



SIMRAN FARMS LIMITED

(Farmers' Friend Since 1989)

**24th
ANNUAL REPORT
2010-2011**

BOARD OF DIRECTORS**Mr. H.S. Bhatia***Managing Director***Mr. K.S. Bhatia***Executive Director***Mr. G.S. Bhatia***Director***Dr. Surendra Singh***Director***Mr. Surjeet Singh Kohli***Director***CA Lalit Kumar Khatri***Director***AUDITORS**

Khandelwal Kakani & Co.,
Chartered Accountants,
Indore.

BANKER'S

ICICI Bank Ltd.
Punjab & Sind Bank Limited

**REGISTRAR & SHARE
TRANSFER AGENT**

Ankit Consultancy Pvt. Ltd.
Plot No. 60, Electronic Complex,
Pardesipura,
Indore - 452 010 (M.P.)

LISTED AT

Bombay Stock Exchange Ltd., Mumbai

LEGAL ADVISORS**Mr. Pankaj Joshi***(Advocate)***REGISTERED OFFICE &
CORPORATE OFFICE**

1-B, Vikas Rekha Complex,
Khatiwala Tank,
Indore - 452 001 (M.P.)
Tel.: 4255900, Fax : 4255949
Mail ID : simrangroup@sancharnet.in

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of the members of **Simran Farms Limited** will be held on Thursday 22nd Day of September, 2011 at 10.00 A.M. at Pishori Premises, 910, Khatiwala Tank, Tower Square, Indore-452 001 to transact the following Businesses.

ORDINARY BUSINESSES:

1. To consider and adopt the Audited Balance Sheet as at 31st March 2011 and Profit & Loss Account for the year ended on same date and the reports of Board of Directors & Auditors thereon.
2. To declare a dividend on equity shares of the Company.
3. To appoint director in place of Shri Surendar Singh, who retires by rotation and being eligible offer himself for reappointment.
4. To appoint director in place of Shri Gurdeep Singh Bhatia, who retires by rotation and being eligible offer himself for reappointment.
5. To appoint M/s Khandelwal Kakani & Co., Chartered Accountant, as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Next Annual General Meeting and to fix their remuneration.

AS SPECIAL BUSINESS

6. 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 198,269,309,310,311, and other applicable provisions if any, and in terms of schedule XIII of the Companies Act, 1956 as amended up to date the remuneration of Mr. Harender Singh Bhatia, Managing Director of the Company be and is here by increased from Rs. 2,00,000/- per month to Rs. 2,50,000/- per month with effect from 1st April, 2011, as set out hereunder:

a) Salary: Rs. 2,50,000/- (Rupees Two Lacs Fifty Thousand only) per month and other terms and conditions will remain same.

b) Perquisites: As detailed in **Annexure to the Explanatory Statement**, the annual value of which will be limited to a ceiling of 25% of annual salary.

"RESOLVED FURTHER that where in any financial year the Company has no profits, or its profits are inadequate during the term of office of Mr. Harendra Singh Bhatia, Managing Director of the Company, the remuneration aforesaid shall be minimum remuneration."

"RESOLVED FURTHER that the Board of Directors be and are hereby authorized to vary, alter, increase or enhance / change from time to time, the terms and conditions of appointment and remuneration of Mr. Harendra Singh Bhatia, Managing Director of the Company, subject to the limit laid down under the applicable provisions of the Companies Act, 1956 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 is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper."

7. TO, CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN SPECIAL RESOLUTION:-

"RESOLVED THAT pursuant to the provisions of sections 198,269,309,310,311, and other applicable provisions if any, and in terms of schedule XIII of the Companies Act, 1956 as amended up to date the remuneration of Mr. Kawaljeet Singh Bhatia, Executive Director of the Company be and here by increases from Rs. 1,00,000/- per month to Rs. 2,00,000/- per month with effect from 1st April, 2011, as set out hereunder:

a) Salary: Rs. 2,00,000/- (Rupees Two Lacs only) per month and other terms and conditions will remain same.

b) Perquisites: As detailed in **Annexure to the Explanatory Statement**, the annual value of which will be limited to a ceiling of 25% of annual salary.

"RESOLVED FURTHER that where in any financial year the Company has no profits, or its profits are inadequate during the term of office of Mr. Kawaljeet Singh Bhatia, Executive Director of the Company the remuneration aforesaid shall be minimum remuneration."



“**RESOLVED FURTHER** that the Board of Directors be and are hereby authorized to vary, alter, increase or enhance / change from time to time, the terms and conditions of appointment and remuneration of Mr. Kawaljeet Singh Bhatia subject to the limit laid down under the applicable provisions of the Companies Act, 1956 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 is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper.”

8. 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 314 (1B) read with Director's Relative (Office or Place of Profit) Rules, 2011 and necessary amendment thereto of Companies Act, 1956, the Company hereby accord its consent and approval ,to hold or continue to hold an office of profit/ place of profit by Mr. Gurmeet Singh Bhatia as a vice president of the Company at monthly remuneration of Rs 2,00,000/- per month from 1st October 2011, who is relative of Managing Director and Executive director of the company.

“**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

Place: Indore
Date: 11.08.2011

By Order of the Board
For SIMRAN FARMS LIMITED

HARENDER SINGH BHATIA
(Managing Director)

NOTES:

- ❖ **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- ❖ The relative Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business as set out above is annexed hereto.
- ❖ Register of the members and share transfer books of the company will remain closed from Saturday, the 17th September 2011 to Thursday, 22nd September 2011 (both days inclusive) on account of Annual General Meeting and Dividend payment.
- ❖ The payment of dividend, if declared at the said meeting will be made to those shareholders whose names shall appear on the Company's Register of Member as on 16th September 2011. The Dividend in respect of equity shares held in electronic form will be payable to the beneficial owner of the equity shares, as per the details furnished by the depositories for this purpose.
- ❖ Members are requested to send their queries, if any at least 10 days in advance so that the information can be made available at the meeting and to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
- ❖ Members are requested to contact the Registrar and Share Transfer Agent for all matter connected with Company's shares at Ankit Consultancy Private Limited, 60 Electronic Complex, Pardeshipura, Indore –452010 M.P.
- ❖ In all correspondence with the Company, members are requested to quote their Account/Folio numbers and in case their shares are held in dematerialised form, they must quote their client ID number and their DP ID number.
- ❖ The Company has designated an exclusive email ID simrangroup@sancharnet.in which would enable the members to post their grievances and monitor its redressed. Any member having any grievance may post the



same to the said Email address for its quick redressal.

- ❖ SEBI has notified for compulsory trading of shares of the Company in demat form so members, who have not dematerialised their shares are advised to contact their Depository Participant in this regard.
- ❖ SEBI have made it mandatory for every participant in the securities/ capital market to furnish the detail of Income Tax Permanent Account Number (PAN). Accordingly, all shareholders holding shares in the physical form are requested to submit details of PAN along with a photocopy of both the sides of the PAN Card, duly attested, to the Registrar and Share Transfer Agent.
- ❖ Pursuant to Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form Shareholders desirous of making nominations are requested to fill and send form 2B (Copy of which will be made available on request).
- ❖ The Ministry of Corporate Affairs ('MCA') has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by companies and has issued Circular No. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011. The Company proposes to send the documents to its Members like notices, annual report, etc. in electronic form. Members are requested to provide their email ID to the depositories who are holding their shares in demat form and the members who are holding their shares in physical form may send the duly filed form to our Registrar Ankit Consultancy Private Limited, 60 Electronic Complex, Pardeshipura, Indore –452010 M.P. for sending the document in electronic form. The form is enclosed with Annual Report.

❖ **ADDITIONAL INFORMATION FOR RE-APPOINTMENT OF DIRECTORS.**

Pursuant to Clause 49 of Listing Agreement, Profile of Director proposed for re-appointment is attached hereto.

- (A) Dr. Surendra Singh a Director retiring by rotation has offered himself for re-appointment at the ensuing Annual General Meeting. Dr. Surendra Singh, is post graduate, aged 71 years old and highly experienced poultry technocrat and has more then 38 years rich experience in the poultry industry. He is visiting consultant to leading poultry organizations from North India Region. He is associated with the Company since year 1994. He is also Director & Tarini Farms Pvt. Ltd. He does not hold any share in the Company. He is not director in any other Company.
- (B) Shri Gurdeep Singh Bhatia, a Director retiring by rotation has offered himself for re-appointment at the ensuing Annual General Meeting. Shri Gurdeep Singh Bhatia, aged 62 years and is associate with company since 1988, he is having 22 years of rich experience in poultry farms. He is also Director of Simran Chicks Private Limited and Simran Hatcheries Private Limited. He is holding 78300 equity shares in the Company.

Place: Indore
Date: 11.08.2011

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

By Order of the Board
For SIMRAN FARMS LIMITED

HARENDER SINGH BHATIA
(Managing Director)



Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956

Item No 6

Board of Directors of the Company decided to increase the remuneration of Mr. Harender Singh Bhatia, Managing Director of the Company, in their meeting held on 11th August 2011 with effect from 1st April 2011, subject to the approval of shareholders.

Shri Harender Singh Bhatia Managing Director of the Company, is founder of the Company and associated since incorporation. Shri Harender Singh Bhatia is a matured Business Personality, he is Bachelor of Science and is Post Graduate in Arts and has 33 Years rich experience in various business activities and more particularly 30 Years in the Poultry Industry. With the thorough practical experience in all the facets of the Poultry Industry right from Poultry Keeping, Feed management, Farm management, Hatching of eggs, management of Hatcheries to Marketing of chicks, eggs and Birds he is now a Poultry Technocrat, of the Poultry Industry in Madhya Pradesh. His contribution in the development and growth of Poultry Industry in Madhya Pradesh as well as in company is very well recognized. 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 to his total devotion and resultant progress made by the Company under his dynamic leadership skills in spite of various difficulties faced by the Company in time to time, Board of Directors feels that his contribution must be awarded properly according to the size of the Business and looking his involvement board decided to increase his remuneration from Rs. 2,00,000 /- per month to Rs. 2,50,000/- per month.

Accordingly, it is proposed to increase his remuneration with effect from 1st April, 2011.

The proposed remuneration will be in the limit prescribed for the managerial person in Schedule XIII of the Companies Act, 1956 amended up to date.

Except proposed appointee, Mr. Gurdeep Singh Bhatia and Shri Kawal Jeet Singh Bhatia, no other Director is concerned or interested in the proposed resolution. The contents of resolution along with explanatory statement and details contains therein shall be deemed to be abstract of the terms and conditions of change in remuneration of Mr. Harender Singh Bhatia Managing Director of the Company, under section 302 of the Companies Act, 1956 and memorandum of interest in that behalf.

ANNEXURE TO THE EXPLANATORY STATEMENT

Perquisites shall be restricted to an amount equal to annual salary as detailed in categories 'A', 'B; and 'C' :

Category 'A'

1. **Housing:** House rent allowance @ 50% of the salary. The expenditure incurred by the Company on gas, electricity , water and furnishing shall be valued as per the Income – Tax Rules, 1962 which shall be subject to a ceiling of 5% of salary.
2. **Medical Reimbursement:** Medical expenses incurred by him and his family shall be reimbursed to him subject to a ceiling of one months salary in a year or three months salary over a period of three years.
3. **Leave Travel Concession:** For him and his family, twice in a year, incurred in accordance with the Rule specified by the Company.
4. **Club Fees:** Fees of club subject to a maximum of two clubs. This will not include admission and life membership fees.
5. **Personal Accident Insurance:** Benefit of a personal accident insurance of an amount, the premium of which does not exceed Rs. 4,000/- per annum.

Explanation: For the purpose of Category 'A' above 'Family' means the spouse, dependent children and dependent parents of the Managing Director.

Category 'B'

1. Provident Fund etc.: Contribution to Provident Fund and Superannuation Fund or Annuity Fund and Leave to be in accordance with the practice, and Regulations in force, from time to time. The contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling of the perquisites to the extent these, either singly or put together, are not taxable under the Income-tax Act 1961.
2. Gratuity: Not exceeding half month's salary for every completed year of service.

Category 'C'

Provision of car for use on Company's business and telephone at residence:

These will not be considered as perquisites. However, personal long distance calls and use of the car for private purpose shall be billed by the Company to the Managing Director.

The Additional disclosures mentioned in Para 1(B)(iv) of Section II of Part II of Schedule XIII to the Companies Act, 1956 is as under:



(I) GENERAL INFORMATION :				
1	Nature of Industry		Poultry Farming and Animal Breeding.	
2	Date or expected date of Commencement of Commercial Production		The company is not engaged in any manufacturing activities and is engaged in poultry farming and animal breeding activities.	
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		As give below (Rs. in Lacs)	
		2007-08	2008-09	2009-10
	Turnover	2979.00	7228.32	13685.77
	Profit/Loss before tax	43.75	329.04	565.09
	Profit/Loss after tax	49.13	221.00	341.36
	Net Worth	789.62	955.13	1262.32
5	Export performance and net foreign Exchange collaborations.		Not Applicable	
		2007-08	2008-09	2009-10
	Export of Goods (FOB basic)	NA	NA	NA
6	Foreign investments or collaborators, if any		The company has no foreign investments or foreign collaborations. The company has not made any foreign investments or has any collaboration overseas.	

(II) INFORMATION ABOUT THE APPOINTEE		
1.	Name of the Appointee	Mr. Harender Singh Bhatia (Managing Director)
2.	Background details	<p>Mr. Harender Singh Bhatia is Bachelor of Science and is Post Graduate in Arts and has 33 Years rich experience in various business activities and more particularly 30 Years in the Poultry Industry.</p> <p>He is having thorough practical experience in all the facets of the Poultry Industry right from Poultry Keeping, Feed management, Farm management, Hatching of eggs, management of Hatcheries to Marketing of chicks, eggs and Birds he is now a Poultry Technocrat, of the Poultry Industry in Madhya Pradesh. His contribution in the development and growth of Poultry Industry in Madhya Pradesh as well as in company is very well recognized.</p> <p>Simran Farms Limited has been on a growth path under his able leadership and rich experience. His values of integrity and transparency have been inculcated in all the employees. He always innovates new ideas; adapt latest technology for the growth of the company.</p>



3.	Past remuneration	2,00,000 per month
4.	Recognition or awards	None
5.	Job profile and his suitability	Mr. Harender Singh Bhatia is a Managing Director as well as promoter Director of the company and he is responsible for overall management of the company. The job profile essentially requires a leader who is innovative, self-motivated and result oriented and Mr Harender Singh Bhatia is one of such leader Mr. Harender Singh Bhatia has reach experience in conceptualizing; planning, directing and implementing business decision and translates them in terms of business growth.
6.	Remuneration proposed	2,50,000 per month
7.	Comparative remuneration profile with respect to industry, size of the company profile of the post and Person (in case of expatriates the relevant details would be w.r.t. the country of origin.)	Though the exact latest data of the comparative profile with remuneration of the CEO/MD/Key Personnel of poultry farming is not available, however generally the CEOs/MDs/Key Managerial personnel of poultry farming Companies of comparable status are generally receiving remuneration above Rs. 25 lacs per annum.
8.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel if any.	Mr.Harender Singh Bhatia is a Promoter Director. He is related to Mr. Gurdeep Singh Bhatia and Shri Kawal Jeet Singh Bhatia, Directors of the Company except form this he does not have any other pecuniary relationship with any of the director of the Company.
(III) OTHER INFORMATION		
i.	Reason of loss or inadequate profits	Due to rising prices of major feed ingredients such as maize and Soya which result into increase in expenditure.
ii.	Expected increase in productivity and profits in measurable terms.	Poultry sector is the one of the fastest growing segment of Indian agriculture sector. The Company has already shown growth in the year 2008-2009 and 2009-2010 in comparison to previous years. Increase in net worth of the Company.
(IV) DISCLOSURES		
<ul style="list-style-type: none"> ● Remuneration package payable to Mr. Harender Singh Bhatia, Managing Director of the company has been disclosed in the commencing paragraph of this Explanatory Statement. ● All elements of remuneration package to all directors is disclosed in the Corporate Governance Report. ● The particulars set out hereinabove may be treated as the abstract of the terms and conditions for increase in remuneration of Mr. Harender Singh Bhatia, Managing Director of the Company, to be sent to the shareholders under section 302 of the Companies Act, 1956. ● None of the Directors except Shri Gurdeep Singh Bhatia and Mr. Kawal Jeet Singh Bhatia is concerned or interested in this resolution. ● The Directors recommend the resolution for approval by the members. ● Stock Option Details: NA 		

**ITEM NO. 7**

Board of Directors of the Company decided to increase the remuneration of Shri Kawaljeet Singh Bhatia, Executive Director of the Company, in their meeting held on 11th August 2011 with effect from 1st April 2011, subject to the approval of shareholders.

Shri Kawaljeet Singh Bhatia Executive Director of the Company, is paying his full time attention to the affairs of the Company and having good experience in poultry industry particularly in production and purchase activities. Keeping in view of the contribution made by him, it is proposed to increase his remuneration from Rs. 1,00,000/- to Rs. 2,00,000/- per month. The proposed remuneration will be in the limits prescribed in the schedule XIII of the companies Act, 1956.

Accordingly, it is proposed to increase his remuneration with effect from 1st April, 2011.

Board of Directors feels that his continuation on the Board will be highly beneficial to the company and recommend the adoption the resolution proposed under these items.

None of the Directors of the Company is concerned or interested in the proposed Resolution except proposed appointee and Shri Harender Singh Bhatia and Shri Gurdeep Singh Bhatia.

ANNEXURE TO THE EXPLANATORY STATEMENT

Perquisites shall be restricted to an amount equal to annual salary as detailed in categories 'A', 'B; and 'C' :

Category 'A'

1. **Housing:** House rent allowance @ 50% of the salary. The expenditure incurred by the Company on gas, electricity , water and furnishing shall be valued as per the Income – Tax Rules, 1962 which shall be subject to a ceiling of 5% of salary.
2. **Medical Reimbursement:** Medical expenses incurred by him and his family shall be reimbursed to him subject to a ceiling of one months salary in a year or three months salary over a period of three years.
3. **Leave Travel Concession:** For him and his family, twice in a year, incurred in accordance with the Rule specified by the Company.
4. **Club Fees:** Fees of club subject to a maximum of two clubs. This will not include admission and life membership fees.
5. **Personal Accident Insurance:** Benefit of a personal accident insurance of an amount, the premium of which does not exceed Rs. 4,000/- per annum.

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

Category 'B'

1. Provident Fund etc.: Contribution to Provident Fund and Superannuation Fund or Annuity Fund and Leave to be in accordance with the practice, and Regulations in force, from time to time. The contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling of the perquisites to the extent these, either singly or put together, are not taxable under the Income-tax Act 1961.
2. Gratuity: Not exceeding half month's salary for every completed year of service.

Category 'C'

Provision of car for use on Company's business and telephone at residence:

These will not be considered as perquisites. However, personal long distance calls and use of the car for private purpose shall be billed by the Company to the Director.

The Additional disclosures mentioned in Para 1(B)(iv) of Section II of Part II of Schedule XIII to the Companies Act, 1956 is as under:



(I) GENERAL INFORMATION :				
1	Nature of Industry		Poultry Farming and Animal Breeding.	
2	Date or expected date of Commencement of Commercial Production		The company is not engaged in any manufacturing activities and is engaged in poultry farming and animal breeding activities.	
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		As give below (Rs. in Lacs)	
		2007-08	2008-09	2009-10
	Turnover	2979.00	7228.32	13685.77
	Profit/Loss before tax	43.75	329.04	565.09
	Profit/Loss after tax	49.13	221.00	341.36
	Net Worth	789.62	955.13	1262.32
5	Export performance and net foreign Exchange collaborations.		Not Applicable	
		2007-08	2008-09	2009-10
	Export of Goods (FOB basic)	NA	NA	NA
6	Foreign investments or collaborators, if any		The company has no foreign investments or foreign collaborations. The company has not made any foreign investments or has any collaboration overseas.	

(II) INFORMATION ABOUT THE APPOINTEE		
1.	Name of the Appointee	Mr. Kawaljeet Singh Bhatia (Executive Director)
2.	Background details	<p>Mr. Kawaljeet Singh Bhatia is Bachelor of Science and has completed his Masters in International business. Mr. Kawaljeet Singh Bhatia has vast experience in various functional activities of business. He is associated with the company since very long time and handling various administrative & Purchase Activities of the company.</p> <p>Being an Executive Director Mr. Kawaljeet Singh Bhatia is vested with wide power of administration and management of Business activities of the Company more particularly purchase of raw ingredients, Feeds Farm management, Hatching of eggs, management of Hatcheries. He is also responsible for production of chicks and eggs and marketing and distribution of the same. His contribution in the development and growth of Poultry Industry in Madhya Pradesh, Gujrat, C.G. and Maharashtra as well as in company is very well recognized.</p>



		Due to his tremendous direction and involvement company has been on growth path and accounted all time high in sales and net worth. Mr. Kawaljeet Singh Bhatia always endeavour each and every person of the company to properly execute long term object of the Company so that company will achieve its missions soon.
3.	Past remuneration	1,00,000 per month
4.	Recognition or awards	None
5.	Job profile and his suitability	Mr. Kawaljeet Singh Bhatia is an Executive Director of the company and he is responsible for purchase and administration of the company. Mr. Kawaljeet Singh Bhatia has reach experience in conceptualizing; planning, directing and implementing business decision and translates them in terms of business growth.
6.	Remuneration proposed	2,00,000 per month
7.	Comparative remuneration profile with respect to industry, size of the company profile of the post and Person (in case of expatriates the relevant details would be w.r.t. the country of origin.)	Though the exact latest data of the comparative profile with remuneration of the CEO/MD/Key Personnel of poultry farming is not available, however generally the CEOs/MDs/Key Managerial personnel of poultry farming Companies of comparable status are generally receiving remuneration above Rs. 25 lacs per annum.
8.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel if any.	Mr.Kawaljeet Singh Bhatia is a Executive Director. He is related to Harender Singh Bhatia , Managing Director and Mr. Gurdeep Singh Bhatia Director of the Company except form this he does not have any other pecuniary relationship with any of the director of the Company.
	(III) OTHER INFORMATION	
i.	Reason of loss or inadequate profits	Due to rising prices of major feed ingredients such as maize and Soya which result into increase in expenditure.
ii.	Expected increase in productivity and profits in measurable terms.	Poultry sector is the one of the fastest growing segment of Indian agriculture sector. The Company has already shown growth in the year 2008-2009 and 2009-2010 in comparison to previous years. Increase in net worth of the Company.
	(IV) DISCLOSURES	
	<ul style="list-style-type: none"> ● Remuneration package payable to Mr. Kawaljeet Singh Bhatia, Executive Director of the company has been disclosed in the commencing paragraph of this Explanatory Statement. ● All elements of remuneration package to all directors is disclosed in the Corporate Governance Report. ● The particulars set out hereinabove may be treated as the abstract of the terms and conditions for increase in remuneration of Mr. Kawaljeet Singh Bhatia, Executive Director of the Company, to be sent to the shareholders under section 302 of the Companies Act, 1956. ● None of the Directors except Shri Harender Singh Bhatia , Managing Director and Shri Gurdeep Singh Bhatia , Director are concerned or interested in this resolution. ● The Directors recommend the resolution for approval by the members. ● Stock Option Details: NA 	



Item no. 8

In terms of section 314(1) of the Companies Act, 1956, the prior consent of the Company by a special resolution is required for holding or continuing to hold office or place of profit by any relative of a Director of the Company. At present Mr. Gurmeet Singh Bhatia, vice president of the Company, who is relative of the Managing Director and Whole-time Director. Considering his experience and involvement in the operation of the Company, the Board proposed to revise his salary to Rs.2,00,000/- per month with effect from 1st October, 2011. Your Directors recommend the approval of the resolution as a Special Resolution. None of the Directors of the Company except Mr. Harender Singh Bhatia, Managing Director, Mr. Kawaljeet Singh Bhatia, Executive Director and Mr. Gurdeep Singh Bhatia, Director who are relatives of Mr. Gurmeet Singh Bhatia may be deemed concerned or interested in the resolution.

Place: Indore

Date: 11.08.2011

Registered Office :

1-B, Vikas Rekha Complex,

Near Tower Square,

Khatiwala Tank, Indore (M.P.)

By Order of the Board
For SIMRAN FARMS LIMITED

HARENDER SINGH BHATIA

(Managing Director)



DIRECTOR'S REPORT

To the members of Simran Farms Limited

Your Directors have pleasure in presenting the 24th Annual Report of your company together with the Audited statements Accounts for the year ended on 31st March, 2011. The Financial Results of the company in the year under review are as under:

FINANCIAL & OPERATIONAL PERFORMANCE

	[Rs. In Lacs]	
	Year ended 31/3/2011	Year Ended 31/03/2010
Total Income	16941.31	14186.41
Total Expenditure	16245.55	13560.22
Profit before depreciation	695.76	626.19
Depreciation	69.87	59.28
Profit/Loss after deprecation but before prior period adjustments and extra ordinary income	625.89	566.91
Add: Extra ordinary item	2.17	0.00
Add: Excess provisions W/B	1.57	0.58
Add: Prior years adjustment	(28.68)	(2.39)
Profit/Loss before tax	600.95	565.10
Provision for taxation		
Income Tax	210.11	189.56
Deferred Tax Assets/Liability	(8.15)	34.17
Profit/Loss after tax	398.99	341.37
Paid up Equity Share Capital	379.17	379.17
Reserves	1347.64	992.86

The year under review your company, posted yet another year of stellar performance with an impressive top line growth and high quality earning reflecting robustness of its corporate strategy of creating multiple drivers of growth. During the year, the company has scaled new height in terms of sales, profits and net worth. Sales for the year was Rs. 164.73 crore against Rs. 135.93 crore in the previous year and registering growth of 21.18%. Profit after tax for the year was Rs. 398.99 lacs as against Rs 341.37 lacs in previous year, at a growth of 16.87%.

DIVIDEND

This year after looking at the consistent growth in performance, your Directors are pleased to recommend a dividend of 10% on the equity shares i.e. Re. 1/- per Equity Share of face value Rs.10/- subject to Approval of the members in ensuing Annual General Meeting .

DIRECTORS:

In accordance with the provision of the Companies Act, 1956 Shri Surendar Singh, and Shri Gurdeep Singh Bhatia retire from the Board of Directors by rotation and they are eligible offer themselves for reappointment in ensuing Annual General Meeting.

SUBSIDIARY COMPANY:

In accordance with the General Circular No. 2/2011 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and loss Account and other statements of the Subsidiary Company are not being attached with the Annual Report of the Company. The Company will make available the Annual Accounts of the Subsidiary



Company and the related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the Subsidiary Company will also be kept open for inspection at the registered office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of the subsidiary company.

CONSOLIDATION OF ACCOUNTS

In accordance with the requirement of Accounting Standards prescribed by the Institute of the Chartered Accountants of India, the consolidated account of your Company is annexed to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the Report of Board of Directors) Rules 1988, the Poultry is exempted. Further the Company's operations do not involve substantial consumption of energy in comparison to cost of production, However possible energy conservation measures have been implemented with a view to conserve and optimize the use of energy.

Technology absorption:

The Company has neither purchased within India nor imported any technology.

Foreign Exchange Earnings and Outgo	:	Rs. Nil
Total foreign exchange earned	:	Rs. Nil
Total foreign exchange used	:	Rs. Nil

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 217(2AA) of the Companies Act 1956 with respect to Directors responsibility statement, it is hereby confirmed: -

- I. That in the preparation of the accounts for the financial year ended on 31st March 2011, the applicable accounting standards have been followed except accounting standard 13.
- II. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit of the company for the year under review.
- III. 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 1956 for the safe guarding the assets of the company and for preventing and detecting fraud and irregularities.
- IV. That the Directors have prepared the accounts for the financial year ended on 31st March 2011 for on a going concern basis.

AUDITORS:

M/s Khandelwal Kakani & Co., auditors of the company, retires as the auditors at the ensuing Annual General Meeting and being eligible, offers them for reappointment.

COMMENTS ON AUDITORS REPORT

The qualification of Auditors regarding non provisions of diminution in value of shares of Rs. 27.70 Lacs of subsidiary Company, the directors of the opinion that in view of, recovering maximum losses of subsidiary company and future profits of the subsidiary company, the Directors expects to recover all the losses in short period, hence not provided. Further the Auditors in their report have referred to the notes forming part of the Accounts which are self-explanatory and do not require any explanation.

AUDIT COMMITTEE

Under the provisions of Companies Act, 1956 and Listing Agreement with the Stock Exchanges a Audit Committee Comprises of Shri Surendra Singh, CA Shri Lalit Khatri and Shri Surjit Singh.

**PUBLIC DEPOSITS:**

During the year the company did not invite public deposits within the meaning of section 58A of the companies Act, 1956 and rules made there under.

CORPORATE GOVERNANCE:

A Report on the corporate Governance code along with a certificate from the Auditors of the Company regarding the compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement as also the Management Discussion and Analysis Report and CEO certification are annexed to this report.

PERSONNEL

The company did not have any employee during the year drawing remuneration attracting the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employee) Rules 1975. The company continued to have cordial and harmonious relations with employees. In totality our employees have shown a high degree of maturity and responsibility in responding to the changing environment, economic and the market condition.

CODE OF CONDUCT

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

SECRETARIAL COMPLIANCE CERTIFICATE

A Secretarial Compliance Certificate is obtained from L.N. Joshi & Company, Practicing Company Secretary in terms of provisions of section 383A(1) of the Companies Act, 1956.

LISTING OF THE SHARES

Equity shares of the company are listed on Bombay Stock Exchange Ltd., Mumbai.

DEPOSITORY SYSTEM

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

GREEN INITIATIVES IN THE CORPORATE GOVERNANCE

In order to reduce cost of posting and speedy delivery of documents, service of documents through electronic mode has been permitted under section 53 of the Companies Act, 1956 in place of service of document under certificate of posting. Similarly, to reduce the consumption of papers and speedy secure delivery, service of copies of Balance Sheets and Auditors Report etc., to the members of the company as required under section 219 of the Companies Act, 1956 has been allowed to be served through electronic mode by capturing their e-mail addresses available with the depositories or by obtaining directly from the shareholders.

ACKNOWLEDGMENT:

Your directors wish to place on record their appreciation for the contribution made by employees at all levels and only due to their hard work, solidarity and support company is on growth path. Your directors also wish to thank the customers, dealers, agents. Suppliers, partners, investors, banks and other stakeholders for their continued support and faith respond in the Company. The Company is also thankful to the various Government Authorities. We look forward to their continued support in the future.

Place: Indore
Date: 26.05.2011

By Order of the Board

H.S. BHATIA
Managing Director

G.S. Bhatia
Director



MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE FORMING PART OF ANNUAL REPORT FOR THE YEAR ENDED ON 31ST MARCH 2011.

INDUSTRY STRUCTURE AND DEVELOPMENT

The global economy gathered strength during the year, as the risk of a double-dip recession in advanced economies receded, and the recovery became more self-sustaining with significant improvement in output, trade and capital flows, business and consumer sentiment. However, with gradual unwinding of the fiscal stimulus and increase in private demand, the overall outlook is positive — and advanced economies are projected to grow at 2.4 per cent during 2011. In contrast, the emerging and developing markets, that fared much better during the crisis, continued to record impressive growth. 'Developing Asia', in fact recorded a growth of 9.5 per cent in 2010 — beating all forecasts made earlier — and is expected to grow at an equally strong 8.4 per cent during 2011. However, even with this performance, it is important to recognize few important aspects of the current situation which are going to be critical for longer term performance and stability of these economies. First, commodity prices have increased significantly, creating stronger challenges for these economies which have a bigger share of manufacturing and where consumption share of food and fuel is larger. Additional oil supply and price shocks are a concern in the evolving geo-political environment. Second, with a sharp increase in capital inflows, due to both better growth and higher interest rates, these economies face risk of overheating and significant reversal or volatility in capital flows once the prospects of advanced economies improve.

After a sluggish phase in 2008-09, the Indian poultry sector is back on growth track, with the changing food habits providing a further fillip for expansions. The Indian poultry sector is growing at a rate of 12% to 14 % at present. The slowdown in the world economy affected the sector which saw a negative growth for two years starting from 2008. Growth started picking up in 2010 and today the meat segment of the industry is growing at 12% to 14%. It has a turnover of 25,000 crore to 27,000 crore. The egg segment is growing at 7% and has achieved a turnover of 11,000 crore.

GROWTH STRATEGY & BUSINESS PLAN

The Company is engaged in the Integrated Poultry and Poultry Products and has most modernized parent poultry breeding farms near Indore in Madhya Pradesh as well hatcheries and contract rearing farms in the states of Madhya Pradesh, Chattishgrah, Gujarat, Maharashtra and other states also. Company is mainly focused on integration and consolidation of poultry activities and has arranged large manufacturing set up/facilities for production of pelleted poultry feed for captive consumption. The breeding farms has already been modernized with latest state of art automation systems, cages for scientific rearing and artificial insemination and balanced nutrition management of each and every individual bird.

Considering the growth need and demand, the company has proposed to expand its parent farm capacity and shall also be increasing the contract farms in the years to come.

OUT LOOK

The demand for Poultry products is growing steadily with the growth of the population, increasing level of per capita income and standards of living and exposure to modern living styles .

The poultry industry has challenges of spiraling cost of major feed ingredients such as maize and Soya DOC. During the last two to three years the prices of these key ingredients had been on very high side affecting the industry margins; however thanks to the end product poultry prices for live birds and eggs, the industry benefited with the good profit margins.

The Company has also started entering into agreement with the bulk suppliers for uninterrupted supply and on rates without effecting market fluctuation for major materials.

The Industry thus offers a bright future, for the growth and development of all the facets of the Industry right from breed farming, hatching to Commercial Poultry farming for the end products.

Considering the overall scenario the industry expects good time ahead with promising market and growth in demand.

RISK

Lack of adequate cold chain at key locations and retail infrastructure are the reasons for slower than anticipated growth of the processing segment of the poultry industry. Also highly volatile behaviour of feed ingredients is also one of the concerns of the poultry industry.



PROSPECTS

The company proposed to expand its business operations with the increase in parent breeding capacity as well enhancement of commercial broilers placement to meet the growing demand. New areas for contract farming are also proposed to expand the broiler placement.

The positive thing we are experiencing that the consumption pattern of our customers is changing very fast and they are demanding for value added products. In this area too there is a great scope for Indian companies.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has adequate Internal Control Procedures commensurate with its nature and size of business. Internal Controls and Checks are exercised by strict adherence to well-documented policies, guidelines, authorizations and approval procedures listed out in Manual on Delegation of Authority.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

The same has been disclosed in the Directors' Report.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATION FRONT.

There has been no material adverse development on the Human Resources/ industrial Relation front during the year. Employee relation at all level continues to remain cordial.

CAUTIONARY STATEMENT.

Statements in this "Management Discussion and Analysis" describing the Company's objectives, expectations or predictions are forward looking within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied depending on various factors.

REPORT ON CORPORATE GOVERNANCE

In Compliance with clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and practices as followed by the Company.

1. COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE

Simran Farms Limited is committed to high standards of corporate governance in all its activities. The basic objective of corporate governance policies adopted by the company is to attain the highest levels of transparency, accountability and integrity. The company believes that all its actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.

2. BOARD OF DIRECTORS

- A.** The Board has an optimum combination of Executive and non Executive Directors, and is in confirms by with clause 49 of the listing agreement entered in to with the Stock Exchange in which the Company's shares are listed.

The Board of Directors together with their details are as under. During the year 2010-11 the Board met 8(Eight) times on the following dates, namely:

18/05/2010	31/05/2010	15/07/2010	13/08/2010
11/11/2010	03/02/2011	02/03/2011	30/03/2011

The last Annual General meeting was held on 23rd September 2010.

Name of Director	Category	No. of Board Meetings Attended	Other Directorship		Committee Position	
			Chairman	Member	Chairman	Member
Harender Singh Bhatia	MD	8	NIL	9	NIL	NIL
Gurdeep Singh Bhatia	NED	4	NIL	2	NIL	NIL
Kawaljeet Singh Bhatia	ED	8	NIL	7	NIL	NIL
Mr. Surendra Singh	ID	4	NIL	1	NIL	3
Mr. Surjeet Singh Kohli	ID	4	NIL	3	NIL	3
CA Lalit Khatri	ID	6	NIL	21	3	3



MD = Managing Director, NED = Non Executive Director, ED = Executive Director,
ID = Independent Director, ADD = Additioanl Director.

None of the Director on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees. All the Directors have made the requisite disclosure regarding committee's position held by them in other Companies.

B. BOARD PROCEDURE

A detailed agenda folder is sent to each Director in advance of Board and Committee meetings. To enable the Board discharge its responsibilities effectively, the chairman briefs the Board at every meeting on the overall company performance.

C. Remuneration of Directors

Remuneration paid or payable to Directors during the year 2010-2011

Name of Director	Sitting Fees	Commission on Profit	Salary & Allowance	Contribution to PF	Perquisites	Total
H.S. Bhatia	---	---	24,00,000/-	---	---	24,00,000
K.S. Bhatia	---	---	12,00,000/-	---	---	12,00,000

No sitting Fees was paid to any Director of the Company during the financial year.

D. Committees of the board

Audit Committee

The audit Committee of the company has been constituted to perform the following functions:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment and removal of external auditor, fixation of audit fee and approval of payment of any other services;
- Reviewing with management, the annual financial statement before submission to the Board;
- Reviewing with the management and external and internal auditors, the adequacy of internal control systems;
- Reviewing the adequacy of internal audit function;
- Discussing with internal auditors, any significant findings and follow up on such issues;
- Reviewing the findings of any internal investigations by the internal auditors in matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature, and then reporting such matters to the Board;
- Discussing with external auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern;
- Reviewing the Company's financial and risk management policies.

Composition of the committee and attendance of the members are as follows:

Name of the Director	Position	No. of Meetings attended
CA Mr. Lalit Khatri	Chairman	4
Mr. Surendra Singh	Member	4
Mr. Surjeet Singh Kohli	Member	4

During the year the committee met on four occasions on following dates Namely:

31/05/2010	13/08/2010	11/11/2010	03/02/2011
------------	------------	------------	------------



Remuneration Committee

The committee has been formed to recommend to the board, the appointment of directors, and the induction of board members into various committees and the remuneration package of the directors. The committee has also been empowered to determine the periodic increments in salary and annual incentive of executive directors.

The committee met on one occasions during the year.

Attendances of the members are as follows:

Name of the Director	Position	No. of meetings attended
CA Mr. Lalit Khatri	Chairman	1
Mr. Surendra Singh	Member	1
Mr. Surjeet Singh Kohli	Member	1

Shareholder / Investors Grievance Committee

In the financial year 2010-11 the Company has a Shareholder/Investor grievance committee comprising of Shri Surjit Singh Kohli, Shri Surendra Singh and CA Lalit Khatri. CA Lalit Khatri, independent Director holding the position as a Chairman of the Committee. This committee is vested with the requisite powers and authorities to specifically look into shareholder and investor grievances. During the year under review 9 (Nine) complaints were received from shareholders and the same were resolved to the satisfaction of the shareholders and there were no complaints pending unresolved as at the end of the year.

MANAGEMENT

A. The Management discussion and analysis report

The Annual Report has a detailed chapter on Management Discussion and Analysis.

B. Disclosure by Management to the Board

All details relating to the financial and commercial transactions where directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters.

DISCLOSURES

- A. There were material transactions of the Company with its promoters, directors, and management or their relatives and those are not having any conflict with the interest of the Company at large.
- B. The particulars of transactions between the Company and its related parties in accordance with the Accounting Standard 18 are set out in annual report. These transactions are in the ordinary course of business and are not likely to have any conflict with the interest of the Company.
- C. There has been no non-compliance by the company or 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.
- D. During the year under review Company has not issued any type of securities .No GDR/ADR issued by the Company.

SHAREHOLDER'S INFORMATION

A. Investor grievances

As mentioned earlier, the Company has duly constituted Shareholder/ investors Grievances Committee for redressing shareholders and investor complaints. The status of compliance is reported to the Board of Directors through the minutes of the Committee Meeting of the Shareholders / investors Grievances Committee. Shri H.S. Bhatia is the compliance Officer of the company for the purpose of listing compliance.

B. Share transfer

Share transfer in physical form are registered by the Registrar and Returned to respective Transferee / person within a period ranging From two to three weeks provided the documents lodged with Registrar / Company are clear in all respects.



6. GENERAL SHAREHOLDER INFORMATION

General Body Meeting:

Financial Year.	Date	Time	Venue
Annual General Meeting 2007-2008	18.09.2008	10.00 AM	Gymnasium Hall, Behind Sindoor Marriage Hall, Bhanwarkuan Road, Indore
Annual General Meeting 2008-2009	24.09.2009	10.00 AM	Gymnasium Hall, Behind Sindoor Marriage Hall, Bhanwarkuan Road, Indore
Annual General Meeting 2009-2010	23.09.2010	10.00 AM	Gymnasium Hall, Behind Sindoor Marriage Hall, Bhanwarkuan Road, Indore

No Resolution was passed through postal Ballot in the last AGM .

AGM: Date, Time and Venue	22 nd September 2011 at 10.00 A.M. at Pishori Premises, 910, Khatiwala Tank, Tower Square, Indore-452 001
Registered Office	1-B Vikas Rekha Complex, Khatiwala Tank, Indore M.P.
Financial reporting for 2011-12: 1 st Quarter ending 30 th June, 2011 2 nd Quarter ending 30 th September, 2011 3 rd Quarter ending 31 st December 2011 4 th Quarter ending 31 st March, 2012	Before 15 th August, 2011 Before 15 th November, 2011 Before 15 th February , 2012 End of May, 2012
Date of Book Closure	17 th September 2011 to 22 nd September 2011 [both days inclusive]
Listing on Stock Exchanges	Bombay Stock Exchange Limited, Mumbai The Company has paid listing fees for the period 1 st April, 2011 to 31 st March, 2012.
Stock Code -Physical ISIN Number of NSDL & CDSL	Bombay Stock Exchange Limited; Mumbai Stock code BSE - 519566 INE354D01017
Registrar and Transfer Agents	Ankit Consultancy Private Limited, 60 Electronic Complex, Pardeshipura, Indore –452010 M.P. ,PH 0731-3198601-602 Fax : 0731-4065798, Email: ankit_4321@yahoo.com
Share Transfer System	All the transfer received are processed by the Registrar and transfer Agent
Distribution of shareholding and share Holding pattern as on 31.03.2011	Please see Annexure 'A'
Market Rate	Please see Annexure "B"
Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	Not issued
Address for correspondence	Shareholders correspondence should Be addressed to: Simran Farms Limited 1-B, Vikas Rekha Complex, Tower Square, Indore. PH : 0731-4255900-901



Listing on Stock Exchange

The Company's equity shares are listed on "Bombay Stock Exchange Limited, Mumbai. The Company has paid listing fees for the F.Y.2011-2012.

Shares held in Physical and Dematerialization form:

As on 31st March 2011, 55.52% of shares were held in dematerialised form and rest 44.48% in physical form.

Management Discussion & Analysis Report

The Management discussion and Analysis Report for the year ended 31st March 2011 is published separately in this Annual Report.

Means of Communication

Quarterly results are published in two prominent daily newspapers in English and Hindi. The annual reports are posted to every shareholder of the Company.

Secretarial Audit for Reconciliation of Capital.

As stipulated by SEBI a qualified practicing Company Secretary carries out secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the listed stock exchanges. The audit confirms that the total listed and paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form. (Held with NSDL/ CDSL) and total number of shares in physical form.

Auditor Certificate on Corporate Governance

The Company has obtained the certificate from the Auditors of the Company regarding compliance with the provisions relating to corporate governance laid down in clause 49 of the Listing Agreement with the stock exchanges. This report is annexed to the Director's Report for the year 2010-2011. This certificate will be sent to the stock exchanges, along with the annual report to be filed by the Company.

ANNEXURE A

SHAREHOLDING PATTERN AS AT 31ST MARCH 2011 [SHAREHOLDING PATTERN]

	Category	No. of Share held	Percentage of Shareholding
A	Promoters Holding		
1.	Promoters Indian Promoters: Foreign Promoters:	1364600 - -	35.99 - -
2.	Persons acting in concert	-	-
	Sub Total	1364600	35.99
B.	Non-Promoters Holding	-	-
1.	Institutional Investors	-	-
2.	Mutual Funds and UTI	2100	0.06
3.	Banks, Financial Institutions, Insurance Companies [Central/ State Govt. Institutions, Non- Government Institutions]	-	-
4.	FIs	-	-
	Sub-Total	2100	0.06
5.	Others	-	-
	Private Corporate Bodies	296436	7.82
6.	Indian Public	2024220	53.38
7.	NRIs/OCBs	104344	2.75
8.	Any other [please specify]	-	-
	Sub-Total	2425000	63.95
	Grand Total	3791700	100.00


DISTRIBUTION OF HOLDING AS ON 31ST MARCH 2011

Share or Debenture holding of nominal value	Shares/Debenture holders		Shares/Debentures Amount		
	Rs.	Number	% to Total	Rs.	% of Total Amount.
Upto-5000		6548	92.07	9530450	25.13
5001-10000		254	3.57	2082270	5.49
10001-20000		154	2.17	2340650	6.17
20001-30000		42	0.59	1067350	2.81
30001-40000		25	0.35	891370	2.35
40001-50000		16	0.23	738020	1.95
50001-100000		34	0.48	2475850	6.53
100001 and above		38	0.53	18791040	49.56
Total		7111	100.00	37917000	100.00

**ANNEXURE "B"
MARKET PRICE DATA**

Month	Monthly High (In Rs.)	Monthly Low (In Rs.)
April, 2010	31.15	19.55
May, 2010	34.70	25.00
June, 2010	52.20	29.00
July, 2010	52.70	37.20
August, 2010	66.45	45.05
September, 2010	75.35	54.70
October, 2010	83.95	66.10
November, 2010	86.40	52.55
December, 2010	62.45	48.65
January, 2011	56.70	35.15
February, 2011	37.80	23.70
March, 2011	32.35	23.45

DECLARATION

I Harender Singh Bhatia, Managing Director of the 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 2011.

For **Simran Farms Limited**

Place: Indore
Date : 26/05/2011

Harender Singh Bhatia
Managing Director

**CEO CERTIFICATION**

I hereby certify to the Board of Directors of M/s **SIMRAN FARMS LIMITED** that:

- a. I have reviewed financial statements and the cash flow statement for the year ended on 31/03/2011 and that to the best of my knowledge and belief.
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations except accounting standard 13.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which I 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**

Harender Singh Bhatia

Managing Director

Place: Indore

Date : 26/05/2011

AUDITORS' REPORT ON CORPORATE GOVERNANCE — MARCH 31, 2011

To
The Board of Directors of
Simran Farms Limited

We have read the Report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of corporate governance by Simran Farms Limited ('the Company'), for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges. The compliance of conditions of corporate governance is the responsibility of the management. Our examination, conducted in the manner described in the 'Guidance Note on Certification of Corporate Governance' issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an 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 and on the basis of our examination described above, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement except compliance of Accounting standard 13. 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.

KHANDELWAL KAKANI & CO.
CHARTERED ACCOUNTANTS

Date 26.05.2011
Place: Indore

SANTOSH DESHMUKH
PARTNER

**AUDITOR'S REPORT**

To,
The Members of
Simran Farms Ltd.,
Indore (M.P.)

We have audited the annexed Balance Sheet of **SIMRAN FARMS LIMITED**, Indore as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the period ended on that date. These financial statements are the responsibilities of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors Report) (Amendment) Order, 2004 (together' the Order'), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the *Annexure* a statement of the matters specified in paragraphs 4 of the said Order.

That company has not provided diminution in value of share of subsidiary company Rs. 27.70 Lakhs and to that extent profit and investment in subsidiary is overstated.

Subject to above and our comments in the annexure referred to in paragraph 2 above:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit;
- ii) In our opinion proper books of accounts as required by law have been kept by the Company so far, as appears from our examination of such books of account;
- iii) The Balance Sheet, Profit and Loss Account and cash flow statement dealt with in this report are in agreement with the said books of account;
- iv) In our opinion, the Balance Sheet, Profit Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act 1956 to the extent they are applicable.
- v) According to the information and explanation given to us and on the basis of the written representations received from the Directors of the Company taken on record by the Board of Directors, none of the Director is disqualifying as on 31st March, 2011 from being appointed as a Director u/s 274 (1) (g) of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, and read together with other significant accounting policies and notes thereon, gives information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In the case of the Balance Sheet of the State of Affairs of the Company as at 31st March, 2011 and
 - b) In the case of Profit and Loss Account, of the Profit for the period ended on that date.
 - c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date

Place: Indore
Date : 26.05.2011

for KHANDELWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER



ANNEXURE REFERRED TO IN PARAGRAPH 'B' OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SIMRAN FARMS LIMITED ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2011

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 (b) The Management has physically verified the fixed assets at reasonable intervals during the year and on the basis of the explanations given to us, no discrepancies were noticed on such verification.
 (c) No substantial dispositions of fixed assets have taken place during the year which affects the going concern of company.
2. (a) In our opinion, physical verification of inventories has been conducted at reasonable interval by the management of the company.
 (b) In our opinion, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
 (c) In our opinion, the Company is maintaining proper records of inventories and the discrepancies noticed on verification between the physical stock and book and book records were not significant and the same have been properly dealt with in the books of accounts.
3. (a) The Company has not granted any loan to any company, firms or other party covered under section 301 of the Companies Act, 1956. Accordingly, to the clauses (iii)(b), (iii)(c) and (iii)(d) of the paragraph 4 of the order are not applicable.
 The Company has not taken any loan, secured or unsecured from Companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956. Accordingly, the clauses (iii)(f) and (iii)(g) of the paragraph 4 of the order are not applicable.
 (b) Since no loan is outstanding hence the question regarding terms & condition and rate of interest and other terms and conditions not applicable.
 (c) There was no overdue amount more than one lacs as there is no stipulation regarding repayment of Loan Amount.
4. In our opinion and according to the information and explanations given to us, and on such checks carried out during the course of Audit, there are adequate internal control procedures commensurate with the size of the Company and nature of its business, for the purchase of stores, raw material, including components, plant and machinery, equipments, other assets, and for the sale of goods. During the course of our audit, no major weakness has been observed in the internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 (b) In our opinion and according to the information and explanations given to us, these transactions with parties with whom transactions exceeding the value of Rupees Five Lacs have been entered into during the financial year are at prices, which are reasonable, having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from public and hence this clause is not applicable.
7. In our opinion, the Company has an internal audit system commensurate with size and nature of the business.
8. As per explanations given to us, maintenance of Cost records U/s 209(1)(d) is not applicable to the Company.
9. (a) According to the information and explanations given to us and the books and records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Sales Tax and other statutory dues applicable to it with the appropriate authorities.
 (b) According to the information and explanations given to us and as per records of the Company, the dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Excise Duty, Cess which have not been deposited on account of dispute are as follows

Name of the Statute	Nature of dues	Amount (In Lacs)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	12.21	Madhya Pradesh High Court



10. The Company has been registered for more than 5 years and has no accumulated losses at the end of the year, which is 50% of its net worth. The Company has not incurred cash losses in the current year as well as in previous year.
11. The Company has no loans from Financial Institutions or Banks or Debentureholders except vehicle loans.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/ societies.
14. The Company is neither dealing nor trading in shares, securities, debentures and other investments. Hence clause is not applicable.
15. The Company has not given any guarantee for loan taken by others from Banks and Financial Institutions.
16. Based on information and explanations given to us by the management, term loans taken in earlier years were applied for the purpose for which the loans were obtained. No new term loan was obtained during the year.
17. On the basis of an overall examination of the Balance Sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis, which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any kind of debentures.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

Place: Indore
Date : 26.05.2011

for KHANDELWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER



BALANCE SHEET AS AT 31st March, 2011

Particulars	Schedule	Rupees	31.03.2011 Rupees	31.03.2010 Rupees
(1) SOURCES OF FUNDS				
1. a) Share Holders Funds	01	37917000		
b) Reserves & Surplus	02	134764165	172681165	137203765
2. LOAN FUNDS				
a) Secured Loan	03	1142481		
b) Unsecured Loan	04	0	1142481	2598778
TOTAL			173823646	139802543
(2) APPLICATION OF FUNDS				
1. Fixed Assets				
a) Gross Block		143073895		128245747
Less : Depreciation upto date		56799875		53361282
b) Net Block	05	86274020		74884465
c) Capital work in progress		8683300		4194144
2. INVESTMENTS	06		94957320	79078609
			13153970	13153970
3. CURRENT ASSETS, LOANS & ADVANCES				
a) Inventories	07	165003341		131084734
b) Sundry Debtors	08	59732648		79861707
c) Cash & Bank Balances	09	9368421		5943227
d) Loan & Advances	10	35801938		30892031
		269906348		247781699
Less : CURRENT LIABILITIES & PROVISIONS				
a) Current Liabilities	11	184987646		179344280
b) Provisions		9050419		9896455
		194038065		189240735
4. NET CURRENT ASSETS			75868283	58540964
5. DEFERRED TAX LIABILITIES			(10155926)	(10971000)
MISCELLANEOUS EXPENDITURE				
TOTAL			173823646	139802543
NOTES FORMING PART OF ACCOUNTS	18			

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR KHANDELWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
MANAGING DIRECTOR

K.S. BHATIA
DIRECTOR

Place : Indore
Date : 26th May 2011.



PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st March 2011

Particulars	Schedule	31.03.2011 Rupees	31.03.2010 Rupees
INCOME			
Sales (Net)		1647359943	1359354513
Other Sources	12	12852766	9223088
(Increase) / Decrease in Stock		33918607	50063058
		1694131316	1418640659
EXPENDITURE			
Feeds & Material Purchase	13	1431197918	1209976491
Farm Expenses	14	119817572	97285900
Administrative Expenses	15	61713149	40434815
Financial Expenses	16	2102054	1583811
Selling & Distribution	17	9725038	6741151
Depreciation		6987239	5928270
		62588346	56690222
PROFIT/(LOSS) BEFORE TAX AND PRIOR PERIOD ITEMS			
ADD : Extra Ordinary Item		217832	0
ADD : Excess Provision Written Back		157255	58877
ADD : (Less) : Prior Year Adjustments		(2868085)	(239124)
		60095348	56509974
PROFIT/(LOSS) BEFORE TAX			
TAXATION			
LESS : Income Tax		21011522	18956548
LESS : Dererred Tax Liability/Assets		(815074)	3417044
		39898900	34136382
PROFIT BROUGHT FORWARD FROM LAST YEARS			
		60555762	26419380
PROFIT AVAILABLE FOR APPROPRIATION			
		100454662	60555762
PROPOSED DIVIDEND			
DIVIDEND TAX			
		3791700	0
TRANSFER TO GENERAL RESERVE			
		629800	0
BALANCE CARRIED TO BALANCE SHEET			
		96033162	60555762
APPROPRIATIONS :			
General Reserve		0	0
Balance carried to Balance Sheet		96033162	60555762
		96033162	60555762
EARNING PER EQUITY SHARE (FACE VALUE RS. 10/- PER SHARE)			
Basic and Diluted		10.52	9.00
NOTES FORMING PART OF THE ACCOUNTS	18		

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR KHANDELWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
MANAGING DIRECTOR

K.S. BHATIA
DIRECTOR

Place : Indore
Date : 26th May 2011.



SCHEDULE NO. 01 TO 18 ANNEXED TO AND FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT AS ON 31st March 2011.

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE - 01		
SHARE CAPITAL	60000000	60000000
Authorised :		
60,00,000 Equity Shares of Rs.10/- each		
Issued subscribed and paid up		
37,91,700 Equity Shares of Rs.10/- each	37917000	37917000
	37917000	37917000

Note: Out of above 2.00 lacs Equity Shares are allotted as fully paid by way of bonus shares in the year 1993-94.

SCHEDULE - 02	OP. BAL.	ADDITION	DEDUCTIONS/ ADJUSTMENTS	CLOSING BALANCE
RESERVE AND SURPLUS				
Utilised Investment Allo. Res	54437 (54437)			54437 (54437)
General Reserve	21718066 (21718066)			21718066 (21718066)
Profit & Loss Account	60555762 (26419380)	35477400 (34136382)		96033162 (60555762)
Share Premium Capital	16958500 (16958500)			16958500 (16958500)
TOTAL	99286765	35477400	0	134764165
Previous Year (Total)	(65150383)	(34136382)	0	(99286765)

Note : Previous year figure have been shown in brackets

SCHEDULE - 03

SECURED LOANS :

a) Vehicle Loans (First Charge on Trucks & Cars)	1142481	2598778
	1142481	2598778

**SCHEDULE - 04
UNSECURED LOANS**

	0	0
	0	0



**SCHEDULE - 05
FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance 01.04.2010	Addition during period	Sales/ Deduction	Balance As on 31.03.2011	Up to 01.04.2010	For the period	Sales / Deduction	Up to 31.03.2011	As at 31.03.2010	As at 31.03.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	2875967	0	0	2875967	0	0	0	0	2875967	2875967
Building Factory	37177910	580000	0	42977910	16382121	1370889	0	17753010	20795789	25224900
Building (off. & staff)	2812939	1197400	0	4010339	605426	47477	0	652903	2207513	3357436
Poultry Equipments	57515744	5923280	0	63439024	22213150	2829973	0	25043123	35302594	38395901
Cycle A/C	8175	2150	0	10325	1358	879	0	2237	6817	8088
Computer Equipment	3411336	406627	0	3817963	2300575	597945	0	2898520	1110761	919443
Office Equipment	1666096	876518	0	2542614	1028126	353301	0	1381427	637970	1161187
Furniture & Fixtures	4554099	184768	0	4738867	2569745	290853	0	2860598	1984354	1878269
Motor Car	4938423	1994237	1104000	5828660	1395358	578605	759873	1214090	3543065	4614570
Eicher Truck	6116112	845000	3820814	3140298	3138359	495403	2788773	844989	2977753	2295309
Electrical Installation	3737670	2073807	0	5811477	2947870	329993	0	3277863	789800	2533614
Tube Well & Land Development	3040025	408935	0	3448960	395892	51566	0	447458	2644132	3001501
Vehicle	391252	40240	0	431492	383302	40355	0	423657	7950	7835
Total	128245747	19752962	4924814	143073895	53361282	6987239	3548646	56799875	74884465	86274020
Previous Year	117604939	10640808	0	128245747	47433013	5928270	0	53361282	70171926	74884465

**SCHEDULE - 06****INVESTMENT**

(UNQUOTED)

Simran Hatcheries Private Ltd.	1189000	1189000
Puregene Biotech Limited	11964970	11964970

13153970.00	13153970.00
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SCHEDULE - 07**INVENTORIES**

a) Parent Birds	44952824	35955836
b) Feed & Medicines	68061738	60713231
c) Hatching Eggs	4399072	1455108
d) Commercial Chicks	47589707	32960559

165003341	131084734
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SCHEDULE - 08**SUNDRY DEBTORS**

(Unsecured, considered good)

Debts outstanding within six months	51196955	59687731
Other	8535693	20173976

59732648	79861707
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SCHEDULE - 09**CASH & BANK BALANCES**

Cash in hand	535958	662147
Cash in hand, Aanad	765433	650493
Cash in hand, Chikli	1347831	1225065
Cash in hand, Bhopal	74069	103584
Cash in hand, Raipur	80086	599530
Cash in hand, Bhilai	348913	572986
Cash in hand, Bilaspur	47950	5073
Cash in hand, Dhulia	71193	35431
Cash in hand, Malegaon	487154	630257
Cash in hand, Nashik	390817	0
Bank of Baroda, Chikli	267252	563335
ICICI Bank, Indore	4951765	895326

9368421	5943227
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SCHEDULE - 10**LOANS & ADVANCES :**

(Unsecured considered good)

Advances recoverable in cash or in kind or for value to be received	13077524	11761083
Advance Income Tax	16500000	17541134
Deposits	6224414	1589814

35801938	30892031
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**SCHEDULE - 11****a) Current Liabilities :**

Sundry Creditors	142270113	140724103
Punjab & Sindh Bank	7067826	5749807
Advances from Customers	2460211	9729737
P.F. Cont. (Employees)	144146	107200
Professional Tax (Staff)	50490	157255
Service Tax Payable	33884	305661
Income Tax Payable	22232584	20177610
Dividend Distribution Tax Payable	629800	0
Rearing Charges Receivable	2338907	1757765
Gratuity Payable	2053686	0
Leave Enashment Payable	1545900	0
Divident Payable	3791700	0
TDS payable	368399	635142
	184987646	179344280

b) Provisions : For Expenses

	9050419	9896455
	90504119	9896455

Total (a + b) :

	194038065	189240735
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SCHEDULE - 12**OTHER SOURCES :**

a) Interest Received Bank	0	209
b) Miscellaneous Receipts	7900	0
c) Hire Charges	240000	552000
d) Rearing Charges (Income)	12515997	8377320
e) Transportation Income	0	249256
f) Interest Received MPEB	37804	29640
g) Claim Received	51065	14663
	12852766	9223088

SCHEDULE - 13**FEED AND MATERIALS :**

a) Feed & Medicines	1136794725	962041978
b) Store, Spares & Consumable	22712922	20603325
c) Parent Birds	21491690	25816478
d) Packing Material	3872032	4594225
e) Carriage Inward	36687017	28380483
f) Chicks	201574260	155040934
g) Hatching Eggs	4582228	0
h) Cull Bird	3483044	3499068
	1431197918	1209976491

SCHEDULE - 14**FARM EXPENSES :**

a) Expenses at Farm	4671339	3281980
b) Power & Energy	8761779	6449636
c) Fuel Consumption	7983175	9918307
d) Light & Water Charges	5592261	5486911
e) Farm Rent	63446196	5300188
f) Lease Rent	73220961	5553820
g) Supervision Incentive	0	16800
h) RearingCharges Expenses	79141861	61278258
	119817572	97285900

**SCHEDULE - 15****ADMINISTRATIVE EXPENSES :**

a) Salary, Wages & Bonus	37816597	23636246
b) Contribution to Provident Fund	1719221	1158644
c) General Office Expenses	7624510	5773679
d) Travelling & Conveyance	7539216	5305741
e) Remuneration to Vice President	600000	600000
f) Remuneration to Director	3600000	2700000
g) Certification Fee	41363	23490
h) Audit Fees	165450	165450
i) Legal & Professional Expenses	438315	415696
j) Registration & Licence Fees	33489	35885
k) Foreign Tour Exp.	234415	222525
l) Penalty & Fines	8857	6002
m) Entry Tax after Assessment	215604	82091
n) Performance Incentive	33660	30426
o) Service Tax Exp.	143454	278940
p) Gratuity	624528	0
q) Leave Encashment	775970	0
r) Software Development Charges	98500	0

61713149**40434815****SCHEDULE - 16****FINANCIAL EXPENSES :**

a) Bank Charges & Commission	1196255	884484
b) Interest	213903	307067
c) Interest on Late Payment	691896	392260

2102054**1583811****SCHEDULE - 17****SELLING AND DISTRIBUTION EXPENSES**

a) Forwarding Expenses	6733104	5242220
b) Advertisement & Publicity	83671	128735
c) Vehicle Repair & Maintenance	1630619	891079
d) Technical Seminar & Conferance	76248	218462
e) Sales Promotion Expenses	905332	260655
f) Hatching Charges	294614	0
g) Commission on Sales	1450	0

9725038**6741151**

**SCHEDULE - 18****NOTES FORMING PART OF ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st March, 2011****1. SIGNIFICANT ACCOUNTING POLICIES :**

A) Method of Accounting:

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

B) Fixed Assets :

Fixed Assets are stated at cost of acquisition inclusive of duties, taxes, incidental expenses erection / commissioning expenses and preliminary and pre-operative expenses till the date of commencement of production.

C) Investment : Investment are stated at cost.

D) Valuation of Inventories :

i) Inventories of stores, medicines, feeds etc. are valued at cost and is determined using first in first out basis.

ii) Hatching eggs are valued at estimated cost or net realisable value whichever is less.

iii) Parent Stock of Birds are valued at purchase price plus the estimated cost of growing and overheads.

iv) Manure and Gunny Bags accounted for on actual sale basis.

E) Depreciation :

Depreciation on Fixed Assets has been charged on Straight Line Method on the rates prescribed in Schedule-XIV of the Companies Act, 1956 on prorata basis.

F) Research and Development Expenditure :

Revenue expenditure is charged to Profit and Loss Account and capital expenditure is added to the cost of Fixed Assets under relevant heads.

G) Retirement / Post Retirement Benefits

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

H) Taxation :

(i) The provision for current tax is based on assessable profit of the company computed in accordance with the Income Tax Act 1961.

(ii) Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted as of the Balance Sheet Date.

I) Contingent Liability :

Liabilities which are material and whose future outcome can not be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.



J) Additional information pursuant to the provisions of paragraph 3 & 4 of Part II of Schedule VI of the Companies Act, 1956.

(i) Details of Products manufactured for Sales, Turnover, Stocks and Raw Materials consumed etc.

PRODUCTS	OPENING STOCK		PROD & PURCHASES		TURNOVER		CLOSING STOCK	
	QTY NOS.	VALUE Rs.('000)	QTY NOS.	VALUE Rs.('000)	QTY NOS.	VALUE Rs.('000)	QTY NOS.	VALUE Rs.('000)
HATCHING EGGS	143259 (131071)	1432.59 (983.03)	21481222 (22618777)		21314262 (22606589)	249702.76 (214374.75)	310219 (143259)	4388.25 (1432.59)
PARENT BIRDS	158128 (113890)	35955.84 (28594.50)	173307 (205830)		148707 (161592)	16303.25 (19122.58)	182728 (158128)	44952.82 (35955.84)
COMM & REJ. EGGS	22518 (16035)	22.52 (8.02)	909914 (917843)		921608 (911360)	1210.56 (1172.65)	10824 (22518)	10.82 (22.52)
COMMERCIAL BROILER	1456274 (1047609)	32960.56 (24795.79)	10937552 (10347430)		10817150 (9938765)	1244892.18 (1024406.74)	1576676 (1456274)	47589.71 (32960.56)
OTHERS		60713.23 (26640.33)				135251.19 (100277.79)		68061.74 (60713.23)
TOTAL	1780179	131084.73	33501995		33201727	1647359.94	2080447	165003.34
PREVIOUS YEAR	(1308605)	(81021.67)	(34089880)		(33618306)	(1359354.51)	(1780179)	(131084.73)

NOTE :

1. Production/Purchase of Hatching Eggs is net off smashed and rejected.
2. Purchase of Parent birds & Commercial Bird is net off Mortality/Adjustment.
3. Figures shown in brackets below represents previous year figures.

ii. a. RAW - MATERIAL :

CONSUMED (12 Months)	QUANTITY (IN M.T.)		VALUE (RS. IN '000)	
	2010-2011 (12 Months)	2009-2010 (12 Months)	2010-2011 (12 Months)	2009-2010 (12 Months)
MIXED FEEDS INDIGENOUS & IMPORTED	56454	49833	953555	823705
(INDIGENOUS)	100%	100%	100%	100%
(IMPORTED)	-	-	-	-

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

	VALUE (Rs. in '000) 2010-2011 (12 Months)				VALUE (Rs. in '000) 2009-2010 (12 Months)			
	RAW MAT.		ST. & SP.		RAW MAT.		ST. & SP.	
	VAL.	%	VAL.	%	VAL.	%	VAL.	%
INDIGENOUS	953555	100%	22713	100%	823705	100%	20603	100%
IMPORTED	0	-	0	-	-	-	-	-

	2009-11	2009-10
a) Value of imports CIF basis accounted during the year.	-	-
b) Expenditure in Foreign currency	-	92525
c) Earning in Foreign Exchange.	-	-
d) Particulars relating to non-residential Share-holders.	-	-

iv) Previous figures have been regrouped or rearranged wherever necessary.



II. NOTES ON ACCOUNTS

- A) In the opinion of the Board of Directors, Fixed Assets, Current Assets, Loans & Advances are approximately of the value as stated, if realised in the ordinary course of business except otherwise specified. The provisions for all known liabilities are adequate and not in excess of amount which is reasonably necessary.
- B) The disputed outstanding Income Tax Demand pertaining to Assessment Year 1994-1995 to 1997-1998 of Rs.12.21 Lacs in respect of disallowances of claims u/s 80 I & 80HHA has been confirmed against the company by the Income Tax Appellate Tribunal and accordingly the liability in respect of these years has been paid/ provided in full earlier years. The Company is litigating the matter before the Hon'ble High Court of M.P.
- C) As per information given by the Management, Excise-Duty is not applicable to the Company.
- D) All Balances of Sundry Debtors and Creditors are subject to confirmation.

E) Deffered Tax	As at 31.03.2011	As at 31.03.2010
	(Rs. in lacs)	(Rs. in lacs)
(a) Deffered Tax Liability on account of :		
(i) Depreciation	334.70	322.68
	334.70	322.68
(b) Deffered Tax Asset on account of :		
(i) Unabsorbed Depreciation & carry forward Loss	0.00	0.00
(ii) Others [Disallowance U/s 43B & 40(a)]	36.00	0.00
	36.00	0.00

Note : During the year there is creation of Deffered Tax Liability amounting to Rs. 4.09 Lacs and reversal of DTA amounting to Rs. 12.24 Lacs totalling to Rs. 8.15 Lacs of DTA which has been recorded in Profit & Loss A/c.

F) Earning Per Share

Basic & Diluted earning per equity share have been worked out in accordance with AS-20 "Earnings Per Share". Basic and diluted earnings per equity share has been calculated by dividing Net Profit after tax of Rs. 398.99 lacs by 3791700 equity shares (Face value of Rs.10/- each)

G) Related parties disclosures :

1 Relationship

- | | |
|--|---|
| <p>(a) Subsidiary Companies
Puregene Biotech Ltd.
w.e.f. 13/7/2002
(Formerly Simran Breeders (P) Ltd.)</p> <p>(b) Key Management Personnel :
Mr. Harender Singh Bhatia
Managing Director
Mr. Gurdeep Singh Bhatia
Director
Mr. Kanwaljeet Singh Bhatia
Executive Director
Gurmeet Sing Bhatia
(Vice President)</p> | <p>(c) Relatives of key management perssonnel and their enterprises where transaction have taken place :
Mrs. Amarjeet Kaur Bhatia
Mr. Amarjeet Singh Bhatia
Mr. Kawaljeet Singh Bhatia (HUF)
Mr. Sumeet Singh Bhatia
Simran Feeds (P) Ltd.
Simran Poultry
Singh Poultry
Simran Hatcheries
Simran Hatcheries (P) Ltd.
Early Bird Hatcheries
Simfa Labs Pvt. Ltd.
Simran Foods Pvt. Ltd.
Mr. Avneet Singh Bhatia
Mrs. Simrath Kaur Bhatia
Mrs. Kawaljeet Kaur Bhatia</p> |
|--|---|

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



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

Nature of Transaction	Related Parties			(Rs. in lacs)
	Referred in 1 (a) above	Referred in 1 (b) above	Referred in 1 (c) above	
Purchase		318.87	2538.38	
Sales		501.33	2137.55	
Income				
Hire Charge		0.40	2.00	
Expenses				
Director Remuneration		36.00		
Vice President Remuneration		6.00		
Rearing Charges	36.00			
Sales Manager's Salary			4.20	
Office Rent			3.60	
Tractor Rent			0.96	
Eicher Motor Hire Chrges		0.4	1.60	
Lease Rent :-				
Plant & Machinery			4.20	
Land & Building	9.00		50.40	
Telephone Charges		3.57	178.05	
Auto Hire Expenses			0.72	
Finance Outstanding				
Payable		1.53	178.05	
Receivable	49.09	145.47	180.91	
H) PAYMENT TO ADUDITORS :				
		2010-2011	2009-2010	
1. As Auditors		165450	165450	
2. As per certification		41363	23490	
		<u>206813</u>	<u>188940</u>	

I) DISCLOSURE UNDER MICRO, SMALL & MEDIUM SCALE ENTERPRISE DEVELOPMENT ACT, 2006

The Company has initiated the process of identification Micro, Small & Medium Scale Enterprises covered under Micro, Small & Medium Enterprises Act, 2006. In view of large number of suppliers and non receipt of critical inputs & response from several such potential parties, the liability of interest if any, can not be reliably estimated. In the Management's view, the company will not be liable to pay interest as prescribed under the Micro, Small & medium Scale Enterprise development Act, 2006

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT,1956 RELATING TO
SIMRAN BREEDERS (P) LIMITED NOW W.E.F. 13/07/2002 KNOWN AS PUREGENE BIOTECH LIMITED
A SUBSIDIARY COMPANY.**

- The Company held 1196500 equity shares of Rs. 10 each fully paid up representing 82.71% paid up capital of subsidiary company.
- The net aggregate of losses of the subsidiary company since its incorporation, not dealt with in the accounts of the Co. of Rs. 27.70 Lacs.
- There are no material changes between the Financial year of subsidiary company ended on 31st March 2011 and the end of financial year of the company.

AS PER OUR REPORT OF EVEN DATE
FOR KHANDELWAL KAKANI & CO.
Chartered Accountants

For and on behalf of Board

SANTOSH DESHMUKH
PARTNER

G.S. BHATIA
DIRECTOR

H.S. BHATIA
MANAGING DIRECTOR

Place : Indore

Date : 26th May 2011



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
A. CASH FLOW FROM OPERATING SYSTEM :		
	NET PROFIT BEFORE TAX & EXTRA ORDINARY ITEM	62745601
Add :	Depreciation	56749098
	Interest Paid	5928270
	905799	699327
	70638639	63376695
Less :	Prior period adjustment	2868085
	Income Tax Paid During the year	239124
	Proposed Divident	18956548
	Dividend Tax	3791700
	629800	0
	28301107	19195672
	Operating Profit before Working Capital Change	42337532
Add :	Inventories	0
	Loans and Advance	0
	Trade Receivable	20129059
	Trade Payable	1546010
	Other Current Liabilities	3251320
	24926389	62012229
Less :	Inventories	33918607
	Loans & Advances	4909907
	Trade Receivable	0
	Other Current Liabilities	0
	38828514	90944890
	Net Cash in Flow from Operating Activities	15248362
Add :	Extra Ordinary Item	217832
	Net Cash in Flow from Operating Activities	15248362
B. CASH FLOW FROM INVESTING ACTIVITIES		
Add :	Sale of Fixed assets	1376168
	Write-off of Investment	0
Less :	Purchase of Assets	19752962
	Capital Work in Progress	4489156
	-22865950	-14080060
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
	Proceed From :	
Add :	C.C. Loan	0
	Secured Loan From Others	0
	Unsecured Loan	0
	Vehicle Loan	1800000
	0	1800000
Less :	Repayment of Loan	
	Interest Paid	213903
	Vehicle Loan	14556297
	C.C. Loan	0
	Secured Loan From Parties	0
	Term Loan	0
	Interest Paid on late payment	691896
	2362096	2024784
	NET CASH GENERATED FROM FINANCIAL ACTIVITIES	-224784
	NET INCREASE IN CASH & CASH EQUIVALENTS	943518
Add :	Cash & Cash equivalents (opening)	5943227
	CASH & CASH EQUIVALENTS (CLOSING)	5943227



AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of Simran Farms Limited for the period ended 31st March 2011. The statement has been prepared from the audited accounts of the Company in accordance with requirements of Listing Agreement Clause 32 with Stock Exchanges and is based on and agreement with corresponding Profit and Loss Account and Balance Sheet of the company.

For KHANDELWAL KAKANI & CO.
Chartered Accountants

For and on behalf of Board

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
CHAIRMAN - MANAGING DIRECTOR

Place : Indore
Date : 26th May 2011



**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE
COMPANIES ACT, 1956**

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details:

Registration	L01222MP1984PLC002627
State Code	10.00
Balance Sheet Date	31st March 2011

2. Capital Raised during the year:

Public Issue	-
Right Issue	-
Bonus Issue	-
Private Placement	-

3. Position of Mobilisation and Development of Funds:

Total Liabilities	1738.24
Total Assets	1738.24
Sources of Funds	
Paid-Up Capital	379.17
Reserve & Surplus	1347.64
Secured Loans	11.42
Unsecured Loans	NIL
Application of Funds:-	
Net Fixed Assets	949.57
Investments	131.54
Net Current Assets	758.68
Miscellaneous Expenditure	NIL

4. Performance of Company:

Turnover	16602.13
Extra Ordinary Income	2.18
Total Expenditure	16003.35
Profit(loss) before Tax	600.95
Profit(loss) after Tax	398.99
Earning Per Share	10.52

5. General Names of Principal Products Services of the Company:

Item Code No.	40700.09
Product Description	Hatching Eggs

AS PER OUR REPORT OF EVEN DATE
FOR KHANDELWAL KAKANI & CO.
Chartered Accountants

For and on behalf of Board

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
MANAGING DIRECTOR

G.S. BHATIA
DIRECTOR

Place : Indore
Date : 26th May 2011

**AUDITOR'S REPORT**

To,
The Members of
Simran Farms Ltd.,
Indore (M.P.)

We have audited the annexed **Consolidated** Balance Sheet **SIMRAN FARMS LIMITED** and its subsidiary (the group) Indore as at 31st March 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Company for the period ended on that date. These financial statements are the responsibilities of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statement have been prepared by the Simrans management in accordance with requirements of Accounting Standard 21, Consolidated Financial Statement, issued by the Institute of Chartered Accountants of India.

Subject to above and our comments in the annexure referred to in paragraph 2 above:

- In our opinion and to the best of our information and according to the explanations given to us, and read together with other notes thereon, gives information required by the Companies Act, 1956, in the manner so required and give a true and fair view;
- a) In the case of the Consolidated Balance Sheet of the State of Affairs of the Company as at 31st March, 2011 and
- b) In the case of Consolidated Profit and Loss Account, of the Profit for the period ended on that date.
- c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the period ended on that date

Place: Indore
Date : 26.05.2011

for KHANDELWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER



CONSOLIDATED BALANCE SHEET AS AT 31st March, 2011

Particulars	Schedule	31.03.2011		31.03.2010	
		Rupees	Rupees	Rupees	Rupees
(1) SOURCES OF FUNDS					
a) Share Holders Funds	01	37917000		37917000	
b) Reserves & Surplus	02	<u>131974085</u>	169891085	<u>95842408</u>	133759408
MINORITY INTEREST			1942073		1805253
ii. LOAN FUNDS					
a) Secured Loan	03	1142481		2598778	
b) Unsecured Loan	04	<u>0</u>	1142481	0	2598778
TOTAL			<u><u>172975639</u></u>		<u><u>138163439</u></u>
(2) APPLICATION OF FUNDS					
i. Fixed Assets					
a) Gross Block		169079929		154249881	
Less : Depreciation upto date		<u>64786217</u>		<u>60496274</u>	
b) Net Block	05	104293712		93753607	
c) Capital work in progress		<u>8683300</u>	112977012	<u>4194144</u>	97947751
ii. INVESTMENTS	06	1189000	1189000	1189000	1189000
(3) CURRENT ASSETS, LOANS & ADVANCES					
a) Inventories	07	165003341		131084734	
b) Sundry Debtors	08	54823215		67269185	
c) Cash & Bank Balances	09	9560502		6101557	
d) Loan & Advances	10	<u>34273361</u>		<u>31346886</u>	
		<u>263660419</u>		<u>235802362</u>	
Less : CURRENT LIABILITIES & PROVISIONS					
a) Current Liabilities	11	185784698		176509234	
b) Provisions		<u>9168539</u>		<u>10037293</u>	
		<u>194953237</u>		<u>186546527</u>	
(4) NET CURRENT ASSETS			68707182		49255835
(5) DEFERRED TAX LIABILITY			(9897555)		(10229147)
MISCELLANEOUS EXPENDITURE					
TOTAL			<u><u>172975639</u></u>		<u><u>138163439</u></u>
NOTES FORMING PART OF ACCOUNTS	18				

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR KHANDELWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
MANAGING DIRECTOR

G.S. BHATIA
DIRECTOR

Place : Indore
Date : 26st May 2011



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st March 2011

Particulars	Schedule	31.03.2011 12 Months Rupees	31.03.2010 12 Months Rupees
INCOME			
Sales (Net)		1647359943	1359389733
Other Sources	12	12852766	9444411
Increase / (Decrease) in Stock		33918607	42696661
		1694131316	1411530805
EXPENDITURE			
Feeds & Material Purchase	13	1431212359	1201614189
Farm Expenses	14	115659273	94898357
Administrative Expenses	15	63437469	41521067
Financial Expenses	16	2103558	1608198
Selling & Distribution	17	9727054	6747024
Depreciation		7838589	6723968
		64153014	58418002
PROFIT/ (LOSS) BEFORE TAX AND PRIOR PERIOD ITEMS		64153014	58418002
ADD : Extra Ordinary Item		217832	0
ADD : Prior Period Items		(2868085)	58877
ADD : Excess Depreciation W/B		157255	(239124)
		61660016	58237755
PROFIT / (LOSS) BEFORE TAX		61660016	58237755
LESS : Income Tax		21301611	19223490
LESS : Deferred Tax Liability		(331592)	4033413
		40689997	34980852
PROFIT AFTER TAX		40689997	34980852
PROFIT AFTER TAX AND BEFORE MINORITY INTEREST		40689997	34980852
LESS : MINORITY INTEREST		136820	146051
		40553177	34834801
PROFIT BROUGHT FORWARD FROM LAST YEAR'S		57111405	22276604
PROFIT AVAILABLE FOR APPROPRIATION		97664582	57111405
LESS : PROPOSED DIVIDEND		3791700	0
LESS : DIVIDEND TAX		629800	0
		93243082	57111405
APPROPRIATIONS :			
General Reserve		0.00	0.00
Balance carried to Balance Sheet		93243082	57111405
EARNING PER EQUITY SHARE (FACE VALUE RS. 10/- PER SHARE)			
Basic and Diluted		10.70	9.19
NOTES FORMING PART OF THE ACCOUNTS	18		

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR KHANDELWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
MANAGING DIRECTOR

G.S. BHATIA
DIRECTOR

Place : Indore
Date : 26th May 2011



SCHEDULE NO. 01 TO 18 ANNEXED TO AND FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT AS ON 31st March 2011.

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE - 01		
SHARE CAPITAL		
Authorised :		
60,00,000 Equity Shares of Rs.10/- each	60000000	60000000
Issued subscribed and paid up		
37,91,700 Equity Shares of Rs.10/- each	37917000	37917000
	37917000	37917000

Note: Out of above 2.00 lacs Equity Shares are allotted as fully paid by way of bonus shares in the year 1993-94.

SCHEDULE - 02

RESERVE AND SURPLUS	OP. BAL.	DEDUCTIONS/ ADJUSTMENTS	ADDITION/ ADJUSTMENTS	CLOSING BALANCE
Utilised Investment Allo. Res	54437 (54437)	-	-	54437 (54437)
General Reserve	21718066 (21718066)			21718066 (21718066)
Profit & Loss Account	57111405 (-22276604)		36131677 (34834801)	93243082 (57111405)
Share Premium Capital	16958500 (16958500)	-	-	16958500 (16958500)
TOTAL	95842408		36131677	131974085
Previous Year (Total)	(61007607)	0	(34834801)	(95842408)

Note : Previous year figure have been shown in bracket.

SCHEDULE - 03**a) SECURED LOANS :**

a) Vehicle Loans (First Charge on Trucks & Cars)

1142481	2598778
1142481	2598778

**SCHEDULE - 04
UNSECURED LOANS**

0	0
0	0

**SCHEDULE - 05
FIXED ASSETS**

Particulars	GROSS BLOCK			Balance As on 31.03.2011	DEPRECIATION				NET BLOCK	
	Balance 01.04.2010	Addition during the year	Sales/ Deduction		Up to 31.03.2010	For the year	Excess Provision W/B	Up to 31.03.2011	As at 31.03.2010	As at 31.03.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	5070217	0	0	5070217	0	0	0	0	5070217	5070217
Tube Well & Land Development	4106037	408935	0	4514972	554616	68942	0	623558	3551421	3891414
Building(off. & staff)	2812939	1197400	0	4010339	605426	47477	0	652903	2207513	3357436
Poultry Equipments	61933169	5923280	0	67856449	23170139	3039801	0	26209940	38763030	41646509
Furniture & Fixtures	4594530	186668	0	4781198	2588096	293512	0	2881608	2006434	1899590
Vehicle	430352	40240	0	470592	409704	44070	0	453774	20648	16818
Motor Car	4938423	1994237	1104000	5828660	1395358	578605	759873	1214090	3543065	4614570
Electrical Installation	3763120	2073807	0	5836927	2959871	331792	0	3291663	803249	2545264
Building (Farm)	54246220	5800000	0	60046220	21791967	1940971	0	23732938	32454253	36313282
Computer Equipment	3580248	406627	0	3986875	2469487	597945	0	3067432	1110761	919443
Office Equipment	1684218	876518	0	2560736	1046248	353301	0	1399549	637970	1161187
Poultry Equipments(R&D)	966121	0	0	966121	365645	45891	0	411536	600476	554585
Cycle A/C	8175	2150	0	10325	1358	879	0	2237	6817	8088
Eicher Truck	6116112	845000	3820814	3140298	3138359	495403	2788773	844989	2977753	2295309
Total	154249881	19754862	4924814	169079929	60496274	7838589	3548646	64786217	93753607	104293712
Previous Year	141293965	12955916	0	154249881	53772306	6723968	0	60496274	87521659	93753607

**SCHEDULE - 06****INVESTMENT**

(UNQUOTED)

Simran Hatcheries Private Ltd.

1189000

1189000

1189000**1189000****SCHEDULE - 07****INVENTORIES**

a) Parent Birds

44952824

35955836

b) Feed & Medicines

68061738

60713231

c) Hatching Eggs

4399072

1455108

d) Commercial Chicks

47589707

32960559

165003341**131084734****SCHEDULE - 08****SUNDRY DEBTORS**

(Unsecured, considered good)

Debts outstanding within six months

46287522

59687731

Other

8535693

7581454

54823215**67269185****SCHEDULE - 09****CASH & BANK BALANCES**

Cash on hand

4330230

4614801

Canara Bank

0

0

Bank of Baroda

267252

563335

Punjab & Sind Bank

9697

14971

ICICI Bank, Indore

4953323

908450

9560502**6101557****SCHEDULE - 10****LOANS & ADVANCES :**

(Unsecured considered good)

Advances recoverable in cash or in kind or for value to be received

13263502

11930493

Deposits

4509859

1875259

Advance Income Tax

16500000

17541134

34273361**31346886**

**SCHEDULE - 11****a) Current Liabilities :**

Sundry Creditors	142769282	137615102
Punjab & Sindh Bank	7067826	5749807
Advances from Customers	2460211	9729737
P.F. Cont. (Employees)	151938	114214
Professional Tax (Staff)	50490	157255
Rearing Charges Receivable	2338907	1757765
Income Tax Mat Payable	290089	266942
Service Tax Payable	33884	305661
Income Tax Payable	22232584	20177610
Gratuity Payable	2053686	0
Leave Encashment Payable	1545900	0
TDS Payable	368399	635142
Dividend	3791700	0
Dividend Distribution Tax Payable	629800	0
	185784698	176509234

b) Provisions : For Expenses

	9168539	10037293
--	---------	----------

Total (a + b) :

	194953237	186546527
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SCHEDULE - 12**OTHER SOURCES :**

a) Interest from Bank	0	209
b) Miscellaneous Receipts	7900	221323
c) Hire Charges	240000	552000
d) Rearing Charges (Income)	12515997	8377320
e) Transportation Income	0	249256
f) Interest Received MPEB	37804	29640
g) Claim Received	51065	14663
	12852766	9444411

SCHEDULE - 13**FEED AND MATERIALS :**

a) Feed & Medicines	1136794725	961026673
b) Store, Spares & Consumable	22727363	20688150
c) Parent Birds	21491690	28383886
d) Packing Material	3872032	4594225
e) Carriage Inward	36687017	28381253
f) Chicks	201574260	155040934
g) Cull Bird	3483044	3499068
h) Hatching Eggs	4582228	0
	1431212359	1201614189

SCHEDULE - 14**FARM EXPENSES :**

a) Expenses at Farm	4684819	3315923
b) Power & Energy	8995626	6579388
c) Fuel Consumption	7985375	10006769
d) Light & Water Charges	5684435	5547211
e) Farm Rent	6346196	5300188
f) Lease Rent	6420961	3753820
g) Supervision Incentive	0	16800
h) Rearing Charges	75541861	60378258
	115659273	94898357

**SCHEDULE - 15****ADMINISTRATIVE EXPENSES :**

a) Salary, Wages & Bonus	39377993	24533929
b) Contribution to P.F.	1818554	1206724
c) General Office Expenses	7672539	5877756
d) Travelling & Conveyance	7541366	5311741
e) Remuneration to Director	3600000	2700000
f) Remuneration to Vice President	600000	600000
g) Certification Fee	41363	23490
h) Audit Fees	177362	177362
i) Legal & Professional Expenses	439815	434196
j) Registration & Licence Fee	33489	35885
k) Foreign Tour Expenses	234415	222525
l) Penalty & Fines	8857	6002
m) Performance Incentive	33660	30426
n) Entry Tax Payable after Assessment	215604	82091
o) Service Tax Expenses	143454	278940
p) Gratuity	624528	0
q) Leave Encashment	775970	0
r) Software Development Charges	98500	0
	63437469	41521067

SCHEDULE - 16**FINANCIAL EXPENSES :**

a) Bank Charges & Commission	1197759	885346
b) Interest	213903	307067
c) Interest on Late Payment	691896	415785
	2103558	1608198

SCHEDULE - 17**SELLING AND DISTRIBUTION EXPENSES**

a) Forwarding Expenses	6733104	5242220
b) Advertisement & Publicity	83671	128735
c) Vehicle Repair & Maintenance	1632635	896952
d) Sales Promotion Expenses	905332	260655
e) Technical Seminar Expenses	76248	218462
f) Hatching Charges	294614	0
g) Commission on Sales	1450	0
	9727054	6747024

**SCHEDULE - 18****NOTES FORMING PART OF ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st March, 2011****1. SIGNIFICANT ACCOUNTING POLICIES :****A) Method of Accounting:**

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

B) Fixed Assets :

Fixed Assets are stated at cost of acquisition inclusive of duties, taxes, incidental expenses erection / commissioning expenses and preliminary and pre-operative expenses till the date of commencement of production.

C) Investment : Investment are stated at cost.**D) Valuation of Inventories :**

i) Inventories of stores, medicines, feeds etc. are valued at cost and is determined using first in first out basis.

ii) Hatching eggs are valued at estimated cost or net realisable value whichever is less.

iii) Pure Line Birds & Grand Parent are valued at initial purchase price plus estimated cost of growing and overheads of birds live on balance sheet date.

iv) Parent Stock of Birds are valued at purchase price plus the estimated cost of growing and overheads.

v) Manure and Gunny Bags accounted for on actual sale basis.

E) Depreciation :

Depreciation on Fixed Assets has been charged on Straight Line Method on the rates prescribed in Schedule-XIV of the Companies Act, 1956 on prorata basis.

F) Research and Development Expenditure :

Revenue expenditure is charged to Profit and Loss Account and capital expenditure is added to the cost of Fixed Assets under relevant heads.

G) Retirement / Post Retirement Benefits

The company provides retirement benefits in the form of gratuity and leave encashment. The Parent company has worked out the liability towards Gratuity based on actuarial valuation through the LIC and estimated the liability towards Leave Encashment and has provided during the year entire liabilities. Where as in view of the movement of employees there is no liability towards employee retirement benefits in Puregen Biotech Limited.

H) Taxation :

(i) The provision for current tax is based on assessable profit of the company computed in accordance with the Income Tax Act 1961.

(ii) Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted as of the Balance Sheet Date.

I) Contingent Liability :

Liabilities which are material and whose future outcome can not be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.



J) Additional information pursuant to the provisions of paragraph 3 & 4 of Part II of Schedule VI of the Companies Act, 1956.

(i) Details of Products manufactured for Sales, Turnover, Stocks and Raw Materials consumed etc.

PRODUCTS	OP STOCK		PROD & PURCH		TURNOVER		CL. STOCK	
	QTY NOS.	VALUE Rs.('000)	QTY NOS.	VALUE Rs.('000)	QTY NOS.	VALUE Rs.('000)	QTY NOS.	VALUE Rs.('000)
HATCHING EGGS	143259 (131071)	1432.59 (983.03)	21481222 (22618777)	0 -	21314262 (22606589)	249702.76 (214374.75)	310219 (143259)	4388.25 (1432.59)
PARENT BIRDS	158128 (130140)	35955.84 (33420.75)	173307 (189671)	0 -	148707 (161683)	16303.25 (19157.80)	182728 (158128)	44952.82 (35955.84)
COMM & REJ. EGGS	22518 (16035)	22.52 (8.02)	909914 (917843)	0 -	921608 (911360)	1210.56 (1172.65)	10824 (22518)	10.82 (22.52)
COMMERCIAL BROILER	1456274 (1047609)	32960.56 (24795.79)	10937552 (10347430)	0 -	10817150 (9938765)	1244892.18 (1024406.74)	1576676 (1456274)	47589.71 (32960.56)
OTHERS						135251.19 (100277.79)		68061.74 (60713.23)
TOTAL	1780179	70371.50	33501995	0	33201727	1647359.94	2080447	165003.34
PREVIOUS YEAR	(1324855)	(59207.59)	(34073721)		(33618397)	(1359389.73)	(1780179)	(131084.73)

NOTE :

1. Production/Purchase of Hatching Eggs is net off smashed and rejected.
2. Purchase of Parent birds & Commercial Bird is net off Mortality/Adjustment
3. Figures shown in brackets below represents previous year figures.

II. a. RAW - MATERIAL :

	QUANTITY (IN M.T.)		VALUE (RS. IN '000)	
	2010-2011 (12 Months)	2009-2010 (12 Months)	2010-2011 (12 Months)	2009-2010 (12 Months)
MIXED FEEDS INDIGENOUS & IMPORTED	56454	49969	995829	825230
(INDIGENOUS)	100%	100%	100%	100%
(IMPORTED)	-	-	-	-

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

	VALUE (In '000)				VALUE (In '000)			
	2010-2011		2009-2010		2010-2011		2009-2010	
	(12 Months)		(12 Months)		(12 Months)		(12 Months)	
	RAW MAT.		ST. & SP.		RAW MAT.		ST. & SP.	
	VAL.	%	VAL.	%	VAL.	%	VAL.	%
INDIGENOUS	995829	100%	22713	100%	825230	100%	20603	100%
IMPORTED	-	-	-	-	-	-	-	-

	2010-11	2009-10
iii)		
a) Value of imports CIF basis accounted during the year.	-	-
b) Expenditure in Foreign currency	-	92525
c) Earning in Foreign Exchange.	-	-
d) Particulars relating to non-residential Share-holders.	-	-

iv) Previous figures have been regrouped or rearranged wherever necessary.



II. NOTES ON ACCOUNTS

- A) In the opinion of the Board of Directors, Fixed Assets, Current Assets, Loans & Advances are approximately of the value as stated, if realised in the ordinary course of business except otherwise specified. The provisions for all known liabilities are adequate and not in excess of amount which is reasonably necessary.
- B) The disputed outstanding Income Tax Demand pertaining to Assessment Year 1994-1995 to 1997-1998 of Rs.12.21 Lacs in respect of disallowances of claims u/s 80 I & 80HHA has been confirmed against the company by the Income Tax Appellate Tribunal and accordingly the liability in respect of these years has been paid/ provided in full in earlier years. The Company is litigating the matter before the Hon'ble High Court of M.P.
- C) As per information given by the Management, Excise-Duty is not applicable to the Company.
- D) All Balances of Sundry Debtors and Creditors are subject to confirmation.
- E) The company has identified Deferred Tax Assets/Liabilities complying with AS-22 "Accounting for Taxes on Income" issued by Institute of Chartered Accountant of India.**

1) Deferred Tax (Simran Farms Ltd.)	As at 31.03.2011	As at 31.03.2010
	(Rs. in lacs)	(Rs. in lacs)
(a) Deferred Tax Liability on account of :		
(i) Depreciation	334.70	322.68
	334.70	322.68
(b) Deferred Tax Asset on account of :		
(i) Unabsorbed Depreciation & carry forward Loss	0.00	0.00
(ii) Others [Disallowance U/s 43B & 40(a)]	36.00	0.00
	36.00	0.00
2) Deferred Tax (Puregene Biotech Ltd.)		
	As at 31.03.2011	As at 31.03.2010
	(Rs. in lacs)	(Rs. in lacs)
(A) Deferred Tax shown in the Previous Year Balance Sheet	7.42	13.58
(B) The Adjustment for Deferred Tax Assets/ Liabilities for the current year has been made as under		
i) Deferred Tax Liabilities on account of depreciation difference as per companies Act 1956 and Income Tax Act,1961for the year	-0.64	-1.09
ii) Deferred Tax Asset on account of difference in Taxable income and Accounting income		
iii) Reversal of portion of Opening of Deferred Tax asset on account of set off carry forward loss & other adjustment	-4.19	-5.07
	-4.84	-6.16
Deferred Tax Asset shown in the P&L A/C	-4.84	-6.16
Net Deferred Tax assets as shown in Balance Sheet	2.58	7.42

Note: During the year there is creation of Deferred Tax Liability amounting to Rs. 4.73 Lacs and creation of DTA amounting to Rs. 8.05 totalling to Rs. 3.31Lacs of DTA which has been recognised in Profit & Loss a/c.

F) Earning Per Share

Basic & Diluted earning per equity share have been worked out in accordance with AS-20 "Earnings Per Share". Basic and diluted earnings per equity share have been calculated by dividing Net Profit after tax of Rs. 405.53 lacs by 3791700 equity shares (Face value of Rs.10/- each).



- G) 1. Related parties disclosures :
- (a) Key Management Personnel :
- Mr. Harender Singh Bhatia
Managing Director
Mr. Gurdeep Singh Bhatia
Director
Mr. Kanwaljeet Singh Bhatia
Executive Director
Gurmeet Singh Bhatia
Vice President
- (b) Relatives of key management personnel and their enterprises where transaction have taken place :
- Mrs. Amarjeet Kaur Bhatia
Mr. Amarjeet Singh Bhatia
Mr. Sumeet Singh Bhatia
Mr. Kawaljeet Singh Bhat (HUF)
Simran Feed (P) Ltd.
Simran Poultry
Singh Poultry
Simran Hatcheries
Simran Hatcheries Private Ltd.
Early Bird Hatcheries
Simfa Labs Pvt. Ltd.
Simran Foods Pvt. Ltd.
Mr. Avneet Singh Bhatia
Mrs. Simrath Kaur Bhatia
Mrs. Kawaljeet Kaur Bhatia

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

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

Nature of Transaction	Related Parties	(Rs. in lacs)	
		Referred in 1 (a) above	Referred in 1 (b) above
Purchase		318.87	2538.38
Sales		501.33	2137.55
Income			
Hire charges		0.40	2.00
Expenses			
Director Remuneration		36.00	
Remuneration to Vice President		6.00	
Sales Manager's Salary			4.20
Office Rent			3.60
Tractor Rent			0.96
Lease Rent :-			
Plant & Machinery			4.20
Land & Building			50.40
Telephone Charges	3.57		7.15
Eicher Motor Hire Charges			
Auto Hire Charges	0.40		1.60
Finance			
Outstanding			
Payable		1.53	232.02
Receivable		145.47	180.91
H) PAYMENT TO ADUDITORS :			
		2010-2011	2009-2010
1. As Auditors		177362	177362
2. As per certification		41363	23490
		218725	200852

- I) **DISCLOSURE UNDER MICRO, SMALL & MEDIUM SCALE ENTERPRISE DEVELOPMENT ACT, 2006** The Company has initiated the process of identification Micro, Small & Medium Scale Enterprises covered under Micro, Small & Medium Enterprises Act, 2006. In view of large number of suppliers and non receipt of critical inputs & response from several such potential parties, the liability of interest if any, can not be reliably estimated. In the Management's view, the company will not be liable to pay interest as prescribed under the Micro, Small & medium Scale Enterprise development Act, 2006.

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR KHANDELWAL KAKANI & CO.
Chartered Accountants

For and on behalf of Board

SANTOSH DESHMUKH
PARTNER

G.S. BHATIA
DIRECTOR

H.S. BHATIA
MANAGING DIRECTOR

Place : Indore
Date : 26th May 2011



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
A CASH FLOW FROM OPERATING SYSTEM :		
NET PROFIT BEFORE TAX & EXTRA ORDINARY ITEM	64310269	58476879
Add : Depreciation	7838589	6723968
Interest Paid	905799	722852
	<u>73054657</u>	<u>65923699</u>
Less : Prior Period Item	2868085	58877
Income Tax paid during the year	21301611	19223490
Dividend	3791700	0
Dividend Tax	629800	239124
	<u>28591196</u>	<u>19462614</u>
Operating Profit before Working Capital Change	a 44463461	46461085
Add : Inventories	0	0
Loans and Advance	0	0
Trade Payable	5154181	11255512
Trade Receivable	12445970	0
Other Current Liabilities	3252529	27368729
	<u>20852680</u>	<u>38624241</u>
Less : Inventories	33918607	42696661
Loans & Advances	2926475	20751251
Trade Receivable	0	4802211
Other Current Liabilities	0	0
	<u>36845082</u>	<u>68250123</u>
Net Cash inflow from Operating Activities before Extra Ordinary Item	(a+b-c) 28471059	16835202
Add : Extra Ordinary Item	<u>217832</u>	<u>0</u>
Net Cash inflow from Operating Activities	A 28688891	16835202
B. CASH FLOW FROM INVESTING ACTIVITIES		
Add : Sale of Fixed assets	1376168	0
Write-off of Investment	0	0
Less : Purchase of Assets	19754862	12955916
Capital Work in Progress	4489156	3439252
	<u>(22867850)</u>	<u>(16395168)</u>
Net Cash inflow from Investing Activities	B	
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Add : Proceed From :		
C.C. Loan & Term Loan	0	0
Unsecured Loan	0	0
Vehicle Loan	0	1800000
	<u>0</u>	<u>1800000</u>
Less : Repayment of Loan		
Interest Paid	213903	307067
Vehicle Loan	1456297	1325457
Term Loan	0	0
C.C. Loan	0	0
Secured Loans From Parties	0	0
Interest Paid on late payment	691896	415785
	<u>2362096</u>	<u>2048309</u>
NET CASH GENERATED FROM FINANCIAL ACTIVITIES	C (a-b) (2362096)	(248309)
NET INCREASE IN CASH & CASH EQUIVALENTS	(A+B+C) 3458945	191725
Add : Cash & Cash equivalents (opening)	6101557	5909832
CASH & CASH EQUIVALENTS (CLOSING)	<u>9560502</u>	<u>6101557</u>



AUDITOR'S CERTIFICATE

We have examined the attached Consolidated Cash Flow Statement of Simran Farms Ltd. for the period ended 31st March 2011. The statement has been prepared from the audited accounts of the Company in accordance with requirements of Listing Agreement Clause 32 with Stock Exchanges and is based on and agreement with corresponding Profit and Loss Account and Balance Sheet of the company.

For KHANDELWAL KAKANI & CO.
Chartered Accountants

For and on behalf of Board

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
CHAIRMAN - MANAGING DIRECTOR

Place : Indore
Date : 26th May 2011



ATTENDANCE SLIP

Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the Annual General Meeting of the Company at Pishori Premises, 910, Khatiwala Tank, Tower Square, Indore-452 001 on Thursday, 22nd September, 2011 at 10.00 A.M.

.....
Full name of the Shareholder / Proxy
(in Capital)

.....
Signature

Folio No.

.....
Full name of the Shareholder / Proxy
(in Capital)

.....
Signature

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

PROXY FORM

I/We

Of in the district of

Being a member/members of the above named Company hereby appoint

..... of

or failing him

..... of as my/our proxy to vote for

me/us On my / our behalf at the Annual General Meeting of the

Company, to be held on Thursday, 22nd September, 2011 at 10.00 A.M. and at any adjournment thereof.

Signed this

Please
Affix
Rs. Rupee
Revenue
Stamp

..... day of 2011

NOTE: The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not to be a member of the Company.

E-COMMUNICATION REGISTRATION FORM

To,
SIMRAN FARMS LIMITED
1-B, Vikas Rekha Complex,
Khatiwala Tank, Indore 452 001
Madhya Pradesh (INDIA)

Dear Sir/Madam,

Re: Green Initiative in Corporate Governance

I agree to receive all documents like notices, annual report etc. from the Company in electronic mode. Please register my e-mail ID in your records for sending all the notices/documents etc. through e-mail.

Folio No./DPID & Client ID

Name of 1st Registered Holder

Name of the Joint Holder(s)

Registered Address

.....

.....

.....

.....

E-mail ID

Date

Signature of the 1st holder

Notes :

1. Shareholders are requested to keep company informed as and when there is any change in the e-mail address. Unless the email id given is changed by you by sending another communication in writing, the company will continue to send the notices / documents to you on the above mentioned email ID.
2. If shares are held in electronic mode, kindly register your e-mail id with your DP.

BOOK-POST

To,

If undelivered, please return to :

SIMRAN FARMS LIMITED

Corporate Office : 1-B, Vikas Rekha Complex,
Khatiwala Tank, Indore 452 001 (M.P.)