



SIMRAN FARMS LIMITED
(Farmers' Friend Since 1989)

25th
Annual Report
2 0 1 1 - 2 0 1 2

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 (Upto 13.08.2012)

Mr. Harbhajan Singh Khanuja
Director (from 13.08.2012)

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,
Pardeshipura, 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

CONTENTS

Page No.

1. Notice	3
2. Director's Report	6
3. Corporate Governance Report	10
4. Auditor's Report	21
5. Balance Sheet	24
6. Profit & Loss Account & Notes forming part of the accounts	25
7. Cash Flow Statement	36
8. Consolidated Audit Report & Balance Sheet	38



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 25th Annual General Meeting of the members of **SIMRAN FARMS LIMITED** will be held on Thursday 27th Day of September, 2012 at 10.00 A.M. at Pishori Premises, 910, Khatiwala Tank, Tower Square Indore 452001 Madhya Pradesh to transact the following Businesses.

ORDINARY BUSINESSES:

1. To consider and adopt the Audited Balance Sheet as at 31st March 2012 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 Surjeet Singh Kohli, who retires by rotation and being eligible offer himself for re-appointment.
4. 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:

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

“RESOLVED THAT Harbhajan Singh Khanuja, who was appointed as an additional Director by the Board of Directors and who holds office as such director up to the date of this meeting and is eligible for appointment as Director, and in respect of whom notice under section 257 of the Companies Act, 1956, has been received, be and is hereby appointed as a Director of the company to hold office subject to retiring by rotation.”

Place : Indore
Date : 13.08.2012

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.**
- Register of the members and share transfer books of the company will remain closed from Saturday, 22nd September 2012 to Thursday, 27th September 2012 (both days inclusive) on account of Annual General Meeting and Dividend payment.
- 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.
- 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 21st September 2012. The Dividend in respect of equity shares held in electronic form will be payable to the beneficial owner of the equity shares held on 21st September, 2012 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. No copies will be distributed in meeting hall.
- 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-452001 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 Depository Participant in this regard.
- Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Members, who have not en-cashed the dividend warrant, are requested to make their claim to Simran Farms Limited. It may be noted that once the amounts in the unpaid dividend accounts are transferred to IEPF (Investor Education and Protection Fund) or the Company in respect thereof and the Members would lose their right to claim such dividend. Members who have not yet en-cashed their dividend warrant(s) for the financial year 2010-11 onwards, are requested to make their claims without any delay.
- 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-452001 (M.P.) for sending the document in electronic form. The form is enclosed with Annual Report.
- Members are informed that in case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
- Corporate members are requested to forward a Certified Copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
- **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) Shri Surjit Singh Kohli, a Director retiring by rotation has offered himself for re-appointment at the ensuing Annual General Meeting. Shri Surjit Singh Kohli, aged 52 years, Graduate, is having 18 years of rich experience in poultry farms and he is associated with the Company since incorporation. He is also directors in Sagri Foods Private Limited and SHL Agro Foods Private Ltd, Sagri Fresh Foods Private Limited. Presently he holding 1700 shares in the Company.

(B) Shri Harbhajan Singh Khanuja was appointed as on 13th August, 2012 as an additional Director of the Company and proposed to appoint as director to hold office retire by rotation in ensuring annual general meeting. Mr. Khanuja, aged 61 years and commerce graduate and retired senior manager from bank and having more than 40 years thorough experience in finance and banking division. He is also directors in HSB holdings Private Limited. Presently he does not hold any shares in the Company.

Place : Indore
Date : 13.08.2012

By Order of the Board
For SIMRAN FARMS LIMITED

Registered Office:
1-B, Vikas Rekha Complex,
Near Tower Square,
Khatiwala Tank, Indore

HARENDER SINGH BHATIA
(Managing Director)



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

Item No. 5

Mr. Harbhajan Singh Khanuja was appointed as on 13th August, 2012 as an additional Director of the Company. Pursuant to section 260 of the Companies Act, 1956, he will hold office up to the date of ensuing Annual General Meeting of the Company. Mr Khanuja is 61 years old and retired senior Manager from Bank. He is graduate in Commerce and more than 40 years thorough experience in finance and banking Sector.

He has thorough experience and exposure in development of financial policies and plans, Management Information system and financial monitoring. Yours Board of Directors feels that his continuation on the Board will be highly beneficial to the company and recommend the adoption of the resolution proposed under this item. He is also directors in HSB holding Private Limited.

The Company has received notice along with requisite deposit under section 257 of the Companies Act, 1956 for appointment of Director of the Company at the ensuing Annual General Meeting.

No other Director is concerned or interested in the proposed resolution except proposed appointee.

Place : Indore
Date : 13.08.2012

By Order of the Board
For SIMRAN FARMS LIMITED

Registered Office:
1-B, Vikas Rekha Complex,
Near Tower Square,
Khatiwala Tank, Indore

HARENDER SINGH BHATIA
(Managing Director)



DIRECTOR'S REPORT

To
The Members of Simran Farms Limited

Your Directors have pleasure in presenting the 25th Annual Report of your company together with the Audited statements Accounts for the year ended on 31st March, 2012. The Financial Results of the company in the year under review are as under:

FINANCIAL AND OPERATIONAL PERFORMANCE.

	Year ended 31/3/2012	Year ended 31/03/2011
		(₹ In Lacs)
Total Income	22970.59	16602.13
Total Expenditure	22786.13	15906.38
Profit before depreciation	184.46	695.75
Depreciation	81.70	69.87
Profit/Loss after deprecation but before prior period adjustments and extra ordinary income	102.76	625.88
Add: Extra ordinary item	1.03	2.18
Add: Excess provisions W/B	0.00	1.57
Add: Prior years adjustment	0.00	(28.68)
Profit/Loss before tax	103.79	600.95
Provision for taxation:		
Income Tax	35.25	210.11
Deferred Tax Assets/Liability	0.89	(8.15)
Profit/Loss after tax	67.65	398.99
Paid up Equity Share Capital	379.17	379.17
Reserves	1380.03	1347.64

During the financial year, Company continued to grow in terms of sales turnover, however the overall profitability of the company was lower – the reasons were the cost of poultry feed was very high in the last couple of months and decrease of sale price of chicks. Further during the financial year your company has achieved good turnover but due to increase in price of feed ingredients, your Company could achieve Net profit of ₹ 67.65 Lacs in comparison to previous year's net profit of ₹ 398.99 lacs.

DIVIDEND

In spite of low profitability, your Directors are pleased to recommend a dividend of 8% on the equity shares i.e. ₹ 0.80/- per Equity Share of face value ₹ 10/- subject to Approval of the members in ensuing Annual General Meeting.

DIRECTORS:

In accordance with the provision of the Companies Act, 1956, and As per Article 115 of Article of Association of the Company, Shri Surjeet Singh Kohli, retire from the Board of Directors by rotation and being eligible offer himself for reappointment in ensuing Annual General Meeting.

STANDALONE FINANCIAL STATEMENT

The Ministry of Corporate Affairs (MCA) vide notification No.S.O.447(E) dated 28th February, 2011 amended the existing Schedule VI to the Companies Act, 1956. The Revised Schedule VI is applicable from financial year commencing from 01st April, 2011. The Financial Statements of your company for the year ended 31st March, 2012 have been prepared in accordance with the Revised Schedule VI and accordingly, the previous years figures have been reclassified/regrouped to conform to this years classification.



SUBSIDIARY COMPANY AND CONSOLIDATION OF ACCOUNTS

The Ministry of Corporate Affairs has vide its circular dated 08th February 2011, had granted general exemption to companies from attaching to their balance sheet, the accounts and other documents of their subsidiaries companies, subject to fulfill of specified conditions. In view of this general exemption and being in compliance with the conditions thereof, the accounts and other documents of the company's subsidiaries are not attached to the Annual report of the company. The consolidated financial statement of the Company, which includes the financial information of its subsidiary (i.e. Puregene Biotech Limited) are forming part of this.

The Annual accounts and financial statements of the Subsidiary company of your company and related detailed information shall be made available to members on request and are open for inspection at the Registered office of your company.

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	: ₹ Nil
Total foreign exchange earned	: ₹ Nil
Total foreign exchange used	: ₹ 326447

DIRECTOR'S RESPONSIBILITIES STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to the Director's Responsibility Statement, your directors hereby confirm:

- I) That in the preparation of the annual accounts for the financial year ended 31st March 2012; the applicable accounting standards have been followed except accounting standard 13;
- II) That they have selected such accounting policies and applied them consistently and made judgments, and estimate that are 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 they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act, for safeguarding the assets of the Company and for preventing and detecting Fraud and other irregularities.
- (IV) That they have prepared the annual accounts 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 ₹ 15.01 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 an Audit Committee Comprises of Shri Surendra Singh, CA Shri Lalit Khatri and Shri Surjit Singh.

PUBLIC DEPOSITS

Your Company has not accepted any Public deposit within the meaning of section 58A of the Companies Act 1956, read with the Companies (Acceptance of Deposit) Rules, 1975

CORPORATE GOVERNANCE:

A separate section titled "Corporate Governance" including a certificate from the Auditors of the Company confirming compliance of the conditions of the Corporate Governance as stipulated under clause 49 of the Listing Agreement and



also the Management Discussion and Analysis Report and CEO certification are annexed hereto and form part of the report.

PARTICULARS OF EMPLOYEES

The Company did not have any employee, during the year drawing remuneration attracting the provision of section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rule 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.

HUMAN RESOURCES DEVELOPMENT

Your Company believes that nurturing and development of human capital is of key importance for its operations, The HR policies and procedures of your Company are geared up towards this objective. In totality our employees have shown a high degree of maturity and responsibility in responding to the changing environment, economic and the market condition.

SECRETARIAL COMPLIANCE CERTIFICATE

A Secretarial Compliance Certificate is obtained from Practicing Company Secretary in terms of provisions of section 383A(1) of the Companies Act, 1956. Further, In terms of Section 219(1) (b) (IV) of the act, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. The Annexure is available for inspection by Members at the registered office of the Company during business hours on working days up to the date of the ensuing AGM, and if any Member is interested in obtaining a copy thereof such Member may write to the company whereupon a copy would be sent.

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. The code of conduct has posted on website of the company i.e www.simranfarms.com

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.

INSURANCE

The Company's assets are adequately insured against the loss of fire and other risk, as considered necessary by the Management from time to time. The Company has also taken insurance cover for any claims /losses arising out of its core business of security broking.

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.

For and behalf of the Board

Date : 30.05.2012

Place : Indore

H.S. Bhatia
Managing Director

G.S. Bhatia
Director



MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE FORMING PART OF THE ANNUAL REPORT FOR THE YEAR ENDED ON 31 MARCH 2012

ECONOMIC SCENARIO

The year under review was challenging on many fronts. Inflationary pressures continued unabated and the depreciation of Indian rupee added to input costs. Liquidity conditions were tight with persistent hardening of interest rates. From the economy perspective, the year saw a mixed scenario of growth. The Indian economy growth is estimated at 6.9% in 2011-2012 compared with 8.4% in the preceding two years on account of a weakening global economy, lower industrial growth and reforms slowdown. In India, the slowdown is likely to extend even as the World Bank has projected GDP growth at 7-7.5% in 2012-2013.

INDUSTRY STRUCTURE

Indian Poultry Industry is one of the fastest growing segments of the agricultural sector today in India. As the production of agricultural crops has been rising at a rate of 1.5 to 2% per annum while the production of eggs and broilers has been rising at a rate of 15% to 20% per annum. Today India is world's third largest egg producer and the six largest producers of broilers. Driving this kind of expansion the contributing factors are - growth in per capita income, a growing urban population and falling poultry prices.

Poultry meat is the fastest growing component of global meat production, consumption, and trade, with developing and transition economies playing a leading role in the expansion. In addition to providing opportunities to increase poultry exports, rising poultry production spurs growth in global import demand for feeds and other inputs and in investment opportunities in these sectors. India, the world's second largest developing economy, now has a large and rapidly expanding poultry sector. Expansion in India is being driven by rising incomes and a shift in industry structure toward integrated ownership and coordination of the input, production, and marketing operations involved in poultry production (vertical integration). These factors, in addition to government policies affecting feed supply levels, will help shape future growth in the poultry industry in India, as well as in emerging trade and investment opportunities.

OPPORTUNITIES & STRENGTH

Several breakthroughs in poultry science and technology have led to the development of genetically superior breeds capable of higher production, even under adverse climatic conditions that offer opportunities for overseas entrepreneurs to expand export and import of poultry products on a large scale.

Strong income growth and urbanization are expected to change the composition of the food basket in India. With this growth, non-grain crops and animal product consumption will increase. This shift to protein is likely to drive up per capita egg and poultry meat consumption. Increased urbanization will also lead to lower availability of agricultural land, resulting in greater interest in animal farming.

The market research report "**Vision for Indian Poultry Industry: Current Scenario and Future Prospects**" predicts a relatively strong growth for the egg and poultry meat industry, in both the urban and rural areas, in the next two decades. It has been found that egg consumption has grown at a much faster pace, than the consumption of poultry meat. With the continual rise in income, it is estimated to nearly triple by 2020.

Some 60-65 percent of broiler production is integrated, and this figure continues to rise. Integrators take full responsibility for supply day-old chicks, feed, medicines, vaccines, and supervision. As well as supplying direct inputs, the integrated model has also resulted in an improvement in farmers' skills and the adoption of new technology and better management practices, resulting in higher productivity levels and lower production costs. Price risk has also shifted away from farmers to integrators and farmers are assured considerable earnings.

RISK

Maize and soya are the most widely used ingredients and any price movement has major effects on the production costs of eggs and broiler meat. Average wholesale prices have increased by 11 percent and 12 percent compound annual growth rate for maize and soya, respectively, over the last five years.

Diseases, especially emerging and re-emerging diseases, are the most common threat. Outbreaks of communicable diseases, such as avian influenza, not only harm the existing flock, but hold back development. While there has been progress in the organized sector, 30 percent of production remains in the unorganized sector, where proper bio-security measures are not maintained. Any outbreak in the unorganized sector can have an impact on the industry as a whole.

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

**OUTLOOK**

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. However, the fast increase in cost of poultry feed prices may impact the profitability of the company.

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

Statement in the management discussion analysis describes the company objective expectation or predictions are forward looking within the meaning of the applicable law and Regulation. Actual may differ from those expressed or implied depending on the various factors.

REPORT ON CORPORATE GOVERNANCE

A report of the financial year ended 31st march, 2012 on the compliance by the company with the corporate governance requirement under clause 49 of the Listing agreement, is furnished below:

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. Good corporate governance leads to long term shareholders value and enhances interest of all stakeholders. It brings into focus the fiduciary and trusteeship role of the Board of align and direct the actions of the organization towards creating wealth and shareholder value.

The company's essential character is shaped by the value of transparency, customer satisfaction, integrity, professionalism and accountability. The Company continuously endeavors to improve on these aspects. The Board views corporate governance in its widest sense. The main objective is to create and adhere to corporate culture of integrity and consciousness, transparency and openness. Corporate governance is a journey for constantly improving sustainable value creation and is an upward moving target. The Company's philosophy on corporate governance is guided by the company's philosophy of knowledge, action and care.

A. BOARD OF DIRECTORS

- (i) The Company's policy is to maintain an optimum combination of Executive and non Executive Independent directors. The Composition of your Company's Board, which comprises of six directors, is given in the table below and is in conformity with clause 49 of the listing agreement and with stock exchange.

As will be seen from the following table, none of the directors hold directorship in more than 15 public limited company, nor is any of them a member of more than ten committees of the prescribed nature or holds chairmanship of more than five such committee across all public limited companies in which they are directors. The Board does not have any nominee director representing any institution.

The last Annual General meeting was held on 22nd September 2011.



Name of Director	Category	No. of Board Meetings Attended	Other Directorship		Committee Position		Whether attended last AGM held on 22.09.2011
			Chairman	Member	Chairman	Member	
Mr. Harender Singh Bhatia	MD	9	NIL	1	NIL	NIL	Yes
Mr. Gurdeep Singh Bhatia	NED	4	NIL	NIL	NIL	NIL	No
Mr. Kawaljeet Singh Bhatia	ED	9	NIL	1	NIL	NIL	Yes
Mr. Surendra Singh	ID	4	NIL	NIL	NIL	3	Yes
Mr. Surjit Singh Kohli	ID	4	NIL	1	NIL	3	No
CA Lalit Khatri	ID	6	NIL	1	3	3	Yes

MD = Managing Director, NED = Non Executive Director, ED = Executive Director, ID = Independent Director,

Note: This includes directorship in public limited companies and subsidiary of public limited companies and excludes directorship in private Limited companies, overseas companies, companies under section 25 of the Companies Act, 1956 and alternate directorship.

During the year 2011-12 the Board met 09 (Nine) times on the following dates, namely:

12/05/2011	26/05/2011	25/07/2011	11/08/2011
12/09/2011	12/11/2011	14/01/2012	14/02/2012
20/03/2012			

ii) Inter-se relationship among directors

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

iii) Role of Independent Director

Independent Directors play a key role in the decision making process of the Board and in shaping various strategic initiatives of the Company. The Independent directors are committed to act in what they believe to be in the best interest of the Company and its stakeholders. The independent Directors are professionals, with expertise and experience in general corporate management, public policy, finance , financial services and other allied fields. The Company benefits immensely from their inputs in achieving its strategic direction.

iv) Shareholding of Non-executive Director

The Number of equity shares held by Non-Executive Directors as on 31.3.2012 were as under:

Name of Director	No. of shares
Mr.Gurdeep Singh Bhatia	78300
Mr.Surendra Singh	2867
Mr.Surjit Singh Kohli	1700
CA Lalit Khatri	NIL



B. Board Procedure

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

Committees of the board

(i) Audit Committee (Mandatory Committee)

The Company has constituted a qualified and independent Audit committee under section 292A of the Companies Act, 1956 read with clause 49 of the listing agreement. All the members of the committee, including committee chairman are independent director. All the members of the committee are financial literate.

(ii) Meeting and Composition

The Composition of Audit Committee as on 31.3.2012 and attendance record of the members at the meetings held during the year was as under:

Name of the Member	Category	Status	No. of meetings attended	
			Held during tenure	Attended
CA. Lalit Khatri	Non executive Independent Director	Chairman	4	4
Mr. Surendra Singh	Non executive Independent Director	Member	4	4
Mr. Surjeet Singh Kohli	Non executive Independent Director	Member	4	4

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

26/05/2011	11/08/2011	12/11/2011	14/02/2012
------------	------------	------------	------------

As mandated by clause 49 of the Listing agreement

- The representative of statutory and internal auditors of the company are also invited in the audit committee meetings.
- The gap between two audit committee meetings was not more than four months.

Terms of reference of the Audit Committee

The terms of reference of Audit Committee are as under:

- 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 for approval, with particular reference to:
 - Matters required to be included in the Directors responsibility statement to be included in the boards report as per Section 217(2AA) of the Companies Act, 1956.
 - Changes in the Accounting policies and practices and the reasons for the same, major accounting entries and significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report if any.



- 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 management discussion and analysis of the financial conditions and results of operations.
- Reviewing with the management and the statutory auditors anticipated changes in the Accounting Standards.
- Reviewing the Company's financial and risk management policies;
- Undertake such other functions as may be entrusted to it by the Board from time to time.

(II) Shareholder /Investors Grievance Committee

Pursuant to clause 49 of the listing agreement, the Company has constituted a Board Committee designated as shareholder's/investor's Grievance Committee under the Chairmanship of Non Executive independent director to specifically look in the redressal of shareholder's/investor's complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividend and other ancillary matters. Shri. Herender Singh Bhatia is the compliance Officer of the company.

(i) Meeting and Composition

The Composition of Committee as on 31.3.2012 and attendance record of the members at the meetings held during the year was as under:

Name of the Member	Category	Status	No. of meetings attended	
			Held during tenure	Attended
CA. Lalit Khatri	Non executive Independent Director	Chairman	4	4
Mr. Surendra Singh	Non executive Independent Director	Member	4	4
Mr. Surjeet Singh Kohli	Non executive Independent Director	Member	4	4

The committee met four times during the year under review.

26/05/2011	11/08/2011	12/11/2011	14/02/2012
------------	------------	------------	------------

- During the year under review complaints 44 (Forty Four) were received from shareholders and the same were resolved to the satisfaction of the shareholder and there were no complaints pending unresolved as at the end of the year.
- Share transfer in physical form are registered by the Registrar and returned to respective Transferee / person within a period ranging from one to two weeks provided the documents lodged with Registrar /Company are clear in all respects.

(III) Remuneration Committee (Non mandatory Committee)

The Company has constituted a remuneration committee under Schedule XIII to the Companies Act, 1956 read with clause 49 of the listing agreement. All the members of the committee are Non Executive independent directors.



a) Terms of reference

The terms of reference of remuneration committee is to deal with, decide and recommended to the Board of the Directors on all matters relating to appointment and remuneration to managing director and whole time director.

b) Meeting and Composition

The composition of committee as on 31.3.2012 and attendance record of the members at the meeting held during the year are as under:

Name of the Member	Category	Status	No. of meetings attended	
			Held during tenure	Attended
CA. Lalit Khatri	Non executive Independent Director	Chairman	1	1
Mr. Surendra Singh	Non executive Independent Director	Member	1	1
Mr. Surjeet Singh Kohli	Non executive Independent Director	Member	1	1

c) Remuneration policy Executive Directors

The remuneration of executive directors is reviewed by the remuneration committee and thereafter recommended to the Board of the directors of the Company for subject to approval of the members at general meeting and such other authorities as may be required. While recommending remuneration, the committee considers various factors such as practices prevalent in the industry for the time being, qualification, expertise of the appointee and financial position of the company.

d) Remuneration of directors

Remuneration paid or payable to Directors during the year 2011-2012.

Name of Director	Sitting Fees	Commission on Profit	Salary & Allowance	Contribution to PF	Perquisites	Total
Mr. Harender Singh Bhatia	---	---	3000000	---	---	3000000
Mr.Kawaljeet Singh Bhatia	---	---	2400000	---	---	2400000

- No sitting Fees was paid to any Director of the Company during the financial year
- The company does not have any service contract with any of its directors.
- The company has not granted any stock option to any of its director/employees.
- During the year the committee met on one occasions during 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.

**Compliance with Mandatory / Non Mandatory requirements.**

- The Company has complied with all the applicable mandatory requirement of clause 49 of the listing agreement.
- The Company has also adopted the non mandatory requirement as specified in Annexure 1D to clause 49 of the listing agreement regarding constitution of remuneration committee, the details of which already been provided in this report.

SUBSIDIARY COMPANY

Simran Farms Limited has One subsidiary company viz. M/s Puregene Biotech Limited, and Mr. Herender Singh Bhatia and Mr. Kawaljeet Singh Bhatia are also Directors in subsidiary company. As required under new clause 49 the Company has adopted a practice of placing the minutes and statements of all the significant transactions of unlisted subsidiary company in the meeting of Board of Directors of Simran Farms Limited. The Audit Committee of the Company regularly reviews the financials of the subsidiary Company M/s Puregene Biotech Limited.

DISCLOSURES

- A. There were no material transactions of the Company with its promoters, directors, and management on their relatives that may have 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. The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and in conformity, in all respects, with the generally accepted accounting principles and standards in India. The estimates/judgments made in preparation of these financial statements are consistent, reasonable and on prudent basis so as to reflect true and fair view of the state of affairs and results/operations of the Company
- D. The Company has well defined management policies to manage the risk inherent in the various aspects of business. The Board is regularly informed about the business risks and the steps taken to mitigate the same.
- E. 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.
- F. During the year under review Company has not issued any type of securities. No GDR/ADR issued by the Company.
- G. The company has established a mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- H. As per clause 5A(II) of the listing agreement there is no unclaimed shares in the company.

SHAREHOLDER'S INFORMATION**Means of Communication**

Presently, the quarterly/half yearly financial result are not sent individually to the shareholders. However as required under the listing agreement, the same are published in the Free Press Journal (English) and Chountha Sansar (Hindi).

The Company's website www.simranfarms.com contains information on the Company and its performance. Presentations to analysts, as and when made, are immediately put on the website for the benefit of the shareholders and the public at large. The secretarial department's mail is simrangroup@sancharnet.in

General body meetings

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



Meeting	Date	Time	Venue
24th	22nd September 2011	10.00 a.m	Pishori Premises, 910 Khatiwala Tank, Tower Square, Indore.
23rd	23rd September 2010	10.00 a.m	Gymnasium Hall, Behind Sindoor Marriage Hall, Bhanwarkuan Road, Indore.
22nd	24th September 2009	10.00 a.m	Gymnasium Hall, Behind Sindoor Marriage Hall, Bhanwarkuan Road, Indore.

POSTAL BALLOT & SPECIAL RESOLUTION :

No resolutions were passed by postal ballot in last three years.

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

Following special resolutions were passed in last three Annual General meeting by way of show of hands:

- Increase in the remuneration of Shri Harender Singh Bhatia, Managing Director and Shri Kawaljeet Singh Bhatia, whole time Director in the annual general meeting held on 23.09.2010.
- Increase in the remuneration of Shri Harender Singh Bhatia, Managing Director & Shri Kawaljeet Singh Bhatia, whole time Director and appointment of Mr. Gurmeet Singh Bhatia as vice president of company pursuant to the provisions of Section 314(1B) in the annual general meeting held on 22.09.2011.

General shareholder information

- **Registered office of the Company:**
1-B, Vikas Rekha Complex, Khatiwala Tank, Indore (M.P.)
- **Forthcoming Annual General Meeting:**
Date & time of meeting: 27th September, 2012 – 10.00 a.m. (Thursday)
Venue of the meeting: Pishori Premises, 910, Khatiwala Tank, Tower Square Indore
Last date for receipt of proxy forms: 25th September, 2012

Financial Calendar:	1st April to 31st March
Annual General Meeting	27th September, 2012
Results for the quarter ended	
1st Quarter ending 30th June, 2012 (First quarter)	Before 14th Aug. 2012
2nd Quarter ending 30th Sept, 2012(Second quarter)	Before 14th Nov. 2012
3rd Quarter ending 31st Dec, 2012 (Third quarter)	Before 14th Feb. 2013
4th Quarter ending 31st Mar, 2013 (Fourth quarter and Annual)	Before 14th May 2013

- **Book Closure:**
The book closure period is from Saturday 22nd September, 2012 to Thursday 27th September, 2012 (both days inclusive) to determine the members entitled to dividend.
- **Dividend Payment:**
Dividend, if any, declared in the forthcoming Annual general Meeting will be paid between 28th September to 04th October, 2012.
- **Transfer Unpaid/Unclaimed amount Dividend to Investor Education and Protection fund:**
Those members who have so far not encashed their dividend warrants for the financial years 2010-2011, may claim or approach the company for payment thereof as the same will be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government, pursuant to section 205 C of



the Companies Act, 1956 after seven years from the date of their declaration. Intimation in this regard is being given to the concerned shareholder for encased their dividend warrants as soon as possible. Kindly note due that for encase dividend warrant after that the members will lose their right to claim such dividend.

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

- **Listing on Stock Exchange**

The Company's equity shares are listed on "The Bombay Stock Exchange Ltd, Mumbai". The Company has paid listing fees for the Financial year 2012-2013.

The stock code is as under:

- | Name of the Stock Exchange | Stock Code |
|-------------------------------|------------|
| Bombay Stock Exchange, Mumbai | 519566 |

The ISIN Number of Simran Farms Limited on both NSDL and the CSDL is INE 354D01017.

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.

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 management personnel have affirmed compliance with the Code of Conduct. The Code of conduct is posted on the website of the Company i.e www.simranfarms.com.

Code for prevention of Insider trading practices.

In Compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1997, as amended till date on prohibition of insider trading, the Company has a comprehensive code of conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences on non-compliance thereof.

CEO/CFO Certification

The CEO/CFO certification of the financial statements and the cash flow statement for the year is obtained and was placed before the Board.

Auditors Certificate on corporate governance

As required under clause 49 of the listing agreement, the company has obtained certificate from statutory auditors regarding compliance of conditions of corporate governance. The same is annexure to this report.

- **Market Price Data:**

April, 2011 to March, 2012 at BSE

Month	Apr.	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
High	44.30	35.95	36.55	33.90	32.95	28.90	34.00	33.50	28.35	23.30	27.70	27.20
Low	30.05	25.00	27.60	29.10	21.00	23.70	25.35	20.85	15.20	16.50	19.65	20.50



• **SHARE HOLDING PATTERN AS AT 31ST MARCH 2012**
[SHAREHOLDING PATTERN]

Category	No. Of Share held	Percentage of Shareholding
A Promoters Holding		
1. Promoters Indian Promoters:		
Foreign Promoters:	1377300	36.32
2. Persons acting in concert		
Sub Total	1377300	36.32
B. Non-Promoters Holding	-	-
1. Institutional Investors	-	-
2. Mutual Funds and UTI	-	-
3. Banks, Financial Institutions, Insurance Companies [Central/State Govt. Institutions, Non- Government Institutions]	2100	0.06
4. FIs	-	-
5. Sub-Total	2100	0.06
6. Others	-	-
Private Corporate Bodies	183982	4.85
7. Individuals	-	-
Holding up to ₹ 1.00 lacs	1612987	42.54
Holding excess ₹ 1.00 lacs	470521	12.41
8. NRIs/OCBs	141105	3.72
9. Any other [Clearing member]	3705	0.10
Sub-Total	2412300	63.62
Grand Total	3791700	100.00

• **Distribution of Shareholding by size as on 31st March 2012:**

Range of no. of Shares	Shareholder		Share Amount	
	Number	% of Total	In Rupees	% of Total
(1)	(2)	(3)	(4)	(5)
Less than – 5000	6402	91.84	9362720	24.70
5001 – 10000	271	3.89	2171280	5.73
10001 – 20000	150	2.15	2265290	5.97
20001 – 30000	43	0.62	1117170	2.95
30001 – 40000	21	0.30	762730	2.01
40001 – 50000	18	0.26	830460	2.19
50001 – 100000	34	0.49	2527220	6.67
100001 and above	31	0.44	18880130	49.79
Total	6970	100.00	37917000	100.00



- **Shares held in Physical and Dematerialization form:**
As on 31st March 2012, 75.46% of shares were held in dematerialized form and rest 24.54% in physical form.
- **Outstanding GDRs / ADRs / Warrants or convertible instruments**
Not Applicable
- **Address for Correspondence**
Registrars and Share Transfer Agents
Ankit Consultancy Pvt. Ltd.
60, Electronics Complex
Pardeshipura
Indore - 452010. (M.P.)
Ph.0731-3198601-602 Fax: 0731-4065798
- **Administrative Office of the Company (For general assistance)**
1-B, Vikas Rekha Complex, Tower Square, Khatiwala Tank, Indore 452001

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

This is to confirm that the Company has adopted a code of conduct for the Board of Directors and Senior Management of the Company. The same is available on website of the Company as www.simranfarms.com

As Managing Director of the Simran Farms Limited and as required by clause 49 (1) (D) (ii) of the Listing Agreement of the Stock Exchange in India, I hereby declare that all the Board Members and senior Management personnel of the Company have affirmed compliance with the code of Conduct for financial year 2011-2012.

Place : Indore
Date : 30.05.2012

Harender Singh Bhatia
Managing Director



CEO CERTIFICATION

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

- a. I have reviewed financial statements and the cash flow statement for the year ended on 31/03/2012 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.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which 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.

Place: Indore
Date: 30.05.2012

For **SIMRAN FARMS LIMITED**

HARENDER SINGH BHATIA
Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

We have examined to the compliance of conditions of Corporate Governance by Simran Farms Limited, for the year ended 31st March, 2012, as stipulated in the clause 49 of the Listing agreement entered into by the company with the Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2012, the Registrars of the Company have certified that as at 31st March, 2012, there were no investor grievances remaining unattended/pending for more than 30 days.

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

For **Khandelwal Kakani & Company**
Chartered Accountants

Place : Indore
Date: 30.05.2012

SANTOSH DESHMUKH
(Partner)
Membership No. 071011

**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, 2012 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 ₹ 15.01 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, 2012 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, 2012 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 : 30.05.2012

For KHANDELWAL KAKANI &Co.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER
M.No. 071011



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, 2012

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. The cost accounting records pursuant to Companies (cost accounting records) Rules, 2011 prescribed by Central Government under section 209(1)(d) of the Companies Act, 1956 are maintained by the company. However we have not made a detailed examination of the records with a view to determine its accuracy. Based on our view we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
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 Debenture holders 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 : 30.05.2012

For KHANDELWAL KAKANI & Co.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER
M.No. 071011

**BALANCE SHEET AS AT 31st MARCH, 2012**

(₹ in Lakhs)

Particulars	Note	31st March, 2012	31st March, 2011
A EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	1	379.17	379.17
(b) Reserves and surplus	2	1380.03	1347.64
		<u>1759.20</u>	<u>1726.81</u>
2. Non-current Liabilities			
(a) Long term borrowings	3	16.51	11.42
(b) Deferred tax liabilities (net)	4	102.45	101.56
(c) Long-term provisions	5	63.95	48.21
		<u>182.91</u>	<u>161.19</u>
3. Current Liabilities			
(a) Trade payables	6	2732.94	1422.70
(b) Other current liabilities	7	208.72	118.67
(c) Short-term provisions	8	212.84	350.80
		<u>3154.50</u>	<u>1892.17</u>
		<u>5096.61</u>	<u>3780.17</u>
B ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	1051.10	862.74
(ii) Capital work-in-progress		0.00	86.83
(b) Non current investments	10	131.54	131.54
(c) Long term loans and advances	11	60.95	61.74
		<u>1243.59</u>	<u>1142.85</u>
2. Current assets			
(a) Inventories	12	2863.94	1650.03
(b) Trade receivables	13	751.77	597.33
(c) Cash and bank balances	14	68.33	94.18
(d) Short-term loans and advances	15	168.98	295.78
		<u>3853.02</u>	<u>2637.32</u>
		<u>5096.61</u>	<u>3780.17</u>

See accompanying notes forming part of the Accounts

In terms of our report attached.

FOR KHANDELWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
MANAGING DIRECTOR

G.S. BHATIA
DIRECTOR

Place : Indore
Date : 30th May 2012



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012

(₹ in Lakhs except EPS)

Particulars	Note	31st March, 2012	31st March, 2011
Revenue from operation Sales (Net)		22794.01	16473.60
Other income	16	176.58	128.53
Total revenue		22970.59	16602.13
Expenses			
(a) Cost of materials consumed	17	19958.75	13976.60
(b) Farm expenses	18	1644.27	1201.12
(c) Administrative expenses	19	263.17	160.67
(d) Selling & distribution expenses	20	386.13	94.30
(e) Employee benefits expense	21	508.08	452.67
(f) Finance costs	22	25.73	21.02
(g) Depreciation	9	81.70	69.87
Total expenses		22867.83	15976.25
Profit / (Loss) before exceptional and extraordinary items		102.76	625.88
Exceptional items		0.00	0.00
Profit / (Loss) before extraordinary items		102.76	625.88
Extraordinary items		1.03	2.18
Excess provision written back		0.00	1.57
Less:- Prior year adjustment		0.00	28.68
Profit / (Loss) before tax		103.79	600.95
Tax expense:			
(a) Current tax expense for current year		35.25	210.11
(b) Deferred tax	4	0.89	(8.15)
Profit / (Loss) for the year		67.65	398.99
Earnings per share (of Rs. 10/- each)			
Basic and diluted		1.78	10.52
Earnings per share (excluding extraordinary items) (of Rs. 10/- each)			
Basic and diluted		1.76	10.47
See accompanying notes forming part of the accounts			

In terms of our report attached.

FOR KHANDELWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
MANAGING DIRECTOR

G.S. BHATIA
DIRECTOR

Place : Indore
Date : 30th May 2012



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

(₹ in Lakhs)

Particulars	As at			
	31st March, 2012	31st March, 2011		
1. Share Capital				
(a) Authorised 60,00,000 Equity shares of ₹ 10/- each	600.00	600.00		
(b) Issued Subscribe and Paid Up 37,91,700 Equity Shares of ₹ 10/- each	379.17	379.17		
Note: Out of above 2.00 Lakhs Equity Shares are allotted as fully paid by way of Bonus Shares in the year 1993-94				
Name of Shareholder	31st March, 2012		31st March, 2011	
	No. of Shares	% Held	No. of Shares	% Held
Harender Singh Bhatia (HUF)	251700	6.64%	251700	6.64%
Amarjee Singh Bhatia (HUF)	195800	5.16%	195800	5.16%
Porinju V Veliyath	196526	5.18%	123000	3.24%
2. Reserve and Surplus				
a. General Reserves				
As per Last Balance Sheet	217.18		217.18	
b. Securities Premium Account				
As per Last Balance Sheet	169.59		169.59	
c. Utilised Investment Allo. Reserve				
As per Last Balance Sheet	0.54		0.54	
c. Surplus				
Opening balance	960.33		605.56	
(+) Net Profit/(Net Loss) For the current year	67.65		398.99	
(-) Proposed Dividends	30.33		37.92	
(-) Tax on Dividend	4.93		6.30	
Closing Balance	992.72		960.33	
Total	1380.03		1347.64	
3. Long term borrowings				
Secured				
from banks				
Vehicle Loans (First Charge on Trucks and Cars matured in 1-2 years)	16.51		11.42	
	16.51		11.42	
4. Deferred tax liabilities				
(a) Deferred tax liabilities on account of:				
(i) Depreciation	17.44		12.02	
(ii) Profit on sale of Car	1.03		0.00	
(b) Deferred tax Asset on account of:				
(i) Others (Disallowance u/s 43B & 40(a))	15.74		35.99	

Note: During the year there is a creation of Deferred Tax Liability amounting to ₹ 5.99 lakhs and creation of Deferred Tax Asset amounting to ₹ 5.10 lakhs which has been recorded in the Profit & Loss A/c.



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

(₹ in Lakhs)

Particulars	As at	
	31st March, 2012	31st March, 2011
5. Long term provisions		
(a) Provision for employee benefits		
Gratuity (funded)	25.39	20.54
Leave Encashment (unfunded)	26.35	15.46
(b) Others		
Income tax payable	12.21	12.21
	63.95	48.21
6. Trade Payables	2732.94	1422.70
	2732.94	1422.70
All Balances of Sundry Creditors are subject to confirmation.		
7. Other current liabilities		
Punjab & Sindh Bank	146.52	70.68
ICICI Bank Ltd.	20.21	0.00
Advances from Customers	18.26	24.60
Rearing Charges	23.73	23.39
	208.72	118.67
8. Short term provisions		
(a) Provision for employee benefits		
Salary payable	31.46	24.73
Bonus payable	10.39	9.09
Contribution to PF (Employees)	1.93	1.44
(b) Provisions Others		
Service Tax payable	0.92	0.34
Professional Tax (Staff)	0.66	0.50
Dividend Distribution Tax Payable	4.93	6.30
Dividend Payable	30.33	37.92
Income Tax Payable	35.25	210.11
TDS Payable	8.20	3.68
(c) Others Payable	88.77	56.69
	212.84	350.80

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

Note 9

(₹ in Lakhs)

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at April 1, 2011	Additions During the Year	Sales/ Deduction	Balance as at 31st March 2012	Balance at as at 31st March 2011	Depreciation for the Year	Deduction during the year	Balance as at 31st March 2012	Balance as at 31st March 2011	Balance as at 31st March 2012
Tangible Assets										
Land	28.76	0.00		28.76	0.00	0.00		0.00	28.76	28.76
Tubewell & Land Development	34.49	2.38		36.87	4.47	0.57		5.04	30.02	31.83
Buildings (Factory)	429.78	110.80		540.58	177.53	17.07		194.60	252.25	345.98
Buildings (Office & Staff)	40.10	21.90		62.00	6.53	0.92		7.45	33.57	54.55
Poultry Equipment	634.39	49.41		683.80	250.43	31.25		281.68	383.96	402.12
Office equipment	25.43	12.48		37.91	13.81	5.31		19.12	11.62	18.79
Computer Equipment	38.18	5.37		43.55	28.99	6.54		35.53	9.19	8.02
Furniture and Fixtures	47.39	8.02		55.41	28.61	3.24		31.85	18.78	23.56
Electrical Installation	58.11	6.90		65.01	32.78	4.26		37.04	25.33	27.97
Cycle	0.10	0.00		0.10	0.02	0.01		0.03	0.08	0.07
Motor Car	58.29	26.96		85.25	12.14	6.02		18.16	46.15	67.09
Eicher Trucks	31.40	23.73	2.20	52.93	8.45	5.95	0.20	14.20	22.95	38.73
Vehicles	4.32	4.11		8.43	4.24	0.56		4.80	0.08	3.63
Total	1430.74	272.06	2.20	1700.60	568.00	81.70	0.20	649.50	862.74	1051.10
Previous Year	1282.46	197.53	49.25	1430.74	533.61	69.87	35.49	568.00	748.84	862.74





NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

(₹ in Lakhs)

Particulars	As at	
	31st March, 2012	31st March, 2011
10. Non Current investment (Unquoted)		
Simran Hatcheries Private Limited	11.89	11.89
Puregene Biotech Limited (subsidiaries)	119.65	119.65
	131.54	131.54
11. Long term loans and advances (Unsecured Considered goods)		
Security deposits	44.60	44.96
MPEB Deposit	12.57	14.93
Others Deposits	3.78	1.85
	60.95	61.74
12. Inventories		
(a) Raw materials		
a) Parent Birds	416.50	449.53
b) Feed & Medicines	1382.08	680.61
c) Commercial Chicks	1004.91	475.90
d) Hatching Eggs	60.45	43.99
	2863.94	1650.03
13. Trade receivables (Unsecured considered goods)		
Over six months	676.76	511.97
Others	75.01	85.36
	751.77	597.33
All Balances of Sundry Debtors are subject to confirmation.		
14. Cash and bank balances		
(a) Cash on hand	55.89	41.49
(b) Balances with banks		
(i) In current accounts		
Bank of Baroda, Chikli	1.47	2.67
Axis Bank Ltd.	10.39	0.00
ICICI Bank, Indore	0.00	49.52
(ii) In fixed deposits		
Fixed deposit with BOB Chikhli	0.48	0.40
Fixed deposit with PSB	0.10	0.10
	68.33	94.18
15. Short term loan and advances (Unsecured Considered goods)		
advances to employees	2.23	2.74
Advance income tax	30.00	165.00
Prepaid expenses	4.05	1.68
Advances recoverable in cash or in kind or for value to be received	132.70	126.36
	168.98	295.78



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

(₹ in Lakhs)

Particulars	As at	
	31st March, 2012	31st March, 2011
16. Other Income		
Miscellaneous receipts	0.00	0.08
Hire charges	0.00	2.40
Rearing charges (Income)	174.43	125.16
Interest received MPEB	1.17	0.38
Insurance claim received	0.98	0.51
	176.58	128.53
17. Cost of material consumed		
Opening Stock	1650.03	1310.85
Add:- Purchases		
Feed & Medicines	17033.15	11367.95
Store, Spares & Consumable	302.99	227.13
Parent Birds	205.25	214.92
Packing Material	44.67	38.72
Carriage Inward	434.59	366.87
Godown rent	4.44	3.80
Chicks	2855.08	2015.74
Hatching Eggs	260.27	45.82
Cull Bird	32.22	34.83
	22822.69	15626.63
Less:- Closing Stock	2863.94	1650.03
Cost of material consumed	19958.75	13976.60
18. Farm expenses		
Expenses at Farm	69.74	46.71
Power & Energy	110.04	87.62
Fuel Consumption	49.89	79.83
Light & Water Charges	26.81	55.92
Farm Rent	82.49	63.46
Lease Rent	77.36	73.21
Rearing Charges Expenses	1204.60	791.42
Hatchery Expenses	0.91	0.00
Hatching Exp.	19.56	2.95
Hatcheries Rent	2.88	0.00
	1644.27	1201.12



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

(₹ in Lakhs)

Particulars	As at	
	31st March, 2012	31st March, 2011
19 Administrative expenses		
General Office Expenses	122.21	71.47
Travelling & Conveyance	121.57	75.39
Certification & consultancy fees to auditors	0.58	0.41
Audit Fees	1.65	1.65
Legal & Professional Expenses	8.94	4.38
Registration & Licence Fees	0.00	0.33
Foreign Tour Exp	5.64	2.35
Penalty & Fines	0.00	0.09
Entry Tax after Assessment	1.48	2.16
Service Tax Exp.	0.30	1.44
Software Development Charges	0.80	0.99
	263.17	160.67
20 Selling and distribution Exp.		
Forwarding Expenses	354.23	67.33
Advertisement & Publicity	0.93	0.84
Vehicle Repair & Maintenance	17.59	16.31
Technical Seminar & Conference	0.00	0.76
Sales Promotion Expenses	13.37	9.05
Commission on Sales	0.01	0.01
	386.13	94.30
21 Employee benefits expense		
Salary wages & Bonus	363.81	375.85
Remuneration to directors	54.00	36.00
Remuneration to vice president	15.00	6.00
Contribution to Provident Fund	21.43	17.19
Performance incentive	1.14	0.34
Staff welfare	1.26	0.36
Gratuity	10.90	6.25
Leave Encashment	10.89	7.76
Stipend	29.02	2.32
House rent allowance	0.63	0.60
	508.08	452.67
22 Finance cost		
Bank Charges & Commission	12.82	11.96
Interest	7.45	2.14
Interest on Late Payment	5.46	6.92
	25.73	21.02



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

23. 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 ₹67.64 lacs by 3791700 equity shares (Face Value of ₹10/- each)

24. Related parties disclosures :

1. Relationship

(a) Subsidiary Companies

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

(b) Key Management Personnel:

Mr. Harendar Singh Bhatia
(Managing Director)
Mr. Gurdeep Singh Bhati
(Director)
Mr. Kanwaljeet Singh Bhatia
(Whole Time Director)
Gurmeet Singh Bhatia
(Vice President)

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

Mrs. Amarjeet Kaur Bhatia
Mr. Amarjeet Singh Bhatia (HUF)
Mr. Kawaljeet Singh Bhatia (HUF)
Mr. Sumeet Singh Bhatia
Simran Feed (P) Ltd.
Simran Poultry
Singh Poultry
Simran Hatcheries
Simran Hatcheries (P) Ltd.
Early Bird Hatcheries
Simfa Labs Pvt. Ltd.
Simran Foods Pvt. Ltd
Singh Hatcheries
Mr. Avneet Singh Bhatia
Mrs. Simrath Kaur Bhatia
Mrs. Kawaljeet Kaur Bhatia

Note: 1. 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	Referred in 1 (a) above	Referred in 1 (b) above	(₹ in lacs)
			Referred in 1 (c) above
Purchase			4390.82
Sales			3154.52
Director Remuneration		54.00	
Vice President Remuneration		15.00	
Rearing Charges	45.00		
Sales Manager's Salary			4.20
Office Rent			3.60
Tractor Ren			0.96
Lease Rent:-			
Plant & Machinery			4.20
Land & Building	9.00		50.40
Telephone Charges			12.60
Auto Hire Expenses			0.72
Payable		1.00	456.02
Receivable	21.86	2.29	256.38
25. Payment to Auditors		2011-12	2010-11
(i) As Auditors		1.66	1.66
(ii) As per Certification		0.58	0.41



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

26. Details of Products manufactured for Sales, Turnover, Stocks and Raw Materials consumed etc.

PRODUCTS	OPENING STOCK		PROD & PURCHASES		USED FOR PROD.	TURNOVER		CLOSING STOCK	
	QTY NOS.	VALUE ₹ ('000)	QTY NOS.	VALUE ₹ ('000)		QTY NOS.	VALUE ₹ ('000)	QTY NOS.	VALUE ₹ ('000)
HATCHING EGGS	310219 (143259)	4388.25 (1432.59)	26981131 (21481222)	- -	2291296 (180689)	24515484 (21133573)	294185.81 (249702.76)	484570 (310219)	6026.52 (4388.25)
PARENT BIRDS	182728 (158128)	44952.82 (35955.84)	144874 (173307)	- -	- -	145838 (148707)	17214.41 (16303.25)	181764 (182728)	41649.55 (44952.82)
COMM & REJ. EGGS	10824 (22518)	10.82 (22.52)	1074947 (909914)	- -	- -	1067736 (921608)	1334.32 (1210.56)	18035 (10824)	18.04 (10.82)
COMMERCIAL BROILER	1576676 (1456274)	47589.71 (32960.56)	16371952 (10937552)	- -	- -	15363743 (10817150)	1781027.64 (1244892.18)	2584885 (1576676)	100491.08 (47589.71)
OTHERS		68061.74 (60713.23)					185639.04 (135251.19)		138208.83 (68061.74)
TOTAL	2080447	165003.34	44572904		2291296	41092801	2279401.21	3269254	286394.01
PREVIOUS YEAR	(1780179)	(131084.73)	(33501995)		(180689)	(33021038)	(1647359.94)	(2080447)	(165003.34)

NOTE :

1. Production/Purchase of Hatching Eggs is net off smashed and rejected.
2. Purchase and Production 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 (In '000')	
	2011-12 (12 Months)	2010-11 (12 Months)	2011-12 (12 Months)	2010-11 (12 Months)
MIXED FEEDS INDIGENOUS & IMPORTED	77838	56454	1375612	953555
(INDIGENOUS)	100%	100%	100%	100%
(IMPORTED)		-		-

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

	VALUE (In '000) 2011-12 (12 Months)				VALUE (In '000) 2010-11 (12 Months)			
	RAW MAT.		ST. & SP.		RAW MAT.		ST. & SP.	
	VAL.	%	VAL.	%	VAL.	%	VAL.	%
INDIGENOUS	1375612	100%	30299	100%	953555	100%	22713	100%
IMPORTED		0	-	0	-	-	-	-



27. 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.

	2011-12	2010-11
28. a) Value of imports CIF basis accounted during the year.	-	-
b) Expenditure in Foreign currency	₹4,958.33	-
c) Earning in Foreign Exchange.	-	-
d) Particulars relating to non-residential Share-holders.	-	-

29. Previous year figures have been regrouped or rearranged wherever necessary and also reclassified to meet the requirements of classification of assets and liabilities and heads of Profit & Loss Account of the Revised Schedule VI.

30. 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.

31. As per information given by the Management, Excise-Duty is not applicable to the Company.

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

- 1 The Company held 1196500 equity shares of ₹ 10 each fully paid up representing 82.71% paid up capital of subsidiary company.
- 2 The net aggregate of losses of the subsidiary company since its incorporation, not dealt with in the accounts of the Co. of ₹ 15.01 Lacs.
- 3 There are no material changes between the financial year of subsidiary company ended on 31st March 2012 and the end of financial year of the company.

As per our Report of Even Date

For and on behalf of Board

FOR KHANDELWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
MANAGING DIRECTOR

G.S. BHATIA
DIRECTOR

Place : Indore

Date : 30th May 2012

**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 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.



CASH FLOW STATEMENT FOR THE ENDED 31ST MARCH, 2012

(₹ in Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
A. CASH FLOW FROM OPERATING SYSTEM :		
NET PROFIT BEFORE TAX & EXTRA ORDINARY ITEM	102.76	600.95
Add : Depreciation	81.70	69.87
Provision for employee benefits	15.74	7.32
Interest Paid	7.45	2.14
Prior Period Adjustment	0.00	28.68
	<u>207.65</u>	<u>708.96</u>
Less : Excess Provision written back	0.00	1.57
Income Tax paid during the year	42.55	12.22
	<u>42.55</u>	<u>13.79</u>
Operating Profit before working capital change	a <u>165.10</u>	695.17
Add : Trade receivable	0.00	201.29
Short Term Provisions	45.87	0.00
Trade Payable	1310.24	15.46
Other Current Liabilities	90.05	0.00
	b <u>1446.16</u>	216.75
Less : Inventories	1213.91	339.19
Short Term Loans & Advance	40.77	180.11
Short Term Provisions	0.00	12.97
Other Current Liabilities	0.00	53.70
Trade receivable	154.44	0.00
	c <u>1409.12</u>	585.97
Net Cash inflow from operating activities	(a+b-c) <u>202.14</u>	325.95
Less : Extra Ordinary Item	0.00	2.18
Net Cash inflow from operating activities	A <u>202.14</u>	323.77
B. CASH FLOW FROM INVESTING ACTIVITIES		
Add : Sale of Fixed Assets	3.03	15.94
Inflow form Long term Loans & Advances	0.79	0.00
Less : Purchase of Assets	185.23	139.53
Capital Work in Progress	0.00	102.89
Outflow form Long term Loans & Advances	0.00	46.34
Net Cash inflow from Investing Activities	B <u>(181.41)</u>	(272.82)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Add : Proceed From :		
Vehicle Loan	5.09	0.00
	a <u>5.09</u>	0.00
Less : Interest Paid	7.45	2.14
Proposed Dividend	37.92	0.00
Dividend Tax	6.30	0.00
Vehicle Loan	0.00	14.56
	b <u>51.67</u>	16.70
NET CASH GENERATED FROM FINANCIAL ACTIVITIES	C (a-b) <u>(46.58)</u>	(16.70)
Add : NET INCREASE IN CASH & CASH EQUIVALENTS	(A+B+C) <u>(25.85)</u>	34.25
Cash & Cash equivalents (opening)	94.18	59.93
CASH & CASH EQUIVALENTS (CLOSING)	<u>68.33</u>	<u>94.18</u>

Previous year figures have been regrouped or rearranged wherever necessary and also reclassified to meet the requirements of classification of assets and liabilities and heads of Profit & Loss Account of the Revised Schedule VI.

Last year short term loans and advances adjusted for ₹ 50000/- for matching the revised opg balance of cash and cash equivalents.



AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of Simran Farms Limited for the period ended 31st March 2012. 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 Accounts 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 : 30th May 2012



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 2012 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, 2012 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 : 30.05.2012

For KHANDELWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER
M.No. 071011


CONSOLIDATED BALANCE SHEET AS AT 31st March, 2012

(₹ in Lakhs)

Particulars	Note	31st March, 2012	31st March, 2011
A EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	1	379.17	379.17
(b) Reserves and surplus	2	1364.83	1319.74
(c) Minority interest		22.08	19.42
		<u>1766.08</u>	<u>1718.33</u>
2. Non-current Liabilities			
(a) Long term borrowings	3	16.51	11.42
(b) Deferred tax liabilities (net)	4	100.12	98.98
(c) Long-term provisions	5	63.95	48.21
		<u>180.58</u>	<u>158.61</u>
3. Current Liabilities			
(a) Trade payables	6	2737.09	1427.69
(b) Other current liabilities	7	211.58	118.67
(c) Short-term provisions	8	218.20	354.96
		<u>3166.88</u>	<u>1901.3</u>
		<u>5113.54</u>	<u>3778.26</u>
B ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	1222.78	1042.94
(ii) Capital work-in-progress		0.00	86.83
(b) Non current investments	10	11.89	11.89
(c) Long term loans and advances	11	43.81	44.60
		<u>1278.48</u>	<u>1186.26</u>
2. Current assets			
(a) Inventories	12	2863.94	1650.03
(b) Trade receivables	13	729.90	548.23
(c) Cash and bank balances	14	69.89	96.11
(d) Short-term loans and advances	15	171.32	297.64
		<u>3835.06</u>	<u>2592.01</u>
		<u>5113.54</u>	<u>3778.26</u>

See accompanying notes forming part of the Accounts

In terms of our report attached.

FOR KHANDELWAL KAKANI & CO.

Chartered Accountants

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
MANAGING DIRECTOR

G.S. BHATIA
DIRECTOR

Place : Indore
Date : 30th May 2012



CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 March, 2012

(₹ in Lakhs except EPS)

Particulars	31st March, 2012	31st March, 2011
Revenue from operation Sales (Net)	22794.01	16473.60
Other income	16	128.53
Total revenue	22970.59	16602.13
Expenses		
(a) Cost of materials consumed	17	19958.75
(b) Farm expenses	18	1597.27
(c) Administrative expenses	19	264.44
(d) Selling & distribution expenses	20	386.19
(e) Employee benefits expense	21	525.80
(f) Finance costs	22	25.88
(g) Depreciation	9	90.22
Total expenses	22848.55	15960.60
Profit / (Loss) before exceptional and extraordinary items	122.04	641.53
Exceptional items		
Profit / (Loss) before extraordinary items	122.04	641.53
Extraordinary items	1.03	2.18
Excess provision written back	0.00	1.57
Less:- Prior year adjustment	0.00	28.68
Profit / (Loss) before tax	123.07	616.60
Tax expense:		
(a) Current tax expense for current year	38.92	213.02
(b) Deferred tax	4	1.15
Profit / (Loss) for the year	83.00	406.90
Less : Minority Interest	2.66	1.37
TOTAL	80.34	405.53
Earnings per share (of ₹ 10/- each)		
Basic and diluted	2.19	10.73
Earnings per share (excluding extraordinary items)		
(of ₹ 10/- each)		
Basic and diluted	2.16	10.67
See accompanying notes forming part of the accounts		
In terms of our report attached.		

FOR KHANDELWAL KAKANI & CO.

Chartered Accountants

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
MANAGING DIRECTOR

G.S. BHATIA
DIRECTOR

Place : Indore
Date : 30th May 2012



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

(₹ in Lakhs)

Particulars	As at			
	31st March, 2012	31st March, 2011		
1. Share Capital				
(a) Authorised 60,00,000 Equity shares of ₹ 10/- each	600.00	600.00		
(b) Issued Subscribe and Paid Up 37,91,700 Equity Shares of ₹ 10/- each	379.17	379.17		
Note: Out of above 2.00 Lakhs Equity Shares are allotted as fully paid by way of Bonus Shares in the year 1993-94				
Name of Shareholder	31st March, 2012		31st March, 2011	
	No. of Shares	% Held	No. of Shares	% Held
Harender Singh Bhatia (HUF)	251700	6.64%	251700	6.64%
Amarjeet singh Bhatia (HUF)	195800	5.16%	195800	5.16%
Porinju V Veliyath	196526	5.18%	123000	3.24%
2. Reserve and Surplus				
a. General Reserves				
As per Last Balance Sheet	217.18		217.18	
b. Securities Premium Account				
As per Last Balance Sheet	169.59		169.59	
c. Utilised Investment Allo. Reserve				
As per Last Balance Sheet	0.54		0.54	
c. Surplus				
Opening balance	932.43		571.11	
(+) Net Profit/(Net Loss) For the current year	80.34		405.53	
(-) Proposed Dividends	30.33		37.92	
(-) Tax on Dividend	4.92		6.30	
Closing Balance	977.52		932.43	
Total	1364.83		1319.74	
3. Long term borrowings				
Secured				
from banks				
Vehicle Loans (First Charge on Trucks and Cars matured in 1-2 years)	16.51		11.42	
	16.51		11.42	
4. Deferred tax liabilities				
1) Deferred tax (Simran Farms Limited)				
(a) Deferred tax liabilities on account of:				
(i) Depreciation	17.44		12.02	
(ii) Profit on sale of Car	1.03		0.00	
(b) Deferred tax Asset on account of:				
(i) Others {Disallowance u/s 43B & 40(a)}	15.74		36.00	

Note: During the year there is a creation of Deferred Tax Liability amounting to ₹ 5.99 lakhs and creation of Deferred Tax Asset amounting to ₹ 5.10 lakhs which has been recorded in the Profit & Loss A/c.



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

(₹ in Lakhs)

Particulars	As at	
	31st March, 2012	31st March, 2011
2) Deferred tax (Puregene Biotech Ltd.)		
(a) Deferred tax liabilities on account of:		
(i) Depreciation	0.84	2.08
(ii) DTA reversal on account of diff. in Profit as per Co Act & IT Act	0.00	13.57
Note: During the year there is a reversal of Deferred Tax Asset amounting to ₹ 0.26 lacs which has been recorded in the Profit & Loss A/c.		
5. Long term provisions		
(a) Provision for employee benefits		
Gratuity (funded)	25.39	20.54
Leave Encashment (unfunded)	26.35	15.46
(b) Others		
Income tax payable	12.21	12.21
	63.95	48.21
Note: The disputed outstanding Income Tax Demand pertaining to Assessment Year 1994-1995 to 1997-1998 of ₹ 12.21 Lacs in respect of dis-allowances 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.		
6. Trade Payables	2737.09	1427.69
	2737.09	1427.69
All Balances of Sundry Creditors are subject to confirmation.		
7. Other current liabilities		
Punjab & Sindh Bank	146.52	70.68
ICICI Bank Ltd.	23.07	0.00
Advances from Customers	18.26	24.60
Rearing Charges Receivable	23.73	23.39
	211.58	118.67
8. Short term provisions		
(a) Provision for employee benefits		
Salary payable	32.57	25.60
Bonus payable	10.39	9.09
Contribution to PF (Employees)	2.02	1.52
(b) Provisions Others		
Service Tax payable	0.92	0.34
Professional Tax (Staff)	0.66	0.50
Dividend Distribution Tax Payable	4.92	6.30
Dividend Payable	30.33	37.92
Income Tax Payable	38.92	213.02
TDS Payable	8.20	3.68
(c) Others Payable	89.27	57.00
	218.20	354.96

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

Note 9

(₹ in Lakhs)

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at April 1, 2011	Additions During the Year	Sales/ Deduction	Balance as at 31st March 2012	Balance at as at 31st March 2011	Depreciation for the Year	Deduction during the year	Balance as at 31st March 2012	Balance as at 31st March 2011	Balance as at 31st March 2012
Tangible Assets										
Land	50.70	0.00		50.70	0.00	0.00		0.00	50.70	50.70
Buildings (Factory)	600.46	110.79		711.26	237.33	22.78		260.10	363.13	451.15
Buildings (Office & Staff)	40.10	21.90		62.01	6.53	0.92		7.45	33.57	54.56
Poultry Equipment	678.56	49.41		727.98	262.10	33.35		295.45	416.47	432.53
Cycle	0.10	0.00		0.10	0.02	0.01		0.03	0.08	0.07
Computer Equipment	39.87	5.37		45.24	30.67	6.54		37.21	9.19	8.03
Office equipment	25.61	12.48		38.09	14.00	5.31		19.30	11.61	18.79
Furniture and Fixtures	47.81	8.02		55.83	28.82	3.26		32.08	19.00	23.76
Motor Car	58.29	26.96		85.25	12.14	6.02		18.16	46.15	67.09
Eicher Trucks	31.40	23.73	2.20	52.93	8.45	5.95	0.20	14.20	22.95	38.74
Electrical Installation	58.37	6.90		65.27	32.92	4.28		37.20	25.45	28.07
Tubewell & Land Development	45.15	2.37		47.52	6.24	0.75		6.99	38.91	40.54
Vehicles	4.71	4.11		8.82	4.54	0.60		5.14	0.17	36.83
Poultry Equipment (R & D)	9.66	0.00		9.66	4.12	0.46		4.57	5.55	5.09
Total	1690.80	272.06	2.20	1960.66	647.86	90.22	0.20	737.88	1042.94	1222.78
Previous Year	1542.50	129.56	49.25	1690.80	604.96	78.39	35.49	647.86	937.54	1042.94





NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

(₹ in Lakhs)

Particulars	As at	
	31st March, 2012	31st March, 2011
10. Non Current investment (Unquoted)		
Simran Hatcheries Private Limited	11.89	11.89
	11.89	11.89
11. Long term loans and advances (Unsecured Considered goods)		
Security deposits	25.28	25.64
MPEB Deposit	14.60	16.96
Others Deposits	3.93	2.00
	43.81	44.60
12. Inventories		
(a) Raw materials		
a) Parent Birds	416.50	449.53
b) Feed & Medicines	1382.08	680.61
c) Commercial Chicks	1004.91	475.90
d) Hatching Eggs	60.45	43.99
	2863.94	1650.03
13. Trade receivables (Unsecured considered goods)		
Over six months	654.89	462.88
Others	75.01	85.36
	729.90	548.23
All Balances of Sundry Debtors are subject to confirmation.		
14. Cash and bank balances		
(a) Cash on hand	57.22	43.30
(b) Balances with banks		
(i) In current accounts		
Bank of Baroda, Chikli	1.47	2.67
Axis Bank Ltd.	10.39	0.00
ICICI Bank, Indore	0.00	49.53
Punjab and Sindh Bank	0.23	0.10
(ii) In fixed deposits		
Fixed deposit with BOB Chikhli	0.48	0.40
Fixed deposit with PSB	0.10	0.10
	69.89	96.11
15. Short term loan and advances (Unsecured Considered goods)		
advances to employees	2.22	2.74
Advance income tax	30.00	165.00
Prepaid expenses	4.05	1.68
Advances recoverable in cash or in kind or for value to be received	135.06	128.22
	171.32	297.64



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

(₹ in Lakhs)

Particulars	As at	
	31st March, 2012	31st March, 2011
16. Other Income		
Miscellaneous receipts	0.00	0.08
Hire charges	0.00	2.40
Rearing charges (Income)	174.43	125.16
Interest received MPEB	1.16	0.38
Insurance claim received	0.98	0.51
	176.57	128.53
17. Cost of material consumed		
Opening Stock	1650.03	1310.85
Add:- Purchases		
Feed & Medicines	17033.15	11367.95
Store, Spares & Consumable	302.99	227.13
Parent Birds	205.25	214.92
Packing Material	44.67	38.72
Carriage Inward	434.59	366.87
Godown rent	4.44	3.80
Chicks	2855.08	2015.74
Hatching Eggs	260.27	45.82
Cull Bird	32.22	34.83
	22822.69	15626.63
Less:- Closing Stock	2863.94	1650.03
Cost of material consumed	19958.75	13976.60
18. Farm expenses		
Expenses at Farm	70.32	46.85
Power & Energy	114.30	89.96
Fuel Consumption	49.99	79.85
Light & Water Charges	28.87	56.84
Farm Rent	82.49	63.46
Lease Rent	68.36	64.21
Rearing Charges Expenses	1159.61	755.42
Hatchery Expenses	0.91	0.00
Hatching Exp.	19.56	2.95
Hatcheries Rent	2.88	0.00
Stores Spares & Consumables	0.00	0.14
	1597.27	1159.68



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

(₹ in Lakhs)

Particulars	As at	
	31st March, 2012	31st March, 2011
19 Administrative expenses		
General Office Expenses	123.30	71.96
Traveling & Conveyance	121.61	75.41
Certification & consultancy fees to auditors	0.58	0.41
Audit Fees	1.77	1.77
Legal & Professional Expenses	8.96	4.40
Registration & Licence Fees	0.00	0.33
Foreign Tour Exp	5.64	2.34
Penalty & Fines	0.00	0.09
Entry Tax after Assessment	1.48	2.16
Service Tax Exp.	0.30	1.43
Software Development Charges	0.80	0.99
	264.44	161.30
20 Selling and distribution Exp.		
Forwarding Expenses	354.23	67.33
Advertisement & Publicity	0.93	0.84
Vehicle Repair & Maintenance	17.65	16.33
Technical Seminar & Conference	0.00	0.76
Sales Promotion Expenses	13.37	9.05
Commission on Sales	0.01	0.01
	386.19	94.32
21 Employee benefits expense		
Salary wages & Bonus	380.47	391.46
Remuneration to directors	54.00	36.00
Remuneration to vice president	15.00	6.00
Contribution to Provident Fund	22.48	18.19
Performance incentive	1.14	0.34
Staff welfare	1.26	0.36
Gratuity	10.90	6.25
Leave Encashment	10.89	7.76
Stipend	29.02	2.32
House rent allowance	0.64	0.60
	525.80	469.28
22 Finance cost		
Bank Charges & Commission	12.83	11.98
Interest	7.45	2.14
Interest on Late Payment	5.60	6.92
	25.88	21.04



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

23. 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 ₹83.00 lacs by 3791700 equity shares (Face Value of ₹10/- each)

24. Related parties disclosures :

1. Relationship

(a) Key Management Personnel:

Mr. Harendar Singh Bhatia
(Managing Director)
Mr. Gurdeep Singh Bhatia
(Director)
Mr. Kanwaljeet Singh Bhatia
(Whole Time Director)
Mr. 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 (HUF)
Mr. Kawaljeet Singh Bhatia (HUF)
Mr. Sumeet Singh Bhatia
Simran Feed (P) Ltd.
Simran Poultry
Singh Poultry
Simran Hatcheries
Simran Hatcheries (P) Ltd.
Early Bird Hatcheries
Simfa Labs Pvt.Ltd.
Simran Foods Pvt. Ltd
Singh Hatcheries
Mr. Avneet Singh Bhatia
Mrs. Simrath Kaur Bhatia
Mrs. Kawaljeet Kaur Bhatia

Note: 1. 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:

(₹ in lacs)

Nature of Transaction	Referred in 1 (a) above	Referred in 1 (b) above	
Purchase		4390.82	
Sales		3154.52	
Director Remuneration	54.00		
Vice President Remuneration	15.00		
Rearing Charges			
Sales Manager's Salary		4.20	
Office Rent		3.60	
Tractor Ren		0.96	
Lease Rent:-			
Plant & Machinery		4.20	
Land & Building		50.40	
Telephone Charges		12.60	
Auto Hire Expenses		0.72	
Payable	1.00	460.06	
Receivable	2.29	256.38	
25. Payment to Auditors		2011-12	2010-11
(i) As Auditors		1.77	1.77
(ii) Asper Certification		0.58	0.41



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

26. Details of Products manufactured for Sales, Turnover, Stocks and Raw Materials consumed etc.

PRODUCTS	OPENING STOCK		PROD & PURCHASES		USED FOR PROD.	TURNOVER		CLOSING STOCK	
	QTY NOS.	VALUE ₹ ('000)	QTY NOS.	VALUE ₹ ('000)		QTY NOS.	VALUE ₹ ('000)	QTY NOS.	VALUE ₹ ('000)
HATCHING EGGS	310219 (143259)	4388.25 (1432.59)	26981131 (21481222)	- -	2291296 (180689)	24515484 (21133573)	294185.81 (249702.76)	484570 (310219)	6026.52 (4388.25)
PARENT BIRDS	182728 (158128)	44952.82 (35955.84)	144874 (173307)	- -	- -	145838 (148707)	17214.41 (16303.25)	181764 (182728)	41649.55 (44952.82)
COMM & REJ. EGGS	10824 (22518)	10.82 (22.52)	1074947 (909914)	- -	- -	1067736 (921608)	1334.32 (1210.56)	18035 (10824)	18.04 (10.82)
COMMERCIAL BROILER	1576676 (1456274)	47589.71 (32960.56)	16371952 (10937552)	- -	- -	15363743 (10817150)	1781027.64 (1244892.18)	2584885 (1576676)	100491.08 (47589.71)
OTHERS		68061.74 (60713.23)					185639.04 (135251.19)		138208.83 (68061.74)
TOTAL	2080447	165003.34	44572904		2291296	41092801	2279401.21	3269254	286394.01
PREVIOUS YEAR	(1780179)	(131084.73)	(33501995)		(180689)	(33021038)	(1647359.94)	(2080447)	(165003.34)

NOTE :

1. Production/Purchase of Hatching Eggs is net off smashed and rejected.
2. Purchase and Production 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 (In '000')	
	2011-12 (12 Months)	2010-11 (12 Months)	2011-12 (12 Months)	2010-11 (12 Months)
MIXED FEEDS INDIGENOUS & IMPORTED	77838	56454	1375612	953555
(INDIGENOUS)	100%	100%	100%	100%
(IMPORTED)		-		-

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

	VALUE (In '000) 2011-12 (12 Months)				VALUE (In '000) 2010-11 (12 Months)			
	RAW MAT.		ST. & SP.		RAW MAT.		ST. & SP.	
	VAL.	%	VAL.	%	VAL.	%	VAL.	%
INDIGENOUS	1375612	100%	30299	100%	953555	100%	22713	100%
IMPORTED		0	-	0	-	-	-	-



27. 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.

	2011-12	2010-11
28. a) Value of imports CIF basis accounted during the year.	-	-
b) Expenditure in Foreign currency	£4,958.33	-
c) Earning in Foreign Exchange.	-	-
d) Particulars relating to non-residential Share-holders.	-	-

29. Previous year figures have been regrouped or rearranged wherever necessary and also reclassified to meet the requirements of classification of assets and liabilities and heads of Profit & Loss Account of the Revised Schedule VI.

30. 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.

31. As per information given by the Management, Excise-Duty is not applicable to the Company.

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.
- 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 company has worked out the liability towards Gratuity based on actuarial valuation through LIC and estimated the liability towards Leave Encashment and has provided during the year entire liabilities. Where as in view of movement of employees there is no liability towards employee retirements 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.



CONSOLIDATED CASH FLOW STATEMENT FOR THE ENDED 31st MARCH, 2012

(₹ in Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
A. CASH FLOW FROM OPERATING SYSTEM :		
NET PROFIT BEFORE TAX & EXTRA ORDINARY ITEM	122.04	616.60
Add : Depreciation	90.21	78.39
Provision for Employee Benefits	15.74	7.32
Interest Paid	7.45	2.14
Prior Period Adjustment	0.00	28.68
	<u>235.44</u>	<u>733.13</u>
Less : Excess Provision written back	0.00	1.57
Income Tax paid during the year	43.83	15.12
	<u>43.83</u>	<u>16.69</u>
Operating Profit before working capital change	a <u>191.61</u>	716.44
Add : Trade receivable	0.00	206.29
Short Term Provisions	46.31	0.00
Trade Payable	1310.24	15.46
Other Current Liabilities	92.91	20.01
	b <u>1,449.46</u>	<u>241.76</u>
Less : Inventories	1213.91	339.19
Short Term Loans & Advance	42.88	180.27
Trade Payable	28.07	45.75
Trade receivable	154.44	0.00
Short Term Provisions	0	12.97
Other Current Liabilities	0.00	53.70
	c <u>1439.30</u>	<u>631.88</u>
Net Cash inflow from operating activities	(a+b-c) <u>201.77</u>	<u>326.32</u>
Less : Extra Ordinary Item	0.00	2.18
Net Cash inflow from operating activities	A <u>201.77</u>	<u>324.14</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Add : Sale of Fixed Assets	3.03	15.94
Inflow form Long term Loans & Advances	0.79	0.00
Less : Purchase of Assets	185.23	139.55
Capital Work in Progress	0.00	102.89
Outflow form Long term Loans & Advances	0.00	46.34
Net Cash inflow from Investing Activities	B <u>(181.41)</u>	<u>(272.84)</u>
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Add : Proceed From :		
Vehicle Loan	5.09	0.00
	a <u>5.09</u>	<u>0.00</u>
Less : Repayment of Loan		
Interest Paid	7.45	2.14
Proposed Dividend	37.92	0.00
Dividend Tax	6.30	0.00
Vehicle Loan	0.00	14.56
	b <u>51.67</u>	<u>16.70</u>
NET CASH GENERATED FROM FINANCIAL ACTIVITIES	C (a-b) <u>(46.58)</u>	<u>(16.70)</u>
Add : NET INCREASE IN CASH & CASH EQUIVALENTS	(A+B+C) <u>(26.22)</u>	<u>34.60</u>
Cash & Cash equivalents (opening)	96.11	61.51
CASH & CASH EQUIVALENTS (CLOSING)	<u>69.89</u>	<u>96.11</u>

Previous year figures have been regrouped or rearranged wherever necessary and also reclassified to meet the requirements of classification of assets and liabilities and heads of Profit & Loss Account of the Revised Schedule VI.

Last year short term loans and advances adjusted for ₹ 50000/- for matching the revised opg balance of cash and cash equivalents



AUDITOR'S CERTIFICATE

We have examined the attached Consolidated Cash Flow Statement of Simran Farms Limited for the period ended 31st March 2012. 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 Accounts 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 : 30th May 2012



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-452001 on Thursday 27th September, 2012 at 10.00 A.M.

.....
Full name of the Shareholder/ Proxy
(in Capitals) Signature
Folio No.....

.....
Full name of the Shareholder / Proxy
(in capitals) Signature

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

PROXY FORM

I/We
Ofin 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, 27th September, 2012 at 10.00 A.M. and at any adjournment thereof.

Signed this.....

Please
Affix
1 Rupee
Revenue
Stamp

.....day of2012.

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

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 e-mail 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 e-mail 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.)