvt. Ltd	25.01	573.49
	<b>Total</b>	<b>566.44</b>	<b>1207.01</b>
	<b>Sales of Material/ Finished Goods</b>		
1	Simran Food (P) Ltd.	175.77	198.65
2	Simran Feeds Pvt. Ltd	94.82	171.54
	<b>Total</b>	<b>270.59</b>	<b>370.19</b>
	<b>Rent Paid:-</b>		
a)	<b>Office Rent:-</b>		
1	Mrs. Amarjeet Kaur Bhatia	4.80	4.80
2	Mrs. Simrath Kaur Bhatia	4.80	4.80
3	Mrs. Kawaljeet Kaur Bhatia	4.80	4.80
4	Mrs. Jagdeep Kaur Bhatia	5.70	2.38
5	Mr. Kawaljeet Singh Bhatia	5.70	2.38
	<b>Total</b>	<b>25.80</b>	<b>19.15</b>
b)	<b>Tractor Rent:-</b>		
1	Amarjeet Singh Bhatia (HUF)	0.96	0.96
	<b>Total</b>	<b>0.96</b>	<b>0.96</b>
c)	<b>Land &amp; Building Rent</b>		
1	Simran Poultry	5.40	5.40
2	Singh Poultry	36.00	36.00
3	Early Bird Hatcheries	49.80	49.80
5	Simran Hatcheries	46.80	46.80
6	Singh Hatcheries	55.20	49.80
	<b>Total</b>	<b>193.20</b>	<b>187.80</b>
d)	<b>Auto Hire Expenses</b>		
1	Kawaljeet Singh Bhatia (HUF)	0.72	0.72
	<b>Total</b>	<b>0.72</b>	<b>0.72</b>
e)	<b>Feed Processing Charges</b>		
1	Simran Feed (P) Ltd.		
	Payable	285.14	318.09
	Receivable	5.31	2.35
	<b>Total</b>	<b>290.45</b>	<b>320.44</b>



( ₹ in Lakhs )

S.No.	Transactions	2014-2016	2013-2015
f)	<b>Sample &amp; Testing Charges</b>		
1	Simran Feed (P) Ltd.		
	Payable	0.00	9.88
	Receivable	0.00	1.06
	<b>Total</b>	<b>0.00</b>	<b>10.94</b>
g)	<b>Setting Charges</b>		
1	Simran Feed (P) Ltd.		
	Receivable	1.84	0.00
	<b>Total</b>	<b>1.84</b>	<b>0.00</b>
h)	<b>Transportation &amp; Loading Unloading Charges</b>		
1	Simran Feed (P) Ltd.		
	Payable	0.00	2.43
	Receivable	0.00	6.01
2	Simran Hatcheries Pvt. Ltd.		
	Payable	58.64	53.86
	<b>Total</b>	<b>58.64</b>	<b>62.30</b>
i)	<b>Vaccine Charges</b>		
1	Simran Feed (P) Ltd.		
	Receivable	0.00	2.17
	<b>Total</b>	<b>0.00</b>	<b>2.17</b>
j)	<b>Hatching Charges</b>		
1	Simran Hatcheries Pvt. Ltd.		
	Payable	124.21	111.55
2	Simran Feed (P) Ltd.		
	Receivable	0.00	15.15
	<b>Total</b>	<b>124.21</b>	<b>126.70</b>
	<b>Interest on Fund raised</b>		
1	Gurdeep Singh Bhatia	36.02	28.93
2	Kawaljeet Singh Bhatia	3.50	0.43
3	Simran Feeds (P) Ltd.	1.44	0.00
	<b>Total</b>	<b>40.96</b>	<b>29.36</b>
	<b>Assets Purchase</b>		
1	Singh Hatcheries	0.77	0.00
	<b>Total</b>	<b>0.77</b>	<b>0.00</b>
	<b>Salary</b>		
1	Mrs. Simrath Kaur Bhatia	4.80	4.80
2	Mr. Gurmeet Singh Bhatia	24.00	24.00
3	Mr. Avneet Singh Bhatia	15.00	6.00
	<b>Total</b>	<b>43.80</b>	<b>34.80</b>
	<b>Deposits</b>		
1	Simran Feeds Pvt. Ltd.	0.00	50.00
	<b>Total</b>	<b>0.00</b>	<b>50.00</b>

**3a DETAILS REGARDING PAYMENTS MADE TO KEY MANAGERIAL PERSONNEL**

(₹ in Lakhs)

S.No.	Transactions	2015-2016	2014-2015
1	<b>Remuneration</b>		
	Salary	61.21	57.92

**3b BREAKUP OF PAYMENTS MADE TO KEY MANAGERIAL PERSONNEL**

S.No.	Transactions	2015-2016	2014-2015
1	<b>Remuneration</b>		
	Mr Harender singh Bhatia	30.00	30.00
	Mr. Kawaljeet Singh Bhatia	24.00	24.00
	Mr. Mahesh Patidar	5.35	3.10
	Ms. Tanu Parmar	1.86	0.14
	Mr. Mayank Lashkari	0.00	0.68
	<b>Total</b>	<b>61.21</b>	<b>57.92</b>

**3c Collaterals and guarantees**

M/s. Sumeet construction has provided Collateral security to secure the Cash credit facility with Punjab national Bank.

27. Payment to Auditors	2015-16	2014-15
1) As Auditor	3.55	3.37
2) As per Certification	1.03	1.01
<b>Total</b>	<b>4.58</b>	<b>4.38</b>

**28. Employee Benefits**

The Company has obtained the LIC policy for Gratuity liability and position of liability worked out by LIC for calculation of premium to be paid and position of funded asset is as under:

**1. Expenses recognized in Income Statement**

(₹ in Lakhs)

Particulars	2015-16	2014-15
Current Service Cost	15.48	12.21
Interest on Obligation	6.23	4.52
Actuarial Losses / (Gains)	3.85	6.30
Expected return on plan assets	(3.20)	0.00
Past service cost	0.00	0.00
Losses (gains) on curtailments and settlement	0.00	0.00
Expense recognised in P & L	<b>22.36</b>	<b>23.04</b>

**2. Amount to be recognized in Balance Sheet**

Particulars	2015-16	2014-15
Present value of funded obligation	101.78	77.92
Fair value of plan assets	61.37	38.31
Present value of unfunded obligations	40.41	39.62
Unrecognised past service cost	0.00	0.00
Net Liability	40.41	39.62
Amount in the Balance Sheet Liability	40.41	39.62
Amount in the Balance Sheet Assets	0.00	0.00
Net Liability	<b>40.41</b>	<b>39.62</b>

**3. Table showing change in benefit obligation**

( ₹ in Lakhs )

Particulars	2015-16	2014-15
Opening Defined Benefit obligation on 1.04.2014	77.92	56.56
Service cost for the year	15.49	12.21
Interest cost for the year	6.23	4.52
Acturial Losses / (Gains)	3.85	6.30
Benefits paid	(1.71)	1.67
Closing defined benefit obligation	<b>101.78</b>	<b>77.92</b>

**4. Table showing fair value of plan assets**

Particulars	2015-16	2014-15
Fair value of plan assets at beginning of year	38.31	36.56
actual return on plan assets	3.20	3.29
Contributions	21.57	0.13
Benefits Paid	(1.71)	1.67
Fair value of plan assets at the end of year	<b>61.37</b>	<b>38.31</b>

**Actuarial Assumption**

Valuation Method	Projected unit Credit Method
Discount Rate	8%
Annual increase in salary costs	5%
Mortality Rate	LIC (1994-96) ultimate
Withdrawal rate	1% to 3% depending on Age

**NOTE**

The Liability Provided as on 31/03/2016 is ₹ 60.28 Lacs as against ₹ 40.41 Lacs worked out above.

The difference of ₹ 19.87 lacs is under process of reconciliation and shall be adjusted thereupon.

**Compensated absences**

The Company provides for the encashment of leave or leave with pay subject to certain rules The employees are entitled to accumulate leave subject to certain limits for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date.

**29. Additional information pursuant to the provisions of of Schedule III of the Companies Act,2013**

(i) a. RAW - MATERIAL :

Consumed	Quantity (in M.T.)		Value (in Lakhs)	
	2015-16	2014-15	2011-16	2014-15
MIXED FEEDS	124736	118419	31960.22	30620.78
INDIGENOUS & IMPORTED				
(INDIGENOUS)	100%	100%	100%	100%
(IMPORTED)	-	-	-	-



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

	Value ( in Lakhs )				Value ( in Lakhs )			
	2015-2016				2014-2015			
	RAW MAT.		ST. & SP.		RAW MAT.		ST. & SP.	
	VAL.	%	VAL.	%	VAL.	%	VAL.	%
INDIGENOUS	31960.22	100%	114.98	100	30620.78	100%	93.02	100%
IMPORTED	-	-	-	-	-	-	-	-

( ₹ in Lakhs )

ii)	<u>2015-2016</u>	<u>2014-2015</u>
a) Value of imports CIF basis accounted during the year.	-	-
b) Expenditure in Foreign currency	0.66	0.00
c) Earning in Foreign Exchange.	-	-
d) Particulars relating to non-residential Share-holders.	-	-

**30. Sales Offices**

Company having following sales offices during the period in India:

Bhopal, Anand, Chickli, Billimora, Vadodara, Ahmedabad, Palanpur, Raipur, Bhilai, Bilaspur, Seoni, Korba, Malegaon, Dhulia, Nashik, Sangamner, Narayangaon, Loharu, Jaipur, Ajmer, Nawalgarh, Palsana, Sonipat, Mohali, Pathankot, Hoshiyarpur, Kathua.

**31. Disclosure Under Micro, Small & Medium Scale Enterprise Development Act, 2006**

In view of no information from supplier regarding their status as SSI/MSME company amount overdue to such undertaking could not be ascertained. The company is in the process of compiling the additional information required to be disclosed under the Micro Small enterprises development Act 2006. The management does not envisage any material impact on the financial statement in this regard which has been relied upon by the Auditors.

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



## 1. SIGNIFICANT ACCOUNTING POLICIES :

### A) Basis of preparation of Financial Statements

#### a) Method of Accounting

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India, including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

GAAP comprises mandatory Accounting standard as Prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

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

### B. Use of Estimate

The preparation of financial statement in conformity with generally accepted accounting principles require estimate and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statement and the reported amounts of revenues and expenses during the reporting period, actual results could differ from these estimates and difference between actual results and estimate are recognized in the periods in which the results are known/materialize.

### C. Cash Flow Statement

The cash flow statement is prepared using the "Indirect method set out in Accounting Standard 3 "Cash Flow statement" which presents cash flow from operating, investing and financing activities of the company.

### D) Valuation of Inventories

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

### E) Fixed Assets

- i) Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any, where cost is inclusive of duties, taxes, incidental expenses erection / commissioning expenses and preliminary and pre-operative expenses till date of commencement of production and all necessary expenses to bring the asset to its working condition.
- ii) Capital Work in Progress comprises the cost of Fixed Asset that are yet not ready for their intended use at the Balance Sheet date..

### F) Depreciation

Depreciation is provided on the basis of straight-line method over the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

### G) Revenue Recognition

- i) Revenues from sale of goods are recognised when risks and rewards of ownership of goods are passed on to the customers, which are generally on dispatch of goods and are recorded net of taxes and duties.
- ii) Income from services are recognised on prorata basis i.e. as and when service are rendered.

### H) Investment

Investment are classified as Current Investments and Long Term Investments based on intention of the management at the time of purchase. Current investments are stated at the lower of the cost and fair value and long term investments are stated at cost.



**I) Retirement / Post Retirement Benefits**

The Company Provides retirement benefits in the form of gratuity and leave encashment. The Company has worked out the liability towards gratuity based on actuarial valuation through LIC and estimated the liability towards Leave Encashment and has provided entire liabilities during the year.

**J) Borrowing Cost**

Borrowing cost that are directly attributable to the acquisition, Construction or production of the qualifying assets are capitalised as part of the cost of such assets. A qualifying assets is one that necessarily take substantial period of time to get ready for intended use. All other borrowing cost are charged to the statement of profit and loss account.

**K) Operating lease**

Lease arrangements where risks and rewards incidental to the ownership of an asset substantially vest with lessor are classified as operating lease. Rental income on assets given and rental expense on assets obtained under operating lease arrangements are recognised in the statement of profit and loss for the year as per the terms and conditions of the respective lease agreement;

**L) Earning Per Share**

Basic & Diluted earning per equity share are recorded in accordance with AS-20 "Earnings Per Share". Earnings per equity share are calculated by dividing Net profit attributable to the equity shareholder by weighted average number of equity shares outstanding during the year.

**M) Taxes on income**

- 1) Tax expenses for a year comprises of current tax and Deferred tax.
- 2) Tax on income for the current year is determined on the basis of the taxable income and tax Credits computed in accordance with the provision of Income Tax Act, 1961, and based in Expected outcome of Assessments/ Appeals.
- 3) Deferred Tax is recognized on timing difference between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognised and carried forward to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- 4) Minimum alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay income tax higher than the computed under MAT, during the period under which MAT is permitted to be set off under applicable laws.
- 5) In the year in which MAT credit become eligible to be recognised as an asset in accordance with recommendation contained in the guidance Note issued by the Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the statement of profit and loss account shown as MAT credit entitlement. The company reviews the same at each Balance sheet date and writes down the carrying Amount of MAT credit entitlement to the extent there is longer convincing evidence to the effect that company will pay Income tax higher than MAT during the specified period.

**N) Research and Development**

Revenue expenditure on research and development is charged to Statement of Profit and loss for the year.

**O) Provisions, Contingent Liabilities and contingent assets:****1) Provisions**

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**2) Contingent Liabilities**

A contingent liability is a possible obligation that arise from past event whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a



present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare case where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize contingent liabilities but discloses its existence in the financial statements.

**3) Contingent Assets**

Contingent Assets are neither recognized nor disclosed in the financial statements.

**P. Cash & Cash Equivalents**

Cash & cash equivalents for the purpose of Cash Flow Statement comprises of Cash at Bank & Cash on Hand and Fixed Deposits in bank with original maturity less than three months.

**Q. Foreign Currency Transactions**

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (b) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.



**FORM NO. MGT- 11****PROXY FORM**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

CIN:	L01222MP1984PLC002627
Name of the company:	SIMRAN FARMS LIMITED
Registered office:	1-B, VIKAS REKHA COMPLEX, KHATIWALA TANK, INDORE (M.P) 452001

Name of the member(s) :  
Registered address :  
Email Id :  
Folio No. /Client Id :  
DP ID :

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1.	Name : Address : E-mail Id : Signature :	Or failing him
2.	Name : Address : E-mail Id : Signature :	Or failing him
3.	Name : Address : E-mail Id : Signature :	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the company, to be held on Thursday, 22nd day of September 2016 at 10.00 a.m. at Pishori Premises, 910, Khatiwala Tank, Tower Square, Indore - 452001 (M.P.) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	For	Against
1.	<b>To receive, consider, approve and adopt:</b> <ul style="list-style-type: none"> <li>the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2016 together with the Reports of the Board of Directors and Auditors thereon; and</li> <li>the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2016, together with the report of the Auditors thereon .</li> </ul>		
2.	To re-appoint Shri Gurdeep Bhatia (DIN - 00401929) who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint Auditors of the Company and fix their remuneration.		
4.	Re-appointment of Shri Harender Singh Bhatia as Managing Director of the company.		
5.	Re-appointment of Shri Kawaljeet Singh Bhatia as Whole-time Director of the company		

Signed this..... day of..... 2016

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





**ATTENDANCE SLIP**  
**29TH ANNUAL GENERAL MEETING ON THURSDAY 22<sup>nd</sup> SEPTEMBER 2016**

Ledger Folio No./Client ID No

Mr./Mrs./Miss: \_\_\_\_\_

(Shareholders' Name in block capitals)

I/We certify that I/We am/are registered shareholder/proxy for the registered shareholder of the company. I/We hereby record my/our presence at the 29th Annual General Meeting of the Company on Thursday, 22<sup>nd</sup> September, 2016 at Pishori Premises, 910, Khatiwala Tank, Indore - 452001 (M.P.) at 10.00 A.M.

(If signed by proxy, his name should be \_\_\_\_\_

Written in block letters)

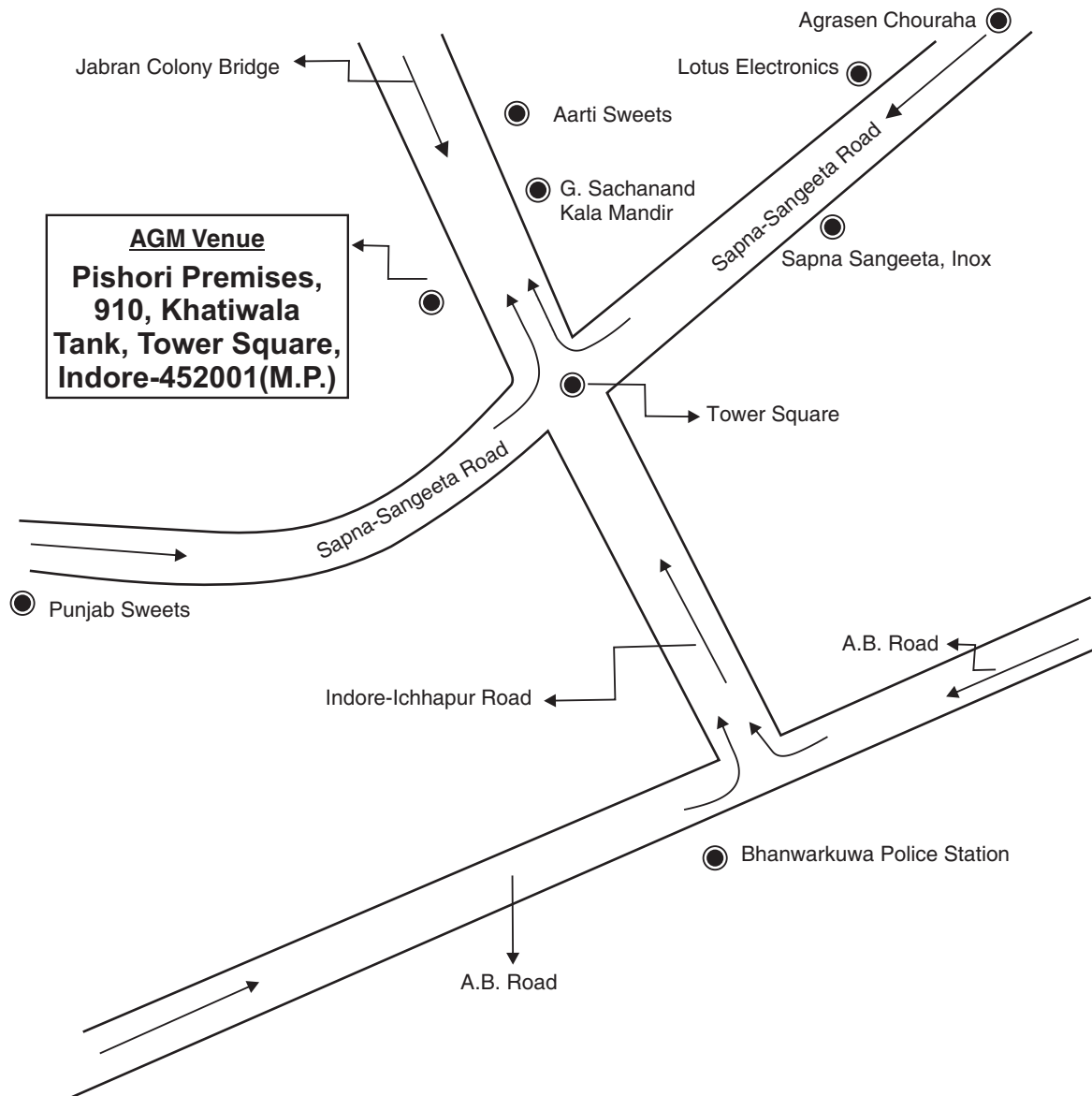
(Member's /Proxy's Signature) \_\_\_\_\_

**Note:**

- 1) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 2) A Proxy need not be a member of the Company.
- 3) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 4) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.



**ROUTE MAP FOR THE VENUE OF 29TH ANNUAL GENERAL MEETING  
INCLUDING PROMINENT LANDMARKS**



**Distance from Railway Station to AGM Venue : 3 Kms.**





To,

If undelivered, please return to :  
**SIMRAN FARMS LIMITED**  
Corporate Office : 1-B, Vikas Rekha Complex,  
Khatiwala Tank, Indore 452 001 (M.P.)