

## Annual Report 1999-2000

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**Sunil Agro Foods Limited**

**SUNIL AGRO FOODS LIMITED**  
**TWELFTH ANNUAL GENERAL MEETING 1999 -2000**

**CONTENTS**

Notice .....	1
Directors' Report .....	11
Auditors' Report .....	13
Balance Sheet .....	15
Profit and Loss Account .....	16
Schedules .....	17
Balance Sheet Abstract .....	26
Cash Flow Statement .....	27

**BOARD OF DIRECTORS**

Mr. B Shantilal	<i>Chairman</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 AGENTS**

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

## Annual Report 1999 - 2000

## NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the shareholders of the Company will be held at 11.00 AM on Thursday, the 21st day of September, 2000 at the registered office of the Company to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2000 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 Mrs. Kamala Bai who retires by rotation and being eligible, offers herself 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 an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 or any amendment(s) or modifications(9s) thereof, consent of the members be and is hereby accorded to the appointment of Mr B Shantilal as Chairman & Managing Director of the Company with effect from 1-10-2000 for a period of 5 years (Five Years) on terms as set out below:

1. Salary :  
Rs. 20,000/- (Rupees Twenty Thousand only) per month.
2. Commission :  
At 1% of the net profits of the Company computed in the manner laid down in the Companies Act, 1956, but subject to a ceiling of Rs. 1,20,000 (Rupees One Lac Twenty Thousand only).
3. Perquisites :  
As detailed hereinafter restricted to an amount equal to the annual salary or Rs. 3,60,000 (Rupees Three Lac Sixty Thousand only) per annum, whichever is less. Unless the context otherwise requires, the perquisites are classified in three categories 'A', 'B' and 'C' as follows:

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

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

**Alternatively**

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

**Alternatively**

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

**Explanation:**

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

**ii. Medical Reimbursement:**

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

**iii. Leave Travel Concession:**

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

**iv. Personal Accident Insurance:**

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

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

**CATEGORY 'B'**

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund - These will be in accordance

with the schemes applicable to Senior Manager of the Company from time to time and will not be included in the computation of the ceiling of perquisites mentioned above to the extent they, either singly or put together are not taxable under the Income-Tax Act, 1961 and as amended from time to time.

2. Gratuity - In accordance with the Rules and Regulations applicable to Senior Manager of the Company from time to time not exceeding half month's salary for each completed year of service.
3. Encashment of leave at the end of the tenure - in accordance with the Rules and Regulations applicable to Senior Managers of the Company from time to time, the monetary equivalent of such encashed leave shall not be included in the computation of the ceiling on perquisites referred to in paragraph (C).

#### CATEGORY 'C'

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

#### OTHER BENEFITS

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

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

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

#### MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein where, in any financial year during the currency of tenure of the Chairman & Managing Director, the company has no profits or its profits are inadequate, the above remuneration payable by way of Salary and Perquisites shall be deemed as Minimum Remuneration.

This may be deemed as abstract under Section 302 of the Companies Act, 1956 of the terms and

conditions of appointment of Mr B Shantilal.

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 or any amendment(s) or modification(s) thereof, consent of the members be and is hereby accorded to the appointment of Mrs. Kamala Bai as Whole Time Director of the Company with effect from 1-10-2000 for a period of 5 years (Five Years) on terms as set out below:

1. Salary :

Rs.7,500/- (Rupees Seven Thousand Five Hundred only) per month.

2. Commission :

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

3. Perquisites :

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

#### CATEGORY 'A'

- i. Housing :

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

Alternatively

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

Alternatively

In case no accommodations is provided by the Company, the appointee shall be entitled to House

## Annual Report 1999 - 2000

Tent Allowance, subject to a ceiling of 60% (sixty percent) of salary payable to the appointee;

Explanation :

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

ii. Medical Reimbursement :

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

iii. Leave Travel concession:

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

iv. Personal Accident Insurance:

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

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

CATEGORY 'B'

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

encashed leave shall not be included in the computation of the ceiling on perquisites referred to in paragraph (C) .

CATEGORY 'C'

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

OTHER BENEFITS

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

The Whole Time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or committees thereof:

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

MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein, where, in any financial year during the currency of tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the above remuneration payable by way of Salary and Perquisites shall be deemed as Minimum Remuneration.

This may be deemed as abstract under Section 302 of the Companies Act, 1956 of the terms and conditions of appointment of Mrs Kamala Bai.

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 or any amendment(s) or modification(s) thereof, consent of the members be and is hereby accorded to the appointment of Mr Pramodkumar S as Executive Director of the Company with effect from 1-11-1999 for a period of 5 years (Five Years) on terms as set out below :

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**Sunil Agro Foods Limited**
**1. Salary :**

Rs 30,000/- (Rupees Thirty Thousand only) per month.

**2. Commission :**

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

**3. Perquisites :**

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

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

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

**Alternatively**

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

**Alternatively**

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

**Explanation :**

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

**ii. Medical Reimbursement:**

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

period of three years.

**iii. Leave Travel Concession:**

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

**iv. Personal Accident Insurance:**

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

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

**CATEGORY 'B'**

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund - These will be in accordance with the schemes applicable to Senior Managers of the Company from time to time and will not be included in the computation of the ceiling of perquisites mentioned above to the extent they, either singly or put together are not taxable under the Income-Tax Act, 1961 and as amended from time to time.

2. Gratuity - In accordance with the Rules and Regulations applicable to Senior Managers of the Company from time to time not exceeding half month's salary for each completed year of service.

3. Encashment of leave at the end of the tenure - in accordance with the Rules and Regulations applicable to Senior Managers of the Company from time to time; the monetary equivalent of such encashed leave shall not be included in the computation of the ceiling on perquisites referred to in paragraph(C) .

**CATEGORY 'C'**

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

**OTHER BENEFITS**

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

## Annual Report 1999 - 2000

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

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

## MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein where in any financial year during the currency of tenure of the Executive Director, the company has no profits or its profits are inadequate, the above remuneration payable by way of Salary and Perquisites shall be deemed as Minimum Remuneration.

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

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the company be and are hereby altered in the following manner:

- a. By including the following new Article 166

## 166. DEMATERIALIZATION OF SHARES.

Definition : For the purpose of this Articles :

"DEPOSITORIES ACT" means the Depositories Act, 1996 including any statutory modifications or reenactment thereof for time being in force.

"DEPOSITORY" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under SEBI Act, 1992.

"SEBI" means Securities and Exchange Board of India.

"SECURITY" means such security as may be specified by the SEBI from time to time.

"MEMBER" means the duly registered holder from time to time of the shares of the company and includes every person whose name is entered as a beneficial owner in the records of the Depository.

"PARTICIPANT" means a person registered as such under section 121(1A) of SEBI Act, 1992.

"REGISTERED OWNER" means a Depository whose name is entered as such in the record of the company.

"BENEFICIAL OWNER" means a person whose name is recorded as such with a Depository.

"RECORD" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations issued by the SEBI, in relation to the Depositories Act,

"BYE-LAWS" means bye-laws made by a Depository under Section 26 of the Depositories Act.

"REGULATIONS" means the regulations made by SEBI.

Word imparting the singular number only includes the plural number vice-versa.

Words and expressions used are not defined in the Act but defined in the Depositories Act shall have the same meaning respectively assigned to them in that Act.

## COMPANY TO RECOGNIZE INTEREST IN DEMATERIALIZED SECURITIES UNDER DEPOSITORIES ACT.

Either the company or the investor may exercise an option to issue, deal in, to hold the securities (including shares) with a Depository in electronic form and the certificate in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental there to, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification(s) thereto re-encashment thereof.

## DEMATERIALIZATIONS/REMATERIALISATION OF SECURITIES

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the company shall be entitled to dematerialize its existing securities, rematerialise its securities held in depositories and/or offer its fresh securities in the dematerialised form pursuant to Depositories Act and the rules framed thereunder, if any.

## OPTION TO RECEIVE SECURITY CERTIFICATES OR HOLD SECURITIES WITH DEPOSITORY

Every person subscribing to or holding securities of the company shall have the option to receive the security certificates and hold securities with a Depository. Where the person opts to hold a security with a Depository, the company shall intimate such Depository the details of allotment of the security, and on receipt of such information the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.

#### SECURITIES IN FUNGIBLE FORM

All securities held by a Depository shall be dematerialised and be in fungible form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

#### BENEFICIAL OWNER DEEMED AS ABSOLUTE OWNER

Except as ordered by a Court of competent jurisdiction or by Law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognize any benami, trust equity, equitable contingent, future, partial interest, other claim to or interest in respect of such share of (except only as by these Articles otherwise expressly provide) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

#### RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS

Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner. Save as otherwise provided above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the security held by it. Every person holding securities of the Company and whose name is entered as a

Beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

#### REGISTER AND INDEX OF BENEFICIAL OWNERS

The Company shall cause to be kept a Registered and Index of Members with details of shares and debentures held in material and dematerialized forms in any media as may be permitted by law including any form of electronic media. The Register and Index of Beneficial owners maintained by a Depository under the Depositories Act shall be deemed to be a Register and index a Members for the purpose of this Act. The Company shall have power to keep in any State or Country outside India a branch Register of Members resident in that State or Country.

#### CANCELLATION OF CERTIFICATES UPON SURRENDER BY A PERSON

Upon receipt of certificate of Securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute, in its records the name of the Depository as the registered owner in respect of the said securities and shall also inform the Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.

#### SERVICE OF DOCUMENTS

Notwithstanding anything contained in the Act or these Articles, to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

#### ALLOTMENT OF SECURITIES

Where the Securities are dealt with in a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

#### TRANSFER OF SECURITIES

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any