

**BOARD OF DIRECTORS**

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

**Mr. Kawaljeet Singh Bhatia**  
*Whole Time Director*

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

**Mr. Surjit Singh Kohli**  
*Independent Director*

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

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

**COMPANY SECRETARY**  
CS Tanu Parmar

**CHIEF FINANCIAL OFFICER**  
Mr. Mahesh Patidar

**STATUTORY AUDITORS**

M/s J. C. Baheti & Associates  
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 32<sup>nd</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting of the Members of **SIMRAN FARMS LIMITED** will be held on **Monday, 30th September, 2019** at **10.00 A.M.** at **Pishori Premises, 910, Khatiwala Tank, Tower Square, Indore-452001 (M.P.)** to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider, approve and adopt:
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019 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, 2019, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Gurdeep Singh Bhatia (DIN: 00401929) who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESSES:

**Item No. 3: Continuation of Directorship of Dr. Surendra Singh (DIN: 00645965) as Non Executive and Independent Director.**

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

**"RESOLVED THAT** pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable regulations of the Listing Regulations, as amended from time to time and applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof for the time being in force and in partial modification of the Resolution passed by the Members at their 31st Annual General Meeting held on 19th September, 2018, the continuation of Directorship of Dr. Surendra Singh (DIN: 00645965), Non-Executive and Independent Director of the Company on attainment of age of 75 years, to the existing term of his office till 31st March, 2024 as Non-Executive and Independent Director of the Company be and is hereby approved.

**RESOLVED FURTHER THAT** the Board of Directors (including its Committee thereof) or the Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

**Item No. 4: Re-appointment of Mr. 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 a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 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) the approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Harender Singh Bhatia (DIN: 00509426) as Managing Director of the Company for a period of three years with effect from 1st June, 2019 to 31st May, 2022 on the following terms, conditions, salary and perquisites:

**a) Salary:** Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) per month.

**b) Perquisites:** In addition to the above salary Mr. Harender Singh Bhatia, Managing Director (DIN: 00509426) 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.”

**Item No. 5: Re-appointment of Mr. 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 a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 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) the approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Kawaljeet Singh Bhatia (DIN: 00401827) Whole-time Director of the Company for a period of three years with effect from 1st June, 2019 to 31st May, 2022 on the following terms, conditions, salary and perquisites:

**a) Salary:** Rs. 2,25,000/- (Rupees Two Lakhs Twenty Five Thousand Only) per month.

**b) Perquisites:** In addition to the above salary Mr. Kawaljeet Singh Bhatia, Whole-time Director (DIN: 00401827) 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 : 14.08.2019

**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 AT A MEETING 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 3 days' written notice is given to the Company.
- Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filed and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
- In order to enable us to register your attendance at the venue of the Annual General Meeting, we request you to please bring your folio number/demat account number/DP ID-Client ID to enable us to give an attendance slip for your signature and participation at the meeting.
- The Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the special businesses set out in the Notice is annexed herewith.
- The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is omitted vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the 30th Annual General Meeting, held on 28th September, 2017.
- 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 Tuesday, 24th Day of September, 2019 to Monday, 30th Day of September, 2019 (both days inclusive) for the purpose of 32nd 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.
- As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Share Transfer Agents (R&STA), for assistance in this regard.
- As directed by SEBI, the Members holding shares in physical form are requested to submit particulars of their bank account along with the original cancelled cheque bearing the name of the Member to R&STA/Company to update their Bank Account details. Members holding shares in demat form are requested to update their Bank Account details with their respective Depository Participant. The Company or R&STA cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode.
- Pursuant to Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard of General Meeting, additional information in respect of the Director's seeking re-appointment at the AGM is furnished separately in **Annexure 1** and forms a part of this Notice.
- Members who have not encashed their dividend warrants are requested to correspond with the Registrar and Share Transfer agent i.e. Ankit Consultancy Private Limited (R&STA) or the Company Secretary, at the Company's registered office. In terms of Sections 124(5) of the Companies Act, 2013, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. Accordingly, the unpaid dividend lying in dividend account of the year 2011-12 will be transferred to Investor Education and Protection Fund at appropriate time in the current financial year. Members' attention is particularly drawn to the "Corporate Governance" section of the Annual Report in respect of unclaimed dividend. Shareholders can visit the Company's website [www.simranfarms.com](http://www.simranfarms.com) to check the details of their unclaimed dividend under the section Stakeholder's Desk and on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in).

Pursuant to provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all the underlying shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF authority as notified by the Ministry of Corporate Affairs. In view thereof, during the financial year 31.03.2019 after complying with the prescribed procedure 3,66,922 equity shares on which dividend remained to be unclaimed for seven consecutive years, were transferred to IEPF account. The Company has initiated the process of transfer of shares on which dividend has not been claimed since financial year 2011-12 and the same will be transferred on due date. Members who have not claimed dividend declared for financial year 2011-12 and onwards are requested to claim the same before the dividend and the underlying shares gets transferred to IEPF account.



Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to corporate governance report which is a part of this Annual Report.

- 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 the financial year 2018-19 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 physical copy of the same. For the Members who have not registered their e-mail address, physical copies of the Annual Report for the financial year 2018-19 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 32nd Annual General Meeting. The aforesaid documents will be also available for inspection by members at the 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 alongwith the specimen signature(s), authorizing their representatives to attend and vote on their behalf at the 32nd Annual General Meeting.
- The Notice of AGM along with Annual Report shall be dispatched to those shareholders, who are registered as members as on 23rd August, 2019. Further, Members may also note that Notice of 32nd Annual General Meeting and the Annual Report for financial year 2018-19 will also be available on the company's website [www.simranfarms.com](http://www.simranfarms.com).
- Route map for the venue of 32nd Annual General Meeting along with prominent Landmark is enclosed with this Report.
- 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 who are holding shares in identical order of names in more than one folio are requested to send to the Company or Company's Registrar and Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes thereon. The members requested to use New Share Transfer Form SH-4 for this purpose.
- Members are requested to contact the Registrar and Share Transfer Agent for all matter connected with Company's shares at Ankit Consultancy Private Limited, Plot No. 60 Electronic Complex, Pardeshipura, Indore (M.P.) 452010.
- 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 voting rights of Shareholders shall be in proportion of shares held by them to the total paid up equity shares of the Company as on Monday, 23rd September, 2019, being the cut-off date.
- 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 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 also 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. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. 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 are as under:**

- The e-voting period begins on Friday, 27th September, 2019 from 9.00 A.M. and ends on Sunday, 29th September, 2019 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) i.e. Monday, 23rd September, 2019 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.
- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- Click on “Shareholders” tab.
- Now Enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- 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.
- 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 (iv).</li> </ul>

- After entering these details appropriately, click on “SUBMIT” tab.
- 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <SIMRAN FARMS LIMITED> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) 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.
- (xix) **Note for Non – Individual Shareholders and Custodians**
  - Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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).
- (xxi) Mr. L.N. Joshi, Practicing Company Secretary (Membership No. FCS-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.
- (xxii) The Scrutinizer shall after scrutinizing the vote cast at the AGM (Poll) and through Remote E-Voting not later than 48 hours from 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.
- (xxiii) The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 30th September, 2019 subject to receipt of the requisite number of votes in favour of the Resolutions.

Place: Indore  
Date : 14.08.2019

**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)**





### **EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item No. 3: Continuation of Directorship of Dr. Surendra Singh (DIN: 00645965) as Non Executive and Independent Director.**

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, with effect from 1 April, 2019, no listed Company shall appoint or continue the Directorship of a Non-Executive Director who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the notice for such appointment.

Dr. Surendra Singh was re-appointed as Non-Executive and Independent Director of the Company under Section 149 and 152 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made thereunder and pursuant to Regulation 17 of Listing Regulations to hold office as Non-Executive and Independent Director for a second term of 5 (five) consecutive years on the Board of the Company with effect from 01st April, 2019 to 31st March, 2024.

The Board, based on the performance evaluation of the Dr. Surendra Singh and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, his continued association would be beneficial to the Company and it is desirable to continue to avail his services as Non-Executive Director of the Company. In line with the provisions the Listing Regulations, your directors recommend their continued association of Dr. Surendra Singh beyond April 1, 2019 and until expiry of his term.

The Board of Directors of the Company on recommendation made by Nomination & Remuneration Committee proposed passing of Resolution set out at Item No. 3 of Notice seeking confirmation from members for continue to hold office as Independent Director of the Company as Special Resolution.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

#### **Item No. 4: Re-appointment of Mr. Harender Singh Bhatia (DIN: 00509426) as Managing Director of the Company:**

Mr. Harender Singh Bhatia aged 66 years is the Founder and Managing Director of the Company. He is associated with the Company since incorporation and is 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 38 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, Board of Directors proposed to re-appoint him as Managing Director for the further period of 3 years w.e.f. 1st June, 2019 to 31st May, 2022 in accordance with the provisions contained in Sections 196, 197 and 198 read with Section 203 of the Companies Act, 2013 and Schedule V of the Companies Act 2013 and on such remuneration as mentioned in Item No.4 of the notice. For this purpose Nomination & Remuneration Committee and Board of Directors have accorded their approval subject to approval of the members or any other appropriate authority, if any.

The proposed remuneration will be in the limit prescribed for the managerial person in Schedule V of the Companies Act, 2013 amended up to date.



Further, information required as per Schedule V of the Companies Act, 2013 is given as follows:-

#### I. General information:

1.	Name of Industry	Company is engaged in the business of poultry farming and allied activities																	
2.	Date or expected date of commencement of commercial production	Commencement of commercial production since from 1984																	
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable																	
4.	Financial Performance based on given indicators	<div>Figures In lacs</div> <table> <tr> <th>Financial Year</th><th>Revenue from operations</th><th>Profit/(loss) before Tax</th><th>Profit /(loss) after Tax</th></tr> <tr> <td>2017-18</td><td>34097.32</td><td>533.32</td><td>394.04</td></tr> <tr> <td>2016-17</td><td>41002.94</td><td>137.16</td><td>89.27</td></tr> <tr> <td>2015-16</td><td>44717.02</td><td>28.67</td><td>58.51</td></tr> </table>		Financial Year	Revenue from operations	Profit/(loss) before Tax	Profit /(loss) after Tax	2017-18	34097.32	533.32	394.04	2016-17	41002.94	137.16	89.27	2015-16	44717.02	28.67	58.51
Financial Year	Revenue from operations	Profit/(loss) before Tax	Profit /(loss) after Tax																
2017-18	34097.32	533.32	394.04																
2016-17	41002.94	137.16	89.27																
2015-16	44717.02	28.67	58.51																
5.	Foreign investments or collaborations, if any	The Company has no foreign investments or foreign collaborations. The Company has neither made any foreign investments nor has any collaboration overseas.																	

#### II. Information about the appointee:

1.	Background details	Mr. Harender Singh Bhatia is a Bachelor of Science and Post Graduate in Arts. He has 38 years of rich experience in Poultry Industry.
2.	Past remuneration:-	Rs. 2,50,000/- per month (Rupees Two Lacs Fifty Thousand only)
3.	Recognition or awards	None
4.	Job profile and his suitability	Mr. Harender Singh Bhatia has been very active in all the business activities. His contribution in the areas of projects, management discussion and analysis and his willingness to provide quality poultry products in the market is remarkable.
5.	Remuneration proposed	Rs. 2,50,000/- per month (Rupees Two Lacs Fifty Thousand only)
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	Taking into the account the size of the company, industry benchmark in general, profile, position, responsibility born by him and involvement of Mr. Harender Singh Bhatia in the Company, the proposed remuneration is reasonable. The industry standard and Board level positions held in similar sized and similar positioned businesses usually offers Rs. 3,00,000/- per month to Rs 5,00,000/- per month for such profiles.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Except Mr. Gurdeep Singh Bhatia (brother) there is no pecuniary relationship directly or indirectly with the company, or relationship with any managerial personnel.

**III. Other Information:**

1.	Reasons of loss or inadequate profits	At present the Company is earning profits which may be deemed inadequate for the purpose of limits of managerial remuneration. Further, in spite of Company's endeavors to have better operational and financial performance, the economic slowdown, sharp increase in the prices of raw materials, tough competition, lack of adequate cold storage facilities and retail infrastructures are some of the reasons for losses or inadequate profits.
2.	Steps taken or proposed to be taken for improvement	During the year under review, the Company has initiated various effective steps to improve its operational performance/liquidity, including cost control measures have been put in place which would result in better profitability in the ensuing years.
3.	Expected increase in productivity and profits in measurable terms	In view of the current scenario and barring unforeseen circumstances, the profitability of the Company might be substantially moderate in F.Y. 2019-20. Further, lower realization from sale of broilers and a sharp increase in feed prices might also affect the productivity in F.Y. 2019-20.

The disclosure as required under Part-II of Schedule V of Companies Act, 2013, is covered under Corporate Governance Report forming part of Annual Report.

Except, Mr. 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 Special Resolution as set out at item No. 4 of the Notice.

**Item No. 5: Re-appointment of Mr. Kawaljeet Singh Bhatia (DIN: 00401827) as Whole-time Director of the Company:**

Mr. 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 managing 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, Board of Directors proposed to re-appoint him as Whole-time Director for the further period of 3 years w.e.f. 1st June, 2019 to 31st May, 2022 in accordance with the provisions contained in Sections 196, 197 and 198 read with Section 203 of the Companies Act, 2013 and Schedule V of the Companies Act 2013 and on such remuneration as mentioned in Item No.5 of the notice. For this purpose Nomination & Remuneration Committee and Board of Directors have accorded their approval subject to approval of the members or any other appropriate authority, if any.

The proposed remuneration will be in the limit prescribed for the managerial person in Schedule V of the Companies Act, 2013 amended up to date.



Further, information required as per Schedule V of the Companies Act, 2013 is given as follows:-

#### I. General information:

1.	Name of Industry	Company is engaged in the business of poultry farming and allied activities																	
2.	Date or expected date of commencement of commercial production	Commencement of commercial production since from 1984																	
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable																	
4.	Financial Performance based on given indicators	<div>Figures In lacs</div> <table> <tr> <th>Financial Year</th><th>Revenue from operations</th><th>Profit/(loss) before Tax</th><th>Profit /(loss) after Tax</th></tr> <tr> <td>2017-18</td><td>34097.32</td><td>533.32</td><td>394.04</td></tr> <tr> <td>2016-17</td><td>41002.94</td><td>137.16</td><td>89.27</td></tr> <tr> <td>2015-16</td><td>44717.02</td><td>28.67</td><td>58.51</td></tr> </table>		Financial Year	Revenue from operations	Profit/(loss) before Tax	Profit /(loss) after Tax	2017-18	34097.32	533.32	394.04	2016-17	41002.94	137.16	89.27	2015-16	44717.02	28.67	58.51
Financial Year	Revenue from operations	Profit/(loss) before Tax	Profit /(loss) after Tax																
2017-18	34097.32	533.32	394.04																
2016-17	41002.94	137.16	89.27																
2015-16	44717.02	28.67	58.51																
5.	Foreign investments or collaborations, if any	The Company has no foreign investments or foreign collaborations. The Company has neither made any foreign investments nor has any collaboration overseas.																	

#### II. Information about the appointee:

1.	Background details	Mr. Kawaljeet Singh Bhatia is a Bachelor of Science and has completed his Masters in International Business. He has vast experience in various functional activities of business and handling various administrative work of the company.
2.	Past remuneration:-	Rs. 2,25,000/- per month (Rupees Two Lacs Twenty Five Thousand only)
3.	Recognition or awards	None
4.	Job profile and his suitability	Mr. Kawaljeet Singh Bhatia has rose steadily and steered the organization through a strategic and visionary turnaround involving resilience and re-structuring, ensuring that the Company attained dominant status in key operating sectors.
5.	Remuneration proposed	Rs. 2,25,000/- per month (Rupees Two Lacs Twenty Five Thousand only)
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	Taking into the account the size of the company, industry benchmark in general, profile and position of Mr. Kawaljeet Singh Bhatia in the Company, the proposed remuneration is reasonable. The industry standard and Board level positions held in similar sized and similar positioned businesses usually offers Rs. 3,00,000/- per month to Rs 5,00,000/- per month for such profiles.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	No pecuniary relationship directly or indirectly with the company, or relationship with any managerial personnel.

**III. Other Information:**

1.	Reasons of loss or inadequate profits	At present the Company is earning profits which may be deemed inadequate for the purpose of limits of managerial remuneration. Further, in spite of Company's endeavors to have better operational and financial performance, the economic slowdown, sharp increase in the prices of raw materials, tough competition, lack of adequate cold storage facilities and retails infrastructures are some of the reasons for losses or inadequate profits.
2.	Steps taken or proposed to be taken for improvement	During the year under review, the Company has initiated various effective steps to improve its operational performance/liquidity, including cost control measures have been put in place which would result in better profitability in the ensuing years.
3.	Expected increase in productivity and profits in measurable terms	In view of the current scenario and barring unforeseen circumstances, the profitability of the Company might be substantially moderate in F.Y. 2019-20. Further, lower realization from sale of broilers and a sharp increase in feed prices might also affect the productivity in F.Y. 2019-20.

The disclosure as required under Part-II of Schedule-V of Companies Act, 2013, is covered under Corporate Governance Report forming part of Annual Report.

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 Special Resolution as set out at Item No. 5 of the Notice.

Place: Indore  
Date : 14.08.2019

**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)**

**Annexure-I**

Pursuant to Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard for General Meeting, the additional information of Directors seeking re-appointment in the ensuing Annual General Meeting is as follows:

<b>Name of Director/ Appointee</b>	<b>Mr. Gurdeep Singh Bhatia</b>	<b>Dr. Surendra Singh</b>	<b>Mr. Harender Singh Bhatia</b>	<b>Mr. Kawaljeet Singh Bhatia</b>
DIN	00401929	00645965	00509426	00401827
Date of Birth	13/05/1949	01/02/1940	09/12/1952	18/05/1973
Date of Appointment	10/11/1988	15/04/1994	26/10/1984	01/04/2002
Qualification	Graduate	Post Graduate	Bachelor of Science and Post Graduate in Arts	Bachelor of Science and Masters in International Business
Expertise/Experience in specific functional areas	30 years rich experience in poultry farms & finance	Experienced poultry technocrat and has more than 46 years of vast experience in poultry industry.	38 years rich experience in Poultry Industry	23 years of vast experience in poultry industry
No. & % of Equity Shares held	83300 [2.20%]	1525 [0.04%]	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>• True North AR India Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Simran Hatcheries Private Limited</li> <li>• Puregene Biotech Limited</li> <li>• Simran Bio Energy Private Limited</li> <li>• HSB Holdings Private Limited</li> <li>• Indore Realities Private Limited</li> <li>• Sundaram Realities Private Limited</li> <li>• Satyam Realinfra Private Limited</li> <li>• Geetashri Realities Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Simran Hatcheries Private Limited</li> <li>• Puregene Biotech Limited</li> <li>• Simran Feeds Private Limited</li> <li>• Bhatia Township &amp; Constructions Private Limited</li> <li>• BTC Constructions (India) Private Limited</li> <li>• Simran Infraproject Private Limited</li> <li>• Simran Agrovvet Private Limited</li> <li>• Simcare Pharma Private Limited</li> <li>• Simrath Microfinance Foundation</li> </ul>
Remuneration Paid	Nil	Nil	Rs. 2,50,000/- p.m.	Rs. 2,25,000/- p.m.
Chairman/Member of the Committees of the Board of Directors of the Company	Member of Corporate Social Responsibility Committee	Member of Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee	Chairman of Corporate Social Responsibility Committee.	Member of Corporate Social Responsibility Committee
Chairman/Member of the Committees of Board of Directors of other Companies in which he is director	Nil	Nil	Nil	Nil
Relationship between directors inter-se	Mr. Gurdeep Singh Bhatia is brother of Mr. Harender Singh Bhatia (Managing Director)	No relations with any other director	Mr. Harender Singh Bhatia is brother of Mr. Gurdeep Singh Bhatia	None





## BOARD'S REPORT

### Dear Shareholders

Your Directors present their Report together with the audited financial statements of your company for the year ended March 31, 2019.

### 1. STATE OF AFFAIRS AND FINANCIAL PERFORMANCE:

#### 1.1 FINANCIAL HIGHLIGHTS AND SUMMARY OF STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS.

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

(Rupees in Lakhs except EPS)

Particulars	Standalone Year Ended		Consolidated Year Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Total Income	31996.70	34128.55	31978.81	34128.55
Total Expenditure	31385.55	33595.23	31354.83	33581.68
<b>Profit/Loss before exceptional &amp; extraordinary items and tax</b>	<b>611.15</b>	<b>533.32</b>	<b>623.98</b>	<b>546.87</b>
Exceptional items	2.65	0.00	10.81	0.00
<b>Profit/Loss before tax</b>	<b>608.50</b>	<b>533.32</b>	<b>613.17</b>	<b>546.87</b>
Tax Expenses:				
(a) Current Tax	189.88	180.99	191.80	185.30
(b) Deferred tax assets/(Liabilities)	14.93	(12.11)	14.22	(12.92)
(c) MAT Credit	-	29.60	-	29.60
<b>Profit/Loss after tax</b>	<b>403.69</b>	<b>394.04</b>	<b>407.15</b>	<b>404.09</b>
Less: Non Controlling Interest	0.00	0.00	0.60	1.74
<b>Total</b>	<b>403.69</b>	<b>394.04</b>	<b>406.55</b>	<b>402.35</b>
Other comprehensive Income (Net of Tax)	(1.42)	(0.45)	(1.42)	(0.45)
Total Comprehensive Income	402.27	393.59	405.13	401.90
Paid up Equity Share Capital	379.17	379.17	379.17	379.17
Earnings per share ( ₹ 10/- each)				
Basic & Diluted (in ₹)	10.65	10.39	10.72	10.61

The Company's performance during Financial Year 2018-19 on a standalone and consolidated basis were as follows –

#### A. On Standalone basis

Your Company's total income on standalone basis was Rs. 319.97 crores as compared to last year's income of Rs. 341.29 crores. Further, the Company achieved a net profit of Rs. 402.27 lakhs as compared to Rs. 393.59 lakhs in last year. The profit of the Company was increased by 2.21% during the year under review. The turnover so reduced due to sharp increase in feed prices in last few months and our inability to fully pass it on to the consumers due to fear of consumer shifting to value-based purchase instead of volume-based ones.

#### B. On Consolidated basis

During the year under review, total income on consolidated basis was Rs. 319.79 crores in comparison to Rs. 341.29 crore in previous year. Further, the Company's net profit was Rs. 405.14 lakhs as compared to Rs. 401.90 lakhs in previous year.



## 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 vast experience in the poultry industry.

### 1.2 CHANGE IN NATURE OF BUSINESS

During the year there was no change in business activity of the company.

### 1.3 SHARE CAPITAL

The paid-up Equity Share Capital of the Company as at March 31, 2019 stood at Rs. 379.17 lakhs. 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, 2019, none of the Directors of the Company holds instruments convertible into equity shares of the Company.

### 2. DIVIDEND

To conserve resources and plough back profits, your directors have not recommended any dividend for the year under review.

#### AMOUNT TRANSFERRED TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) as amended, all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven years from the date of transfer to Unclaimed Dividend Account of the Company. Hence, during the Financial Year 2018-19 unpaid/unclaimed dividends of Rs. 5,90,098/- relating to financial year 2010-11 were transferred to the Investor Education and Protection Fund.

Further, according to the IEPF Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to IEPF Authority. Accordingly, during the financial year 2018-19, the Company has transferred 366922 equity shares to IEPF related to dividend declared for financial year 2010-11.

#### DETAILS OF NODAL OFFICER

The details of Nodal Officer appointed by the Company pursuant to the provisions of IEPF Rules are available on the website of the company: <http://www.simranfarms.com/pdf/notices/details-of-nodal-officer.pdf>

### 3. AMOUNT TRANSFERRED TO RESERVES

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

### 4. 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.

#### UNSECURED LOAN FROM DIRECTORS

The Company has received unsecured loan from Mr. Kawaljeet Singh Bhatia (Whole Time Director) amounting to Rs. 128.00 lakhs during the financial year ended 31st March, 2019. The amount outstanding as at the end of financial year is Rs. 141.08 lakhs from Directors of the Company.

### 5. EXTRACTS OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed as **ANNEXURE-A** and forms an integral part of this Report and is also available on the website of the company.

### 6. 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, 2019. Financial of the subsidiary is disclosed in the Consolidated Financial Statements, which forms part of this Annual Report. A separate statement containing salient features of the Financial Statement of the Subsidiary in accordance with Section 129(3) of the Companies Act, 2013 and the rules made there under in the prescribed Form AOC-1 are annexed to this Report as **ANNEXURE-B** and hence is not repeated here for sake of brevity. The



Company does not have any joint venture or associate Company. There has been no material change in the nature of the business of the subsidiary company.

In accordance with forth proviso to Section 136(1) of the Companies Act, 2013, the Annual Report of your Company containing inter alia the audited standalone and consolidated financial statements has been placed on the website of the Company at [www.simranfarms.com](http://www.simranfarms.com). Further, audited financial statements together with related information and other reports of the subsidiary company have also been placed on the website of the Company at [www.simranfarms.com](http://www.simranfarms.com).

In terms of Section 136 of the Companies Act, 2013 ('the Act'), financial statement of the subsidiary company is not required to be sent to the members of the Company. The Company shall provide a copy of the annual accounts of its subsidiary company to the members of the Company on their request. The annual accounts of its subsidiary company will also be kept open for inspection at the registered office of the Company during business hours.

#### **7. CONSOLIDATED FINANCIAL STATEMENTS**

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to the requirement of Section 129 of the Companies Act, 2013 and Regulation 33 & Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations') read with other applicable provisions and prepared in accordance with applicable IND AS, for financial year ended March 31, 2019. The Consolidated Financial Statements form part of this Annual Report.

#### **8. 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 2018-19 forms part of the Corporate Governance Report. Further, Annual General Meeting of the Company for Financial year 2017-18 was held on 19th September, 2018.

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

During the year under review, the Company has neither made any loans and investments to other body corporate or to any person, nor has it 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. Further details of investment as on 31st March, 2019 is given in Notes to the financial statement.

Further, the Company has not given any loan and advances to subsidiary company. Therefore, no information is reportable under Schedule-V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

#### **10. PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTIES**

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on the Company's website at weblink:

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

The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and/or entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions are subjected to independent review by an Audit Committee to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Listing Regulations.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statement, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

#### **11. DETAILS OF 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, Mr. Gurdeep Singh Bhatia (DIN: 00401929), Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

As mentioned in previous board report, Mr. Brij Mohan Maheshwari (DIN: 00022080) resigned from the post of



Directorship of the Company with effect from 20th April, 2018 due to his pre-occupation. Board placed on record its deep appreciation for the valuable contribution made by him during his tenure as director of the Company.

Members in their 31st Annual General Meeting held on 19th September, 2018 confirmed appointment of Mr. Surjit Singh Kohli (DIN: 00701320), as an Independent Director of the Company for the period of five years w.e.f 16th July, 2018 to 15th July, 2023.

Further, at 31st Annual General Meeting held on 19th September, 2018, re- appointment of Dr. Surendra Singh (DIN: 00645965) and Mrs. Jasmeet Kaur Bhatia (DIN: 06949992), as an Independent Directors of the Company was confirmed pursuant to Section 149, 152, 160 of the Companies Act, 2013 for a second term of five consecutive years.

Further, Board of Directors in their Meeting held on 25th May, 2019, considered re-appointment of Mr. Harender Singh Bhatia and Mr. Kawaljeet Singh Bhatia as Managing Director and Whole-time Director of the Company respectively for term of three years w.e.f 1st June, 2019 till 31st May, 2022 subject to the approval of members in ensuing Annual General Meeting.

Further, 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. Mr. Harender Singh Bhatia, Managing Director
2. Mr. Kawaljeet Singh Bhatia, Whole Time Director
3. Mr. Mahesh Patidar, Chief Financial officer
4. CS Tanu Parmar, Company Secretary and Compliance officer

#### **Disqualifications of Directors:**

During the year under review, none of the director was disqualified for holding office as director as per the provisions of the Companies Act, 2013.

#### **12. DECLARATION BY INDEPENDENT DIRECTOR**

The Independent Directors have submitted the declaration of independence, as required under Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

#### **13. MEETING OF INDEPENDENT DIRECTORS**

The Independent Directors met once during the year under review. The Meeting was conducted on 7th February, 2019 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.

#### **14. 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\\_programm\\_training\\_2018-19.pdf](http://www.simranfarms.com/pdf/policy/familiarization_programm_training_2018-19.pdf).

#### **15. 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 Mrs. Jasmeet Kaur Bhatia as Chairperson, Dr. Surendra Singh and Mr. Surjit Singh Kohli 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) Corporate Social Responsibility Committee

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.

**16. 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.

**17. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that —

- a) in the preparation of the annual accounts for the year ended March 31, 2019, 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, 2019 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.

**18. 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**

- (i) The steps taken or impact on conservation of energy: The operations of the Company are not power intensive as the Company controls the breeding, hatching and/or processing of broilers 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 steps taken by the company for utilising alternate sources of energy: The company has used alternate source of energy, whenever and to the extent possible.
- (iii) 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) The expenditure incurred on Research and Development: The Company has not incurred any expenditure on Research and Development during the year under review.

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

Foreign Exchange Earnings:

**C.Y.**  
NIL

**P.Y.**  
NIL



Foreign Exchange Outgo:

NIL

NIL

**19. 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. Also, the report of statutory auditors on the internal financial control system is part of the Audit Report.

**20. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

In terms of the provisions of Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, during the Financial year, the Board of Directors of the Company have constituted a Corporate Social Responsibility Committee in its meeting held on 07.02.2019 comprising following members:-

Mr. Harender Singh Bhatia (Chairman);

Mr. Kawaljeet Singh Bhatia (Member);

Mr. Gurdeep Singh Bhatia (Member);

Mrs. Jasmeet Singh Bhatia (Member);

The role of the Committee is to formulate and recommend a CSR policy to the Board, to recommend expenditure to be incurred on CSR activities, to monitor the CSR policy of the Company from time to time and to institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

The Company's CSR Policy lays out the vision, objective and implementation mechanism. The Company's CSR Policy is available on the Company's weblink

[http://www.simranfarms.com/pdf/policy/corporate\\_social\\_responsibility.pdf](http://www.simranfarms.com/pdf/policy/corporate_social_responsibility.pdf).

The Company has focused on social cause and implementation of its Corporate Social Responsibility and promoting education as per Schedule VII of the Companies Act, 2013.

During the financial year ended 31st March, 2019; the Company spent Rs. 4.90 lakhs on Corporate Social Responsibility (CSR) which is more than 2% of average net profit of last three financial years. Detailed information report on the CSR policy and the CSR initiatives taken during financial year 2018-19 is given in **ANNEXURE-C**.

**21. 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 there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors formulated the Nomination and Remuneration Policy of your Company on the recommendations of the Nomination and Remuneration Committee. The policy has been uploaded on the Company's website at the web link:

[http://www.simranfarms.com/pdf/policy/nomination\\_renumeration.pdf](http://www.simranfarms.com/pdf/policy/nomination_renumeration.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.





## 22. PARTICULARS OF EMPLOYEES

During the year under review, none of the employee of the company is drawing more than Rs.1,02,00,000/- per annum or Rs. 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 of Managerial Personnel) Rules, 2014 as amended from time to time are not applicable, during the year under review.

The Disclosure required under Section 197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended up to date, is annexed as **ANNEXURE-D** and forms an integral part of this Report.

## 23. REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

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

## 24. REPORT ON CORPORATE GOVERNANCE

As per Regulation 34(3) read with Part E of 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 Statutory Auditors of the Company confirming compliance, forms part of the Annual Report.

## 25. 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 "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).

## 26. 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.

## 27. SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Companies Act, 2013 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 Secretaries, Indore (CP No. 2871) to conduct Secretarial Audit of the Company for the Financial Year 2018-19. The report of the Secretarial Auditor is enclosed as **(ANNEXURE-E)** and forms an integral part of this Report.

Further, the Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

## 28. STATUTORY AUDITORS

M/s J.C. Baheti & Associates, Chartered Accountants (Firm Registration No. 03390C) were appointed as the Statutory Auditors of the Company in 30th Annual General Meeting held on 28th September, 2017, for a term of five consecutive years. Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7th May, 2018, amending Section 139 of the Companies Act, 2013, the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted and hence your Company has not proposed ratification of appointment of M/s. J.C. Baheti & Associates, Chartered Accountants at the forthcoming AGM.

### 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 be reported by statutory auditors of the Company under sub-section (12) of Section 143 of Companies Act, 2013.

## 29. INTERNAL AUDITOR

The Company has appointed CS 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.

**30. 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 are required to be maintained.

**31. 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. Declaration on adherence to the code of conduct is forming part of the Corporate Governance Report.

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).

**32. 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.

**33. 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.

**34. 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.

**35. 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 Complaint 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).

**36. LISTING WITH STOCK EXCHANGES**

Company's shares are listed on Bombay Stock Exchange Limited. The company has paid annual listing fee for Financial Year 2019-20.

**37. COMPLIANCE OF SECRETARIAL STANDARD**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

**38. 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, 2019.

**39. 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 Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository System, members are requested to avail 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 2019-20.

**40. PREVENTION OF INSIDER TRADING**

On December 31, 2018, Securities and Exchange Board of India amended the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, prescribing various new requirements with effect from April 1, 2019. In line with the amendments, the Company has adopted an amended Code of Conduct to regulate, monitor and report trading by Designated Persons and their Immediate Relatives & Connected Persons under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

**41. MD & CFO CERTIFICATION**

The Managing Director & CFO of your Company have issued necessary certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations and the same forms part of this Annual Report.

**42. INSURANCE**

The Company's assets are adequately insured against the loss of fire and other risk, as considered necessary by the Management from time to time.

**43. 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, and 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.

**For and on behalf of the Board of Directors of  
SIMRAN FARMS LIMITED**

Date : 14.08.2019  
Place: Indore

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

**Kawaljeet Singh Bhatia**  
Whole Time Director  
(DIN: 00401827)

**ANNEXURE-A****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2019**

**(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(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	Listed 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 Email: compliance@simranfarms.com Web address: www.simranfarms.com
6.	Whether listed company	Yes (Bombay Stock Exchange Limited)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Ankit Consultancy Pvt. Ltd. SEBI Reg. No. : INR000000767 Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010 Tel.: 0731-4065797, 4065799 Fax:0731-4065798 Email: ankit_4321@yahoo.com Web address: www.ankitonline.com

**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	Raising of Poultry	0146	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	82.71%	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-2018]				No. of Shares held at the end of the year [As on 31st March-2019]				%age Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1358350	19300	1377650	36.33	1382043	0	1382043	36.45	0.12
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	0.00
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)	1391250	19300	1410550	37.20	1414943	0	1414943	37.32	0.12
(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)	1391250	19300	1410550	37.20	1414943	0	1414943	37.32	0.12
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	0	0	0	-0.06
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	0	0	0	-0.06



Category of Share-holders	No. of Shares held at the beginning of the year [As on 1st April-2018]				No. of Shares held at the end of the year [As on 31st March-2019]				%age Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	134179	44900	179079	4.72	541641	44800	586441	15.47	10.75
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	952149	565285	1517434	40.02	993973	237650	1231623	32.48	-7.54
ii) Individual share-holders holding nominal share capital in excess of ₹ 1 lakh	562175	37900	600075	15.83	494107	14800	508907	13.42	-2.41
c) Others (specify)									
i) NRI & OCB	29616	50000	79616	2.10	36220	9400	45620	1.20	-0.90
ii) Clearing Member	2846	0	2846	0.07	4166	0	4166	0.11	0.04
Sub-total (B)(2):-	1680965	698085	2379050	62.74	2070107	306650	2376757	62.68	-0.06
Total Public share-holding (B)= (B)(1) +(B)(2)	1680965	700185	2381150	62.80	2070107	306650	2376757	62.68	-0.12
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	3072215	719485	3791700	100.00	3485050	306650	3791700	100.00	0.00



**B) SHAREHOLDING OF PROMOTERS-**

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	137293	3.63	0	0.12
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	83300	2.20	0	83300	2.20	0	0
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	Avneet Singh Bhatia	14600	0.38	0	14600	0.38	0	0
15	Sumeet Singh Bhatia	14300	0.38	0	14300	0.38	0	0
16	Mahinder Kaur Bhatia	12900	0.34	0	12900	0.34	0	0
17	Dilraj Singh Bhatia	9600	0.25	0	9600	0.25	0	0
18	Amarjit Singh Bhatia	8100	0.21	0	8100	0.21	0	0
19	Kawaljeet Kaur Bhatia	7500	0.20	0	7500	0.20	0	0
20	Navneet Kaur Bhatia	3650	0.09	0	3650	0.09	0	0
	<b>TOTAL</b>	<b>1410550</b>	<b>37.20</b>	<b>0</b>	<b>1414943</b>	<b>37.32</b>	<b>0</b>	<b>0.12</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	1410550	37.20	1410550	37.20
	Date wise increase/decrease in Promoter Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)				
1)	Increase in Shareholding of <b>Mrs. Amarjeet Kaur Bhatia</b> on 14.02.2019 <b>Reason:</b> Purchase	4393	0.12	1414943	37.32
	<b>At the end of the year</b>	<b>1414943</b>	<b>37.32</b>	<b>1414943</b>	<b>37.32</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
1.	Investor Education & Protection Fund Authority	0	0.00	01.04.2018	-	-	-	-
				05.01.2019	366922	Transfer of Shares to IEPF	366922	9.67
	At the end of the Year 31.03.2019	366922	9.67	-	-	-	366922	9.67
2	Dr. Ramesh Chimanlal Shah	50160	1.32	01.04.2018	-	-	-	-
				06.04.2018	-805	Sale	49355	1.30
				13.04.2018	-1000	Sale	48355	1.28
				20.04.2018	-4308	Sale	44047	1.16
				27.04.2018	-1500	Sale	42547	1.12
				04.05.2018	-200	Sale	42347	1.12
				11.05.2018	-499	Sale	41848	1.10
				08.06.2018	-1500	Sale	40348	1.06
				15.06.2018	-1011	Sale	39337	1.04
				22.06.2018	-973	Sale	38364	1.01
				05.10.2018	-3364	Sale	35000	0.92
	At the end of the year 31.03.2019	35000	0.92	-	-	-	35000	0.92



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
3	Hemantkumar Satishbhai Patel	42000	1.11	01.04.2018	-	-	-	-
				27.04.2018	-3133	Sale	38867	1.03
				11.05.2018	-635	Sale	38232	1.01
				18.05.2018	-20	Sale	38212	1.01
	At the end of the year 31.03.2019	38212	1.01	-	-	-	38212	1.01
4	Kasila Farms P. Ltd.	40000	1.05	01.04.2018	No Change	-	-	-
	At the end of the year 31.03.2019	40000	1.05	-	-	-	40000	1.05
5	Varsha Chugh	42683	1.13	01.04.2018	No Change	-	-	-
	At the end of the year 31.03.2019	42683	1.13	-	-	-	42683	1.13
6	Hemantkumar Satishbhai Patel (HUF)	32668	0.86	01.04.2018	No Change	-	-	-
	At the end of the year 31.03.2019	32668	0.86	-	-	-	32668	0.86
7	Vinod Ramnivas Garg	35388	0.93	01.04.2018	No Change	-	-	-
	At the end of the year 31.03.2019	35388	0.93	-	-	-	35388	0.93
8	Siddhartha Bhaiya	60150	1.59	01.04.2018	-	-	-	-
				21.09.2018	-10000	Sale	50150	1.32
		50150	1.32	-	-	-	50150	1.32
9	Aequitas Investment Consultancy Pvt. Ltd.	55615	1.47	01.04.2018	No Change	-	-	-
	At the end of the year 31.03.2019	55615	1.47	-	-	-	55615	1.47
10	Rubina Khatun A Mody	-	-	11.01.2019	-	-	-	-
				11.01.2019	38695	Purchase	40777	1.08
					(JOINED TOP 10 W.E.F 11.01.2019)			
				18.01.2019	5241	Purchase	46018	1.21



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
				25.01.2019	100	Purchase	46118	1.22
				01.02.2019	9841	Purchase	55959	1.48
				15.02.2019	4303	Purchase	60262	1.59
	At the end of the year 31.03.2019	60262	1.59	-	-	-	60262	1.59

Note: The above information is based on the weekly beneficiary position received from Depositories. As it is not feasible to provide daily changes in shareholding, consolidated changes on weekly basis during the financial year 2018-19 has been provided.

**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	0.00	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	
		No. of Shares	%age of total shares of the company	No. of Shares	%age of total shares of the company
02	<b>Kawaljeet Singh Bhatia (Whole Time Director)</b>				
	At the beginning of the year	84400	2.23	84400	2.23
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc).	0	0.00	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	
		No. of Shares	%age of total shares of the company	No. of Shares	%age of total shares of the company
03	<b>Gurdeep Singh Bhatia (Director)</b>				
	At the beginning of the year	83300	2.20	83300	2.20
	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	0.00	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	
		No. of Shares	%age of total shares of the company	No. of Shares	%age of total shares of the company
04	<b>Dr. Surendra Singh (Independent Director)</b>				
	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).	-	-	-	-
	02.11.2018 (Reason: Purchase)	300	0.01	1700	0.04
	16.11.2018 (Reason: Purchase)	100	0.00	1800	0.05
	07.12.2018 (Reason: Purchase)	225	0.01	2025	0.05
	14.12.2018 (Reason: Sale)	-350	0.00	1675	0.04
	21.12.2018 (Reason: Purchase)	250	0.01	1925	0.05
	30.03.2019 (Reason: Sale)	-400	0.01	1525	0.04
	<b>At the end of the year</b>	<b>1525</b>	<b>0.04</b>	<b>1525</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>Jasmeet Kaur Bhatia (Independent Director)</b>				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc).	0	0.00	0	0.00
	<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
06	<b>Surjit Singh Kohli* (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	0.00	0	0.00
	<b>At the End of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>

\*Mr. Surjit Singh Kohli was appointed as Independent Director with effect from 16.07.2018

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	10	0.00	10	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):	-10 (Sale of Shares as on 15.03.2019)	0.00	0	0.00
	<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
08	<b>Tanu Parmar (Company Secretary)</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	0.00	0	0.00
	<b>At the End of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>



**V) INDEBTEDNESS**

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

(Amount in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3255.58	196.35	-	3451.93
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3255.58	196.35	-	3451.93
Change in Indebtedness during the financial year				
* Addition	-	128.00	-	128.00
* Reduction	(445.66)	(183.27)	-	(628.93)
Net Change	(445.66)	(55.27)	-	(500.93)
Indebtedness at the end of the financial year				
i) Principal Amount	2809.92	141.08	-	2951.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2809.92	141.08	-	2951.00

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Harender Singh Bhatia (Managing Director)	Mr. Kawaljeet Singh Bhatia (Whole Time Director)	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	30.00	27.00	57.00
	(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	-	-	-
	- Others, specify			
5	Others, please specify	-	-	-
	Total (A)	30.00	27.00	57.00
6	Overall Ceiling as per the Act	Remuneration paid within the ceiling limit as prescribed in Companies Act, 2013		

**(B) Remuneration to other directors**

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		*Mr. Surjeet Singh Kohli (ID)	Dr. Surendra Singh (ID)	Mrs. Jasmeet Kaur Bhatia (ID)	Mr. Gurdeep Singh Bhatia (NED)	**Mr. Brij Mohan Maheshwari (ID)	
1	Independent Directors * Fee for attending board/ committee meetings * Commission * Others, please specify Total (1)	During the year under review, no remuneration/sitting fees/commission is paid to the Independent directors & other non-executive directors.					
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						

\*Mr. Surjit Singh Kohli was appointed as Independent Director with effect from 16.07.2018

\*\* Mr. Brij Mohan Maheshwari had resigned from the directorship of the Company with effect from 20.04.2018 due to preoccupation.

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

(₹ in Lakhs)

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	7.99	3.12	11.11
	(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	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
5	Others, please specify (Provident Fund)	0.22	0.18	0.40
	Total	8.21	3.30	11.51

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : Nil**

For and on behalf of the Board of Directors of  
SIMRAN FARMS LIMITED

Date : 14.08.2019  
Place: Indore

Harender Singh Bhatia  
Managing Director  
(DIN: 00509426)

Kawaljeet Singh Bhatia  
Whole Time Director  
(DIN: 00401827)

**ANNEXURE B (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**

(Information in respect of each subsidiary to be presented with amounts in Lakhs)

Sr.No.	Particulars	Details (Amounts in Lakhs)
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	(01.04.2018 to 31.03.2019)
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Same as Holding Company
5	Share capital	NA (There is no foreign subsidiary)
6	Other Equity	144.67
7	Total assets	63.22
8	Total Liabilities	256.76
9	Investments	48.87
10	Revenue from Operation	-
11	Profit(loss) before taxation	-
12	Provision for taxation	4.67
13	Profit after taxation	-
14	Proposed Dividend	3.46
15	Extent of shareholding (in percentage)	-
		82.71

**Note:**

Name of subsidiaries which are yet to commence operations : **Puregene Biotech Limited**

Name of subsidiaries which have been liquidated or sold during the years: **Not Applicable**

**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, J. C. BAHETI & ASSOCIATES**

Chartered Accountants

FRN: 003390C

CA J.C. BAHETI

PROPRIETOR

(M.No. 072585)

UDIN : 19072585AAAAAU8386

**H.S. Bhatia**

Managing Director

DIN: 00509426

**G.S. Bhatia**

Director

DIN: 00401929

**Mahesh Patidar**  
Chief Financial Officer

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

Place : Indore

Date : 14<sup>th</sup> August, 2019



## ANNEXURE-C

### ANNUAL REPORT ON CSR ACTIVITIES

#### 1. BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS/ PROGRAMS TO BE UNDERTAKEN AND A REFERENCE TO THE WEB LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS:

In terms of the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has its philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large. The objective of the Company's Corporate Social Responsibility ('CSR') initiatives is to improve the quality of life of communities through long-term value creation for all stakeholders. The Company has pioneered various CSR initiatives. The Company continues to remain focused on improving the quality of life and engaging communities through health, education, livelihood, sports and on educating differently able children. The Company has in place a CSR policy which provides guidelines to conduct CSR activities of the Company. The CSR policy is available on the website of the Company [http://www.simranfarms.com/pdf/policy/corporate\\_social\\_responsibility.pdf](http://www.simranfarms.com/pdf/policy/corporate_social_responsibility.pdf).

#### 2. COMPOSITION OF THE CSR COMMITTEE:

- 1) Mr. Harender Singh Bhatia (Chairman);
- 2) Mr. Kawaljeet Singh Bhatia (Member);
- 3) Mr. Gurdeep Singh Bhatia (Member);
- 4) Mrs. Jasmeet Kaur Bhatia (Member)

#### 3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS:

The average net profit during the preceding 3 financial years of the Company is as follows:

Particulars	2015-16	2016-17	2017-18
Net Profit u/s 198	28,67,049	1,37,15,575	5,33,31,641

Average Net Profit for last 3 (three) years- ₹ 2,33,04,755/-

#### 4. PRESCRIBED CSR EXPENDITURE (Two Percent of the amount as in item no.3 above):

2% of average Net Profit - ₹ 4,66,095.10/-

#### 5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR 2018-19:

- a) Total amount to be spent for the financial year: – Rs. 4,66,095.10/-
- b) Amount unspent, if any – Nil
- c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the project / programs sub- heads:		Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
					1) Direct expenditure on project or programs;	2) Over-heads		
1.	Purchasing of furniture for school	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently able and livelihood enhancement projects.	Local Area City: Indore State: Madhya Pradesh	4,90,000/-	4,90,000/-	-	4,90,000/-	Directly to:- <b>AIM WIN ACADEMY</b> Indore



**6. IN CASE THE COMPANY HAS FAILED TO SPEND THE TWO PER CENT OF THE AVERAGE NET PROFIT OF THE LAST THREE FINANCIAL YEARS OR ANY PART THEREOF, THE COMPANY SHALL PROVIDE THE REASONS FOR NOT SPENDING THE AMOUNT IN ITS BOARD REPORT – NOT APPLICABLE**

**7. RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE**

We, the undersigned, hereby confirm that the implementation and monitoring of CSR projects are in compliance with the CSR policy and objective of the Company, as approved by the Board of Directors of the Company.

Date : 14.08.2019  
Place: Indore

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

**Kawaljeet Singh Bhatia**  
**Whole Time Director**  
(DIN: 00401827)

**ANNEXURE-D**

[Statement pursuant to Section 197(12) of the Companies Act, 2013 read with 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
		2018-19
1	Harender Singh Bhatia	24.51:1
2	Kawaljeet Singh Bhatia	22.06:1

- (II) The percentage increase in the remuneration of each Director, CFO & Company Secretary in the financial year 2018-19 is as follows

Sr.No.	Name of Person	Designation	%age Increase in Remuneration
1	Harender Singh Bhatia	Managing Director	Not increased
2	Kawaljeet Singh Bhatia	Whole-time Director	Not increased
3	Maresh Patidar	CFO	11.13
4	Tanu Parmar	Company Secretary	18.18

Details of percentage increase in remuneration in case of Non executive directors and Non Executive independent directors is not given, as no remuneration/sitting fee/commission is paid to them.

- (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	8.74
112551	122389	

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

Particulars	As on 31st March 2019
Number of permanent employees on the rolls of the company	532

- (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

Average percentile increase in the salaries of employees other than the managerial personnel in the last financial year is 17.09% and the percentage increase in remuneration of managerial personnel is NIL.

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

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

- (VII) Statement showing name of top ten employees in terms of remuneration drawn (as per sub rule 3 of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time):



Serial No.	1	2	3
Name	Mr. Sanjay Chaudhary	Mr. Harender Singh Bhatia	Mr. Kawaljeet Singh Bhatia
Designation	General Manager (Production)	Managing Director	Whole-time Director
Remuneration received	₹ 30.79 lakhs	₹ 30.00 lakhs	₹ 27.00 lakhs
Nature of Employment, whether contractual or otherwise	Permanent & Salaried	Permanent & Salaried	Permanent & Salaried
Qualification	M.V.Sc. (Nutrition)	B.Sc. & Masters in Arts	B.Sc. and Masters in International Business
Experience	30 years in poultry field	38 yrs rich experience in Poultry Industry	23 years of vast experience in poultry business
Age	53 years	66 years	46 years
Date of Commencement of Employment	01.04.2010	26.10.1984	01.04.2002
Last employment held by the employee before joining the company	General Manager in C & M Farming Pvt. Ltd.	1st employment	1st employment
%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
Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	None	Brother of Mr. Gurdeep Singh Bhatia, Non-executive & Non-Independent Director of the Company	Brother's son of Mr. H. S. Bhatia (MD) & Mr. Gurdeep Singh Bhatia (Non-Executive Non-Independent Director)

Serial No.	4	5	6
Name	Mr. Gurmeet Singh Bhatia	Mr. Amarjeet Singh Bhatia	Mr. Datta Sampat Padol
Designation	Vice President (Marketing)	General Manager (Production)	Deputy General Manager
Remuneration received	₹ 27.00 Lakhs	₹ 24.00 Lakhs	₹ 18.88 Lakhs
Nature of Employment, whether contractual or otherwise	Permanent & Salaried	Permanent & Salaried	Permanent & Salaried
Qualification	B.Com.	Graduation	B.V.Sc & A.H.
Experience	21 years in poultry business	31 years rich experience in operation of poultry hatcheries	18 years in poultry business
Age	43 years	72 years	40 years
Date of Commencement of Employment	01.04.2007	01.04.2017	18.07.2012
Last employment held by the employee before joining the company	Singh Hatcheries	Singh Hatcheries Pvt. Ltd.	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
Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	Son of Mr. Gurdeep Singh Bhatia, Non-executive & Non-independent Director of the Company	Father of Mr. Kawaljeet Singh Bhatia, Whole-time Director of the Company	None





Serial No.	7	8
Name	Mr. Sajan Patel	Mr. Avneet Singh Bhatia
Designation	Deputy General Manager	Vice President (Operations)
Remuneration received	₹ 17.85 Lakhs	₹ 15.00 Lakhs
Nature of Employment, whether contractual or otherwise	Permanent & Salaried	Permanent & Salaried
Qualification	B.V.Sc. & A.H.	Post Graduate & Certificate in Business Management
Experience	20 years in poultry production	10 years in Poultry Business
Age	47 years	34 years
Date of Commencement of Employment	01.04.2010	01.04.2009
Last employment held by the employee before joining the company	Zonal Sales Manager in Simran Hatcheries	1st Employment
%age of equity shares as per Rules 5(2)(iii) of Companies (App. & Remuneration of Managerial Personnel) Rules, 2014	Not Applicable	Not Applicable
Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	None	Son of Mr. Harender Singh Bhatia, Managing Director of the Company

Serial No.	9	10
Name	Mr. Munikant Rawat	Mr. Prakash Pillay
Designation	Chief Production Manager	Zonal Sales Manager
Remuneration received	₹ 14.95 Lakhs	₹ 12.27 Lakhs
Nature of Employment, whether contractual or otherwise	Permanent & Salaried	Permanent & Salaried
Qualification	Post Graduate	M.Com.
Experience	40 years in Hatchery Management	26 years in poultry production
Age	62 years	61 years
Date of Commencement of Employment	01.04.2013	01.04.2010
Last employment held by the employee before joining the company	Hatchery Manager in Venkateshwara Hatcheries Pvt. Ltd.	Zonal Sales Manager in Singh Hatcheries
%age of equity shares as per Rules 5(2)(iii) of Companies (App. & Remuneration of Managerial Personnel) Rules, 2014	Not Applicable	Not Applicable
Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	None	None



## ANNEXURE - E SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended on 31st March, 2019

[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 **1st April 2018 to 31st March, 2019**, 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 the Company for the financial year ended on 31st March, 2019 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 to the extent of Foreign Direct Investments, Overseas Direct Investments and External Commercial borrowings; **(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 Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(not applicable to the company during the audit period);**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(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, 2018 *(not applicable to the company during the audit period);*
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 as amended from time to time.
- (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. There is no specific law applicable to the Company. However the following laws, regulations, directions, orders applicable specifically to the Company:
  - a) Environment Protection Act, 1986 and other environmental laws
  - b) The Madhya Pradesh Shops & Establishments Act, 1958

I have also examined compliance with the applicable clauses of Secretarial Standards on Meeting of Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

I further report that I have not reviewed the applicable financial laws (direct and indirect tax laws), Accounting Standards, 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 Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or 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 year under report, the company has not undertaken event/action having a major bearing in the company's affair in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred above.

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

**Ramesh Chandra Bagdi**  
**Proprietor**  
**FCS: 8276, CP No. : 2871**

**Place: Indore**  
**Dated: 14th August, 2019**

Note: This report is to be read with our letter of even date which is annexed as Annexure herewith and forms an 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**  
**FCS: 8276, CP No. : 2871**

**Place: Indore**  
**Dated: 14th August, 2019**



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **(a) Industry structure and developments**

Today India is the one of the world's largest producer of eggs and broiler meat. The poultry industry in India has undergone a major shift in structure and operation during the last two decades transforming from a mere backyard activity into a major industry with the presence of a large number of integrated players. This transformation has involved a sizeable investment in breeding, hatching, rearing and processing activities.

India's economy is projected to grow at 7.1 per cent in fiscal year 2020 on the back of strong domestic consumption and investment but the GDP growth is a downward revision from the 7.4 per cent estimated in January this year, according to a report by the United Nations. Strong domestic consumption and investment will continue to support growth, which is projected at 7.0 per cent in 2019 and 7.1 per cent in 2020, the report said. It must be noted that despite the downward revisions, India remains the fastest growing major economy in the world, ahead of China. The improved economic outlook favours the country's agricultural and poultry sector, directly benefitting ancillary products.

### **(b) Opportunities and Threats**

Every business and industry is equipped with some opportunities as well as threats. The poultry business also faces number of threats and opportunities. Various factors like increasing disposable income and expected revival in industrial activity will contribute to the growth in demand for poultry products and the industry has promising future. However, lack of adequate cold storage facilities at key locations and retail infrastructure are the main reasons which are impacting the industry's growth. Further, unpredictable price behavior of feed ingredients is another concern to the poultry industry.

### **(c) Segment-wise or 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.

### **(d) Industry Outlook**

In current scenario, the government's effort to protect agricultural farmers through sustained increase in the minimum support prices (MSP) has seen a rise in prices of maize and soybean. The two are used as feeds in the poultry sector, and take up half the cost of chicken and eggs.

Usually, by volume, maize forms 60-70 per cent of poultry feed, while soymeal forms 25-30 per cent, with the rest being rice bran oil, DCP etc, among others.

Therefore, poultry farms in India are facing pressure due to a sharp increase in feed prices in the last few months. Meanwhile, the increased cost of production has not been fully passed on to the consumers due to the fear of consumers shifting to value-based purchase instead of volume-based ones.

In view of the current scenario, the profitability might be substantially moderate in FY2019-20 due to lower realisation and a sharp increase in feed prices.

### **(e) Risks and concerns**

In spite of rapid growth, the poultry industry suffers many setbacks in recent times due to rising cost of feed; emergence of new or reemerging of existing diseases; fluctuating market price of egg and broilers; unfavorable local and global weather patterns may have an adverse effect on our business and results of operations; availability of raw materials and arrangements with suppliers for raw materials; seasonal variations in our businesses; improper handling, processing or storage of raw materials or products etc. which need to be addressed to make the poultry sector as a sustainable enterprise.

### **(f) Internal control systems and their adequacy**

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

### **(g) Discussion on financial performance with respect to operational performance**

During the year under review, the turnover of the Company was Rs. 319.97 crores as compared to last year where turnover was Rs. 341.29 crores. Further, the Company achieved a net profit of Rs. 402.27 lakhs as



compared to Rs. 393.59 lakhs in last year. The profit of the Company was increased by 2.21% during the year under review.

The operational performance of the Company remains consistent but its financial performance has to suffer sharp variation due to frequent market fluctuation in the poultry business. The business in this days affected due to sharp variation in chicken rates in the month of festivities such as Shrawana, Navratri, Shrad, etc. which results into lower realization from sale of broilers.

However, the Management of the Company has been indentifying the steps to be taken to handle the volatility of the poultry market and in spite of adverse or unfavorable market conditions, the management of the Company carried its operational activities efficiently and effectively during the year under review.

**(h) Material developments in Human Resources/Industrial Relations front, including number of people employed**

Our work force is a critical factor in maintaining quality and safety, which strengthens our competitive position and our human resource policies focus on training and retaining our employees. The Company trains employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety. The Company believes it has good relations with our employees. As on March 31, 2019, the total number of permanent employees was 532. Further, your Company would like to sincerely appreciate the valuable contribution and support of employees towards the performance and growth of the Company. The management team comprises of professionals with proven track record. Your Company continues to remain focused and sensitive to the role of human resources in optimizing results in all its areas of working and its industrial relations also continue to be cordial.

**(i) Details of significant changes in the key financial ratios**

As per the amendment made under Schedule V to the Listing Regulations read with Regulation 34(3) of the Listing Regulations, details of key financial ratios and any changes in return on net worth of the Company are given below:

Particulars	2018-19	2017-18	Change (in %)
Debtors' turnover	34.42	36.15	-1.73
Inventory turnover	4.86	3.91	0.95
Interest coverage ratio	4.27	2.58	1.69
Current ratio	1.08	1.01	0.07
Debt-Equity ratio	3.05	3.47	-0.42
Operating profit margin (%)	3.13	3.07	0.06
Net profit margin (%) or sector-specific equivalent ratio as applicable	1.26	1.15	0.11

In none of the key financial ratios there was change of more than 25% as compared to the immediately previous financial year.

**(j) Details of change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof**

Particulars	2018-19	2017-18	Change (in %)
Return on Net Worth (%)	15.84	18.35	-2.51

**Reason for change in Return on Net Worth:** The Other Equity of the Company has increased from ₹ 1767.76 as at 31st March, 2018 to ₹ 2170.02 as at 31st March, 2019 which has resulted decrease in Return on Net Worth.

**(k) 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 for the year ended **31st March 2019** 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 provisions of regulations relating to corporate governance are not mandatory to the Company for the financial year ended 31st March, 2019. However, 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:**

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, 2019 the Company had 6 (six) directors as 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.

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 Companies Act, 2013. The maximum tenure of independent directors is in compliance with the Companies Act, 2013. 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 Companies Act, 2013.

The Board of your Company comprises of 6 (Six) Directors as on 31st March, 2019. 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 and Chairman of more than 5 Committees (as specified in Regulation 26 of the SEBI 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 the Directors	Category	No. of Directorship (including this Company)		No. of Committee Chairmanship/Membership (including this Company)	
		Chairperson	Member	Chairperson	Member
Mr. Harender Singh Bhatia (DIN:00509426)	Promoter & Managing Director	-	2	-	-
Mr. Kawaljeet Singh Bhatia (DIN:00401827)	Promoter & Whole-time Director	-	2	-	-
Mr. Gurdeep Singh Bhatia (DIN:00401929)	Promoter & Non-executive Director	-	1	-	-
Dr. Surendra Singh (DIN:00645965)	Independent Non-executive Director	-	1	-	2
Mrs Jasmeet Kaur Bhatia (DIN:06949992)	Independent Non-executive Director	-	1	2	2
*Mr. Surjit Singh Kohli (DIN: 00701320)	Independent Non-executive Director	-	2	-	2
**Mr. Brij Mohan Maheshwari (DIN: 00022080)	Independent Non-executive Director	-	2	-	2





\* Mr. Surjit Singh Kohli was appointed as Independent Director with effect from 16.07.2018

\*\* Mr. Brij Mohan Maheshwari had resigned from the directorship of the Company with effect from 20.04.2018 due to preoccupation.

- Directorship excludes Private Limited Companies (except subsidiary of Holding Company), 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) The Names of Other Listed Entities where the Directors have Directorship and their Category of Directorship in such Listed Entities:**

None of the Director is holding Directorship in any other listed company.

**C) Attendance of Directors at the Board Meetings held during 2018-19 and the last Annual General Meeting held on 19th September, 2018**

During the financial year 2018-19, 6 (Six) Board Meetings were held. The Board met at least once in every calendar quarter and the gap between two meetings did not exceed 120 days. 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. The dates on which the Board Meetings were held are given below:

20.04.2018	25.05.2018	16.07.2018
13.08.2018	14.11.2018	07.02.2019



Name of Director	Category	Meeting held during the tenure of the Director	Meeting attended	Attendance at the last AGM held on 19.09.2018
Mr. Harender Singh Bhatia (DIN:00509426)	Promoter & Managing Director	6	6	Yes
Mr. Kawaljeet Singh Bhatia (DIN:00401827)	Promoter & Whole Time Director	6	6	Yes
Mr. Gurdeep Singh Bhatia (DIN:00401929)	Promoter & Non Executive Director	6	6	Yes
Dr. Surendra Singh (DIN:00645965)	Independent/Non Executive Director	6	5	Yes
Mrs Jasmeet Kaur Bhatia (DIN:06949992)	Independent/Non Executive Director	6	6	Yes
*Mr. Surjit Singh Kohli (DIN: 00701320)	Independent /Non Executive Director	3	1	Yes
**Mr. Brij Mohan Maheshwari (DIN: 00022080)	Independent/Non Executive Director	1	0	N.A.

\*Mr. Surjit Singh Kohli was appointed as Independent Director with effect from 16.07.2018.

\*\* Mr. Brij Mohan Maheshwari had resigned from the directorship of the Company with effect from 20.04.2018 due to preoccupation.

None of the Independent Directors have any material pecuniary relationship or transactions with the Company.

#### D) 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.

#### E) Confirmation of Independent Directors

The Company has received disclosures from all the Independent Directors that they fulfilled conditions specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and were independent of the management. After undertaking a due assessment of their disclosures, in the opinion of the Board of Directors, all the Independent Directors fulfilled the requirements of the Companies Act, 2013 and the Listing Regulations and were independent of the management of the Company.

#### III. 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.

#### IV. NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON- EXECUTIVE DIRECTORS AS ON 31ST MARCH, 2019:

The Number of equity shares held by Non-Executive Directors as on 31.03.2019 were as under:



S.No.	Name of Director	No. of Equity shares	Convertible Instruments
1	Mr. Gurdeep Singh Bhatia (DIN:00401929)	83300	Nil
2	Dr. Surendra Singh (DIN: 00645965)	1525	Nil
3	Mrs. Jasmeet Kaur Bhatia (DIN:06949992)	Nil	Nil
4	*Mr. Surjit Singh Kohli (DIN: 00701320)	Nil	Nil
5	**Mr. Brij Mohan Maheshwari (DIN: 00022080)	600	Nil

\*Mr. Surjit Singh Kohli was appointed as Independent Director with effect from 16.07.2018

\*\* Mr. Brij Mohan Maheshwari had resigned from the directorship of the Company with effect from 20.04.2018 due to preoccupation.

The Company had not issued any Convertible instrument till date.

#### V. THE DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS:

Your Company has in place Familiarization Programs for Independent Directors of the Company to provide insights into the Company's Business to enable them contribute significantly to its success. The Senior Management makes presentations periodically to familiarize the Independent Directors with the strategy operations and functions of the Company. The details of the familiarization program of the independent directors are available on the website of the Company at the web link: [http://www.simranfarms.com/pdf/policy/familiarization\\_programm\\_training\\_2018-19.pdf](http://www.simranfarms.com/pdf/policy/familiarization_programm_training_2018-19.pdf).

#### VI. MATRIX OF SKILL/EXPERTISE/COMPETENCIES OF THE BOARD OF DIRECTORS:

In terms of the requirements of the SEBI Listing Regulations, the Board has identified and approved the list of core skills/expertise/competencies as required in the context of Company's business(es) and sector(s) for it to function effectively. Broadly, the essential skillsets identified by the Board are categorised as under:

- Leadership
- Sales and Marketing
- Financial Analysis and Corporate Finance
- Global Experience/International Exposure
- Administration and Management
- Strategy & Planning
- Planning
- Production and Processing
- Poultry Expertise
- Poultry Management
- Finance, Accounts & Audit
- Financial Expertise

These skills/competencies are broad-based, encompassing several areas of expertise/ experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/ experience listed therein.

#### VII. MEETING OF INDEPENDENT DIRECTORS

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, meeting of the Independent Directors of the Company was held on 7th February, 2019 to consider the following business as required under Regulation 25(4) of SEBI Listing Regulations and the Companies Act, 2013:-

- (a) Review the performance of Non-Independent Directors and the Board of Directors as a whole;
- (b) Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors and;
- (c) 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 in Independent Directors' meeting:**

Directors	Meetings held during the Year	Meetings Attended
Mrs. Jasmeet Kaur Bhatia (DIN:06949992)	1	1
Dr. Surendra Singh (DIN:00645965)	1	1
*Mr. Surjit Singh Kohli (DIN: 00701320)	1	0

*\*Mr. Surjit Singh Kohli was appointed as Independent Director with effect from 16.07.2018*

**VIII. AUDIT COMMITTEE**

Pursuant to the Companies Act, 2013 and SEBI Listing Regulations, the Company has an independent Audit Committee. The Composition, Procedure, Meeting and Role/Function of the committee comply with the requirements of the Companies Act, 2013 as well as those of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee reviews all applicable mandatory information under Part C of Schedule II pursuant to Regulation 18 of SEBI (LODR) Regulations, 2015. The brief terms of reference of the Audit Committee includes the following:-

- 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 of 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:
  - 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;
  - g. 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;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- 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 dividend) 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;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

**A) 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.
- 6) Statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7).

**B) Composition and Attendance of Members at the Meetings of the Audit Committee held during 2018-19**

During the year under review, the committee met on 4 (Four) occasions during the year on following dates namely:

25.05.2018	13.08.2018	14.11.2018	07.02.2019
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Name of the Member	Category	Designation	No. of meetings held during the tenure of directors	
			Held	Attended
Mrs. Jasmeet Kaur Bhatia (DIN:06949992)	Non-Executive Independent Director	Chairperson	4	4
Dr. Surendra Singh (DIN:00645965)	Non-Executive Independent Director	Member	4	3
*Mr. Surjit Singh Kohli (DIN: 00701320)	Non-executive Independent director	Member	3	1

*\*Mr. Surjit Singh Kohli was appointed as Independent Director with effect from 16.07.2018.*

During the year, the committee was re-constituted on 16th July, 2018 as Mr. Surjit Singh Kohli was appointed as Independent Director and was included as member of the Committee. As on the date of this report, Committee comprises of Mrs. Jasmeet Kaur Bhatia, Dr. Surendra Singh and Mr. Surjit Singh Kohli.

All the members of the committee, including Chairperson are independent director. All the members of the committee are financial literate and possess accounting and related financial management expertise.

The Chairperson of the Audit Committee, Mrs. Jasmeet Kaur Bhatia was present at the 31st Annual General Meeting of the Company held on 19th September, 2018 to address the shareholders' queries pertaining to Annual Accounts of the Company.

**IX. NOMINATION AND REMUNERATION COMMITTEE:**

Pursuant to Regulation 19 of SEBI Listing Regulation and Section 178 of the Companies Act, 2013, the Company has a Nomination and Remuneration Committee. All the members of the committee, including committee Chairperson are independent director. The Composition, Procedure, Meeting and Role/Function of the Committee complies with the requirements of the Companies Act, 2013 as well as those of SEBI Listing Regulations given below:

**A) Brief Terms of Reference:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors
- Devising a policy on diversity of Board of Directors;
- Identifying 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 of Directors their appointment and removal.
- Deciding and recommending 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.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

**B) Composition and Attendance of Members at the Meetings of the Nomination and Remuneration Committee held during 2018-19**

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

16.07.2018	13.08.2018
------------	------------

Name of the Member	Category	Designation	No. of meetings held during the tenure of directors	
			Held	Attended
Mrs. Jasmeet Kaur Bhatia (DIN:06949992)	Non-Executive Independent Director	Chairperson	2	2
Dr. Surendra Singh (DIN:00645965)	Non-Executive Independent Director	Member	2	2
*Mr. Surjit Singh Kohli (DIN: 00701320)	Non-executive Independent director	Member	1	0

*\*Mr. Surjit Singh Kohli was appointed as Independent Director with effect from 16.07.2018*

During the year, the committee was re-constituted on 16th July, 2018 as Mr. Surjit Singh Kohli was appointed as Independent Director and was included as member of the Committee. As on the date of this report, Committee comprises of Mrs. Jasmeet Kaur Bhatia, Dr. Surendra Singh and Mr. Surjit Singh Kohli.

As per Section 178(7) of the Companies Act, 2013 and Secretarial Standards, the Chairperson of the Committee or, in her absence, any other Member of the Committee authorized by her in this behalf shall attend the General Meeting of the Company. The Chairperson of the Committee, Mrs. Jasmeet Kaur Bhatia was present at the 31st Annual General Meeting of the Company held on 19th September, 2018 to answer shareholders' queries.

**C) Performance evaluation criteria of Independent Directors:**

The performance evaluation criterion for independent directors is determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

The evaluation of independent directors is done by the entire board of directors which includes -

- Performance of the directors; and
- Fulfilment of the independence criteria as specified in these regulations and their independence from the management:

Provided that in the above evaluation, the directors who are subject to evaluation do not participate.

**D) Nomination and Remuneration Policy**

Pursuant to Regulation 19 read with Part D of Schedule II of Listing Regulations and Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee has adopted a Nomination and Remuneration Policy for selection and appointment, re-appointment, removal and appraisals of Directors and Senior Management 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).

**X. REMUNERATION OF DIRECTORS**

Remuneration paid to Directors during the year 2018-19:

S. No.	Name of Director	Category	Sitting Fee	Salary & perquisites	Contribution to PF	Commission	Total (in ₹)
1.	Mr. Harender Singh Bhatia (DIN: 00509426)	Managing Director	--	30,00,000	--	--	30,00,000
2.	Mr. Kawaljeet Singh Bhatia (DIN: 00401827)	Whole-time Director	---	27,00,000	--	--	27,00,000



- No sitting Fees was paid to any Director of the Company during the financial year.
- The company has not granted any bonuses/stock options/pension etc. to any of its directors.
- Details of fixed component and performance linked incentives along with the performance criteria- Nil.
- The Company does not have service contract with any of its directors. Notice period of minimum 30 days has been fixed for directors. Further, the Company does not pay any severance fee.

#### XI. 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 looks 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.

##### A) The role of the committee shall inter-alia include the following:-

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

##### B) Composition and Attendance of Members at the Meetings of the Stakeholders Relationship Committee held during 2018-19.

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

25.05.2018	13.08.2018	14.11.2018	07.02.2019
------------	------------	------------	------------

Name of the Member	Category	Designation	No. of meetings held during the tenure of directors	
			Held	Attended
Mrs. Jasmeet Kaur Bhatia (DIN:06949992)	Non-Executive Independent Director	Chairperson	4	4
Dr. Surendra Singh (DIN:00645965)	Non-Executive Independent Director	Member	4	3
*Mr. Surjit Singh Kohli (DIN: 00701320)	Non-executive Independent director	Member	3	1

*\*Mr. Surjit Singh Kohli was appointed as Independent Director with effect from 16.07.2018*

During the year, the committee was re-constituted on 16th July, 2018 as Mr. Surjit Singh Kohli was appointed as Independent Director and was included as member of the Committee. As on the date of this report, Committee comprises of Mrs. Jasmeet Kaur Bhatia, Dr. Surendra Singh and Mr. Surjit Singh Kohli.

As per Section 178(7) of the Companies Act, 2013 and Secretarial Standards, the Chairperson of the Committee or in her absence, any other Member of the Committee authorized by her in this behalf shall attend the General Meeting of the Company. The Chairperson of the Committee, Mrs. Jasmeet Kaur Bhatia was present at the 31st Annual General Meeting of the Company held on 19th September, 2018 to answer shareholders' queries.

All the members of the committee, including Chairperson are independent director.

##### C) Name, designation and address of Compliance Officer:-

CS Tanu Parmar, Company Secretary and Compliance Officer  
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



**D) Complaints received during the year**

During the year under review 34 (Thirty Four) 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.

Status Report of investor queries and complaints for the period from April 1, 2018 to March 31, 2019 is given below:-

S.No.	Particulars	No. of Complaints
01	Investor complaints pending at the beginning of the year	Nil
02	Investor complaints received during the year	34
03	Investor complaints disposed of during the year	34
04	Investor complaints remaining unresolved at the end of the year	Nil

**XII. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The Corporate Social Responsibility ('CSR') Committee has been constituted by the Board of Directors to formulate and recommend to the Board a CSR Policy indicating the activities to be undertaken by the Company in compliance with the provisions of the Act and Rules made there under, allocate the amount of expenditure to be incurred on CSR activities as enumerated in Schedule VII to the Companies Act, 2013 and monitor the CSR Policy of the Company periodically. The CSR Policy of the Company is displayed on the website of the Company at the web-link: [http://www.simranfarms.com/pdf/policy/corporate\\_social\\_responsibility.pdf](http://www.simranfarms.com/pdf/policy/corporate_social_responsibility.pdf)

**A) Composition and Attendance of Members at the Meetings of the Corporate Social Responsibility Committee held during 2018-19.**

During the year the committee met as on 20.03.2019.

Name of the Member	Category	Designation	No. of meetings held during the tenure of directors	
			Held	Attended
Mr. Harender Singh Bhatia (DIN:00509426)	Executive Director	Chairman	1	1
Mr. Kawaljeet Singh Bhatia (DIN:00401827)	Executive Director	Member	1	1
Mr. Gurdeep Singh Bhatia (DIN: 00401929)	Non-Executive Director	Member	1	1
Mrs. Jasmeet Kaur Bhatia (DIN:06949992)	Non-Executive Independent Director	Member	1	1

**B) Terms of reference of the Committee**

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy), which shall indicate a list of CSR projects or programs which a Company plans to undertake falling within the purview of the Schedule VII of the Companies Act, 2013, as may be amended.
- To recommend the amount of expenditure to be incurred on each of the activities to be undertaken by the Company, while ensuring that it does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.
- To approve the Annual Report on CSR activities to be included in the Director's Report forming part of the Company's Annual Report and Attribute reasons for short comings in incurring expenditures.
- To monitor the CSR policy of the Company from time to time; and
- To institute a transparent monitoring mechanism for implementation of the CSR Projects or programs or activities under taken by the Company.

**XIII. RISK MANAGEMENT:**

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



#### XIV. 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
31 <sup>st</sup> AGM 2017-18	September 19, 2018	10.00 A.M.	Pishori Premises, 910, Khatiwala Tank, Tower Square, Indore-452001 (M.P.)
30 <sup>th</sup> AGM 2016-17	September 28, 2017	10.00 A.M.	Pishori Premises, 910, Khatiwala Tank, Tower Square, Indore-452001 (M.P.)
29 <sup>th</sup> AGM 2015-16	September 22, 2016	10.00 A.M.	Pishori Premises, 910, Khatiwala Tank, Tower Square, Indore-452001 (M.P.)

##### B) Extra Ordinary General Meeting:

No extraordinary general meeting of the members was held during the year 2018-19.

##### C) Special Resolutions passed in last three Annual General Meeting:

- The Company has in **AGM held on September 19, 2018** has passed the following special resolution(s):
  - Re-appointment of Dr. Surendra Singh (DIN: 00645965) as an Independent Director of the Company.
  - Re-appointment of Mrs. Jasmeet Kaur Bhatia (DIN: 06949992) as an Independent Director of the Company.
- No Special Resolution was passed by the Company in **AGM held on September 28, 2017**.
- No Special Resolution was passed by the Company in **AGM held on September 22, 2016**.

##### D) Resolution(s) passed through 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.

#### XV. CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

On December 31, 2018, Securities and Exchange Board of India amended the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, prescribing various new requirements with effect from April 1, 2019. In line with the amendments, the Company has adopted an amended Code of Conduct to regulate, monitor and report trading by Designated Persons and their Immediate Relatives & Connected Persons under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code of practices and procedures for fair disclosure of unpublished price sensitive information which has been made available on the Company's website at

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

#### XVI. MANAGEMENT DISCUSSION AND ANALYSIS:

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

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

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

#### XVIII. 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. Newspaper Publication:

The quarterly, half-yearly and annual financial results are published in widely circulated newspapers such as Free Press (English) & Choutha Sansaar (Hindi) in compliance with Regulation 47 of the Listing Regulations. These are not sent individually to the shareholders.

##### 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).



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)).

The Company's website: [www.simranfarms.com](http://www.simranfarms.com) contains a separate dedicated section "Stakeholder's Desk" where information for shareholders is available. The Quarterly/Annual Financial Results, annual reports, stock exchange information, shareholding pattern, corporate benefits, policies, investors' contact details, etc., are posted on the website in addition to the information stipulated under Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The presentation, if any made to the investor/analyst are placed to the company's website [www.simranfarms.com](http://www.simranfarms.com).

#### **XIX. GENERAL SHAREHOLDER INFORMATION:**

<b>AGM: Date, Time and Venue</b>	Monday, 30th September, 2019 at 10.00 A.M. Venue: Pishori Premises, 910, Khatiwala Tank, Tower Square, Indore - 452001 (M.P.)
<b>Last date for receipt of proxy forms:</b>	28th September, 2019
<b>Financing Year</b>	The financial year covers the period from 1st April, to 31st March
<b>Financial Year Reporting Calendar:</b> 1st Quarter ending 30th June, 2019 2nd Quarter ending 30th Sept, 2019 3rd Quarter ending 31st Dec, 2019 4th Quarter ending 31st Mar, 2020	Second fortnight of August, 2019 Second fortnight of November, 2019 Second fortnight of February, 2020 Before 30th May 2020
<b>Dividend Payment:</b>	No Dividend was recommended by the Board of Directors for financial year ended March 31, 2019
<b>Date of Annual Book Closure</b>	Tuesday, 24th Day of September, 2019 to Monday, 30th Day of September, 2019 (both days inclusive)
<b>Registered Office</b>	1-B, Vikas Rekha Complex, Khatiwala Tank, Tower Square, Indore (M.P) 452001
<b>Listing on Stock Exchanges</b>	<b>The Bombay Stock Exchange Limited</b> 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 (M.H.)
<b>Listing Fees</b>	Annual Listing Fees for the year 2019-20 has been paid to Bombay Stock Exchange Limited, Mumbai
<b>Stock Code:</b> <b>ISIN Code:</b> <b>CIN:</b>	519566 INE354D01017 L01222MP1984PLC002627
<b>Market Price Data: High/Low/Close during each month in the last Financial Year.</b>	As per attached Table-1
<b>Relative Performance of Share Price v/s BSE Sensex</b>	As per attached Table-2
<b>Suspension of Securities</b>	Not Applicable



<b>Registrar and Share Transfer Agent (For physical and demat shares)</b>	<b>“Ankit Consultancy Pvt. Ltd.”</b> SEBI REG. No. INR000000767 Plot No.60, Electronics Complex, Pardeshipura, Indore - 452010 (M.P) Tel.:0731-4065797, 4065799, Fax: 0731-4065798 E-mail: ankit_4321@yahoo.com Web Address:- www.ankitonline.com
<b>Share Transfer System</b>	All the share transfers received are processed by the Registrar and Share Transfer Agent.
<b>Distribution of shareholding as on 31.03.2019</b>	As per attached Table-3
<b>Dematerialisation of shares &amp; liquidity</b>	34,85,050 shares are dematerialized (as on 31.03.2019) i.e. 91.91% 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>	Shareholders correspondence should be addressed to: <b>Registered Office:</b> Simran Farms Limited 1-B, Vikas Rekha Complex, Khatiwala Tank, Tower Square, 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 farm of the Company situated at:</b>	<b>SIMRAN FARMS LIMITED (NEW FARM &amp; OLD FARM)</b> Khandwa Road; Tehsil:- Mhow, Gram:- Simrol; District:- Indore (M.P.)
<b>Shareholding Pattern as on 31.03.2019</b>	As per attached Table-4
<b>List of Credit Ratings</b>	During the year under review your Company has not obtained any Credit Rating as the same was not applicable to the Company.

## XX. SUBSIDIARY COMPANIES

Regulation 16(1)(c) of the Listing Regulations defines a “material subsidiary” to mean a subsidiary, whose income or net worth exceeds ten 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 on quarterly basis. The Financial statements of the subsidiary company are presented to the Audit Committee at every quarterly meeting. The Company has also complied with other requirements of Regulation 24 of the Listing Regulations with regard to Corporate Governance requirements for Subsidiary Companies.

The Listing Regulation mandates the appointment of at least one independent director of the listed parent company on the Board of unlisted material subsidiary companies in India. However, the Company did not have any unlisted material subsidiary, incorporated in India during the year under review, therefore no independent director was appointed on the Board of the subsidiary company.

## XXI. DISCLOSURES

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

All transactions entered into with related parties under Regulation 23 of the Listing Regulations, during the year under review were on Arm's Length basis and in the ordinary course of Business. 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 Indian Accounting Standards (IND AS) are set out in Note No. 27 of Standalone Financial Statements forming part of the annual report.

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

### B) Vigil Mechanism/Whistle Blower Policy

In accordance with Regulation 22 of the Listing Regulations, the Company has formulated a Whistle Blower policy and has established a Vigil Mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud and any wrong doing or unethical or improper practice. The Company affirms that no personnel have been denied access to the Audit Committee under Vigil Mechanism. Details of Whistle Blower Policy are provided in the Board's Report section of this Annual Report and which is also available on the Company's website.

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

Your Company has complied with all the applicable requirements of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and the Company has fulfilled the following non-mandatory requirements as prescribed in Schedule II, PART E of Regulation 27(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- Chairman is elected in Meeting.
- During the year under review, the Auditors have provided an unmodified audit opinion on the financial statements of the Company.
- Reporting of Internal Auditor: In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.
- Shareholders' Rights: As the quarterly, half yearly, financial performance are published in the newspapers and are also posted on the Company's website, the same are not mailed to the shareholders.

### D) 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://www.simranfarms.com/pdf/policy/Policy%20on%20Material%20Subsidiary.pdf>

### E) Details of non-compliance by the Company, fine, and strictures imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years:

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.

### F) Commodity Price Risk or Foreign Exchange Risk and Hedging activities:

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.

### G) Company had not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

## XXII. COMPLIANCE CERTIFICATE BY PRACTICING COMPANY SECRETARY

The Company has obtained a certificate from Company Secretary in Practice pursuant to the provisions of Regulation 34(3) read with Schedule V Para C Clause (10)(i) of the SEBI (LODR) Regulations, 2015 which is annexed herewith.

**XXIII. SEXUAL HARASSMENT AT WORKPLACE:**

The Company has formulated a Policy for Prevention of Sexual Harassment at Workplace to ensure prevention, prohibition and protection against sexual harassment. The policy provides the guidelines for reporting of such harassment and the procedure for resolution & redressal of the complaints of such nature.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:-

S.No.	Particulars	No. of Complaints
i)	Number of Complaints filed during the financial year	Nil
ii)	Number of Complaints disposed off during the financial year	Nil
iii)	Number of Complaints pending as at the end of financial year	Nil

**XXIV. FEES PAID TO STATUTORY AUDITOR:**

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all the entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

Type of Services	For Financial Year Ended 31.03.2019
Audit Fees (in Rs.)	5,50,000/-
Tax Fees (in Rs.)	-
Others (in Rs.)	-
<b>Total</b>	<b>5,50,000/-</b>

**XXV. DISCLOSURE ON ACCEPTANCE OF RECOMMENDATIONS MADE BY BOARD COMMITTEES**

During the financial year under review, various recommendations were made by the Committees to the Board of Directors, which were all accepted by the Board, after necessary deliberations.

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

The Ministry of Corporate Affairs ('MCA') has notified the provisions of Section 124 of the Companies Act, 2013 ('Act, 2013') and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF RULES") w.e.f. 07.09.2016.

Under Section 124(5) of the Companies Act, 2013, dividends that are unclaimed/un-paid for a period of seven years, are to be transferred statutorily to the Investor Education and Protection Fund (IEPF) administered by the Central Government. To ensure maximum disbursement of unclaimed dividend, the Company sends reminders to the concerned investors at appropriate intervals.

The Members of the Company who have not yet encashed their dividend warrant(s) for the F.Y. 2011-12, may write to the Company's Registrar and Share Transfer Agent immediately.

Pursuant to Section 124(5) of the Companies Act, 2013, the unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as follows:

Financial Year	Date of Declaration	Due date of transfer of unpaid dividend to IEPF
2011-12	27.09.2012	02.11.2019

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company or its Registrar, for obtaining payments thereof at least 20 days before they are due for transfer to the said fund.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 19.09.2018 (date of last AGM) on the Company's website at [www.simranfarms.com](http://www.simranfarms.com) and on the website of the Ministry of Corporate Affairs at [www.iepf.gov.in](http://www.iepf.gov.in).

**XXVII. TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND:**

Pursuant to the provisions of the Companies Act, 2013 read with the second proviso to Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, transfer and refund) Rules, 2016 ("the rules"), all shares in respect of which dividend has not been en-cashed or claimed by the shareholders for seven consecutive years (seven years





period completed by October 2019) or more should be transferred by the Company to the Demat Accounts opened with National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL) by Investor Education and Protection Fund (IEPF) Authority by 2<sup>nd</sup> December, 2019.

Accordingly, 366922 equity shares pertaining to 2124 folios in respect of which dividend for financial year 2010-11 had not been paid or claimed for seven consecutive years or more by shareholders, had been transferred to the designated demat account of the IEPF Authority maintained with CDSL through SBI Cap Securities as on 5th January, 2019.

**Refund process guidelines to facilitate the Claimants refund by IEPF Authority:**

- 1) Any person, whose shares, unclaimed dividend, matured deposits, matured debentures, application money due for refund, or interest thereon, sale proceeds of fractional shares, redemption proceeds of preference shares, etc. has been transferred to the IEPF, may claim the shares under proviso to sub-Section (6) of Section 124 or apply for refund under clause (a) of sub-Section (3) of Section 125 or under proviso to sub-Section (3) of Section 125, as the case may be, to the Authority by making an application in Form IEPF- 5 available online on website [www.iepf.gov.in](http://www.iepf.gov.in) along with fee, as decided by the Authority from time to time, in consultation with the Central Government, under his own signature.
- 2) The claimant shall after making an application online in Form IEPF-5 under Rule (1) send the same duly signed by him along with requisite documents as enumerated in Form IEPF-5 to the concerned Company at its Registered Office for verification of his/her claim. The Company has appointed a Nodal Officer under the provisions of IEPF Rules, the details of which are available on the website of the Company <http://www.simranfarms.com/pdf/notices/details-of-nodal-officer.pdf>
- 3) The company shall within fifteen days of receipt of claim form, send a verification report to the IEPF Authority in the format specified by the Authority along with all documents submitted by the claimant.
- 4) After verification of the entitlement of the claimant- (a) to the amount claimed, the Authority and then the Drawing and Disbursement Officer of the Authority shall present a bill to the Pay and Accounts Office for e- payment as per the guidelines. (b) to the shares claimed, the Authority shall issue a refund sanction order with the approval of the Competent Authority and shall either credit the shares which are lying with depository participant in IEPF suspense account (name of the company) to the demat account of the claimant to the extent of the claimant's entitlement or in case of the physical certificates, if any, cancel the duplicate certificate and transfer the shares in favour of the claimant.

**XXVIII. 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.

**XXIX. 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://www.simranfarms.com/pdf/policy/code\\_of\\_conduct.pdf](http://www.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.

**XXX. 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. Copy of such certificate is annexed with this report.

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.

**XXXI. CERTIFICATE ON CORPORATE GOVERNANCE**

The Company has obtained a certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is annexed with this report.

**XXXII. OTHERS INFORMATION**

- Proceeds from public issues, right issues, preferential issues, etc. :- Not applicable
- 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 following web link:  
[http://www.simranfarms.com/pdf/policy/material\\_disclosure.pdf](http://www.simranfarms.com/pdf/policy/material_disclosure.pdf)



- 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 following web link:  
[http://www.simranfarms.com/pdf/policy/doc\\_preserve.pdf](http://www.simranfarms.com/pdf/policy/doc_preserve.pdf)

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

**Compliance with the Code of Business Conduct and Ethics**

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, 2019.

**Form SIMRAN FARMS LIMITED**

Place: Indore  
Date : 14.08.2019

**HARENDER SINGH BHATIA**  
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 Bombay Stock Exchange, Mumbai (BSE) for the period from **April, 2018 to March, 2019** is as follows:

(Price in ₹)		
Month	High	Low
April 2018	133.10	114.40
May 2018	119.00	85.75
June 2018	85.05	65.05
July 2018	74.40	55.10
August 2018	82.50	52.20
September 2018	69.95	50.80
October 2018	63.90	46.15
November 2018	56.20	43.55
December 2018	47.45	39.05
January 2019	56.50	42.20
February 2019	69.60	50.00
March 2019	88.00	52.20

**TABLE-2**

**Stock Performance Index in relation to BSE Sensex:**



**TABLE-3****Distribution of Shareholding as on March 31, 2019**

Category (Shares)	Number of Shareholders	%age of Total Shareholders	Shares	%age of Total Shares
Upto 100	2384	58.17	204117	5.38
101-200	727	17.74	139970	3.69
201-300	235	5.73	67387	1.78
301-400	119	2.90	45829	1.21
401-500	140	3.42	68918	1.82
501-1000	206	5.03	172961	4.56
1001-2000	124	3.03	188409	4.97
2001-3000	50	1.22	127442	3.36
3001-4000	25	0.61	89217	2.35
4001-5000	18	0.44	84472	2.23
5001-10000	29	0.71	217641	5.74
10000-Above	41	1.00	2385337	62.91
<b>Total</b>	<b>4098</b>	<b>100.00</b>	<b>3791700</b>	<b>100.00</b>

**TABLE-4****Shareholding Pattern as at March 31, 2019**

Category	No. of Shareholders	No. of Share held	Percentage of Shareholding
<b>(A) Promoter and Promoter Group</b>			
1) Indian			
A Individual/Hindu Undivided Family	19	1382043	36.45
B Central Govt./State Govt.	-	-	-
C Financial Institutions/Banks	-	-	-
D Any Other (Specify)			
Body Corporate	1	32900	0.87
<b>Sub Total (1)</b>	<b>20</b>	<b>1414943</b>	<b>37.32</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>-</b>
<b>Total A (1) + (2)</b>	<b>20</b>	<b>1414943</b>	<b>37.32</b>



Category	No. of Shareholders	No. of Share held	Percentage of Shareholding
<b>(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	-	-	-
G Insurance Companies	-	-	-
H Provident Funds / Pension Funds	-	-	-
I Any Other (Specify)	-	-	-
<b>Sub-total (1)</b>	-	-	-
2) Central Govt/State Govt(s)/President of India	-	-	-
<b>Sub-total (2)</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
3) Non- Institutions			
A Individuals - I. Individual Shareholders holding nominal share capital up to ₹ 2 lakhs	3948	1363167	35.95
B Individuals - II. Individual Shareholders holding nominal share capital in excess of ₹ 2 lakhs	10	377363	9.95
C NBFCs Registered with RBI	-	-	-
D Employee Trusts	-	-	-
E Overseas Depositories (holding DRs) (Balancing figure)			
F Any Other (Specify)			
- Body Corporate	62	219519	5.79
- NRI & OCB	47	45620	1.20
- Clearing Member	10	4166	0.11
- Any Other (IEPF)	1	366922	9.68
<b>Sub-total (3)</b>	<b>4078</b>	<b>2376757</b>	<b>62.68</b>
<b>Total (B) (1+2+3)</b>	<b>4078</b>	<b>2376757</b>	<b>62.68</b>
<b>Grand Total (A+B)</b>	<b>4098</b>	<b>3791700</b>	<b>100.00</b>

**MD & 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

**COMPLIANCE CERTIFICATE**

We hereby certify to the Board of Directors of SIMRAN FARMS LIMITED that:

- A. We have reviewed the financial statements prepared based on Indian Accounting Standards for the financial year ended on March 31, 2019 and that to the best of our knowledge and belief, we state that:
- 1) these statements do not contain any materially 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 applicable Indian Accounting Standards and laws and regulations.
  - 3) no transactions entered into by the Company during the year ended March 31, 2019 which are fraudulent, illegal or violate the Company's code of conduct.
- B. 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.
- C. We have indicated to the auditors and the Audit Committee about:
- 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) that there were no 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 : 25.05.2019**

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

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

### **AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of **SIMRAN FARMS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **SIMRAN FARMS LIMITED** ('the Company'), for the year ended 31st March, 2019, as stipulated in 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 Regulations').

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 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 J. C. BAHETI & ASSOCIATES,**  
**Chartered Accountants**  
**FRN: 003390C**

**Date: 14.08.2019**  
**Place: Indore**

**J.C. BAHETI**  
**(PROPRIETOR)**  
**M. No. 072585**  
**UDIN: 19072585AAAAAV9077**



### CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

(In terms of Regulation 34(3) read with Schedule V Para C(10)(i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members

**SIMRAN FARMS LIMITED**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SIMRAN FARMS LIMITED** having CIN:L01222MP1984PLC002627 and having registered office at 1-B, Vikas Rekha Complex, Khatiwala Tank, Indore (M.P.) 452001 IN (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Harender Singh Bhatia	00509426	26/10/1984
2	Mr. Kawaljeet Singh Bhatia	00401827	01/10/2008
3	Mr. Gurdeep Singh Bhatia	00401929	10/11/1988
4	Dr. Surendra Singh	00645965	15/04/1994
5	Mr. Surjit Singh Kohli	00701320	16/07/2018
6	Mrs. Jasmeet Kaur Bhatia	06949992	14/08/2014

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For L.N.Joshi & Co.,  
Company Secretaries,**

**L.N.Joshi  
Proprietor  
Membership No. F 5201  
Certificate of Practice No. 4216**

**Dated: 14.08.2019**

**Place: Indore**



## INDEPENDENT AUDITOR'S REPORT

TO,  
THE MEMBERS OF  
SIMRAN FARMS LIMITED,

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Simran Farms Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, notes to the standalone financial statement and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no such key Audit Matters to be reported.

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

#### 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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial



statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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

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

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 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 paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge



- and belief were necessary for the purpose 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 including other comprehensive income and the Statement of Cash Flows and the Statement of Changes in Equity 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 Indian Accounting Standards (INDAS) specified under section 133 of the Act and rules made there under, as applicable;
  - e) On the basis of written representations received from management as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) 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 litigations which would impact on its financial position in its standalone financial statements;
    - ii. The company did not have any long term contracts including derivative contracts for which there were any foreseeable losses.
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

Date: 25/05/2019  
Place: Indore

**For J.C. Baheti & Associates**  
Chartered Accountants  
Registration Number: 03390C

**J.C. BAHETI**  
Proprietor  
M.No. 072585

**ANNEXURE A**  
**To the Independent Auditors' Report on**  
**Standalone Financial Statements of Simran Farms Limited**  
**(Referred to our report of even date)**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Standalone financial statements for the year ended March 31, 2019, we report that:

- i. 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 fixed assets have been physically verified during the year by the management under a regular programme of verification by rotation over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed.
  - c) Based on audit procedures performed by us for the purpose of reporting the true and fair view of the standalone financial statements of the Company and based on records produced to us and according to information and explanations provided by the management, the title deeds of immovable properties forming part of the fixed asset are held in the name of the Company.
- ii. As explained to us, the management has conducted physical verification of its inventory during the year. In our opinion, having regard to the size of the Company and nature of its business, the frequency of verification is





reasonable. Based on records produced to us, discrepancies noticed on verification between the physical stocks and the book records were not material and were properly dealt with in the books of account.

- iii. In respect of loan granted:  
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 Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the company has not advanced any loans, made investments, gave guarantees, and provided security prescribed in provisions of section 185 and 186 of the companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of the provisions of sections 73 to 76 or any relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi. The maintenance of cost records has not been specified by the central government under the section 148(1) of the Companies Act, 2013 for the business activities carried out by the company. Thus reporting under clause 3(vi) of the order is not applicable to the company.
- vii. In respect of statutory dues:
  - a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, GST, cess and other statutory dues applicable to it. As per the records of the Company, as at March 31, 2019, the Company does not have any undisputed statutory dues which are outstanding for a period of more than six months from the date they became payable.
  - b) According to the 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 or GST or any other cess.
- viii. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution or bank.
- ix. On the basis of overall examination of the Balance Sheet of the Company and according to the information and explanations provided to us, we report that monies raised by way of term loans were applied for the purposes for which those were raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument).
- x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees was noticed or reported during the year.
- xi. According to the information and explanations given 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 Companies Act, 2013.
- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given 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.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order are not applicable.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

**For J.C. Baheti & Associates**  
Chartered Accountants  
Registration Number: 03390C

Date: 25/05/2019  
Place: Indore

**J.C. BAHETI**  
Proprietor  
M.No. 072585



**ANNEXURE B**  
**To the Independent Auditors' Report on**  
**Standalone Financial Statements of Simran Farms Limited**  
**(Referred to our report of even date)**

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

We have audited the internal financial controls over financial reporting of Simran Farms Limited ("the Company") as of March 31, 2019 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 standalone 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 Standalone 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 Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone 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 March 31, 2019, 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.

Date: 25/05/2019  
Place: Indore

**For J.C. Baheti & Associates**  
Chartered Accountants  
Registration Number: 03390C

**J.C. BAHETI**  
Proprietor  
M.No. 072585

**STANDALONE BALANCE SHEET****AS AT 31st MARCH, 2019****CIN: L01222MP1984PLC002627**

( ₹ in Lakhs )

Particulars	Note	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>(A) ASSETS</b>			
<b>1 Non current assets</b>			
(a) Property, plant and equipment	2	2071.54	2176.60
(b) Capital work in progress			
(c) Financial Assets			
(i) Investment	3	131.54	131.54
(ii) Loans	4	22.35	22.08
<b>Total non current assets</b>		<b>2225.43</b>	<b>2330.22</b>
<b>2 Current assets</b>			
(a) Inventories	5	4744.25	5544.27
(b) Financial Assets			
(i) Trade receivables	6	977.95	880.88
(ii) Cash and cash equivalents	7	2021.71	484.94
(iii) Loans	8	173.06	162.13
(iv) Other Financial Assets			
(c) Other current assets	9	178.48	198.72
<b>Total current assets</b>		<b>8095.45</b>	<b>7270.94</b>
<b>TOTAL ASSETS</b>		<b>10320.88</b>	<b>9601.16</b>
<b>(B) EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share capital	10	379.17	379.17
(b) Other equity		2170.02	1767.76
<b>Total equity</b>		<b>2549.19</b>	<b>2146.93</b>
<b>2 Liabilities</b>			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	152.44	85.30
(b) Provisions	12	27.74	82.01
(c) Deferred tax liabilities (net)	13	82.74	68.52
<b>Total non current liabilities</b>		<b>262.92</b>	<b>235.83</b>
<b>3 Current liabilities</b>			
(a) Financial liabilities			
(a) Borrowings	14	2764.61	3293.85
(b) Trade payables	15		
Total outstanding dues of MSME		189.13	-
Total outstanding dues of other than MSME		4063.18	3432.82
(c) Other Financial Liabilities	17	102.17	121.72
(b) Provisions	16	100.57	94.88
(c) Other current liabilities	17	289.11	275.13
<b>Total current liabilities</b>		<b>7508.77</b>	<b>7218.41</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>10320.88</b>	<b>9601.16</b>
<b>Summary of Significant Accounting Policies</b>			
See accompanying Notes to the Financial Statements	1 2-31		

In terms of our report attached  
**For J.C. BAHETI & ASSOCIATES**  
Chartered Accountants  
FRN : 03390C

**J.C. BAHETI**  
**PROPRIETOR**  
M.No. 072585  
Place: Indore  
Date: 25<sup>th</sup> May 2019

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

**Mahesh Patidar**  
Chief Financial Officer  
73

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

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



**STANDALONE STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31ST MARCH 2019**  
**CIN: L01222MP1984PLC002627**

( ₹ in Lakhs except EPS )

Particulars	Note	31-Mar-2019	31-Mar-2018
<b>Income</b>			
Revenue from operation Sales (Net)		31991.82	34097.32
Other income	18	4.88	31.23
<b>Total Revenue</b>		<b>31996.70</b>	<b>34128.55</b>
<b>Expenses</b>			
(a) Cost of materials consumed	19	24994.78	26807.86
(b) Farm expenses	20	2963.32	3040.65
(c) Hatcheri expenses	21	349.26	358.39
(d) Administrative expenses	22	432.26	496.45
(e) Selling & distribution expenses	23	1005.39	1047.08
(f) Employee benefits expense	24	1243.53	1297.31
(g) Finance costs	25	187.16	337.83
(h) Depreciation	2	209.85	209.66
<b>Total expenses</b>		<b>31385.55</b>	<b>33595.23</b>
<b>Profit / (Loss) before exceptional items &amp; tax</b>		<b>611.15</b>	<b>533.32</b>
<b>Exceptional items- Loss Due to Theft</b>		2.65	-
<b>Profit / (Loss) before tax</b>		<b>608.50</b>	<b>533.32</b>
<b>Tax expense:</b>			
Less:- (a) Current tax		189.88	180.99
Add/Less (b) Deferred tax assets/Liabilities	13	14.93	(12.11)
Add:- (c) MAT Credit		-	29.60
<b>Profit / (Loss) for the year</b>		<b>403.69</b>	<b>394.04</b>
<b>Other comprehensive income</b>			
Item that will not be reclassified to profit and loss account			
Re- measurement of the value of Defined Benefit Plans.		(2.13)	(0.66)
Less:- Income Tax relating to items that will not be reclassified to profit and loss		(0.71)	(0.21)
<b>Other Comprehensive income</b>		<b>(1.42)</b>	<b>(0.45)</b>
<b>Total comprehensive income for the year</b>		<b>402.27</b>	<b>393.59</b>
<b>Earnings per share (of ₹ 10/- each)</b>			
Basic and diluted		10.65	10.39
<b>Summary of Significant Accounting Policies</b>	<b>1</b>		
<b>See Accompanying Notes to the Financial Statements</b>	<b>2-31</b>		

In terms of our report attached  
**For J.C. BAHETI & ASSOCIATES**  
Chartered Accountants  
FRN: 03390C

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

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

**J.C. BAHETI**  
**PROPRIETOR**  
**M.No. 072585**  
**Place: Indore**  
**Date: 25<sup>th</sup> May 2019**

**Mahesh Patidar**  
Chief Financial Officer

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

**STANDALONE CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31ST MARCH 2019

CIN: L01222MP1984PLC002627

( ₹ in Lakhs )

Particulars	As at 31.03.2019	As at 31.03.2018
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX & EXTRA ORDINARY ITEM	608.50	533.32
Adjustment to reconcile profit before tax to cash generated by operating activities		
Non Cash Items:		
Depreciation	209.85	209.66
Provision For Employee Benefits	22.42	17.42
Non Operating Items:		
Interest Paid	26.84	65.31
Loss On Sale Of Assets	1.13	10.32
<b>Operating Profit before working capital change</b>	<b>868.74</b>	<b>836.02</b>
Inventories	800.03	2,615.35
Trade Receivable	(97.07)	124.49
Loans	(10.94)	214.93
Provisions	5.69	5.23
Other Current Assets	(0.76)	(0.11)
Borrowings	(529.25)	(394.22)
Trade Payable	819.50	(2,315.53)
Other Current Liabilities	(14.53)	(7.65)
Gratuity and Leave Encashment	(78.82)	
<b>Operating Profit After Working Capital Change</b>	<b>1,762.59</b>	<b>1,078.52</b>
Income Tax Paid	(160.00)	(124.60)
<b>Net Cash Flow From Operating Activities (A):</b>	<b>1,602.59</b>	<b>953.92</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITY</b>		
Sale of Fixed Assets	5.28	22.28
Purchase of Fixed Asset	(111.13)	(645.19)
Outflow from Loans and Advances	(0.27)	(1.05)
<b>Net Cash flow from Investing Activity (B)</b>	<b>(106.12)</b>	<b>(623.96)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITY</b>		
Cash Received from Borrowings	67.14	14.16
Repayment of Borrowings	-	-
Interest Paid	(26.84)	(65.31)
<b>Net Cash Flow From Financing Activity (C)</b>	<b>40.30</b>	<b>(51.15)</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENT (A+B+C)</b>	<b>1,536.76</b>	<b>278.81</b>
Cash & Cash Equivalent At The Beginning Of Period	484.94	206.13
Cash & Cash Equivalent At The End Of Period	2,021.71	484.94

In terms of our report attached

For J.C. BAHETI &amp; ASSOCIATES

Chartered Accountants

Registration Number: 03390C

J.C. BAHETI

PROPRIETOR

M.No. 072585

Place: Indore

Date: 25<sup>th</sup> May 2019

**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)



## STANDALONE STATEMENT OF CHANGES IN EQUITY

AS AT 31 March 2019

CIN: L01222MP1984PLC002627

## (A) EQUITY SHARE CAPITAL

( ₹ in Lakhs )

Equity share of Rupees 10/- each	Balance at the beginning of the year	Changes during the year	Balance at the
2018-19	379.17	-	379.17
2017-18	379.17	-	379.17

## (B) OTHER EQUITY

Particulars	General Reserve	Securities Premium	Utilised investment allowance reserve	Retained earnings	Other Compre- hensive Income	Total
<b>2018-19</b>						
Balance at the beginning of the year	217.18	169.59	0.54	1379.35	1.10	1767.76
Prior period errors	0.00	0.00	0.00	0.00	0.00	0.00
Restated balance	217.18	169.59	0.54	1379.35	1.10	1767.76
Profit for the year	0.00	0.00	0.00	403.69	0.00	403.69
Measurement of DBO	0.00	0.00	0.00	0.00	(1.42)	-1.42
<b>Total</b>	<b>217.18</b>	<b>169.59</b>	<b>0.54</b>	<b>1783.03</b>	<b>-0.32</b>	<b>2170.02</b>
<b>2017-18</b>						
Balance at the beginning of the year	217.18	169.59	0.54	985.31	1.55	1374.17
Prior period errors	0.00	0.00	0.00	0.00	0.00	0.00
Restated balance	217.18	169.59	0.54	985.31	1.55	1374.17
Profit for the year	0.00	0.00	0.00	394.04	0.00	394.04
Measurement of DBO	0.00	0.00	0.00	0.00	(0.45)	-0.45
<b>Total</b>	<b>217.18</b>	<b>169.59</b>	<b>0.54</b>	<b>1379.35</b>	<b>1.10</b>	<b>1767.76</b>

In terms of our report attached

For J.C. BAHETI &amp; ASSOCIATES

Chartered Accountants

Registration Number: 03390C

J.C. BAHETI  
PROPRIETOR  
M.No. 072585  
Place: Indore  
Date: 25<sup>th</sup> May 2019

H.S. Bhatia  
Managing Director  
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Mahesh Patidar  
Chief Financial Officer

G.S. Bhatia  
Director  
DIN 00401929

Tanu Parmar  
Company Secretary  
(M.No. 34769)



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

### 1.1 CORPORATE INFORMATION

Simran Farms Limited ("the Company") is a listed public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The registered office of the company is located at 1-B, Vikas Rekha Complex, Khatiwala Tank, Indore, Madhya Pradesh, 452001.

The Company is engaged in the business of integrated poultry and poultry products. It is mainly focused on integration/contract farming with poultry farmers and consolidation of poultry activities and has also arranged its own manufacturing set-up for production of poultry feeds. Further, its breeding and integration farms have scientific rearing and balanced nutrition management for each bird.

### 1.2 BASIS OF PREPARATION

#### COMPLIANCE WITH IND-AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Financial Statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

#### CURRENT / NON-CURRENT CLASSIFICATION

All assets and liabilities have been classified and disclosed as current or non-current as per the Company's normal operating cycle and other criteria set out in division II of Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current or non-current classification of assets and liabilities.

### BASIS OF MEASUREMENT

The financial statements have been prepared on a historical cost basis, except for the assets and liabilities that require measurement at fair value in accordance with Ind AS. The financial statements are presented in Indian Rupees and all values are rounded to the nearest lakhs (INR 00,000), except otherwise indicated.

### 1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a. Key accounting estimates and judgments

The preparation and presentation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses during the period.

Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Accounting estimates could change from period to period. Any revision to accounting estimates is recognized prospectively in the current and future periods, and if material, their effects are disclosed in the financial statements. Actual results could differ from the estimates. Any difference between the actual results and estimates are recognized in the period in which the results are known/materialize.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- I. Measurement of defined benefit obligations
- II. Measurement and likelihood of occurrence of contingencies
- III. Recognition of deferred tax assets

#### b. Inventories

Inventories are valued at lower of cost and net realizable value (except as otherwise stated) on an item-by-item basis, as under:

**Raw materials, packing materials, stores and spares:** Cost of inventory comprises all costs of purchase, duties and taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition. Raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a first-in first-out formula.



**Work-in-progress and finished goods:** Cost includes direct materials and costs of conversion in the form of labour and a systematic allocation of fixed and variable production overheads. It also includes other costs which are incurred in bringing the inventories to their present location and condition. The allocation of fixed production overheads is based on normal capacity of production. Cost is determined on a weighted average/first-in first-out formula. Realizable value of pre-determined normal rate of scrap is deducted from the cost of inventories. However, cost of inventories neither include abnormal amounts of wasted material nor any scrap realizations there from.

**By products and scrap** are recognized at their net realizable value.

**Stock-in-trade:** Cost includes cost of purchases, duties and taxes (other than those subsequently recoverable from authorities) and other costs which are incurred in bringing the inventories to their present location and condition. Cost is determined on a first-in first-out formula.

Parent Birds are treated as part of Inventories as per INDAS 2 – Inventories since entity get its benefit for less than twelve months and are sold as commercial bird after loosing its fertility.

**Net realizable value** is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Cost of agricultural produce** is deemed to be the fair value on the date of rise.

**Cost of finished goods and work-in-progress** include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

#### c. Taxes

##### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

#### d. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price net of trade discounts and rebates, non-refundable duties and taxes, any directly attributable cost of bringing the asset to its working condition for its intended use. Cost also includes borrowing cost directly attributable to acquisition / construction of a qualifying asset up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets is capitalized only if such expenditure results into an increase in the future benefits from such asset beyond its previously assessed standard of performance.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Capital work-in-progress comprises the cost of property, plant and equipment that are yet not ready for their intended use at the balance sheet date. The depreciable amount of a depreciable fixed asset is allocated on a systematic basis to each accounting period over the useful life of the asset. Management's estimate of useful life, which is duly supported by technical evidence, is as stipulated in Schedule II to the Companies Act, 2013. The useful life is for the whole of the asset, except where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part ("component") is determined separately and the depreciable amount of the said component is depreciated is allocated on a systematic basis to each accounting period during the useful life of the asset.

In arriving at the depreciable amount, residual value in case of certain assets are considered to be more than 5% of the original cost, this estimate of residual value is duly supported by technical advice. Depreciation on assets acquired during the year is calculated on a pro-rata basis from the date of addition. Similarly, depreciation on assets sold, discarded, demolished or destroyed during the year is also calculated on a pro rata basis up to the date on which such asset has been sold, discarded, demolished or destroyed. Depreciable assets costing up to Rupees 5,000/- are depreciated fully in the year of acquisition. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**e. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease, if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

The Company has decided to recognize operating lease as expense/ income on a straight-line basis since the management believes that straight-line method is more representative of the time pattern of the user's benefit.

**f. Employee benefits**

**Short term employee benefits**

All employee benefits which fall due wholly within twelve months after the end of the period in which employee renders the related service are classified as short-term employee benefits. Undiscounted value of short term benefits such as salaries, wages, bonus and ex-gratia are recognized in the period in which the employee renders the related service.

**Defined Contribution Plans:**

The Company's Employee's Provident Fund scheme, Employee's State Insurance Scheme and Employee's

Superannuation Scheme are defined contribution plans. The Company's contribution payable under the schemes is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

#### **Defined benefit plan Gratuity**

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The defined benefit plan surplus or deficit on the balance sheet comprises the total for each of the fair value of plan assets less the present value of the defined liabilities. The cost of providing benefits under the defined benefit plan is determined based on independent actuarial valuation using the projected unit credit method. The gratuity liability is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, is based on the market yield on government securities as at the balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

The date of the plan amendment or curtailment, and

The date that the Group recognizes related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and Net interest expense or income

#### **Other long term employee benefits:**

Entitlement to annual leave is recognized when they accrue to employees. Annual leave can either be availed or en-cashed subject to a restriction on the maximum number of accumulation of leaves. The liability is determined and provided during the year.

#### **g. Earnings Per Share**

Earnings per share (EPS) is calculated by dividing the net profit for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all diluted potential equity shares.

#### **h. Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

#### **i. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

**j. Revenue recognition**

Revenue is measured at the fair value of consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discount or rebates. The Company recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

**Revenue from Sale of goods**

Revenues from sales of goods are recognized upon transfer of control of promised goods to customer, which are generally on dispatch of goods and the customer has accepted the products in accordance with the agreed terms. There is no continuing managerial involvement with the goods and the Company retains no effective control of goods transferred to a decree usually associated with ownership. Revenue from sales of goods is based on the price quoted in the market or price specified in the sales contracts.

**k. Other Income**

Other Income is comprised primarily of interest income, Rearing charges. Interest income is recognized on accrual basis. Rearing charges are recognized when right to receive is established.

**l. Investments and other financial assets**

**Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

**Measurement**

All financial assets are recognized initially at fair value. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset are included in the value of financial assets. Transaction costs of financial assets carried at fair value through profit or loss are charged in Statement of Profit and Loss.

**Derecognition of financial assets**

A financial asset is derecognized only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

**m. Borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included as finance cost in the statement of profit and loss.

# **NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019**

**Note-2 Property, Plant & Equipment** (₹ in Lakhs)

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block	
	Balance as at April 1, 2018	Additions During the Period	Sales/ Deduction	Balance as at 31st March 2019	Balance as at April 1, 2018	Depreciation for the Period	Adjusted Depreciation due to differences	Deduction during the Period	Balance as at 31st March 2019
<b>Tangible Assets</b>									
Land	500.61	-	-	500.61	-	-	-	-	500.61
Buildings (Factory)	620.63	29.49	-	650.12	302.57	18.74	-	-	318.05
Buildings (Office & Staff)	85.47	-	-	85.47	17.05	1.87	-	-	68.41
Building Hatcheries	151.44	-	-	151.44	12.68	4.80	-	-	138.76
Poultry Equipment	896.26	51.39	-	947.65	551.18	38.42	-	-	345.09
Hatchery Equipment	96.66	5.76	-	102.42	16.60	6.16	-	-	80.06
Feed Mill Equipment	60.15	-	-	60.15	13.10	3.77	-	-	47.05
Computer Equipment	79.50	2.85	-	82.36	73.96	2.64	-	-	5.55
Office equipment	92.35	5.47	-	97.83	71.09	8.36	-	-	21.27
Furniture and Fixtures	92.77	-	-	92.77	62.66	5.23	-	-	30.11
Motor Car	330.80	4.41	10.00	325.21	144.90	37.86	-	3.67	179.10
Eicher Trucks	620.08	9.43	-	629.51	257.47	69.56	-	-	362.61
Electrical Installation	121.04	-	-	121.04	65.64	8.30	-	-	55.40
Tubewell & Land Development	50.55	1.74	-	52.29	40.96	2.75	-	-	9.59
Vehicles	18.00	0.60	-	18.59	9.85	1.39	-	-	8.14
							-		
<b>Total</b>	<b>3,816.32</b>	<b>111.13</b>	<b>10.00</b>	<b>3,917.45</b>	<b>1,639.72</b>	<b>209.85</b>	<b>-</b>	<b>3.67</b>	<b>2,176.60</b>
<b>Previous Year</b>	<b>3,260.48</b>	<b>645.19</b>	<b>89.35</b>	<b>3,816.32</b>	<b>1,486.81</b>	<b>209.66</b>	<b>-</b>	<b>56.76</b>	<b>2,176.60</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>3</b>	<b>Investments</b>		
	Simran Hatcheries Private Limited	11.89	11.89
	Puregene Biotech Limited (subsidiary)	119.65	119.65
	<b>Total Investments</b>	<b>131.54</b>	<b>131.54</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>4</b>	<b>Loans</b>		
	<b>(Unsecured Considered goods)</b>		
	Electricity Security Deposit	17.82	17.82
	Others Deposits	4.53	4.26
	<b>Total Loans</b>	<b>22.35</b>	<b>22.08</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>5</b>	<b>Inventories</b>		
	<b>(a) Raw materials</b>		
	a) Parent Birds	881.09	1070.92
	b) Feed & Medicines	2395.41	2870.04
	c) Commercial Chicks	1256.70	1388.84
	d) Hatching Eggs	211.05	214.47
	<b>Total Inventories</b>	<b>4744.25</b>	<b>5544.27</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>6</b>	<b>Trade Receivables</b>		
	<b>(Unsecured considered goods)</b>		
	Trade Receivables	977.95	880.88
	<b>All Balances of Sundry Debtors are subject to confirmation</b>	<b>977.95</b>	<b>880.88</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>7</b>	<b>Cash And Cash Equivalents</b>		
	<b>(a) Cash on hand</b>	221.14	127.45
	<b>(b) Balances with banks</b>		
	<b>(i) In current accounts</b>		
	ICICI Bank Indore -255	1014.89	277.58
	ICICI Bank Dhulia	11.22	1.99
	ICICI Bank Anand	18.43	66.37
	Punjab National Bank Raipur	750.40	0.40
	Punjab National Bank Indore	0.09	0.09
	<b>(ii) Unclaimed dividends</b>		
	ICICI Bank	-	5.53
	Axis Bank	5.54	5.52
	<b>Total Cash And Cash Equivalents</b>	<b>2021.71</b>	<b>484.94</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH, 2019**

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>8</b>	<b>Loans</b>		
	<b>(Unsecured Considered goods)</b>		
	Advances to employees	6.49	6.02
	Advances recoverable in cash or in kind or for value to be received	166.57	156.10
	<b>Total Loans</b>	<b>173.06</b>	<b>162.13</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>9</b>	<b>Other Current Assets</b>		
	Advance income tax	160.00	120.00
	Prepaid expenses	12.53	12.99
	MAT Entitlement Credit	-	61.26
	Advances recoverable in cash or in kind or for value to be received	5.95	4.46
	<b>Total Other Current Assets</b>	<b>178.48</b>	<b>198.72</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>10</b>	<b>Equity Share Capital</b>		
	<b>a) Authorized</b>		
	60,00,000 Equity Shares of Rs. 10/- each	600.00	600.00
	<b>b) Issued, Subscribed and Paid up</b>		
	37,91,700 Equity Shares of Rs. 10/- each	379.17	379.17

The details of shareholders holding more than 5 % shares :-

Name of Shareholder	31-Mar-2019		31-Mar-2018	
	No. of shares	% Held	No. of shares	% Held
Investors Education and Protection Fund Authority, Ministry of Corporate Affairs	366922	9.68%	-	-
Harender Singh Bhatia (HUF)	251700	6.64%	251700	6.64%
Amarjeet Singh Bhatia (HUF)	195800	5.16%	195800	5.16%

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>11</b>	<b>Borrowings</b>		
	<b>Non-current Interest bearing loans and borrowings</b>		
	Secured Loans From banks:		
	Vehicle Loans ( First Charge on Trucks and Cars)	26.36	60.30
	Unsecured Loans from Director	126.08	25.00
	<b>Total Borrowings</b>	<b>152.44</b>	<b>85.30</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

**Note: Effective Interest Rate and Maturity details of above mentioned borrowings -** (₹ in Lakhs)

Particulars	As on 31-03-2019	Maturity	Interest Rate
<b>i. From Banks</b>			
Yes Bank Ltd	1.41	2020-21	8.90% p.a.
Yes Bank Ltd	1.41	2020-21	8.90% p.a.
Yes Bank Ltd	1.41	2020-21	8.90% p.a.
Yes Bank Ltd	0.99	2020-21	8.90% p.a.
Yes Bank Ltd	0.99	2020-21	8.90% p.a.
Yes Bank Ltd	0.99	2020-21	8.90% p.a.
Kotak Mahindra Bank	19.16	2022-23	7.92% p.a.
<b>Total</b>	<b>26.36</b>		
<b>i. From Directors</b>			
Unsecured Loans	126.08	2022-23	12.00% p.a.
<b>Total Borrowings</b>	<b>126.08</b>		

(₹ in Lakhs)

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>12</b>	<b>Provisions</b>		
	<b>(a) Provision for employee benefits</b>		
	Gratuity (funded)	9.94	56.94
	Leave Encashment (unfunded)	17.80	25.07
	<b>Total Provisions</b>	<b>27.74</b>	<b>82.01</b>

(₹ in Lakhs)

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>13 (a)</b>	<b>Current Tax</b>		
	<b>Current Tax Expense</b>	<b>189.88</b>	<b>180.99</b>
	<b>Deferred Tax Benefit</b>		
	MAT	-	(29.60)
	Others (Net)	14.93	(12.11)
	<b>Total Income Tax expense recognised in Current Year</b>	<b>204.83</b>	<b>139.28</b>
	Profit Before Income Tax	608.50	533.32
	Indian Statutory Income Tax Rate	33.38%	33.06%
	<b>Expected Income Tax Expense</b>	<b>203.14</b>	<b>176.33</b>
	<b>Tax Effects of adjustments to reconcile expected income tax expense to reported tax expense:</b>		
	Tax Effect of IND AS Adoption	-	-
	Tax adjustment for prior period current tax	-	(29.60)
	Tax Effect of non deductible expenses	79.87	80.49
	Tax adjustment due to carry forward & set off of prior period losses & Depreciation	-	(6.68)
	Tax Effect of MAT Provisions of Income Tax Act, 1961	-	-
	Others (net)*	(93.13)	(81.26)
	<b>Total Income Tax Expense</b>	<b>189.88</b>	<b>139.28</b>
	* Others mainly includes tax effect of expenses allowed for tax purposes as well as effect of temporary differences.		





**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

## 13 (b) Deferred Tax

( ₹ in Lakhs )

31st March 2018				
Particular	DTA/DTL	Opening Balance	Debit/(credit) in P&L during the year	Closing Balance
PROPERTY PLANT & EQUIPMENT	DTL	101.98	(7.00)	94.98
GRATUITY	DTA	11.90	(6.47)	18.38
LEAVE ENCASHMENT	DTA	9.23	1.14	8.09
<b>Totals</b>	<b>DTL (Net)</b>	<b>80.85</b>	<b>(12.33)</b>	<b>68.52</b>

31st March 2019				
Particular	DTA/DTL	Opening Balance	Debit/(credit) in P&L during the year	Closing Balance
PROPERTY PLANT & EQUIPMENT	DTL	94.98	(2.99)	91.99
GRATUITY	DTA	18.38	15.07	3.31
LEAVE ENCASHMENT	DTA	8.09	2.15	5.94
<b>Totals</b>	<b>DTL (Net)</b>	<b>68.52</b>	<b>14.22</b>	<b>82.74</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>14</b>	<b>Borrowing</b>		
	<b>Secured Loans:</b>		
	Punjab National Bank ( cash credit) Raipur	2500.16	2713.69
	Punjab National Bank (cash credit) Indore	249.45	408.81
	<b>Unsecured Loans:</b>		
	Demand Loan From Directors	15.00	171.35
	<b>Total Borrowing</b>	<b>2764.61</b>	<b>3293.85</b>
	Note: The cash credit facility has been secured by hypothecation of book debts stock and first charge over fixed assets of the company & personal guarantee of directors.		

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>15</b>	<b>Trade Payables</b>		
	Micro Small and Medium Enterprises	189.13	0.00
	Others	4063.18	3432.82
	<b>Total Trade Payables</b>	<b>4252.31</b>	<b>3432.82</b>
	All Balances of Sundry Creditors are subject to confirmation. There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2019 for which disclosure requirements under Micro, small and Medium Enterprises Development Act, 2006 as applicable.		



**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH, 2019**

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>16</b>	<b>Provisions</b>		
	Salary payable	66.39	59.07
	Bonus payable	29.60	31.09
	Contribution to PF ( Employees)	4.58	4.72
	<b>Total Provisions</b>	<b>100.57</b>	<b>94.88</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>17</b>	<b>Other Current Liabilities</b>		
	<b>Financial Liabilities</b>		
	Vehicle Loans ( First Charge on Trucks and Cars)	33.95	72.78
	Others Payable	62.69	37.89
	Unclaimed Dividends	5.54	11.06
	<b>Total Financial Liabilities</b>	<b>102.17</b>	<b>121.72</b>
	<b>Others</b>		
	Advances from Customers	46.47	42.01
	Professional Tax (Staff)	0.35	0.75
	Income Tax Payable	189.88	180.99
	TDS Payable	13.56	14.47
	Others Payable	38.85	36.91
	<b>Total Other Current Liabilities</b>	<b>289.11</b>	<b>275.13</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>18</b>	<b>Other Income</b>		
	Rearing charges (Income)	3.50	30.18
	Interest received MPEB/FD	1.38	1.05
	<b>Total Other Income</b>	<b>4.88</b>	<b>31.23</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH, 2019**

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
19	<b>Cost Of Material Consumed</b>		
	Opening Stock	5544.27	8159.62
	<b>Add:- Purchases</b>		
	Feed & Medicines	22820.60	21490.32
	Store Spares & Consumable	88.80	76.75
	Parent Birds	420.20	735.99
	Packing Material	295.21	300.68
	Carriage Inward	378.49	364.36
	Godown rent	35.75	50.55
	Chicks	87.26	794.28
	Hatching Eggs	68.44	379.57
		<b>29739.03</b>	<b>32352.13</b>
	Less:- Closing Stock	4744.25	5544.27
	<b>Total Cost of Material Consumed</b>	<b>24994.78</b>	<b>26807.86</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
20	<b>Farm Expenses</b>		
	Farm Expenses	140.27	128.83
	Power & Energy	129.05	127.79
	Fuel Consumption	44.15	42.90
	Light & Water Charges	39.18	38.02
	Farm Rent	104.91	108.58
	Rearing Charges Expenses	2505.77	2594.53
	<b>Total Farm Expenses</b>	<b>2963.32</b>	<b>3040.65</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
21	<b>Hatchery Expenses</b>		
	Hatchery Expenses	42.34	43.40
	Hatching expenses	96.45	97.37
	Hatcheries Rent	126.00	133.80
	Power & Energy (Hatcheries)	84.46	83.82
	<b>Total Hatchery Expenses</b>	<b>349.26</b>	<b>358.39</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH, 2019**

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>22</b>	<b>Administrative Expenses</b>		
	General Office Expenses	172.13	202.99
	Travelling & Conveyance	217.35	250.15
	Audit Fees	5.50	4.15
	Legal & Professional Expenses	20.93	19.84
	CSR Expenses	4.90	0.00
	Software annual maintenance charges	10.32	9.00
	Loss on sale of Assets	1.13	10.32
	<b>Total Administrative Expenses</b>	<b>432.26</b>	<b>496.45</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>23</b>	<b>Selling &amp; Distribution Expenses</b>		
	Forwarding Expenses	951.50	988.53
	Advertisement & Publicity	1.33	1.26
	Vehicle Repair & Maintenance	42.96	36.13
	Sales Promotion Expenses	9.61	21.15
	<b>Total Selling &amp; Distribution Expenses</b>	<b>1005.39</b>	<b>1047.08</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>24</b>	<b>Employee Benefits Expenses</b>		
	Salary wages & Bonus	1055.04	1099.25
	Remuneration to directors	57.00	57.00
	Remuneration to vice president	42.00	42.00
	Contribution to Provident Fund	60.10	70.25
	Staff welfare	6.98	7.66
	Gratuity	22.42	21.15
	<b>Total Employee Benefits Expenses</b>	<b>1243.53</b>	<b>1297.31</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>25</b>	<b>Finance Cost</b>		
	Bank Charges & Commission	18.76	39.64
	Interest to others	26.84	65.31
	Interest on statutory dues	0.21	0.86
	Interest on CC Loan	141.34	232.03
	<b>Total Finance Cost</b>	<b>187.16</b>	<b>337.83</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

Note	Particulars	31-Mar-2019	31-Mar-2018
26	<b>Earning Per Share</b> Basic & Diluted earning per equity share have been worked out in accordance with IND AS -33 "Earnings Per Share". Basic and diluted earnings per equity share has been calculated by dividing Net profit of Rs. 403.69 Lacs by 3791700 equity shares (Face Value of Rs.10/- each)  The Following is a reconciliation of the equity shares used in the computation of basic and diluted Earning per equity share:		
	<b>Particulars</b>	<b>31st March 2019</b>	<b>31st March 2018</b>
	Basic Earning per Equity share- weighted average number of equity shares outstanding	3791700	3791700
	Effect of dilutive common equivalent shares	0	0
	<b>Diluted Earning per Equity share- weighted average number of equity shares outstanding and common equivalent shares outstanding</b>	<b>3791700</b>	<b>3791700</b>

Note	Particulars		
27	RELATED PARTIES DISCLOSURES :		
1	Relationships		
(a)	<b>Subsidiary Companies</b> Puregene Biotech Ltd. (formerly Simran Breeders ( P ) Ltd.)	(C)	<b>Relatives of key management personnel and their enterprises where transaction have taken place:</b>  Simran Feeds Private Limited Simran Hatcheries Private Limited Simfa Labs Private Limited Simran Foods Private Limited Simran Hatcheries M/s Early Bird Hatcheries M/s Simran Poultry M/s Singh Hatcheries M/s Singh Poultry Eco Gold Nutri & Organics LLP Mr.Gurmeet Singh Bhatia Mr.Avneet Singh Bhatia Mr. Amarjeet Singh Bhatia Mrs. Simrat Kaur Bhatia Mrs. Kawaljeet Kaur Bhatia Mrs. Jagdeep Kaur Bhatia Mrs. Amarjeet Kaur Bhatia Mrs. Naampreet Kaur Bhatia
(b)	<b>Key Management Personnel:</b> Mr. Harender 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)		
Note: Related party relationship is as identified by the Company and relied upon by the Auditors.			



**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

( ₹ in Lakhs )

<b>2a Transactions carried out with related parties referred in 1 above, in ordinary course of business:</b>			
<b>Nature of Transaction</b>	<b>Referred in 1 (a) above</b>	<b>Referred in 1 (b) above</b>	<b>Referred in 1 (c) above</b>
Purchase	-	-	291.36
Sales	17.89	-	310.25
Director Remuneration	-	57.00	-
Vice President Remuneration	-	-	42.00
Rearing Charges	54.00	-	-
Chief Financial Officer 's Salary	-	7.99	-
Company Secretary 's Salary	-	3.12	-
Salary	-	-	48.60
Office Rent	-	-	18.80
Rent:-			
Land & Building	-	-	67.20
Hatchery Rent	-	-	126.00
Feed Processing Charges (Payable)	-	-	189.12
Feed Processing Charges (Receivable)	-	-	1.58
Hatching Charges (Payable)	-	-	92.21
Interest on Loan	-	-	15.30
Commission	-	-	49.62
Payable	132.16	141.08	925.96
Receivable	-	0.05	72.27

**Related Party Transactions**

( ₹ in Lakhs )

<b>S.No.</b>	<b>Transactions</b>	<b>2018-19</b>	<b>2017-18</b>
<b>A. Purchase of Raw Material/Finished goods</b>			
1	Simfa Labs Private Limited	269.66	226.81
2	Simran Feeds Private Limited	20.02	0.00
3	Eco Gold Nutri & Organics LLP	1.68	0.00
	<b>Total Purchase of Raw Material/Finished Goods</b>	<b>291.36</b>	<b>226.81</b>
<b>B. Sales of Material/ Finished Goods</b>			
1	Simfa Labs Private Limited	16.60	0.00
2	Simran Foods Private Limited	222.62	274.96
3	Simran Feeds Private Limited	71.04	85.55
4	Puregene Biotech Limited	17.89	0.00
	<b>Total Sales of Material/ Finished Goods</b>	<b>328.14</b>	<b>360.52</b>
<b>C. Rearing Charges</b>			
1	Puregene Biotech Ltd.	54.00	54.00
	<b>Total Rearing Charges</b>	<b>54.00</b>	<b>54.00</b>
<b>D Rent Paid</b>			
<b>a) Office Rent</b>			
1	Mrs. Amarjeet Kaur Bhatia	4.80	4.80
2	Mrs. Simrat Kaur Bhatia	4.80	4.80
3	Mrs. Kawaljeet Kaur Bhatia	4.80	4.80
4	Mrs. Jagdeep Kaur Bhatia	2.20	5.70
5	Mr. Kawaljeet Singh Bhatia	2.20	5.70
	<b>Total Office Rent</b>	<b>18.80</b>	<b>25.80</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

**Related Party Transactions** (₹ in Lakhs)

S.No.	Transactions	2018-19	2017-18
<b>b) Land &amp; Building Rent</b>			
1	Simran Poultry	5.40	5.40
2	Singh Poultry	36.00	36.00
3	Early Bird Hatcheries	25.80	25.80
	<b>Total Land &amp; Building Rent</b>	<b>67.20</b>	<b>67.20</b>
<b>c) Hatchery Rent</b>			
1	M/s Early Bird Hatcheries	24.00	24.00
2	M/s Simran Hatcheries	46.80	46.80
3	M/s Singh Hatcheries	55.20	55.20
	<b>Total Hatchery Rent</b>	<b>126.00</b>	<b>126.00</b>
<b>E Feed Processing Charges</b>			
1	Simran Feeds Private Limited Payable	189.12	169.87
	Receivable	1.58	10.50
	<b>Total Feed Processing Charges</b>	<b>190.70</b>	<b>180.37</b>
<b>F Hatching Charges</b>			
1	Simran Hatcheries Private Limited Payable	92.21	85.59
	<b>Total Hatching Charges</b>	<b>92.21</b>	<b>85.59</b>
<b>G Commission</b>			
1	Mr. Avneet Singh Bhatia	14.67	14.72
2	Mr. Amarjeet Singh Bhatia	17.19	18.05
3	Mrs. Jagdeep Kaur Bhatia	17.75	16.85
	<b>Total Commission</b>	<b>49.62</b>	<b>49.62</b>
<b>H Interest on Fund raised</b>			
1	Mr. Gurdeep Singh Bhatia	0.00	8.02
2	Mr. Kawaljeet Singh Bhatia	15.30	3.00
	<b>Total Interest on Fund raised</b>	<b>15.30</b>	<b>11.02</b>
<b>I Salary</b>			
1	Mrs. Simrat Kaur Bhatia	7.20	7.20
2	Mr. Amarjeet Singh Bhatia	24.00	24.00
3	Mrs. Jagdeep Kaur Bhatia	7.20	7.20
4	Mrs. Naampreet Kaur Bhatia	10.20	10.20
	<b>Total Salary</b>	<b>48.60</b>	<b>48.60</b>
<b>J Vice President's Remuneration</b>			
1	Mr. Gurmeet Singh Bhatia	27.00	27.00
2	Mr. Avneet Singh Bhatia	15.00	15.00
	<b>Total Vice President 's Remuneration</b>	<b>42.00</b>	<b>42.00</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

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

( ₹ in Lakhs )

S.No.	Transactions	2018-19	2017-18
1	<b>Remuneration</b>		
	<b>Salary</b>	<b>68.11</b>	<b>66.82</b>
	Contribution to provident and other funds	0.40	0.36
	Perquisites	-	-
2	Commission	-	-
3	Sitting fees	-	-
4	Rent paid (expense)	-	-

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

( ₹ in Lakhs )

S.No.	Transactions	2018-19	2017-18
1	<b>Remuneration</b>		
a	Mr Harender Singh Bhatia	30.00	30.00
b	Mr. Kawaljeet Singh Bhatia	27.00	27.00
c	Mr. Mahesh Patidar	7.99	7.19
d	Ms. Tanu Parmar	3.12	2.64
	<b>Total Remuneration</b>	<b>68.11</b>	<b>66.82</b>

**3c COLLATERALS AND GUARANTEES**

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

( ₹ in Lakhs )

S.No.	Transactions	2018-19	2017-18
28	<b>Payment to Auditor</b>		
	1) As Auditor	5.50	4.15
	2) AS per Certification	0.00	0.35
	<b>Total Payment to Auditor</b>	<b>5.50</b>	<b>4.50</b>





**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

**Note 29 : EMPLOYEE BENEFITS**

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

( ₹ in Lakhs )

S.No.	Particulars	2018-19	2017-18
<b>1</b>	<b>Expenses recognised in Income Statement</b>		
	Current Service Cost.	18.82	18.04
	Interest on Obligation	9.52	8.04
	Actuarial Losses / (Gains)	-	-
	Expected return on plan assets	(5.91)	(5.97)
	Past service cost	-	1.05
	Losses (gains) on curtailments and settlement	-	-
	<b>Expense recognised in P &amp; L</b>	<b>22.42</b>	<b>21.15</b>
<b>2</b>	<b>Amount to be recognised in Balance Sheet</b>		
	Present value of funded obligation	145.70	133.75
	Fair value of plan assets	135.76	76.81
	Present value of unfunded obligations	-	-
	Funded Status - (Surplus)/Deficit	9.94	56.94
	Unrecognised past service cost	-	-
	Unrecognised asset due to limit in Para 64(b)	-	-
	<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>9.94</b>	<b>56.94</b>
<b>3</b>	<b>Table showing change in benefit obligation</b>		
	Opening Defined Benefiet obligation	0.00	117.20
	Service cost for the year	18.82	18.04
	Interest cost for the year	9.52	8.04
	Acturial Losses / (Gains)	2.40	0.03
	Benefits paid	(18.79)	(10.60)
	Past Service Cost	-	1.05
	<b>Closing defined benefit obligation</b>	<b>11.95</b>	<b>133.75</b>
<b>4</b>	<b>Table showing fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	0.00	81.20
	Actual return on plan assets	5.91	5.97
	Contributions	71.55	0.88
	Benefits Paid	(18.79)	(10.60)
	Actuarial Gains\ (Losses)	0.27	(0.63)
	<b>Fair value of plan assets at the end of year</b>	<b>58.95</b>	<b>76.81</b>
<b>5</b>	<b>Table Showing Amount to be Recognised in OCI</b>		
	Amount recognised in OCI, Beginning of Period	(1.65)	(2.31)
	Remeasurements due to:		
	Effect of Change in Financial Assumptions	0.66	(5.33)
	Effect of Change in Demographic Assumptions	-	-
	Effect of experience adjustments	1.75	5.36
	Acturial (Gains)/Losses	2.40	0.03
	Return on Plan Assets (excluding interest)	0.27	(0.63)
	Total measurements recognised in OCI	2.13	0.66
	<b>Amount recognised in OCI, End of Period</b>	<b>0.48</b>	<b>(1.65)</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

( ₹ in Lakhs )

S.No.	Particulars	2018-19	2017-18
<b>6</b>	<b>History of DBO, Asset values, Surplus/Deficit &amp; Experience Gains &amp; Losses</b>		
	DBO	145.70	133.75
	Plan Assets	135.76	76.81
	(Surplus)/Deficit	9.94	56.94
	Exp Adj- Plan Assets Gain/ (Loss)	0.27	(0.63)
	Assumptions (Gain)/ Loss	0.66	(5.33)
	Exp Adj- Plan Liabilities Gain/ (Loss)	1.75	5.36
	<b>Total Acturial (Gain)/ Loss</b>	<b>2.40</b>	<b>0.03</b>
<b>7</b>	<b>Category of Assets</b>		
	Govt. of India Securities (Central and State)	-	-
	High Quality Corporate Bonds ( incl. PSU Bonds)	-	-
	Equity shares of Listed Companies	-	-
	Real Estate/ Property	-	-
	Cash ( including Special Deposits )	-	-
	Other ( including assets under Schemes of Ins.)	100%	100%
	<b>Total</b>	<b>100%</b>	<b>100%</b>

**8 Sensitivity Analysis**

31st March, 2019

S.No.	Particulars	Decrease	Increase
	Discount Rate	152.59	139.36
	Impact of increase/decrease in 50 bps on DBO	4.73%	-4.35%
	<b>Salary Growth Rate</b>	<b>139.24</b>	<b>152.65</b>
	Impact of increase/decrease in 50 bps on DBO	-4.43%	4.77%

**9 Actuarial Assumption**

Valuation Method	Projected unit Credit Method
Discount Rate	7.65%
Annual increase in salary costs	5.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08)
Withdrawal Rate	1% to 3% depending on Age
Retirement Age	58 Years

**10 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.



**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

**30. Fair Value Measurement Hierarchy :**

Particulars	As at 31 March 2019			As at 31 March 2018		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2
<b>Financial Asset :-</b>						
<b>At Amortised Cost</b>						
Cash & Cash Equivalents	2,021.71	-	-	484.94	-	-
Trade Receivables	977.95	-	-	880.88	-	-
Loans	173.06	-	-	184.21	-	-
Others	-	-	-	4.46	-	-
<b>At FVTPL</b>						
Investments	131.54	-	131.54	131.54	-	131.54
<b>At FVTOCI</b>	-		-	-	-	
<b>Financial Liabilities :-</b>						
<b>At Amortised Cost</b>						
Trade Payables	4,252.31	-		3,432.82	-	-
Borrowings	152.44	-		85.30	-	-
Vehicle Loans (First Charge on Trucks and Cars)	33.95	-		72.78	-	-
Unclaimed Dividends	5.54	-		11.06	-	-
Others Payable	101.48	-		74.79	-	-
<b>At FVTPL</b>						
Borrowings	2,764.61	-	2,764.61	3,293.85	-	3,293.85
<p>The Financial Instruments are categorised into two levels based on the inputs used to arrive at fair value measurement as described below:</p> <p><b>LEVEL 1:</b> Quoted Prices (unadjusted) in active markets for identical assets or liabilities; and</p> <p><b>LEVEL 2:</b> Inputs other than the quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.</p>						

**31. FINANCIAL RISK MANAGEMENT**

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk primarily relates to trade and other receivables, long-term loans, cash and cash equivalents.

The Company's exposure to credit risk with regards to trade and other receivables is influenced mainly by the individual characteristics of each customer and there is no significant concentration of risk related to industry segments. The granting of credit is controlled by well-established criteria that are reviewed on a regular basis. The maximum exposure to credit risk at the reporting date is the carrying amount of each trade receivable.

The credit policy requires each new customer to be analyzed individually for credit worthiness before delivery and payment terms are offered.

Other receivables consist primarily of security deposits, loans to employees and other receivables. The risk of default is assessed as low.



**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH, 2019**

The credit risk surrounding loans receivable is assessed as low risk.

Credit risk on cash and cash equivalents is assessed as low risk as the Company deposits cash surpluses with financial institutions of high quality and standing.

**Liquidity risk**

The Company actively monitors its cash flows to ensure there is sufficient cash available to meet its working capital requirements. Due to the dynamic nature of the underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's cash and cash equivalents on the basis of expected cash flow.

The Company's current trade and other payables are all due within one year.

The table below summarizes the maturity profile of the Company's financial liabilities as at 31 March 2019 based on contractual undiscounted payments:

( ₹ in Lakhs )					
Particulars	Less than One Year	1-2 Years	2-4 Years	>4 Years	Total
Trade Payable	4252.31	-	-	-	4252.31
Long term borrowings	-	7.20	145.24	-	152.44
Short term borrowings	2764.61	-	-	-	2764.61

**Market risk**

**Interest rate risk**

The Company is exposed to interest rate risk on its cash and cash equivalents, long-term loans and borrowings, which can have an impact on the cash flows of these instruments. The exposure to interest rate risk is managed through the Company's Board by using counterparties that offer the best rates which enables the Company to maximize returns whilst minimizing risk.

**In terms of our report attached**  
**For J.C. BAHETI & ASSOCIATES**  
**Chartered Accountants**  
**Registration Number: 03390C**

**J.C. BAHETI**  
**PROPRIETOR**  
**M.No. 072585**  
**Place: Indore**  
**Date: 25<sup>th</sup> May 2019**

**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)**



## INDEPENDENT AUDITOR'S REPORT

TO,  
THE MEMBERS OF  
SIMRAN FARMS LIMITED,

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying Consolidated financial statements of Simran Farms Limited ("hereinafter referred to as the Holding Company") and its subsidiary (Puregene Biotech Limited) (Holding company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the Consolidated financial Statement including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Other Matters

We did not audit the financial statements of subsidiary company 'Puregene Biotech Limited', whose financial statements reflect total assets of Rs. 256.75 lacs as at March 31, 2019, total revenues of Rs. 54.00 lacs and net cash outflows of Rs. 0.52 lacs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors. Our opinion is not modified in respect of above said matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no such key Audit Matters to be reported.

#### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon.

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

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

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

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Consolidated 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 Statement by the Directors of the Holding Company as aforesaid.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.



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

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

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

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by 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 purpose 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income and the Consolidated Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of Consolidated Financial Statement.
- d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards (INDAS) specified under section 133 of the Act and rules made there under, as applicable;
- e) On the basis of written representations received from management as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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 litigations which would impact on its financial position in its consolidated financial statements;
  - i. The company did not have any long term contracts including derivative contracts for which there were any foreseeable losses.
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Date: 25/05/2019

Place: Indore

**For J.C. Baheti & Associates**  
**Chartered Accountants**  
**Registration Number: 03390C**

**J.C. BAHETI**  
**Proprietor**  
**M.No. 072585**



**ANNEXURE A**  
**To the Independent Auditors' Report on Co**  
**Consolidated Financial Statements of Simran Farms Limited**  
 (Referred to our report of even date)

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

We have audited the internal financial controls over financial reporting of Simran Farms Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Consolidated 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 Consolidated 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 Consolidated 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated 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 March 31, 2019, 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.

**Date: 25/05/2019**  
**Place: Indore**

**For J.C. Baheti & Associates**  
**Chartered Accountants**  
**Registration Number: 03390C**

**J.C. BAHETI**  
**Proprietor**  
**M.No. 072585**

**CONSOLIDATED BALANCE SHEET (AS AT 31st MARCH, 2019)**

CIN: L01222MP1984PLC002627

(₹ in Lakhs)

Particulars	Note	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>A. ASSETS</b>			
<b>1 Non current assets</b>			
(a) Property, plant and equipment	2	2174.39	2286.34
(b) Capital work in progress			
(c) Financial Assets			
(i) Investment	3	11.89	11.89
(ii) Loans	4	23.41	23.15
<b>Total non current assets</b>		<b>2209.69</b>	<b>2321.37</b>
<b>2 Current assets</b>			
(a) Inventories	5	4752.87	5544.27
(b) Financial Assets			
(i) Trade receivables	6	977.95	880.88
(ii) Cash and cash equivalents	7	2025.86	489.61
(iii) Loans	8	173.06	162.13
(iv) Other financial assets		-	-
(c) Other current assets	9	182.12	204.14
<b>Total current assets</b>		<b>8111.86</b>	<b>7281.03</b>
<b>TOTAL ASSETS</b>		<b>10321.55</b>	<b>9602.41</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share capital	10	379.17	379.17
(b) Other equity		2222.32	1817.19
<b>Total equity</b>		<b>2601.49</b>	<b>2196.36</b>
<b>Non Controlling Interest</b>		<b>35.96</b>	<b>35.36</b>
<b>2 LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	11	152.44	85.30
(b) Provisions	12	27.74	82.01
(c) Deferred tax liabilities (net)	13	78.45	64.94
<b>Total non current liabilities</b>		<b>258.63</b>	<b>232.25</b>
<b>3 Current liabilities</b>			
(a) Financial liabilities			
(a) Borrowings	14	2764.61	3293.85
(b) Trade payables	15		
Total outstanding dues of MSME		189.13	-
Total outstanding dues of other than MSME		3931.02	3323.94
(c) Other Financial Liabilities	17	102.17	121.72
(b) Provisions	16	146.47	118.67
(c) Other current liabilities	17	292.07	280.25
<b>Total current liabilities</b>		<b>7425.47</b>	<b>7138.44</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>10321.55</b>	<b>9602.40</b>
<b>Summary of Significant Accounting Policies</b>	<b>1</b>		
<b>See accompanying Notes to the Financial Statements</b>	<b>2-32</b>		

In terms of our report attached  
For J.C. BAHETI & ASSOCIATES  
Chartered Accountants  
FRN: 03390C

J.C. BAHETI  
PROPRIETOR  
M.No. 072585  
Place: Indore, Date: 25<sup>th</sup> May 2019

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

**Mahesh Patidar**  
Chief Financial Officer

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**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 2019**  
**CIN: L01222MP1984PLC002627**

( ₹ in Lakhs except EPS )

Particulars	Note	31-Mar-2019	31-Mar-2018
Revenue from operation Sales (Net)		31973.93	34097.32
Other income	18	4.88	31.23
<b>Total Revenue</b>		<b>31978.81</b>	<b>34128.55</b>
<b>Expenses</b>			
(a) Cost of materials consumed	19	24978.00	26807.86
(b) Farm expenses	20	2913.91	2990.63
(c) Hatcheri expenses	21	349.26	358.39
(d) Administrative expenses	22	433.14	496.94
(e) Selling & distribution expenses	23	1005.39	1047.08
(f) Employee benefits expense	24	1271.13	1325.45
(g) Finance costs	25	187.26	337.83
(h) Depreciation	2	216.75	217.49
<b>Total expenses</b>		<b>31354.83</b>	<b>33581.68</b>
<b>Profit / (Loss) before exceptional items &amp; tax</b>		<b>623.98</b>	<b>546.87</b>
Exceptional items		10.81	0
<b>Profit / (Loss) before tax</b>		<b>613.17</b>	<b>546.87</b>
Tax expense:			
Less:- (a) Current tax		191.80	185.30
Add/Less (b) Deferred tax assets/Liabilities	13	14.22	(12.92)
Add:- (c) MAT Credit		0.00	29.60
<b>Profit / (Loss) for the year</b>		<b>407.15</b>	<b>404.09</b>
<b>Less: Non Controlling Interest</b>		<b>0.60</b>	<b>1.74</b>
		<b>406.56</b>	<b>402.35</b>
<b>Other comprehensive income</b>			
Item that will not be reclassified to profit & loss:			
"Remeasurement of the value of Defined Benefit obligation"		(2.13)	(0.66)
Less:- Income Tax relating to items that will not be reclassified to Profit and Loss		(0.71)	(0.21)
<b>Other Comprehensive income</b>		<b>(1.42)</b>	<b>(0.45)</b>
<b>Total comprehensive income for the year</b>		<b>405.14</b>	<b>401.90</b>
<b>Earnings per share (of ₹ 10/- each)</b>			
Basic and diluted		10.72	10.61
<b>Summary of Significant Accounting Policies See</b>	<b>1</b>		
<b>Accompanying Notes to the Financial Statements</b>	<b>2-32</b>		

In terms of our report attached  
**For J.C. BAHETI & ASSOCIATES**  
Chartered Accountants  
FRN: 03390C

**J.C. BAHETI**  
**PROPRIETOR**  
M.No. 072585  
Place: Indore  
Date: 25<sup>th</sup> May 2019

**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 CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31ST MARCH 2019

CIN: L01222MP1984PLC002627

( ₹ in Lakhs )

Particulars	As at 31.03.2019	As at 31.03.2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>NET PROFIT BEFORE TAX &amp; EXTRA ORDINARY ITEM</b>	613.17	546.87
Adjustment to reconcile profit before tax to cash generated by operating activities		
<b>Non Cash Items:</b>		
Depreciation	216.74	217.49
Provision for employee benefits	22.42	17.42
<b>Non operating Items:</b>		
Interest Paid	26.94	65.31
Loss on sale of assets	1.13	10.32
<b>Operating Profit before working capital change</b>	<b>880.40</b>	<b>857.41</b>
Inventories	791.41	2,615.35
Trade Receivable	(120.36)	124.49
Loans	(10.84)	214.93
Provisions	5.69	28.93
Other Current Assets	(0.76)	0.51
Borrowings	(529.25)	(394.22)
Trade Payable	819.50	(2,354.35)
Gratuity and Leave Encashment	(78.82)	-
Other Current Liabilities	7.83	(7.50)
<b>Operating Profit after working capital change</b>	<b>1,764.80</b>	<b>1,085.55</b>
Income Tax Paid	(162.62)	(127.79)
<b>Net cash flow from operating activities (A)</b>	<b>1,602.18</b>	<b>957.76</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITY</b>		
Sale of Fixed asset	5.28	22.28
Purchase of Fixed Asset	(111.13)	(645.19)
Loans and Advances	(0.27)	(1.05)
<b>Net Cash flow from Investing Activity (B)</b>	<b>(106.12)</b>	<b>(623.96)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITY</b>		
Cash Received from Borrowings	67.14	14.16
Repayment of Borrowings	-	-
Interest Paid	(26.94)	(65.31)
<b>Net Cash Flow From Financing Activity (C)</b>	<b>40.20</b>	<b>(51.15)</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENT (A+B+C)</b>	<b>1,536.25</b>	<b>282.65</b>
<b>Cash &amp; Cash Equivalent At The Beginning of Period</b>	<b>489.61</b>	<b>206.96</b>
<b>Cash &amp; Cash Equivalent At The End of Period</b>	<b>2,025.86</b>	<b>489.61</b>

In terms of our report attached  
**For J.C. BAHETI & ASSOCIATES**  
Chartered Accountants  
Registration Number: 03390C

**J.C. BAHETI**  
**PROPRIETOR**  
M.No. 072585  
Place: Indore  
Date: 25<sup>th</sup> May, 2019

**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 CHANGES IN EQUITY****AS AT 31 March 2019****CIN: L01222MP1984PLC002627****(A) EQUITY SHARE CAPITAL**

( ₹ in Lakhs )

Equity share of Rupees 10/- each	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
2018-19	379.17	-	379.17
2017-18	379.17	-	379.17

**(B) OTHER EQUITY**

Particulars	General Reserve Income	Securities Premium	Utilised investment allowance reserve	Retained earnings	Other Compre- hensive Income	Total
<b>2018-19</b>						
Balance at the beginning of the year	217.18	169.59	0.54	1428.77	1.10	1817.19
Prior Prior period errors	0.00	0.00	0.00	0.00	0.00	0.00
Restated balance	217.18	169.59	0.54	1428.77	1.10	1817.19
Profit for the year	0.00	0.00	0.00	406.56	-1.42	405.14
Measurement of DBO	0.00	0.00	0.00	0.00	-	0.00
<b>Balance at the end of the year</b>	<b>217.18</b>	<b>169.59</b>	<b>0.54</b>	<b>1835.33</b>	<b>-0.32</b>	<b>2222.32</b>
<b>2017-18</b>						
Balance at the beginning of the year	217.18	169.59	0.54	1026.42	1.55	1415.28
Prior period errors	0.00	0.00	0.00	0.00	0.00	0.00
Restated balance	217.18	169.59	0.54	1026.42	1.55	1415.28
Profit for the year	0.00	0.00	0.00	402.35	-0.45	401.90
Measurement of DBO	0.00	0.00	0.00	0.00	-	0.00
<b>Balance at the end of the year</b>	<b>217.18</b>	<b>169.59</b>	<b>0.54</b>	<b>1428.77</b>	<b>1.10</b>	<b>1817.19</b>

In terms of our report attached

**For J.C. BAHETI & ASSOCIATES**  
Chartered Accountants  
Registration Number: 03390C

**J.C. BAHETI**  
PROPRIETOR  
M.No. 072585  
Place: Indore  
Date: 25<sup>th</sup> May 2019

**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)



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

### 1.1 CORPORATE INFORMATION

Simran Farms Limited ("the Company") is a listed public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay stock exchanges in India. The registered office of the Company is located at 1-B, Vikas Rekha Complex, Khatiwala Tank, Indore, Madhya Pradesh, 452001.

The Company is engaged in the business of integrated poultry and poultry products. It is mainly focused on integration/contract farming with poultry farmers and consolidation of poultry activities and has also arranged its own manufacturing set-up for production of poultry feeds. Further, its breeding and integration farms have scientific rearing and balanced nutrition management for each bird.

### 1.2 BASIS OF PREPARATION

#### COMPLIANCE WITH IND-AS

The Consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Financial Statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

#### CURRENT / NON-CURRENT CLASSIFICATION

All assets and liabilities have been classified and disclosed as current or non-current as per the Company's normal operating cycle and other criteria set out in division II of Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current or non-current classification of assets and liabilities.

#### BASIS OF MEASUREMENT

The financial statements have been prepared on a historical cost basis, except for the assets and liabilities that require measurement at fair value in accordance with Ind AS. The financial statements are presented in Indian Rupees and all values are rounded to the nearest lakhs (INR 00,000), except otherwise indicated.

### 1.3 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to Simran Farms Limited ("the company") and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the company and its subsidiaries are combined on a line by line basis by adding together like terms of assets, liabilities, equity, Incomes, expenses, and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- b. Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated full.
- c. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- d. Non controlling interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
- e. Non Controlling interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance sheet separate from liabilities and the equity of the company's shareholders.

### 1.4 OTHER SIGNIFICANT ACCOUNTING POLICIES

These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019**

**Note-2 Property, Plant & Equipment** (₹ in Lakhs)

Fixed Assets	Gross Block			Accumulated Depreciation					Net Block	
	Balance as at April 1, 2018	Additions During the Period	Sales/ Deduction	Balance as at 31st March 2019	Balance as at April 1, 2018	Depreciation for the Period	Adjusted Depreciation due to differences	Deduction during the Period	Balance as at April 1, 2018	Balance as at 31st March 2019
Tangible Assets										
Land	522.56	-	-	522.56	-	-	-	-	522.56	522.56
Buildings (Factory)	791.31	29.49	-	820.80	399.83	23.83	-	-	391.48	397.14
Buildings (Office & Staff)	85.47	-	-	85.47	17.05	1.87	-	-	68.41	66.54
Building Hatcheries	151.44	-	-	151.44	12.68	4.80	-	-	138.76	133.96
Poultry Equipment	950.10	51.39	-	1,001.49	591.22	40.23	-	-	358.88	370.05
Hatcheri Equipment	96.66	5.76	-	102.42	16.60	6.16	-	-	80.06	79.66
Feed Mill Equipment	60.15	-	-	60.15	13.10	3.77	-	-	47.05	43.27
Computer Equipment	79.50	2.85	-	82.36	73.96	2.64	-	-	5.55	5.75
Office equipment	92.35	5.47	-	97.83	71.09	8.36	-	-	21.27	18.38
Furniture and Fixtures	93.19	-	-	93.19	63.06	5.23	-	-	30.13	24.90
Motor Car	330.80	4.41	10.00	325.21	144.90	37.86	-	3.67	185.91	146.11
Eicher Trucks	620.08	9.43	-	629.51	257.47	69.56	-	-	362.61	302.48
Electrical Installation	121.30	-	-	121.30	65.88	8.30	-	-	55.41	47.11
Tubewell & Land Development	61.21	1.74	-	62.95	51.09	2.75	-	-	10.12	9.11
Vehicles	18.00	0.60	-	18.59	9.85	1.39	-	-	8.14	7.35
							-			
Total	4,074.12	111.13	10.00	4,175.25	1,787.78	216.75	-	3.67	2,286.34	2,174.39
Previous Year	3,518.28	645.19	89.35	4,074.12	1,627.04	217.49	-	56.76	1,891.24	2,286.34



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH, 2019**

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>3</b>	<b>Investments</b>		
	Simran Hatcheries Private Limited	11.89	11.89
	<b>Total Investments</b>	<b>11.89</b>	<b>11.89</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>4</b>	<b>Loans</b>		
	<b>(Unsecured Considered goods)</b>		
	Electricity Security Deposit	18.88	18.88
	Others Deposits	4.53	4.26
	<b>Total Loans</b>	<b>23.41</b>	<b>23.15</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>5</b>	<b>Inventories</b>		
	<b>(a) Raw materials</b>		
	a) Parent Birds	881.09	1070.92
	b) Feed & Medicines	2404.03	2870.04
	c) Commercial Chicks	1256.70	1388.84
	d) Hatching Eggs	211.05	214.47
	<b>Total Inventories</b>	<b>4752.87</b>	<b>5544.27</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>6</b>	<b>Trade Receivables</b>		
	<b>(Unsecured considered goods)</b>		
	Trade Receivables	977.95	880.88
	<b>All Balances of Sundry Debtors are subject to confirmation</b>	<b>977.95</b>	<b>880.88</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>7</b>	<b>Cash And Cash Equivalents</b>		
	<b>(a) Cash on hand</b>	224.51	130.84
	<b>(b) Balances with banks</b>		
	<b>(i) In current accounts</b>		
	ICICI Bank Indore -255	1015.67	278.87
	ICICI Bank Dhulia	11.22	1.99
	ICICI Bank Anand	18.43	66.37
	Punjab National Bank Raipur	750.40	0.40
	Punjab National Bank Indore	0.09	0.09
	<b>(ii) Unclaimed dividends</b>		
	ICICI Bank	0.00	5.53
	Axis Bank	5.54	5.52
	<b>Total Cash And Cash Equivalents</b>	<b>2025.86</b>	<b>489.61</b>





**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH, 2019**

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>8</b>	<b>Loans</b>		
	<b>(Unsecured Considered goods)</b>		
	Advances to employees	6.49	6.02
	Advances recoverable in cash or in kind or for value to be received	166.57	156.10
	<b>Total Loans</b>	<b>173.06</b>	<b>162.13</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>9</b>	<b>Other Current Assets</b>		
	Advance income tax	161.00	121.00
	Prepaid expenses	12.53	12.99
	MAT Entitlement Credit	1.56	64.51
	Advances recoverable in cash or in kind or for value to be received	7.03	5.64
	<b>Total Other Current Assets</b>	<b>182.12</b>	<b>204.14</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>10</b>	<b>Equity Share Capital</b>		
	<b>a) Authorized</b>		
	60,00,000 Equity Shares of Rs. 10/- each	600.00	600.00
	<b>b) Issued, Subscribed and Paid up</b>		
	37,91,700 Equity Shares of Rs. 10/- each	379.17	379.17

The details of shareholders holding more than 5 % shares :-

Name of Shareholder	31-Mar-2019		31-Mar-2018	
	No. of shares	% Held	No. of shares	% Held
Investors Education and Protection Fund Authority, Ministry of Corporate Affairs	366922	9.68%	-	-
Harender Singh Bhatia (HUF)	251700	6.64%	251700	6.64%
Amarjeet Singh Bhatia (HUF)	195800	5.16%	195800	5.16%

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>11</b>	<b>Borrowings</b>		
	<b>Non-current Interest bearing loans and borrowings</b>		
	Secured Loans From banks:		
	Vehicle Loans ( First Charge on Trucks and Cars)	26.36	60.30
	Unsecured Loans from Director	126.08	25.00
	<b>Total</b>	<b>152.44</b>	<b>85.30</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

**Note: Effective Interest Rate and Maturity details of above mentioned borrowings -** (₹ in Lakhs)

Particulars	As on 31-03-2019	Maturity	Interest Rate
<b>i. From Banks</b>			
Yes Bank Ltd	1.41	2020-21	8.90% p.a.
Yes Bank Ltd	1.41	2020-21	8.90% p.a.
Yes Bank Ltd	1.41	2020-21	8.90% p.a.
Yes Bank Ltd	0.99	2020-21	8.90% p.a.
Yes Bank Ltd	0.99	2020-21	8.90% p.a.
Yes Bank Ltd	0.99	2020-21	8.90% p.a.
Kotak Mahindra Bank	19.16	2022-23	7.92% p.a.
<b>Total</b>	<b>26.36</b>		
<b>i. From Directors</b>			
Unsecured Loans	126.08	2022-23	12.00% p.a.
<b>Total Borrowings</b>	<b>126.08</b>		

(₹ in Lakhs)

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>12</b>	<b>Provisions</b>		
	(a) Provision for employee benefits		
	Gratuity (funded)	9.94	56.94
	Leave Encashment (unfunded)	17.80	25.07
	<b>Total Provisions</b>	<b>27.74</b>	<b>82.01</b>

(₹ in Lakhs)

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>13 (a)</b>	<b>Current Tax</b>		
	<b>Current Tax Expense</b>	<b>191.80</b>	<b>185.30</b>
	<b>Deferred Tax Benefit</b>		
	MAT	-	(29.60)
	Others (Net)	14.22	(12.92)
	<b>Total Income Tax expense recognised in Current Year</b>	<b>206.02</b>	<b>142.78</b>
	Profit Before Income Tax	613.17	546.87
	Indian Statutory Income Tax Rate	33.38%	33.06%
	<b>Expected Income Tax Expense</b>	<b>204.38</b>	<b>180.81</b>
	<b>Tax Effects of adjustments to reconcile expected income tax expense to reported tax expense:</b>		
	Tax Effect of IND AS Adoption	-	-
	Tax adjustment for prior period current tax	-	(29.60)
	Tax Effect of non deductible expenses	80.55	83.08
	Tax adjustment due to carry forward and set-off of prior period losses & Depreciation	-	-
	Tax Effect of MAT Provisions of Income Tax Act, 1961	-	-
	Others (net)*	(93.13)	(84.83)
	<b>Total Income Tax Expense</b>	<b>191.80</b>	<b>142.78</b>
	* Others mainly includes tax effect of expenses allowed for tax purposes as well as effect of temporary differences.		



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

**13 (b) Deferred Tax**

( ₹ in Lakhs )

S.No.	Component of Deferred Tax (Asset)/Liability	As at 31st March, 2018	Charge/ (Credit) to Statement of P&L	As at 31st March, 2017
i.	PROPERTY PLANT & EQUIPMENT (Holding)	94.98	(7.00)	101.98
ii.	PROPERTY PLANT & EQUIPMENT (Subsidiary)	(3.57)	(0.81)	(2.76)
iii.	GRATUITY	(18.38)	(6.47)	(11.90)
iv.	LEAVE ENCASHMENT	(8.09)	1.14	(9.23)
	<b>TOTAL</b>	<b>64.94</b>	<b>(13.14)</b>	<b>78.08</b>

S.No.	Component of Deferred Tax (Asset)/Liability	As at 31st March, 2019	Charge/ (Credit) to Statement of P&L	As at 31st March, 2018
i.	PROPERTY PLANT & EQUIPMENT (Holding)	91.99	2.99	94.98
ii.	PROPERTY PLANT & EQUIPMENT (Subsidiary)	(4.28)	0.71	(3.57)
iii.	GRATUITY	(3.32)	(15.06)	(18.38)
iv.	LEAVE ENCASHMENT	(5.94)	(2.15)	(8.09)
	<b>TOTAL</b>	<b>78.45</b>	<b>(13.50)</b>	<b>64.94</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>14</b>	<b>Borrowing</b>		
	<b>Secure Loans:</b>		
	Punjab National Bank ( cash credit) Raipur	2500.16	2713.69
	Punjab National Bank (cash credit) Indore	249.45	408.81
	<b>Unsecured Loans:</b>		
	Demand Loan From Directors	15.00	171.35
	<b>Total Borrowing</b>	<b>2764.61</b>	<b>3293.85</b>
	Note: The cash credit facility has been secured by hypothecation of book debts stock and first charge over fixed assets of the company & personal guarantee of directors.		

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>15</b>	<b>Trade Payables</b>		
	Micro Small and Medium Enterprises	189.13	0
	Others	3931.02	3323.94
	<b>All Balances of Sundry Creditors are subject to confirmation.</b>	<b>4120.15</b>	<b>3323.94</b>
	There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2019 for which disclosure requirements under Micro, small and Medium Enterprises Development Act, 2006 as applicable.		



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH, 2019**

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>16</b>	<b>Provisions</b>		
	Salary payable	112.29	82.86
	Bonus payable	29.60	31.09
	Contribution to PF ( Employees)	4.58	4.72
	<b>Total Provisions</b>	<b>146.47</b>	<b>118.67</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>17</b>	<b>Other Current Liabilities</b>		
	<b>Financial Liabilities</b>		
	Vehicle Loans ( First Charge on Trucks and Cars)	33.94	72.78
	Others Payable	62.69	37.89
	Unclaimed Dividends	5.54	11.06
	<b>Total Financial Liabilities</b>	<b>102.17</b>	<b>121.72</b>
	<b>Others</b>		
	Advances from Customers	46.47	42.01
	Professional Tax (Staff)	0.35	0.75
	Income Tax Payable	191.80	185.30
	TDS Payable	13.56	14.47
	Others Payable	39.89	37.71
	<b>Total Other Current Liabilities</b>	<b>292.07</b>	<b>280.25</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>18</b>	<b>Other Income</b>		
	Rearing charges (Income)	3.50	30.18
	Interest received MPEB/FD	1.38	1.05
	<b>Total Other Income</b>	<b>4.88</b>	<b>31.23</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH, 2019**

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>19</b>	<b>Cost Of Material Consumed</b>		
	Opening Stock	5544.27	8159.62
	<b>Add:- Purchases</b>		
	Feed & Medicines	22820.60	21490.32
	Store Spares & Consumable	88.80	76.75
	Parent Birds	420.20	735.99
	Packing Material	295.21	300.68
	Carriage Inward	378.49	364.36
	Godown rent	35.75	50.55
	Chicks	87.26	794.28
	Hatching Eggs	68.44	379.57
	Stock Loss on fire	(8.16)	0.00
		<b>29730.87</b>	<b>32352.13</b>
	Less:- Closing Stock	4752.87	5544.27
	<b>Total Cost of material consumed</b>	<b>24978.00</b>	<b>26807.86</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>20</b>	<b>Farm Expenses</b>		
	Farm Expenses	140.27	128.83
	Power & Energy	133.63	131.77
	Fuel Consumption	44.15	42.90
	Light & Water Charges	39.18	38.02
	Farm Rent	104.91	108.58
	Rearing Charges Expenses	2451.77	2540.53
	<b>Total Farm Expenses</b>	<b>2913.91</b>	<b>2990.63</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>21</b>	<b>Hatchery Expenses</b>		
	Hatchery Expenses	42.34	43.40
	Hatching expenses	96.45	97.37
	Hatcheries Rent	126.00	133.80
	Power & Energy (Hatcheries)	84.46	83.82
	<b>Total Hatchery Expenses</b>	<b>349.26</b>	<b>358.39</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>22</b>	<b>Administrative Expenses</b>		
	General Office Expenses	172.13	202.99
	Travelling & Conveyance	217.35	250.15
	Audit Fees	5.70	4.35
	Legal & Professional Expenses	21.33	19.86
	CSR Expenses	4.90	0.00
	Software annual maintenance charges	10.32	9.00
	Loss on sale of Assets	1.13	10.32
	Insurance	0.28	0.28
	<b>Total Administrative Expenses</b>	<b>433.14</b>	<b>496.94</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>23</b>	<b>Selling &amp; Distribution Expenses</b>		
	Forwarding Expenses	951.50	988.53
	Advertisement & Publicity	1.33	1.26
	Vehicle Repair & Maintenance	42.96	36.13
	Sales Promotion Expenses	9.61	21.15
	<b>Total Selling &amp; Distribution Expenses</b>	<b>1005.39</b>	<b>1047.08</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>24</b>	<b>Employee Benefits Expenses</b>		
	Salary wages & Bonus	1082.64	1127.39
	Remuneration to directors	57.00	57.00
	Remuneration to vice president	42.00	42.00
	Contribution to Provident Fund	60.10	70.25
	Staff welfare	6.98	7.66
	Gratuity	22.42	21.15
	<b>Total Employee Benefits Expenses</b>	<b>1271.13</b>	<b>1325.45</b>

( ₹ in Lakhs )

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>25</b>	<b>Finance Cost</b>		
	Bank Charges & Commission	18.76	39.64
	Interest to others	26.84	65.31
	Interest on statutory dues	0.31	0.86
	Interest on CC Loan	141.34	232.03
	<b>Total Finance Cost</b>	<b>187.26</b>	<b>337.83</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH, 2019**

Note	Particulars	31-Mar-2019	31-Mar-2018
<b>26</b>	<b>Earning Per Share</b> Basic & Diluted earning per equity share have been worked out in accordance with IND AS -33 "Earnings Per Share". Basic and diluted earnings per equity share has been calculated by dividing Net profit of Rs. 406.56 Lacs by 3791700 equity shares (Face Value of Rs.10/- each)  The Following is a reconciliation of the equity shares used in the computation of basic and diluted Earning per equity share:		
	<b>Particulars</b>	<b>31st March 2019</b>	<b>31st March 2018</b>
	Basic Earning per Equity share- weighted average number of equity shares outstanding	3791700	3791700
	Effect of dilutive common equivalent shares	0	0
	Diluted Earning per Equity share- weighted average number of equity shares outstanding and common equivalent shares outstanding	3791700	3791700

<b>27</b>	<b>RELATED PARTIES DISCLOSURES :</b>		
<b>1.</b>	<b>Relationships</b>		
<b>(a)</b>	<b>Key Management Personnel:</b> Mr.Harender 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>(b)</b>	<b>Relatives of key management personnel and their enterprises where transaction have taken place:</b>  Simran Feeds Private Limited Simran Hatcheries Private Limited Simfa Labs Private Limited Simran Foods Private Limited Simran Hatcheries M/s Early Bird Hatcheries M/s Simran Poultry M/s Singh Hatcheries M/s Singh Poultry Eco Gold Nutri & Organics LLP Mr.Avneet Singh Bhatia Mr. Amarjeet Singh Bhatia Mrs. Simrat Kaur Bhatia Mrs. Kawaljeet Kaur Bhatia Mrs. Jagdeep Kaur Bhatia Mrs. Amarjeet Kaur Bhatia Mrs. Naampreet Kaur Bhatia Miss Tavleen Kaur Bhatia
<b>Note: Related party relationship is as identified by the Company and relied upon by the Auditors.</b>			



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

( ₹ in Lakhs )

<b>2a Transactions carried out with related parties referred in 1 above, in ordinary course of business:</b>		
<b>Nature of Transaction</b>	<b>Referred in 1 (a) above</b>	<b>Referred in 1 (b) above</b>
Purchase	-	291.36
Sales	-	310.25
Director Remuneration	84.00	-
Vice President Remuneration	-	15.00
Chief Financial Officer 's Salary	7.99	-
Company Secretary 's Salary	3.12	-
Salary	-	76.20
Office Rent	-	18.80
Rent:-		
Land & Building	-	67.20
Hatchery Rent	-	126.00
Feed Processing Charges (Payable)	-	189.12
Feed Processing Charges (Receivable)	-	1.58
Hatching Charges (Payable)	-	92.21
Interest on Loan	-	15.30
Commission	-	49.62
Payable	141.08	925.96
Receivable	0.05	72.27

**Related Party Transactions**

( ₹ in Lakhs )

<b>S.No.</b>	<b>Transactions</b>	<b>2018-19</b>	<b>2017-18</b>
<b>A. Purchase of Raw Material/Finished goods</b>			
1	Simfa Labs Private Limited	269.66	226.81
2	Simran Feeds Private Limited	20.02	0.00
3	Eco Gold Nutri & Organics LLP	1.68	0.00
	<b>Total Purchase of Raw Material/Finished Goods</b>	<b>291.36</b>	<b>226.81</b>
<b>B. Sales of Material/ Finished Goods</b>			
1	Simfa Labs Private Limited	16.60	0.00
2	Simran Food Private Limited	222.62	274.96
3	Simran Feeds Private Limited	71.04	85.55
	<b>Total Sales of Material/ Finished Goods</b>	<b>310.25</b>	<b>360.52</b>
<b>C Rent Paid</b>			
<b>a) Office Rent</b>			
1	Mrs. Amarjeet Kaur Bhatia	4.80	4.80
2	Mrs. Simrat Kaur Bhatia	4.80	4.80
3	Mrs. Kawaljeet Kaur Bhatia	4.80	4.80
4	Mrs. Jagdeep Kaur Bhatia	2.20	5.70
5	Mr. Kawaljeet Singh Bhatia	2.20	5.70
	<b>Total Office Rent</b>	<b>18.80</b>	<b>25.80</b>





**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

Related Party Transactions (₹ in Lakhs)

S.No.	Transactions	2018-19	2017-18
<b>b) Land &amp; Building Rent</b>			
1	Simran Poultry	5.40	5.40
2	Singh Poultry	36.00	36.00
3	Early Bird Hatcheries	25.80	25.80
	<b>Total Land &amp; Building Rent</b>	<b>67.20</b>	<b>67.20</b>
<b>c) Hatchery Rent</b>			
1	M/s Early Bird Hatcheries	24.00	24.00
2	M/s Simran Hatcheries	46.80	46.80
3	M/s Singh Hatcheries	55.20	55.20
	<b>Total Hatchery Rent</b>	<b>126.00</b>	<b>126.00</b>
<b>D. Feed Processing Charges</b>			
1	Simran Feeds Private Limited Payable	189.12	169.87
	Receivable	1.58	10.50
	<b>Total Feed Processing Charges</b>	<b>190.70</b>	<b>180.37</b>
<b>E. Hatching Charges</b>			
1	M/s Simran Hatcheries Private Limited Payable	92.21	85.59
	<b>Total Hatching Charges</b>	<b>92.21</b>	<b>85.59</b>
<b>F. Internal on Fund raised</b>			
1	Mr. Gurdeep Singh Bhatia	0.00	8.02
2	Mr. Kawaljeet Singh Bhatia	15.30	3.00
	<b>Total Internal on Fund raised</b>	<b>15.30</b>	<b>11.02</b>
<b>G Commission</b>			
1	Mr. Avneet Singh Bhatia	14.67	14.72
2	Mr. Amarjeet Singh Bhatia	17.19	18.05
3	Mrs. Jagdeep Kaur Bhatia	17.75	16.85
	<b>Total Commission</b>	<b>49.62</b>	<b>49.62</b>
<b>H Salary</b>			
1	Mrs. Simrat Kaur Bhatia	7.20	7.20
2	Mr. Amarjeet Singh Bhatia	24.00	24.00
3	Mrs. Jagdeep Kaur Bhatia	7.20	7.20
4	Mrs. Amarjeet Kaur Bhatia	9.60	9.60
5	Miss Tavleen Kaur Bhatia	18.00	18.00
6	Mrs. Naampreet Kaur Bhatia	10.20	10.20
	<b>Total Salary</b>	<b>76.20</b>	<b>76.20</b>
<b>I. Vice President's Remuneration</b>			
2	Mr. Avneet Singh Bhatia	15.00	15.00
	<b>Total Vice President 's Remuneration</b>	<b>15.00</b>	<b>15.00</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

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

( ₹ in Lakhs )

S.No.	Transactions	2018-19	2017-18
<b>1</b>	<b>Remuneration</b>		
	Salary	95.11	93.82
	Contribution to provident and other funds	0.40	0.36
	Perquisites	-	-
2	Commission	-	-
3	Sitting fees	-	-
4	Rent paid (expense)	-	-

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

( ₹ in Lakhs )

S.No.	Transactions	2018-19	2017-18
<b>1</b>	<b>Remuneration</b>		
	Mr Harender singh Bhatia	30.00	30.00
	Mr. Kawaljeet Singh Bhatia	27.00	27.00
	Mr. Gurmeet Singh Bhatia	27.00	27.00
	Mr. Mahesh Patidar	7.99	7.19
	Ms. Tanu Parmar	3.12	2.64
	<b>Total Remuneration</b>	<b>95.11</b>	<b>93.82</b>

**3c COLLATERALS AND GUARANTEES**

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

( ₹ in Lakhs )

S.No.	Transactions	2018-19	2017-18
<b>28</b>	<b>Payment to Auditor</b>		
	1) As Auditor	5.70	4.35
	2) AS per Certification	0.00	0.35
	<b>Total Payment to Auditor</b>	<b>5.70</b>	<b>4.70</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

**Note 29 : EMPLOYEE BENEFITS**

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

( ₹ in Lakhs )

S.No.	Particulars	2018-19	2017-18
<b>1</b>	<b>Expenses recognised in Income Statement</b>		
	Current Service Cost.	18.82	18.04
	Interest on Obligation	9.52	8.04
	Actuarial Losses / (Gains)	-	-
	Expected return on plan assets	(5.91)	(5.97)
	Past service cost	-	1.05
	Losses (gains) on curtailments and settlement	-	-
	<b>Expense recognised in P &amp; L</b>	<b>22.42</b>	<b>21.15</b>
<b>2</b>	<b>Amount to be recognised in Balance Sheet</b>		
	Present value of funded obligation	145.70	133.75
	Fair value of plan assets	135.76	76.81
	Present value of unfunded obligations	-	-
	Funded Status - (Surplus)/Deficit	9.94	56.94
	Unrecognised past service cost	-	-
	Unrecognised asset due to limit in Para 64(b)	-	-
	<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>9.94</b>	<b>56.94</b>
<b>3</b>	<b>Table showing change in benefit obligation</b>		
	Opening Defined Benefiet obligation	133.75	117.20
	Service cost for the year	18.82	18.04
	Interest cost for the year	9.52	8.04
	Actuarial Losses / (Gains)	2.40	0.03
	Benefits paid	(18.79)	(10.60)
	Past Service Cost	0	1.05
	<b>Closing defined benefit obligation</b>	<b>145.70</b>	<b>133.75</b>
<b>4</b>	<b>Table showing fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	76.81	81.20
	Actual return on plan assets	5.91	5.97
	Contributions	71.55	0.88
	Benefits Paid	(18.79)	(10.60)
	Actuarial Gains\ (Losses)	0.27	(0.63)
	<b>Fair value of plan assets at the end of year</b>	<b>135.76</b>	<b>76.81</b>
<b>5</b>	<b>Table Showing Amount to be Recognised in OCI</b>		
	Amount recognised in OCI, Beginning of Period	(1.65)	(2.31)
	Remeasurements due to:		
	Effect of Change in Financial Assumptions	0.66	(5.33)
	Effect of Change in Demographic Assumptions	-	-
	Effect of experience adjustments	1.75	5.36
	Actuarial (Gains)/Losses	2.40	0.03
	Return on Plan Assets (excluding interest)	0.27	(0.63)
	Total measurements recognised in OCI	2.13	0.66
	<b>Amount recognised in OCI, End of Period</b>	<b>0.48</b>	<b>(1.65)</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

**Note 29 : EMPLOYEE BENEFITS**

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

( ₹ in Lakhs )

S.No.	Particulars	2018-19	2017-18
<b>6</b>	<b>History of DBO, Asset values, Surplus/Deficit &amp; Experience Gains &amp; Losses</b>		
	DBO	145.70	133.75
	Plan Assets	135.76	76.81
	(Surplus)/Deficit	9.94	56.94
	Exp Adj- Plan Assets Gain/ (Loss)	0.27	(0.63)
	Assumptions (Gain)/ Loss	0.66	(5.33)
	Exp Adj- Plan Liabilities Gain/ (Loss)	1.75	5.36
	<b>Total Acturial (Gain)/ Loss</b>	<b>2.40</b>	<b>0.03</b>
<b>7</b>	<b>Category of Assets</b>		
	Govt. of India Securities (Central and State)	-	-
	High Quality Corporate Bonds ( incl. PSU Bonds)	-	-
	Equity shares of Listed Companies	-	-
	Real Estate/ Property	-	-
	Cash ( including Special Deposits )	-	-
	Other ( including assets under Schemes of Ins.)	100%	100%
	<b>Total</b>	<b>100%</b>	<b>100%</b>

**Notes on Consoildated Financial Statement for the year ended 31st March 2019**

<b>8 Sensitivity Analysis</b>		<b>31st March, 2019</b>	
S.No.	Particulars	Decrease	Increase
	Discount Rate	152.59	139.36
	Impact of increase/decrease in 50 bps on DBO	4.73%	-4.35%
	<b>Salary Growth Rate</b>	<b>139.24</b>	<b>152.65</b>
	Impact of increase/decrease in 50 bps on DBO	-4.43%	4.77%
<b>9</b>	<b>Actuarial Assumption</b>		
	Valuation Method	Projected unit Credit Method	
	Discount Rate	7.65%	
	Annual increase in salary costs	5.00%	
	Mortality Rate	Indian Assured Lives Mortality (2006-08)	
	Withdrawl Rate	1% to 3% depending on Age	
	Retirement Age	58 Years	

**10 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.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

**30. Fair Value Measurement Hierarchy :**

Particulars	As at 31 March 2019			As at 31 March 2018		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2
<b>Financial Asset :-</b>						
<b>At Amortised Cost</b>						
Cash & Cash Equivalents	2,025.86	-	-	489.61	-	-
Trade Receivables	977.95	-	-	880.88	-	-
Loans	173.06	-	-	162.13	-	-
Others	-	-	-	-	-	-
<b>At FVTPL</b>						
Investments	11.89	-	11.89	11.89	-	131.54
<b>At FVTOCI</b>		-	-	-	-	-
<b>Financial Liabilities :-</b>						
<b>At Amortised Cost</b>						
Trade Payables	4,120.15	-	-	3,323.94	-	-
Borrowings	2,764.61	-	-	3,293.85	-	-
Vehicle Loans ( First Charge on Trucks and Cars)	33.94	-	-	72.78	-	-
Unclaimed Dividends	5.54	-	-	11.06	-	-
Others Payable	62.69	-	-	37.89	-	-
<b>At FVTPL</b>						
Borrowings	152.44	-	152.44	85.30	-	85.30
<p>The Financial Instruments are categorised into two levels based on the inputs used to arrive at fair value measurement as described below:</p> <p><b>LEVEL 1:</b> Quoted Prices (unadjusted) in active markets for identical assets or liabilities; and</p> <p><b>LEVEL 2:</b> Inputs other than the quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.</p>						



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2019

**31. Enterprises Consolidated As Subsidiary In Accordance With Indian Accounting Standard 110- Consolidated Financial Statements** (₹ in Lakhs)

Name of the Enterprise	Country of incorporation	Proportion of Ownership Interest	Proportion of Ownership Interest
Puregene Biotech Limited	India	82.71%	82.71%

**31(A). Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates/ Joint Ventures**

Name of the Enterprise	Net assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (in Lakhs)	As % of Consolidated Profit or Loss	Amount (in Lakhs)	As % of Consolidated Other Comprehensive Income	Amount (in Lakhs)	As % of Consolidated Total Comprehensive Income	Amount (in Lakhs)
<b>Parent</b> Simran Farms Limited	97.98%	2549.19	99.30%	403.69	100.00%	(1.42)	99.30%	402.27
<b>Subsidiaries</b> <b>Indian</b> 1. Puregene Biotech Limited	2.02%	52.3	0.70%	2.87	0.00%	0.00	0.70%	2.87
<b>TOTAL</b>	<b>100%</b>	<b>2601.49</b>	<b>100%</b>	<b>406.56</b>	<b>100%</b>	<b>(1.42)</b>	<b>100%</b>	<b>405.14</b>

**32. FINANCIAL RISK MANAGEMENT**

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk primarily relates to trade and other receivables, long-term loans, cash and cash equivalents.

The Company's exposure to credit risk with regards to trade and other receivables is influenced mainly by the individual characteristics of each customer and there is no significant concentration of risk related to industry segments. The granting of credit is controlled by well-established criteria that are reviewed on a regular basis. The maximum exposure to credit risk at the reporting date is the carrying amount of each trade receivable.

The credit policy requires each new customer to be analyzed individually for credit worthiness before delivery and payment terms are offered.

Other receivables consist primarily of security deposits, loans to employees and other receivables. The risk of default is assessed as low.

The credit risk surrounding loans receivable is assessed as low risk.

Credit risk on cash and cash equivalents is assessed as low risk as the Company deposits cash surpluses with financial institutions of high quality and standing.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH, 2019**

**Liquidity risk**

The Company actively monitors its cash flows to ensure there is sufficient cash available to meet its working capital requirements. Due to the dynamic nature of the underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's cash and cash equivalents on the basis of expected cash flow.

The Company's current trade and other payables are all due within one year.

The table below summarizes the maturity profile of the Company's financial liabilities as at 31 March 2019 based on contractual undiscounted payments:

( ₹ in Lakhs )

Particulars	Less than One Year	1-2 Years	2-4 Years	>4 Years	Total
Trade Payable	4120.15	-	-	-	4120.15
Long term borrowings	-	7.20	145.24	-	152.44
Short term borrowings	2764.61	-	-	-	2764.61

**Market risk****Interest rate risk**

The Company is exposed to interest rate risk on its cash and cash equivalents, long-term loans and borrowings, which can have an impact on the cash flows of these instruments. The exposure to interest rate risk is managed through the Company's Board by using counterparties that offer the best rates which enables the Company to maximize returns whilst minimizing risk.

In terms of our report attached

**For J.C. BAHETI & ASSOCIATES**

**Chartered Accountants**

**Registration Number: 03390C**

**J.C. BAHETI**

**PROPRIETOR**

**M.No. 072585**

**Place: Indore**

**Date: 25<sup>th</sup> May, 2019**

**H.S. Bhatia**

Managing Director

DIN 00509426

**G.S. Bhatia**

Director

DIN 00401929

**Mahesh Patidar**

Chief Financial Officer

**Tanu Parmar**

Company Secretary

(M.No. 34769)



**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 32nd Annual General Meeting of the Company, to be held on Monday, 30th Day of September, 2019 at 10.00 A.M. at Pishori Premises, 910, Khatiwala Tank, Tower Square, Indore - 452001 (M.P.) and adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	For	Against
1.	To receive, consider, approve and adopt: • the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Reports of the Board of Directors and the Auditors thereon; and • the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the report of the Auditors thereon..		
2.	To appoint a Director in place of Mr. Gurdeep Singh Bhatia (DIN: 00401929) who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Continuation of Directorship of Dr. Surendra Singh (DIN: 00645965) as Non Executives and Independent Director.		
4.	Re-appointment of Mr. Harender Singh Bhatia (DIN: 00509426) as Managing Director of the Company		
5.	Re-appointment of Mr. Kawaljeet Singh Bhatia (DIN: 00401827) as Whole-time Director of the Company		

Signed this..... day of..... 2019

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

Note: 1) 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.

2) A proxy need not to be member of the company.







**ATTENDANCE SLIP**  
**32<sup>ND</sup> ANNUAL GENERAL MEETING ON MONDAY, 30th SEPTEMBER 2019**

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 32<sup>nd</sup> Annual General Meeting of the Company on Monday, 30<sup>th</sup> September, 2019 at Pishori Premises, 910, Khatiwala Tank, Tower Square, Indore- 452001 (M.P.).

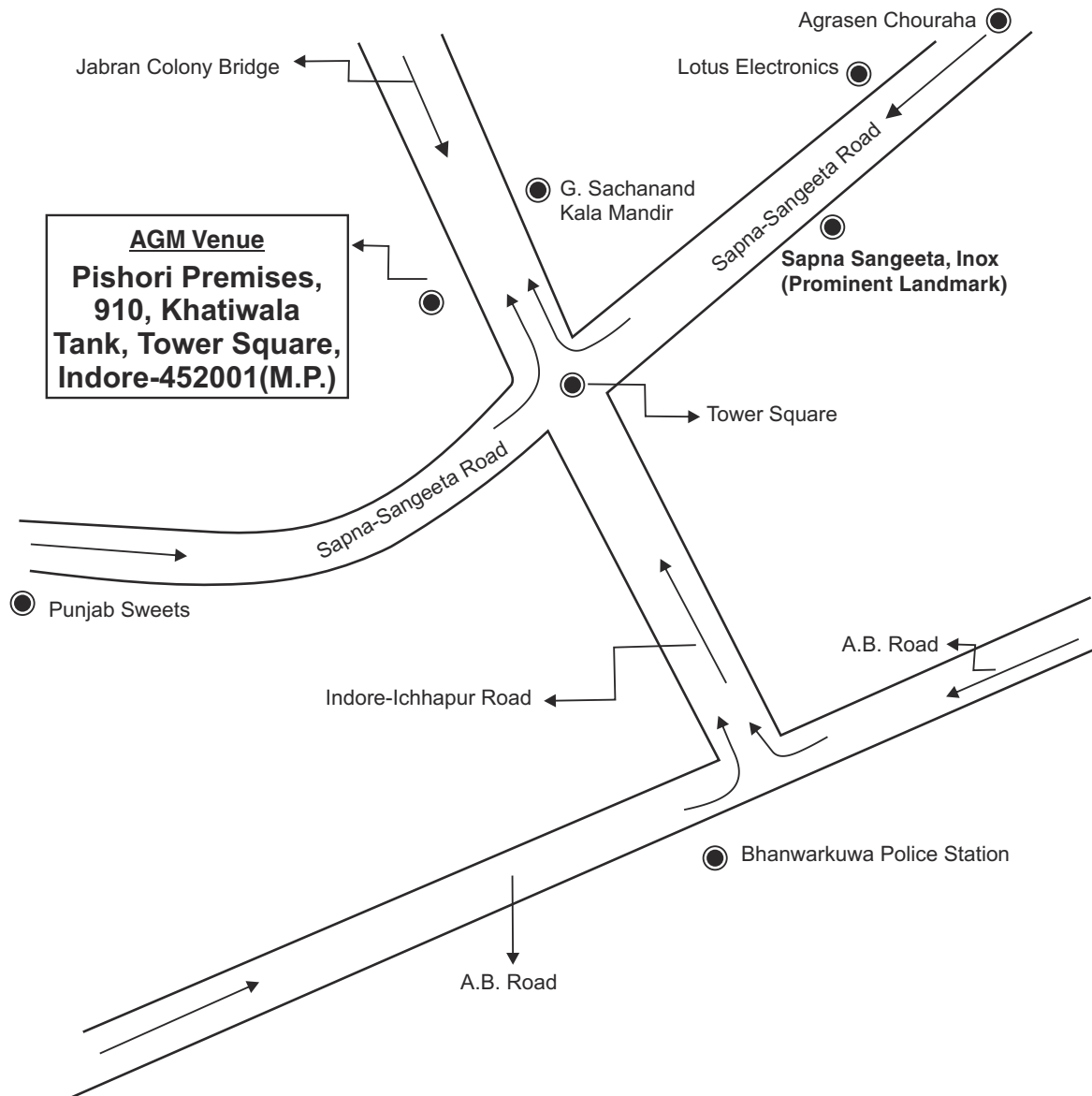
(If signed by proxy, his name should be \_\_\_\_\_  
Written in block letters)

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

**Note:**

- 1) Shareholders/Proxy holders are requested to bring the attendance slips with them when they come to the meeting and hand over them at the entrance after affixing their signatures on them.
- 2) If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.

**ROUTE MAP FOR THE VENUE OF 32<sup>nd</sup> ANNUAL GENERAL MEETING  
INCLUDING PROMINENT LANDMARKS**



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