

Annual Report 1998-99



Sunil Agro Food

SUNIL AGRO FOODS LIMITED
ELEVENTH ANNUAL GENERAL MEETING 1998 - 99

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BOARD OF DIRECTORS

Mr. B Shantilal	<i>Chairman</i>
Mr. B.S. Vinodkumar	<i>Managing Director</i>
Mr. Pramodkumar S	<i>Executive Director</i>
Mrs. Kamala Bai	<i>Director</i>

REGISTERED OFFICE & FACTORY

Plot No; 39-A2 Hosakote Industrial area,
Chokkahalli,
Hosakote -562 114

CORPORATE OFFICE

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

AUDITORS

Messrs. Manian Suresh Sundar & Vittal
Chartered Accountants.
Bangalore

BANKERS

The Karnataka Bank Limited
Kempegowda Road,
Bangalore

SHARE TRANSFER AGENT

Karnataka Financial Services Limited
No 29, Hospital Road,
Bangalore-560 001

Sunil Agro Foods Limited**NOTICE**

NOTICE is hereby given that the Eleventh Annual General Meeting of SUNIL AGRO FOODS LIMITED will be held at the Registered Office of the Company at No. 39-A2, Hosakote Industrial Area, Hosakote 562114, Bangalore District on Wednesday, the 8th September 1999 at 11.30 AM to transact the following:-

ORDINARY BUSINESS :

1. To receive, consider and adopt the balance sheet as at 31st March 1999 and the profit and loss account for the year ended on that date, together with the reports of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Pramodkumar S who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT the Board of Directors be and are hereby empowered to proceed with the delisting of the shares from the Stock Exchange in Ahmedabad in terms of the procedures laid down for "Voluntary Delisting" and for the reasons furnished in the explanatory statement hereto and further that the Board be authorised to do such deeds, things and acts as may be necessary in this regard."

By Order of the Board
For Sunil Agro Foods Limited

Bangalore
1st July, 1999

B. SHANTILAL
Chairman

Notes :

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. Proxies to be effective, must be received at the registered office of the company at least 48 hours before the meeting.
2. The register of members and the share transfer books will remain closed from 1/9/99 to 8/9/99 (both days inclusive).
3. Members are requested to notify any changes of addresses to the Share Transfer Agents namely Karnataka Financial Services Ltd., No. 29 Hospital Road, Bangalore-560 001 and quote the folio numbers in all correspondence.
4. Dividend when approved will be paid to those members whose names will appear on the register of members as on 8th September 1999.
5. Explanatory Statement as per Section 173 of the Companies Act, 1956.

EXPLANATORY STATEMENT AS PER SECTION 173 OF THE COMPANIES ACT :**Item No. 5 :**

The Shareholders may recall that a Special Resolution was passed at the last Annual General Meeting approving "Voluntary Delisting" of the shares from the Stock Exchange at Ahmedabad. To recall, the shares were originally listed on the Stock Exchanges at Bangalore, Mumbai and Ahmedabad. The number of shareholders in Gujarat is less and also there have been NIL transactions in the said region for over 2 years. As a measure of austerity and to reduce the cost, without disturbing any shareholder, it was decided to opt for "Voluntary Delisting" from the Stock Exchange at Ahmedabad. The shares shall continue to be listed on the Exchanges at Mumbai and Bangalore and as such, there will be no difficulties for any shareholders. However, due to certain technical reasons, your approval is sought afresh, as provided by the authorities. The Directors recommend the resolution for your approval. The Directors may be deemed to be interested / concerned in the resolution as shareholders.

By Order of the Board
For Sunil Agro Foods Limited

Bangalore
1st July, 1999

B. SHANTILAL
Chairman

DIRECTORS' REPORT

Your Directors are pleased to present the Eleventh Annual Report and the audited statements of accounts on the business of the Company for the year ended 31st March 1999.

Financial Results :

Particulars	(Rs in lacs)	
	Year ended 31.3.99	Year ended 31.3.98
Sales & Other income	4156.20	4383.03
Profit/(loss) before depreciation & Tax	69.33	(27.48)
Less: Depreciation	40.60	41.16
Profit/(Loss) before Tax	28.73	(69.64)
Less: Provision for Tax	0.10	-
Profit after Tax	28.63	-
Add: P & L A/c brought forward	43.91	-
Proposed Appropriations:-		
Proposed Dividend	15.00	-
Tax on Proposed Dividend	1.50	-
Transfer to General Reserve	5.00	-
Balance carried forward	51.02	43.91

DIVIDEND

Your Board is pleased to recommend dividend of Rs 0.50 per equity share fully paid up(NIL previous year) subject to your approval.

PERFORMANCE

Your company despite the most difficult hurdles faced by the industry in general and the flour mills in particular, has been able to achieve better results as

compared to the previous year. Gross Profit stood at Rs.69.33 lacs and Profit after Tax at Rs.28.63 as compared to Rs.27.48 loss in the previous year. This has been possible chiefly due to the strict austerity measures imposed, strategic purchase policies and imports of wheat. Continued burden of sales tax, competition from those in the North have hampered what could have been better performance. Efforts are on jointly by the Flour Millers to mitigate the impact of sales tax. With a view to sharing the profits with the esteemed shareholders, your Board has decided to get back to the dividend bracket.

DIRECTORS

Mr Pramodkumar S retires by rotation and is eligible for reappointment.

AUDITORS

Messrs Manian Suresh Sundar and Vittal, Chartered Accountants, retire as auditors at the conclusion of the ensuing annual general meeting and are eligible for appointment.

VOLUNTARY DELISTING

In terms of the provisions made by the Securities Exchange and Board of India (SEBI), it is proposed to opt for "Voluntary Delisting" of shares from the Stock Exchange at Ahmedabad. Although approval was obtained at the last AGM itself, fresh approval is sought once again. The primary objective is only to save cost in a critical situation without causing problems to any investor. Your Board requests the shareholders to approve the resolution.

PARTICULARS OF EMPLOYEES

There was no employee drawing remuneration in excess of limits prescribed under Sec 217(2A) of the Companies Act, 1956.

**CONSERVATION OF ENERGY, TECHNOLOGY
ABSORPTION AND FOREIGN EXCHANGE
EARNINGS/OUTGO:**

The particulars pursuant to Section 217(1)(e) of the Companies Act, 1956 and the Companies(Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are furnished in the Annexure A to this report.

Y2K (Year 2000 problems)

The hardware and software used by your company at all work stations and elsewhere are Y2K compliant. The company does not fear any risks attached to this and there is no need to provide significant costs to this.

INDUSTRIAL RELATIONS

The industrial relations continued to be cordial during the year.

ACKNOWLEDGMENTS

Your Board wish to place on record their deep appreciation for the support and co-operation extended by the Bankers i.e. the Karnataka Bank Ltd., Karnataka State Finance Corporation, suppliers, customers, shareholders and other business associates. The Directors express their gratitude to the employees at all levels for the unstinted support and assistance.

By Order of the Board
For Sunil Agro Foods Limited

Banglore
1st July, 1999

B. SHANTILAL
Chairman

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ANNEXURE "A" TO THE DIRECTORS' REPORT

Conservation of energy technology Absorption and Foreign earnings/outgo

1. Energy Consevation measures taken : The company has a system to monitor consumption of energy and all efforts for conservation of energy wherever possible are made.
2. Additional investments and proposal being implemented for reduction and consumption of energy and the impact and the same in the cost of production of goods:

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

FORM - A

Disclosure of particulars with respect to conservation of energy

	1998-99	1997-98
Power and Fuel Consumption :		
i) Electricity:		
a) Purchase Unit	16,40,360	21,01,260
b) Total Amount(Rs)	68,52,136	76,89,328
c) Rate Per Unit (Rs)	4.18	3.66
ii) In own Generation :		
a) Through Diesel Generator	4,14,224	2,74,832
b) Units/Litre of diesel Oil	10.30	12.94
c) Cost per Unit (Rs)	3.15	3.34
iii) Consumption per ton of production	51.53	48.64

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

- 4) Foreign exchange earning and Outgo:

- a) Activities relating to exports initiative taken to increase export for production and export plans:
The present policy and the Government ban on export of wheat products continue.
- b) Foreign exchange earnings Nil
Foreign exchange Outgo
towards travelling expenses Rs 3,07,686

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

PARA No.

6. (a) Accounting Policy No. 3-regarding Accounting interest on National Savings Certificate's/ Indira Vikas Patra on receipt basis.
6. (b) Accounting Policy No 5 - regarding Accounting for government organisation on receipt basis.
6. (c) Accounting Policy No 6- regarding Accounting of leave encashment on payment basis.

The above policies have been followed by the company in the earlier years. There is no material financial impact on the financial statements.