

# Kohinoor Foods Ltd.

31-Aug-2017

**The National Stock Exchange of  
India Limited (NSE)**  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No. C/1, G Block  
Bandra-Kurla Complex  
Bandra (East)  
**MUMBAI – 400 051**

The Listing Department  
**BSE Limited (BSE)**  
P.J. Tower, Dalal Street  
**MUMBAI – 400 001**

**Trading Symbol : KOHINOOR**  
**Scrip Code : 512559**

Dear Sirs,

**Sub: Notice of AGM along with Annual Report for the Financial Year 2016-17**

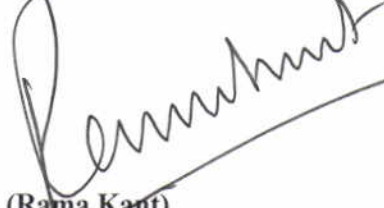
Please find enclosed herewith a copy of Notice convening 28<sup>th</sup> Annual General Meeting of the Company on Monday, the 25<sup>th</sup> September, 2017, along with Annual Report of our Company for the Financial Year 2016-17.

The above is for your reference and records, please.

Thanking You

Yours faithfully,

For **Kohinoor Foods Limited**



**(Rama Kant)**  
**Company Secretary & GM (Legal)**  
**FCS: 4818**

**Encl:** As above



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Twenty Eighth** Annual General Meeting of Kohinoor Foods Limited will be held at 11:00 A.M. on Monday, the 25th day of September, 2017, at Magpie Tourist Complex (a unit of Haryana Tourism Corporation Limited), Main Mathura Road, Sector 16A, Faridabad, Haryana-121002, to transact the following businesses:

### ORDINARY BUSINESS:

#### Item No. 1

#### **Adoption of Financial Statements**

To receive, consider and adopt:

- a) The Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2017, the Reports of the Board of Directors and the Auditors thereon and
- b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2017 and the report of Auditors thereon.

#### Item No. 2

#### **Appointment of Director**

To Appoint a Director in place of Mr. Satnam Arora (holding DIN – 00010667) who retires by rotation and being eligible offers himself for re-appointment.

#### Item No. 3

#### **Appointment of Auditors**

To Appoint M/s Rajender Kumar Singal & Associates LLP, Chartered Accountants, New Delhi ( Firm Registration No. 016379N), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

“**RESOLVED THAT** pursuant to provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s Rajender Kumar Singal & Associates LLP, Chartered Accountants, New Delhi (Firm Registration No. 016379N), be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the company and to fix their remuneration.

### SPECIAL BUSINESS

#### Item No. 4

#### **To Regularize Appointment of Mr. Nitin Arora (DIN - 00017428), as Director of the Company**

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

“**RESOLVED THAT** pursuant to Section 161 and other relevant provision of the Companies Act, 2013 and Articles of Association of the Company Mr. Nitin Arora (DIN - 00017428), who was appointed as an Additional Director of the Company with effect from 14th

November, 2016, by the Board of Directors of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.

#### Item No. 5.

#### **To approve re-appointment and Remuneration of Mr. Jugal Kishore Arora (DIN - 00010704) as Chairman of the Company**

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

“**RESOLVED THAT** pursuant to provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and in continuation to the resolution passed at the Annual General Meeting of the Company held on 27.09.2012 & 29.09.2015, consent of the Shareholders be and is hereby given to the re-appointment of Mr. Jugal Kishore Arora ( DIN 00010704), Whole time Director designated as Chairman of the Company for the period of Three Years from 26<sup>th</sup> September, 2017.

**RESOLVED FURTHER THAT** during his tenure as Director, Mr. Jugal Kishore Arora be paid such remuneration and on the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and also set out in the explanatory statement annexed to the notice, subject to the overall limit as approved by the Central Government.

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Jugal Kishore Arora, the Company has no profits or profits are inadequate, the remuneration by way of salary, allowances and perquisites payable to Mr. Jugal Kishore Arora, as aforesaid, shall be the minimum remuneration, subject however, to the approval of the Central Government, wherever required.”

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Jugal Kishore Arora (DIN 00010704), Whole time Director designated as Chairman of the Company, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate as per the provision of the Companies Act, 2013 and subject to the overall limits approved by the Central Government.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and matter and things in its discretion as it may consider necessary, expedient or desirable to give effect to this resolution.”



### **Item No. 6.**

#### **To approve re-appointment and Remuneration of Mr. Satnam Arora (DIN - 00010667) as Jt. Managing Director of the Company**

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

**“RESOLVED THAT** pursuant to provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and in continuation to the resolution passed at the Annual General Meeting of the Company held on 27.09.2012 & 29.09.2015, consent of the Shareholders be and is hereby given to the re-appointment of Mr. Satnam Arora (DIN 00010667), Jt. Managing Director of the Company for the period of Three Years from 26<sup>th</sup> September, 2017.

**RESOLVED FURTHER THAT** during his tenure as Director, Mr. Satnam Arora be paid such remuneration and on the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and also set out in the explanatory statement annexed to the notice, subject to the overall limit as approved by the Central Government.

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Satnam Arora, the Company has no profits or profits are inadequate, the remuneration by way of salary, allowances and perquisites payable to Mr. Satnam Arora, as aforesaid, shall be the minimum remuneration, subject however, to the approval of the Central Government, wherever required.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Satnam Arora, Jt. Managing Director, (DIN 00010667) including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate as per the provision of the Companies Act, 2013 and subject to the overall limits approved by the Central Government.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and matter and things in its discretion as it may consider necessary, expedient or desirable to give effect to this resolution.

### **Item No. 7.**

#### **To approve re-appointment and Remuneration of Mr. Gurnam Arora (DIN - 00010731) as Jt. Managing Director of the Company**

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

**“RESOLVED THAT** pursuant to provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory

modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and in continuation to the resolution passed at the Annual General Meeting of the Company held on 27.09.2012 & 29.09.2015, consent of the Shareholders be and is hereby given to the re-appointment of Mr. Gurnam Arora (DIN 00010731), Jt. Managing Director of the Company for the period of Three Years from 26<sup>th</sup> September, 2017.

**RESOLVED FURTHER THAT** during his tenure as Director, Mr. Gurnam Arora be paid such remuneration and on the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and also set out in the explanatory statement annexed to the notice, subject to the overall limit as approved by the Central Government.

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Gurnam Arora, the Company has no profits or profits are inadequate, the remuneration by way of salary, allowances and perquisites payable to Mr. Gurnam Arora, as aforesaid, shall be the minimum remuneration, subject however, to the approval of the Central Government, wherever required.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Gurnam Arora, Jt. Managing Director, (DIN 00010731) including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate as per the provision of the Companies Act, 2013 and subject to the overall limits approved by the Central Government.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and matter and things in its discretion as it may consider necessary, expedient or desirable to give effect to this resolution.

### **Item No. 8.**

#### **To Ratify the Remuneration of the Cost Auditors for the year ending 31<sup>st</sup> March, 2018**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the shareholders be and is hereby accorded to approve the remuneration payable to M/s Cheena & Associates, Cost Accountant Firm, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company, for the financial year 2017-18, at a remuneration amounting to Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) per annum plus tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit, as





recommended by the Audit Committee and approved by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

### **Item No. 9.**

#### **To Issue Warrants convertible into Equity Shares to Promoters/ Promoters Group of the Company on Preferential Basis**

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

“**RESOLVED THAT** pursuant to the provisions of Section 62 (1)(c) read with Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (hereinafter referred to as “the Act”) and in accordance with and subject to the relevant provisions of the Memorandum and Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provisions of Chapter VII – “Preferential issue” of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, [hereinafter referred to as “SEBI (ICDR) Regulations”] (including any statutory modification(s) or re-enactment(s) thereof from time to time) and in accordance with all other applicable regulations, guidelines and clarifications thereon issued by The Securities and Exchange Board of India (“SEBI”), Reserve Bank of India (“RBI”), Government of India (“GOI”) or any other statutory /regulatory authorities and subject to all such approvals, permissions, consents and sanctions of any authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents or sanctions, the consent of the Company be and is hereby accorded to the Board (which term shall deem to include any committee which the Board may have constituted or hereinafter constitute to exercise one or more its power, including the powers conferred hereunder) to create, offer, issue and allot, on preferential basis, in one or more tranches, upto 58,14,000 (Fifty Eight Lakhs Fourteen Thousand Only) Warrants Convertible into equity shares, at such price being not less than the price determined in accordance with SEBI (ICDR) Regulations (“Issue Price”), to be convertible at the option of Warrant holders in one or more tranches, within 18 (Eighteen) months from the date of allotment, into equivalent number of fully paid up Equity Share of the Company of face value of Rs.10 (Rupees Ten only) each, ranking pari-passu in all respects, including as to dividend, with the existing Equity Shares of the Company to certain persons/entities (hereinafter referred to as the “Proposed Allottees / Warrant holder”) more particularly mentioned in the table below, in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit:

Sl. No.	Name of the Proposed Allottee(s)	No. of	Convertible
Warrant			
1.	Shri Jugal Kishore Arora	19,38,000	
2.	Shri Satnam Arora	19,38,000	

Total 58,14,000 (Fifty Eight Lakhs Fourteen Thousand Only) Convertible Warrant

“**RESOLVED FURTHER THAT** the offer, issue and allotment of the aforesaid Warrants to the Proposed Allottees and the Equity Shares resulting from the exercise of the entitlement of the said Warrants, shall be subject to applicable guidelines, notifications, rules and regulations and on the terms and conditions given herein below:

- a) The “Relevant Date” pursuant to Regulation 71 of the SEBI (ICDR) Regulations, for the purpose of calculating the price, in relation to the above mentioned Preferential Issue of Warrants, shall be Friday, 25<sup>th</sup> day of August, 2017, being a date which is 30 (Thirty) days prior to the date when the results of this Annual General Meeting will be announced, i.e. Tuesday, 26<sup>th</sup> day of September, 2017.
- b) The issue price of the said warrants will be Rs. 10/- (Rupees Ten only) per warrant or the minimum price determined in accordance with the SEBI (ICDR) Regulations and applicable law, whichever is higher.
- c) The proposed allottee(s) of Warrants shall be entitled to apply for and obtain, in one or more tranches allotment of one equity share of face value of Rs. 10/- (Rupees Ten only) each of the Company against each Warrant within a period of 18 (eighteen) months from the date of allotment of such warrants.
- d) An amount equivalent to at least 25% of the consideration shall be paid against each warrant on or before the date of such allotment.
- e) The Warrant holder(s) shall have the option of applying for and being allotted equity shares of the Company of face value of Rs. 10/- each by paying the balance 75% of the consideration after adjusting the upfront payment made.
- f) In case the Warrant holder(s) do not apply for the conversion of the outstanding Warrants into equity shares of the Company within 18 (eighteen) months from the date of allotment of the said Warrants, then the consideration paid upon each of the said outstanding Warrants shall be forfeited and all the rights attached to the said Warrants shall lapse automatically.
- g) The Equity shares issued and allotted on conversion thereof shall be subject to lock-in for such period as prescribed under the SEBI (ICDR) Regulations.



- h) The said Warrants by itself do not give to the Warrant holder any rights of the Shareholders or Debenture holders of the Company.
- i) The Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution to any Director(s) or to any Committee of Directors or employee or officer of the Company, as it may consider appropriate, to give effect to the aforesaid resolution.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such equity shares as may be required to be issued and allotted upon conversion of the said Warrants and that equity shares shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects, including entitlement for dividend, with the existing equity shares of the Company.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to decide and approve other terms and conditions of the issue of the Warrants and/or equity shares and shall also be entitled to vary, modify or alter any of the terms and conditions, as it may deem fit, subject however to the compliance with the applicable guidelines, notifications, rules and regulations.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to accept the terms, conditions, modifications and stipulations as the GOI, RBI, SEBI or Stock Exchanges or any other regulatory authority may stipulate while granting approval to the Company for issue of the Warrants and/or equity shares as aforesaid.”

**“RESOLVED FURTHER THAT** the Board is hereby authorised to take necessary steps for listing of the equity shares allotted upon conversion of Warrants on Stock Exchanges, where the Company's shares are listed, as per the terms and conditions of the Listing Agreement, and in accordance with such other guidelines, rules and regulations as may be applicable with regard to such listing.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary, expedient, usual, proper, incidental or desirable and to settle any question, difficulties or doubts that may arise in this regard and in regard to the issue, allotment of the Warrants and/or equity shares and utilization of the issue proceeds, to prescribe the forms of applications, enter and execute all such deeds, documents, agreements or other instruments, and to take such actions/directions as they may consider as being necessary or desirable and to obtain any approval, permissions, sanctions which may be necessary or desirable as they may deem fit.”

#### **Item No. 10.**

**To alter/adopt Object Clause of the Memorandum of**

#### **Associations (MOA) of the Company as required under the Companies Act, 2013.**

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

**“RESOLVED THAT** pursuant to the provisions of section 4 and 13 of Companies Act, 2013 ('the Act'), Schedule I made there under, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the approval of the Registrar of Companies, existing object Clause 3 (b) of the Memorandum of Association be and is hereby substituted by the new Clause 3 (b) containing Ancillary Objects from 1 to 33 as per draft MOA.

**RESOLVED FURTHER THAT** Clause 3(c) of the Memorandum of Association be and is hereby deleted.

**RESOLVED FURTHER THAT** for the purpose of giving full effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** Mr. Satnam Arora, Mr. Gurnam Arora, Jt. Managing Directors, Mr. Prabhat Kumar, CFO of the company and Mr. Rama Kant Company Secretary and GM (Legal) be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to the above resolution.”

#### **Item No. 11.**

**To alter/adopt new set of Articles of Associations (AOA) of the Company as required under the Companies Act, 2013.**

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

**“RESOLVED THAT** pursuant to the provisions of section 5 and 14 of Companies Act, 2013 ('the Act'), Schedule I made there under, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the new set of Articles of Association pursuant to the Act primarily based on the Form of Table F under the Act, be and is hereby approved and adopted as new set of Articles of Association in the place of existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving full effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may



arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** Mr. Satnam Arora, Mr. Gurnam Arora, Jt. Managing Directors, Mr. Prabhat Kumar, CFO of the company and Mr. Rama Kant Company Secretary and GM (Legal) be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to the above resolution(s).”

**By Order of the Board  
For Kohinoor Foods Limited  
Sd/-  
Rama Kant  
Company Secretary and GM (Legal)**

**Place: Faridabad**

**Date: 10.08.2017**

### **NOTES:**

1. The relevant Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect to item No. 4 to 11 of the Notice set out above is annexed herewith.
2. *A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.* A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.  
*PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE ADDRESS NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.* A proxy form in MGT 11 as required under the Companies Act, 2013 is attached.
3. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting, on their behalf.
4. The Register of Members and Transfer Books of the Company will remain close from 20<sup>th</sup> September, 2017 to 25<sup>th</sup> September, 2017 (both days inclusive) in connection with the Annual General Meeting.
5. Brief resume of Directors including those proposed to be appointed/ reappointed as required under the Companies Act, 2013 and SEBI (LODR), Regulations 2015, are provided in the Corporate Governance Report forming part of the Annual Report and under the notice of the AGM.
6. Members and proxy holders are requested to bring their copies of Annual Report to the Meeting.
7. Entry in the Meeting Hall shall be strictly restricted to Members/ Valid Proxies only, carrying the Attendance Slip.
8. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, nominations, power of attorney, change of address, change of name and e-mail address, permanent account number (PAN) etc. to their Depository Participant only and not to the company's registrar and share transfer agent, Skyline Financial Services Pvt. Ltd. (RTA). The changes intimated to the Depository Participants will then be automatically reflected in the Company's records which will help the Company and Registrar and Share Transfer Agent to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Skyline Financial Services Pvt. Ltd., having office at D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020.
9. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Skyline Financial Services Pvt. Ltd., for assistance in this regard.
10. Members who hold shares in physical form in multiple form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA, for consolidation into single folio.
11. Members who wish to obtain any information on the Company or view the accounts for the Financial Year ended 31st March, 2017, may visit the Company's corporate website [www.kohinoorfoods.in](http://www.kohinoorfoods.in) or may request the Company for sending the Annual Report. The Members are requested to write their query(ies), if any, on the accounts and operations of the Company at least 07 days before the Annual General Meeting of the Company, to the Company Secretary at the Registered/Corporate Office of the Company to keep the information ready at the meeting.
12. Members holding shares in demat form are requested to submit their Permanent Account Number (PAN) to their respective Depository Participant and those holding shares in physical form are requested to submit their PAN details to the Company / RTA in order to comply with the SEBI guidelines.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address with depository for receiving all communication including Annual Report, Notices, Circulars, etc. of the Company electronically.
14. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. Requisite declarations have been received from the Directors for their appointment/ re-appointment.





15. Pursuant to the provisions of Section 205 A(5) and 205 C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends (remaining unpaid/ unclaimed for a period of 7 (Seven) years from the due date), to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 29, 2014, on the website of the Company ([www.kohinoorfoods.in](http://www.kohinoorfoods.in)), and also on the website of the Ministry of Corporate Affairs.
16. Pursuant to Section 101 of the Companies Act, 2013, and rules made thereunder, Electronic Copy of Notice of 28th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Annual Report, Attendance Slip and Proxy Form is being sent to all members through an electronic mode on their registered email IDs unless any member has requested for a hard copy of the same. For the members who have not registered their email addresses, physical copies of the Notice of the 28th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Annual Report, Attendance Slip and Proxy Form is being sent in the permitted mode.
17. Members may also note that the Notice of 28th Annual General Meeting of the Company and the Annual Report for 2017 will also be available on the Company's website [www.kohinoorfoods.in](http://www.kohinoorfoods.in) for download. The Physical copies of the aforesaid documents will also be available at the Company's Registered / Corporate Office for inspection between 10:00 am to 1:00 pm from Monday to Friday. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any Communication, the shareholder may also send request to the Company's investor email id: [investors@kohinoorfoods.in](mailto:investors@kohinoorfoods.in)
18. Voting through electronic means:  
In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.  
The procedure to login to e-Voting website is given below:
  1. Open the PDF file "e-Voting.pdf", received by you at your registered e-mail id, giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.
  2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com> / Click on "Shareholder - Login".
  3. Put User ID and password as initial password noted in step (1) above and Click Login.
  4. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
  5. Home page of "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
  6. Select "EVEN" of (KOHINOOR FOODS LIMITED). Members can cast their vote online from September 21<sup>st</sup>, 2017 (9:00 am) till September 24<sup>th</sup>, 2017 (5:00 pm) (both days inclusive) Note: e-Voting shall not be allowed beyond said time.
  7. Now you are ready for "e-Voting" as "Cast Vote" page opens.
  8. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
  9. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail ([vinod.aggarwalcs@gmail.com](mailto:vinod.aggarwalcs@gmail.com)) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**Other Instructions:**

  - I. The Company is providing to the member facility to cast their vote by electronic means. Shareholders of the company holding shares either in physical form or in dematerialized form, as on date of cut-off-date (Record date), 19<sup>th</sup> September, 2017. The shareholders not casting their vote electronically shall be allowed to cast their vote at the Annual General Meeting.
  - II. In case of any queries you may refer to the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - III. If you are already registered with NSDL for e-voting then you can use your existing user ID and Password/PIN for casting your vote.
  - IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - V. Mr. Vinod Aggarwal Practicing Company Secretary (having CP No.8816 and Membership No.FCS 8007), has been appointed



as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

- VI. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VII. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot (available at the AGM Venue). If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- VIII. The Result shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.kohinoorfoods.in](http://www.kohinoorfoods.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two days of the passing of the resolutions at the Twenty-eighth AGM of the Company on September 25, 2017 and communicated to both Stock Exchanges, BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
19. A route map of the venue of the meeting is enclosed.

### STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 {EXPLANATORY STATEMENT}

#### Item No. 4

The Board of Directors of the Company at its meeting held on November 14, 2016 has pursuant to the recommendation of the Nomination and Remuneration Committee appointed Mr. Nitin Arora (DIN-00017428) as an Additional Director who shall hold office of the Company till the date of the ensuing Annual General Meeting.

The Company has received consent in writing to act as directors in Form DIR 2 and intimation in Form DIR 8 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of section 164 of the Companies Act, 2013. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as Director. Accordingly, the Board recommends the resolution Nos. 4, in relation to appointment of Mr. Nitin Arora as Directors, for the approval by the shareholders of the Company.

This is to further inform that the Management has appointed/designated Mr. Nitin Arora as a Whole Time Director of the Company and also fix his remuneration as determined by the Nomination and Remuneration Committee and approved by the Board and also been approved by the shareholder vide postal ballot notice dated 14th November, 2016 for the period of Three Years. The company had already made an application seeking approval of the Central Government and the same is awaited as on date. Mr. Nitin Arora is

presently looking after the day to day affairs of the Rice Factory Business and also having rich experience of all aspects of running a rice mill from purchase of paddy/rice to storage to milling. His rich experience can be of great help on Board Level in decision making.

Mr. Jugal Kishore Arora, being father of Mr. Nitin Arora is deemed to be interested in the said resolution. None of the Director /Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financial or otherwise, except Mr. Nitin Arora and his father Mr. Jugal Kishore Arora in the resolution set out at the item no. 4 of the notice.

The Board recommends the resolution Nos. 4, in relation to appointment of Mr. Nitin Arora as Directors, for the approval by the shareholders of the Company by way of Ordinary Resolution.

#### Item No. 5, 6 & 7

The Board of Directors in its Meeting held on 10th August, 2017, on the basis of recommendation by the Nomination and Remuneration Committee approved the reappointment of Mr. Jugal Kishore Arora, as Chairman, Mr. Satnam Arora and Mr. Gurnam Arora as Jt. Managing Directors of the company for next three years with effect from 26th September, 2017 to 25th September, 2020 and also to renew the remuneration of Mr. Jugal Kishore Arora, Whole Time Director, designated as 'Chairman', Mr. Satnam Arora and Mr. Gurnam Arora, designated as Jt. Managing Directors of the Company with effect from 1st October, 2017, as may be decided by the Committee and Board of Directors from time to time, subject to the overall limit approved by the Central Government.:-

#### **A. Basic Salary**

Sl. No.	Name of Chairman and Jt. Managing Directors	Proposed Basic Salary in the range of
1.	Mr. Jugal Kishore Arora	Rs. 8,00,000-75,000-11,00,000
2.	Mr. Satnam Arora	Rs. 7,50,000-75,000-10,50,000
3.	Mr. Gurnam Arora	Rs. 7,50,000-75,000-10,50,000

Salary of Mr. Jugal Kishore Arora, Chairman, Mr. Satnam Arora and Mr. Gurnam Arora, Jt. Managing Directors of the Company to be renewed within the aforesaid range during the tenure of appointment, or such increments, as may be decided by the Committee and Board of Directors from time to time.

#### **B. Perquisites and Benefits -:**

- i) Mediclaim facility for self & family.
- ii) Two cars with chauffeur
- iii) Facility of gas, electricity, generator, water and telephone at residence.
- iv) Security Personnel, Gardeners Salary at residence.
- v) Travel within India along with wife.
- vi) Travel outside India along with wife twice in a year.
- vii) Club Membership fees.





- viii) Repairs & Maintenance of house as per actual.
- ix) Any Other allowances if permitted by Board.

The total amount of perquisites payable to the Chairman and Jt. Managing Directors may be decided/varied by the Board of Directors or its Committee, from time to time as it may deem fit in its absolute discretion, provided that total perquisites and other allowances to be paid to Mr. Jugal Kishor Arora, Mr. Satnam Arora and Mr. Gurnam Arora, should not exceed 50% of the Salary.

The total remuneration consisting of Salary, Perquisites and other benefits paid to the Chairman and Jt. Managing Directors shall not exceed the limit stipulated in the Act and other applicable provisions except with the approval of Central Government.

Mr. Jugal Kishore Arora, Mr. Satnam Arora and Mr. Gurnam Arora are deemed to be interested in their respective resolutions and being relatives of each other may be deemed to be concerned or interested in the resolution of each other as it pertains to the re-appointment and remuneration payable to them.

Further Mr. Nitin Arora, being Son of Mr. Jugal Kishore Arora, is deemed to be interested in the resolution No. 5, as it pertains to the remuneration payable to his father. None of the other Directors of the Company are, in any way, concerned or interested in the said resolution. Your Directors recommend these resolutions for approval of the members.

A statement as per Schedule V of the Companies Act, 2013 is annexed with the notice:

### **Item No. 8**

The Board, on the recommendation of the Audit Committee has approved the remuneration of M/s Cheena & Associates, Cost Accountant Firm to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2018, at the remuneration of Rs. 150,000/- (Rupee one lakh Fifty thousand only) per annum plus tax as applicable plus out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Shareholder of the Company.

Accordingly consent of member is sought for passing an Ordinary Resolution as set out in item No. 8 of the notice for the ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2018.

None of the Director / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financial or otherwise, in the resolution set out at item no.8 of the notice.

The Board recommends the Ordinary Resolution set out at item no.8 of the Notice for approval by the Shareholder.

### **Item No. 9**

The Company is in need of funds to meet working capital requirement and general corporate purposes and therefore it is propose to issue convertible warrant on preferential basis to the Promoters.

Accordingly, the Board of Directors at their meeting held on 10<sup>th</sup> August, 2017, considered, subject to the necessary approval(s), issuance of upto 58,14,000 (Fifty Eight Lakhs Fourteen Thousand Only) Convertible Warrants on preferential basis to certain persons/entities (hereinafter referred to as the "Proposed Allottees/Warrant holder") with an option to warrant holders to subscribe for equal no. of equity shares of face value of Rs. 10/- each. In terms of the provisions of Section 62(1)(c) read with Section 42 of the Companies Act, 2013 and Rules made thereunder (the "Act"), and Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI (ICDR) Regulations"), as amended, a company can undertake preferential allotment only after obtaining prior approval of the shareholders by way of special resolution on the terms and conditions and formalities as stipulated in the Act and the SEBI (ICDR) Regulations. The details of the issue and other particulars as required in terms of the Act and SEBI (ICDR) Regulations in relation to the aforesaid Special Resolution are given as under:

1. Objects of the Preferential Issue: As mentioned above, the objective of the issue of warrants is to meet working capital requirement and general corporate purposes.
2. The total number of securities to be issued: The Board intends to offer, issue and allot up to 58,14,000 (Fifty Eight Lakhs Fourteen Thousand Only) Warrants on preferential basis in accordance with SEBI (ICDR) Regulations and other applicable laws.
3. The price at which the allotment is proposed: The issue price of the said warrants will be Rs. 10/- (Rupees Ten only) per warrant or the minimum price determined in accordance with the SEBI (ICDR) Regulations and applicable law, whichever is higher.
4. Basis on which price has been arrived at along with report of the registered valuer: As such this is not applicable in the present case since the Company is a listed company and the pricing is in terms of the SEBI (ICDR) Regulation.
5. The proposal / intention of the Promoters and Directors to subscribe to the Offer: The Promoters Mr. Jugal Kishore Arora, Mr. Satnam Arora and Mr. Gurnam Arora have indicated their intention to subscribe to the offer.
6. Relevant date: The "Relevant Date" in terms of Regulation 71 of the SEBI (ICDR) Regulations for determination of minimum price is Friday, 25<sup>th</sup> day of August, 2017, being a date which is 30 (Thirty) days prior to the date when the results of this Annual General Meeting will be announced, i.e. Tuesday, 26<sup>th</sup> day of September, 2017.



7. The class or classes of persons to whom the allotment is proposed to be made: The allotment is proposed to be made to the Proposed Allottees as mentioned at point no. 10 below.
8. Shareholding Pattern before and after the Preferential Issue:

CATEGORY OF SHAREHOLDERS	PRE ISSUE HOLDING DETAILS		POST ISSUE HOLDING DETAILS*	
	No. of Shares	% of Shares	No. of Shares	% of Shares
1. Promoter and Promoter Group	1,83,95,240	52.20	2,42,09,240	58.97
a) Indian	1,83,95,240	52.20	2,42,09,240	58.97
b) Foreign	0	0	0	0
Sub-total (1)	1,83,95,240	52.20	2,42,09,240	58.97
2. Public Shareholding	1,68,46,290	47.80	1,68,46,290	41.03
Sub-total (2)	1,68,46,290	47.80	1,68,46,290	41.03
TOTAL (1+2)	3,52,41,530	100	4,10,55,530	100

\*the figures in the Post-Issue Equity shareholding are on the assumption that all the warrants will be subscribed, pursuant to the shareholders resolution and all said warrants will be exercised/ converted into equity shares. However, if any warrants are not issued /allotted and the warrants are not exercised, the figures will change accordingly.

9. Proposed time frame within which the issue shall be completed: The allotment of Warrants shall be completed within a period of 15 days from the date of passing of the Resolution by the Shareholders provided where the allotment is pending on account of any approval from any Regulatory Authority/Body, the allotment shall be completed by the Company within a period of 15 days from the date of such approval.
10. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/ or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them:
11. Change in control consequent to the preferential issue: The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment.
12. The Company hereby undertakes that:
- It would re-compute the price of the securities specified above in terms of the provisions of SEBI (ICDR) Regulations, where it is so required.
  - If the amount payable, if any, on account of the re-computation of price is not paid within the time stipulated in SEBI (ICDR) Regulations the above warrants/shares shall continue to be locked-in till the time such amount is paid by

the allottees.

13. Auditors' Certificate: A copy of the certificate from Statutory Auditors certifying that the issue is being made in accordance with the requirements of SEBI (ICDR) Regulations shall be made available for inspection at the Registered/Corporate Office of the Company on or after Thursday, 31<sup>st</sup> August, 2017 between 2.00 p.m. to 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the results of the Annual General Meeting.
14. Lock-in Period: The securities allotted to Proposed Allottees shall be locked in as per Regulation 78 and other applicable provisions of SEBI (ICDR) Regulations.
15. Others: Save and except the Preferential Issue as proposed in the resolution as set in the accompanying Notice, the Company has made no other issue or allotment of securities on preferential basis during the year.

The Board of Directors believe that the proposed Preferential issue is in the best interest of the Company and its members.

Mr. Jugal Kishore Arora, Mr. Satnam Arora and Mr. Gurnam Arora are deemed to be interested in this resolution and being relatives of each other may be deemed to be concerned or interested in the resolution of each other as it pertains to the allotment of equity shares to the promoters.

Further Mr. Nitin Arora, being Son of Mr. Jugal Kishore Arora, is deemed to be interested in this resolution, as it pertains to the allotment of equity shares to his father.

The Board recommends the resolution as set out in the accompanying notice for the approval of members as a Special Resolution.

### Item No.10

The existing Memorandum of Association (MOA) are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the Companies Act, 2013 ("New Act"). It is thus expedient to adopt new Clause 3 (b) of Memorandum of Association, in place of Clause 3 (b) and 3(c) of the existing Memorandum of Association of the Company, pursuant to the provisions of the Companies Act, 2013. Hence the Board of Directors proposed to adopt amended Memorandum of Association in place of existing Memorandum of Association of the Company and seek shareholders' approval for the same.

A copy of the proposed amended Memorandum of Association of the Company would be available for inspection for the members at the Registered/Corporate Office of the Company during the office hours on any working day, except Sundays, between 10.00 a.m. to 5.00 p.m. upto the conclusion of the Annual General Meeting. The Board of Directors recommends the Resolutions at Item No. 10 of the accompanying Notice for the approval of the Members of the Company as Special Resolution.

None of the Directors, Key Managerial Personnel of Company and their relatives are concerned or interested, financially or otherwise in the said resolution.

### Item No.11

The existing Articles of Association (AOA) are in line with the erstwhile Companies Act 1956, which are no longer in full conformity with the Companies Act, 2013 ("New Act"). The New Act is now largely in force and substantive sections of the Act which deal with the general working of companies stand notified. With the coming into force of the Act several articles of the existing Articles of Association of the Company require alteration / addition/deletions. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles. It is thus expedient to adopt the new set of Articles of Association in place of existing Articles of Association of the Company, to be consistent with the provisions of Section 5 of the Companies Act, 2013 including Rules made thereunder. Hence the Board of Directors proposed to adopt new set of Articles in place of existing Articles of Association of the Company and seek shareholders' approval for the same. A copy of the proposed set of new Articles of Association of the Company would be available for inspection for the members at the Registered/Corporate Office of the Company during the office hours on any working day, except Sundays, between 10.00 a.m. to 5.00 p.m. upto the conclusion of the Annual General Meeting. The Board of Directors recommends the Resolutions at Item No. 11 of the accompanying Notice for the approval of the Members of the Company as Special Resolution.

None of the Directors, Key Managerial Personnel of Company and their relatives are concerned or interested, financially or otherwise in the said resolution.

**By Order of the Board  
For Kohinoor Foods Limited  
Sd/-  
Rama Kant  
Company Secretary and GM (Legal)**

**Place: Faridabad  
Date: 10.08.2017**

**Profile of Directors seeking Appointment /Re-appointment in the Annual General Meeting to be held on September 25, 2017, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable requirements:**

Name of Director	Mr. Jugal Kishore Arora	Mr. Satnam Arora	Mr. Gurnam Arora	Mr. Nitin Arora
DIN No.	00010704	00010667	00010731	00017428
Date of Birth / Age	11 <sup>th</sup> October, 1943 / 74 years	23 <sup>rd</sup> January, 1949 / 68 years	26 <sup>th</sup> March, 1950 / 67 years	08 <sup>th</sup> August, 1973 / 44 years
Date of First Appointment	26 <sup>th</sup> July, 1989	26 <sup>th</sup> July, 1989	26 <sup>th</sup> July, 1989	14 <sup>th</sup> November, 2016

Expertise in specific General Functional area	Businessman	Businessman	Businessman	Businessman
Qualification	Graduation	Masters in Economics	Graduation	MBA
Shareholding in the Company as 31 <sup>st</sup> March, 2017	60,43,484	53,78,923	60,98,889	21,000
No. of Board meetings attended during FY 16 - 17	4	4	4	2
List of outside Directorships held (Public Limited and Subsidiary Companies)	1. Sachdeva Brothers Private Limited 2. Kohinoor Foods USA Inc. 3. Indo European Foods Ltd. UK	1. Indraprastha Medical Corps. Limited 2. Satnam Haegens Limited 3. Sachdeva Brothers Private Limited 4. Kohinoor Foods USA Inc.	1. Satnam Haegens Limited 2. Sachdeva Brothers Private Limited 3. Indo European Foods Ltd. UK	1. Golden Palms Estates Limited
Chairman / Member of the Committee of the Board of Directors of the Company	Nil	2	Nil	Nil
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he / she is a Director				
a) Audit Committee	Nil	Indraprastha Medical Corporation Limited – Member	Nil	Nil
b) Stakeholders Committee	Nil	Indraprastha Medical Corporation Limited – Member	Nil	Nil

Note: Pursuant to Regulation 26 of SEBI (LODR), 2015, only two Committees viz. Audit Committee and Stakeholders Committee have been considered.





**Disclosure as required under schedule V to the Companies Act, 2013, in respect of Mr. Kugal Kishore Arora, Mr. Satnam Arora and Mr. Gurnam Arora:**

**I. GENERAL INFORMATION**

Nature of Industry	Rice Manufacturing and Food Processing
Date or expected date of Commercial Production	N.A.
In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.

**Financial Performance:- (Rs. In Lakhs)**

Particulars	Quarter ended 30.06.2017 (Un-audited)	2016-17	2015-16	2014-15
Turnover	26874	105050	113021	115715
Operating Profit	427	(18865)	2953	(9740)
Extra Ordinary	-	3221	2500	-
Profit before tax	427	(22086)	453	(9740)
Profit after tax	342	(14863)	381	(7255)

**Foreign Investments or collaborations, if any – (Rs. In Lakhs)**

Particulars	2016-17	2015-16	2014-15
Investment in Shares of subsidiary Companies	8937.87	8937.87	8937.87
Investment in Shares of Joint Venture Companies	0	0	9.42

**II. INFORMATION ABOUT THE APPOINTEES:-**

Particulars	Mr. Jugal Kishore Arora	Mr. Satnam Arora	Mr. Gurnam Arora
<b>1. Background Details</b>	Mr. Jugal Kishore Arora has been appointed as Whole Time Director designated as Chairman of the Company since inception.	Mr. Satnam Arora is the Jt. Managing Director of the Company since inception.	Mr. Gurnam Arora is the Jt. Managing Director of the Company since inception.

<b>2. Past Remuneration (Rs. In Lakhs)</b>	96	90	90
<b>3. Recognition and Awards</b>	-	-	-
<b>4. Job profile and his suitability</b>	Information given under the requirements of Regulation 36 of SEBI (LODR), 2015, annexed with the notice of AGM	Information given under the requirements of Regulation 36 of SEBI (LODR), 2015, annexed with the notice of AGM	Information given under the requirements of Regulation 36 of SEBI (LODR), 2015, annexed with the notice of AGM
<b>5. Remuneration Proposed</b>	As mentioned in the Explanatory Statement to Notice of AGM	As mentioned in the Explanatory Statement to Notice of AGM	As mentioned in the Explanatory Statement to Notice of AGM
<b>6. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any</b>	Apart from receiving managerial remuneration and 60,43,484 Equity Shares, he is brother of Mr. Satnam Arora and Mr. Gurnam Arora	Apart from receiving managerial remuneration and 53,78,923 Equity Shares, he is brother of Mr. Jugal Kishore Arora and Mr. Gurnam Arora	Apart from receiving managerial remuneration and 60,98,889 Equity Shares, he is brother of Mr. Jugal Kishore Arora and Mr. Satnam Arora

**7. Comparative remuneration profile with respect to industry, size of company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):**

During last decade, the Indian economy has seen increased spending on consumable eatables and various products. This had led to rise in the organised manufacturer/processors in order to meet the consumer demand and business competition. The size of the manufacturing industry in India has increased manifold during the past several years reaching to multi billions in terms of sales and revenues. With increased size and turnover, it is also imperative for any manufacturing company to have highly experienced persons having specialized knowledge and skills to understand and project the market trend, consumer behavior, consumption pattern and many relevant indicators for better product mix. It also requires expertise for appropriate fund allocation, optimum utilization of various resources in the business. Mr. Jugal Kishore Arora, Mr. Satnam Arora and Mr. Gurnam Arora have successfully proved their expertise in very effective manner and drove the Company towards the growth over the period of time. Hence, the Board of Directors considers that the present remuneration is being paid to them since 2012 and further renewal on the same terms are justified commensurate with other organisations of the similar type, size and nature in the manufacturing industry.



### III. OTHER INFORMATION:

1. Reason of loss or inadequate profits	<p>The Board of Directors in its Meeting held on 10<sup>th</sup> August, 2017 had decided that where in any financial year during the currency of the tenure of Mr. Jugal Kishore Arora, Mr. Satnam Arora and Mr. Gurnam Arora, the Company has no profits or profits are inadequate, the remuneration by way of salary, allowances and perquisites, as detailed in Para II-5 above, respectively payable to them shall be the minimum remuneration, subject however to the approval of the Central Government, wherever required. The Company had lastly obtained the approval of the Central Government in this regard for a period of 2 years (from 1<sup>st</sup> Oct, 2015 to 25<sup>th</sup> Sep, 2017) vide letter dated 3<sup>rd</sup> August, 2016.</p> <p>The Board of Directors in its Meeting had also decided to pay the same remuneration to them, subject to the limits as may be approved by the Central Government in this regard.</p>
2. Steps taken or proposed to be taken for improvements	
3. Expected increase in productivity and profits in measurable terms	

	<p>During the quarter ended 30<sup>th</sup> June, 2017, the Company has earned a Net Profit of Rs. 3.42 Crores and very hopeful for its future performance.</p> <p>The remuneration of Mr. Jugal Kishore Arora, Mr. Satnam Arora and Mr. Gurnam Arora may exceed the limits laid down under Schedule V of the Companies Act, 2013.</p> <p>The Company is taking further steps to improve the earning position of the Company and is optimistic of earning good profits in the year 2017-18 and so on.</p>
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### IV. DISCLOSURES:

1. The remuneration package of all the managerial persons are given in the respective resolutions.
2. Additional information is given in Corporate Governance report. The above explanatory statement (together with Annexure thereto) shall be construed to be memorandum setting out the terms of the appointment/re-appointment as specified under Section 190 of the Companies Act, 2013.

### Route Map of 28th AGM

Magpie Tourist Complex (a unit of Haryana Tourism Corporation Limited), Main Mathura Road, Sector 16A, Faridabad, Haryana-121002



# Kohinoor Foods Ltd.

Regd. / Corp. Office : Pinnacle Business Tower, 10th Floor,  
Shooting Range Road, Surajkund, Faridabad, (Haryana)-121001  
CIN : L52110HR1989PLC070351, Tel: +91-129-424 2222, Fax : +91-129-424 2233  
Email: info@kohinoorfoods.in, Website: www.kohinoorfoods.in



## ATTENDANCE SLIP

**(Please complete this attendance slip and hand it over at the entrance of the Hall)**

I, hereby record my presence at the Twenty Eighth Annual General Meeting of Kohinoor Foods Limited held at 11:00 A.M. on Monday, the 25<sup>th</sup> day of September, 2017, at Magpie Tourist Complex (a unit of Haryana Tourism Corporation Limited), Main Mathura Road, Sector 16A, Faridabad, Haryana-121002.

Name of the member(s) : .....

No. of Shares held : .....

Folio No/Client ID : .....

DP ID : .....

Name of Proxy (if any) : .....

**Signature of the Shareholder/Proxy/Representative\***

**\*Strike out whichever is not applicable**

### Notes:

1. Please fill the Folio/DP ID-Client ID, no of Shares, and name, sign the Attendance Slip and hand it over at the Attendance Verification counter at the entrance of the Meeting Hall.
2. Electronic copy of the Annual Report for the financial year ended on 31.03.2017 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip, Proxy Form and E-Voting Form is being sent to all the members whose e-mail address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of Annual Report for the financial year ended on 31.03.2017 and Notice of 28<sup>th</sup> Annual General Meeting alongwith Attendance Slip, Proxy Form and E-Voting Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.



# Kohinoor Foods Ltd.

Regd. / Corp. Office : Pinnacle Business Tower, 10th Floor,  
Shooting Range Road, Surajkund, Faridabad, (Haryana)-121001  
CIN : L52110HR1989PLC070351, Tel: +91-129-424 2222, Fax : +91-129-424 2233  
Email: info@kohinoorfoods.in, Website: www.kohinoorfoods.in



## Form No. MGT-11 Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s): .....

Registered Address: .....

E-mail ID: .....

Folio No/Client ID: ..... DP ID: .....

I/We, being the member(s) of.....shares of Kohinoor Foods Limited, hereby appoint

1. Name : ....., E-mail ID : .....  
Address : ....., Signature : ....., or failing him
2. Name : ....., E-mail ID : .....  
Address : ....., Signature : ....., or failing him
3. Name : ....., E-mail ID : .....  
Address : ....., Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Eighth Annual General Meeting of Kohinoor Foods Limited to be held at 11:00 a.m. on Monday, the 25th day of September, 2017, at Magpie Tourist Complex (a unit of Haryana Tourism Corporation Limited), Main Mathura Road, Sector 16A, Faridabad, Haryana-121002, and at any adjournment thereof in respect of such resolutions as are indicated below:

### Resolution No.

1. Adoption of the Audited Standalone Financial Statements as at March 31, 2017, the Reports of the Directors and the Auditor's thereon together with Audited Consolidated Financial Statements for the year ended March 31, 2017 and report of Auditor's thereon.
2. To Appoint a Director in place of Mr. Satnam Arora (holding DIN – 00010667) who retires by rotation and being eligible offers himself for re-appointment.
3. Appointment of M/s Rajender Kumar Singal & Associates LLP, Chartered Accountants, New Delhi (Firm Registration No. 016379N), as Statutory Auditors and to fix their remuneration.
4. To Regularize Appointment of Mr. Nitin Arora (DIN - 00017428), as Director of the Company.
5. To approve re-appointment and Remuneration of Mr. Jugal Kishore Arora (DIN - 00010704) as Chairman of the Company.
6. To approve re-appointment and Remuneration of Mr. Satnam Arora (DIN - 00010667) as Jt. Managing Director of the Company.
7. To approve re-appointment and Remuneration of Mr. Gurnam Arora (DIN - 00010731) as Jt. Managing Director of the Company.
8. To Ratify the Remuneration of the Cost Auditors for the year ending 31<sup>st</sup> March, 2018.
9. To Issue Warrants Convertible into Equity Shares to Promoters/Promoters Group of the Company on Preferential Basis.
10. To alter/adopt Object Clause of the Memorandum of Association of the Company as required under the Companies Act, 2013.
11. To alter/adopt new set of Articles of Associations of the Company as required under the Companies Act, 2013.

Signed this.....day of.....2017

Signature of Shareholder .....

Signature of Proxy holder(s).....



**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered /Corporate Office of the Company, not less than 48 hours before the commencement of the Meeting.**

# ANNUAL REPORT

## 2016 - 17



**Kohinoor Foods Ltd.**



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**Registered / Corporate Office and Share Department** : Pinnacle Business Tower, 10th Floor, Shooting Range Road, Surajkund, Faridabad, (Haryana)-121001  
CIN : L52110DL1989PLC037097  
(CIN: L52110HR1989PLC070351 w.e.f. 16th August, 2017)  
Tel: +91-129-424 2222 (30 Lines)  
Fax: +91-129-424 2233  
E-mail: info@kohinoorfoods.in  
Web: www.kohinoorfoods.in

**Works** : 50-51 Milestone, G.T. Karnal Road, Murthal, Sonapat (Haryana)  
: 42-43 Milestone, G.T. Karnal Road, Village Sultanpur, Bahalgarh, Sonapat (Haryana)

**Wholly Owned Subsidiary Companies** : Indo European Foods Limited  
Kohinoor Congress House, 6th Floor, Suite 2, 14 Lyon Road, Harrow, Middlesex, Post Code: HA2 2 EN, United Kingdom  
: Kohinoor Foods USA INC.  
285, Durham Ave Ste # 01  
South Plainfield, NJ 07080

: Sachdeva Brothers Private Limited  
201, Vipps Centre, Masjid Moth, Greater Kailash II, New Delhi-110 048, India

**Joint Venture Company** : Rich Rice Raisers Factory L.L.C.  
Post Box No. 15542  
Al Quoz Industrial Area  
3rd Interchange, Sh Zayed Road  
Dubai, U.A.E.

**Associates Company** : Al Dahra Kohinoor LLC  
Abu Dhabi, U.A.E.  
: Al Dahra Kohinoor Industries LLC  
Abu Dhabi, U.A.E.

**Listing of Equity Shares** : National Stock Exchange of India Ltd. (NSE)  
BSE Ltd. (BSE)

### Board of Directors

Mr. Jugal Kishore Arora	Chairman
Mr. Satnam Arora	Jt. Managing Director
Mr. Gurnam Arora	Jt. Managing Director
Mr. Vijay Burman	Non-Executive Independent Director
Mr. Sandeep Kohli	Non-Executive Independent Director
Mr. M.K. Trisal	Non-Executive Independent Director
Mr. S.C. Gupta	Non-Executive Independent Director
Mr. Khedaim Abdulla Saeed Faris Alderei	Non-Executive Investor Director
Ms. Madhu Vij	Non-Executive Independent Director
Mr. Nitin Arora	Whole Time Director (w.e.f. 14th November, 2016)

### Company Secretary & GM (Legal)

**CFO** Mr. Rama Kant  
**Auditors** Mr. Prabhat Kumar  
M/s. Rajender Kumar Singal & Associates LLP  
Chartered Accountants  
**Cost Auditors** M/s. Cheena and Associates  
Cost Accountants

### Bankers

Oriental Bank of Commerce  
State Bank of India  
Punjab National Bank  
Allahabad Bank  
ICICI Bank Ltd.  
IDBI Bank Ltd.  
Bank of India  
Axis Bank Ltd.  
UCO Bank

### Depositories:

National Securities Depository Ltd. (NSDL)  
Central Depository Services (India) Ltd. (CDSL)

### Registrar & Transfer Agents

M/s Skyline Financial Services Pvt. Ltd.  
D-153A, 1st Floor, Okhla Industrial Area, Phase -I  
New Delhi-110020, Ph.: 011-26812682, 83, 84



## Chairman Message



Dear Shareholders,

Greeting

It gives me great pleasure to place before you the Annual Report of your company for the financial year 2016–17. Your company achieved a total turn-over of INR 10,504 millions (Mn.) whereas the sales value from rice export business stood at INR 7,213 Mn as against INR 6,926 Mn during the last year, indicating marginal growth of over 4% in turnover. On back of acquiring new clients our Private Label Rice export business grew by healthy 19% to INR 4,381 Mn.

Nevertheless, last year had been very challenging one particularly because of ongoing litigations. In terms of the Settlement Agreement signed in the current year, the company M/s Kohinoor Foods Limited (KFL) has settled all disputes with Kohinoor Speciality Foods India Pvt. Ltd. (KSF) and McCormick Switzerland GmbH and all the parties of the disputes have consequently withdrawn the case filed in the respective Courts/Tribunal.

On the hindsight export market was low on sentiments & actual realization due to political instability in many parts of Middle East countries besides our own restructuring of business operations in wholly owned US subsidiary. However Kohinoor Rice exports

grew steadily in markets such as Saudi Arabia, Kuwait, Qatar, Hong Kong & Thailand.

KFL is allowed to participate in the Indian market, under its corporate name for sale of rice and processed & packaged food business. It would give us opportunity & freedom to enter new food categories & verticals & explore the domestic market to its potential. As you know last year, we acquired a new Food Processing Unit near Sonapat, Haryana and on the back of growing demand of our clients for Ready to Eat & Ready to Cook products we plan to increase the Production capacity from existing 15,000 to 50,000 ready meals per day by next financial year. Our focus would be on product innovation to develop healthy food products from locally available raw material. We will continue to Invest & Innovate and expand our product offering to add value to our Food business operations.

We launched “Monsoon” brand Basmati Rice by creating distributors network in domestic market and also in international markets, which is well accepted and liked by consumers. As on date 'Monsoon' brand is present in 22 countries & hope to increase our presence in 35 countries by next financial year.

Our UK operations continue to focus on profitable growth both in Rice and processed food range of products. Likewise our UAE operations have shown steady growth in the export sale of Rice from Kohinoor Foods Ltd. to our JV Company Al Dahra Kohinoor LLC.

With the objective of bringing authentic Indian flavours to the people all over the world, we want your company Kohinoor Foods Ltd. to become a leading name in the food business globally. In pursuit of our vision to make Kohinoor the most trusted & preferred food brand in export markets, we would continue to develop products, increase operational efficiency and follow our successful strategies.

I am grateful to the Board of Directors for their unwavering support and guidance. I also take this opportunity to express my gratitude to all our consumers, business partners, employees and stakeholders who have shown their trust in us and have extended their constant support.

With best wishes,

Sincerely

Sd/-

**Jugal Kishore Arora**

**Chairman**



### Directors' Report and Management Discussion & Analysis

(Rs. In Million)

The following report should be read in conjunction with the audited financial statements and notes for the year ended March 31, 2017 and the audited financial statements and notes for the year ended March 31, 2016. This report contains forward looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, market position, expenditures, and financial results, are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

#### Company – In General

Synonymous with the fine taste of India in its absolute authentic form, the sole objective of Kohinoor Foods Limited, since its inception, has been to make the world experience the true Indian flavour. The Company offers an extensive range that caters to consumers' need in all parts of the world – a wide variety of Basmati Rice, Ready to Eat Curries & Meals, Readymade Gravies, Cooking Pastes, Chutney's, Spices and Seasonings to Frozen Breads, Ghee, Snacks & Paneer (Indian Cottage Cheese), healthy grains, edible oils. Today, the most powerful brand of the Company "Kohinoor" is a household name in the countries like UK, USA, UAE, Canada, Australia, Middle East, Singapore, Japan, Mauritius & other European countries. As of now, the brand 'Kohinoor' is known worldwide. During the current year the company is promoting its "MONSOON" brand in India as well as worldwide and started selling product under this new brand.

Your Directors have pleasure in presenting the 28th Annual Report and the Audited Annual Accounts of the Company for the Financial Year ended 31st March, 2017.

#### Financial Overview

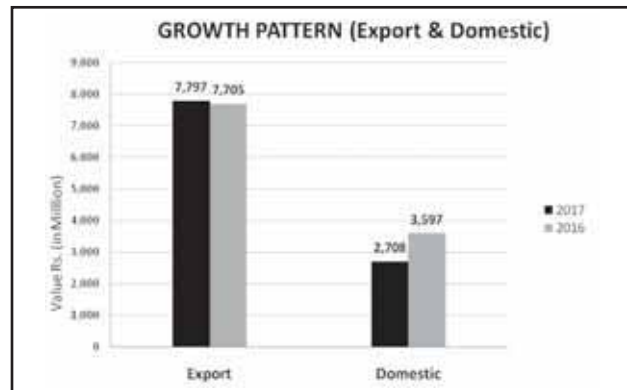
The financial highlights for the year ending 31st March, 2017 are as under:

Particulars	FY'17	FY'16
<b>Total Turnover</b>	<b>10596.76</b>	<b>11338.27</b>
Profit/(Loss) Before Interest, Depreciation and Tax (PBITD)	(845.88)	1397.88
Profit/(Loss) Before Exceptional and Extra-Ordinary Items	(1886.53)	295.30
Exceptional and Extra Ordinary Items	322.09	250.00
Profit/(Loss) Before Tax	(2208.62)	45.30
Less: Tax Expense	(722.34)	7.17
Profit/(Loss) After Tax	(1486.27)	38.13

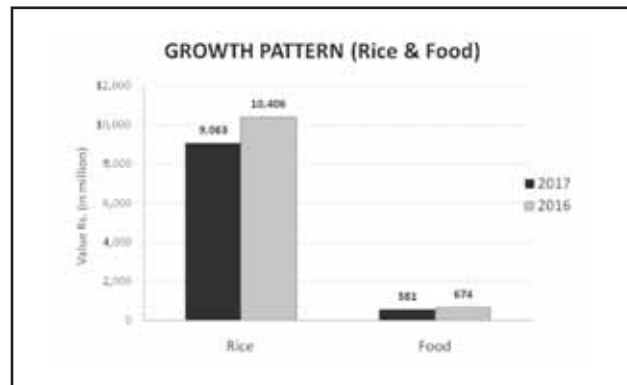
The Board's Report shall be prepared based on the stand alone financial statements of the Company.

#### Operations:

For the financial year 2016-17 under review the company's Export stands at INR 7,797 million as against INR 7,705 million in previous year whereas the Domestic Sales stood at INR 2,708 million as against INR 3,597 million in the last financial year.



The contribution made by Rice to the Company's business is INR 9,063 million as against Rs.10,406 million in the last financial year, while the Food Business stood at INR 581 million as against INR 674 million in the previous year.





The year saw an increase in basmati rice exports from India in value terms; however in quantity terms this increase was modest at 7% in comparison to last year sales. Export market was down due to political instability in countries such as Iraq & Syria besides our restructuring & reorganizing of US operations. Focused sales and marketing efforts in all the major basmati rice importing countries of the world viz. UK, Australia, Saudi Arabia, Iran, UAE, Yemen and to the US.

- Our over-all Basmati Rice exports grew by 7% in volume terms.
- Launch of new brand of Basmati Rice under the name 'Monsoon' with parallel distribution of 'Monsoon' Brand of basmati Rice that was well accepted in market and distribution was finalised for 9 countries. As on date we are present in 22 countries namely (Australia, Kuwait, Mauritius, USA, South Africa, Canada, Russia, Ukraine etc.) & hope to increase our presence in 35 countries by next financial year.



- Significant growth Private Label Business of Basmati Rice from Saudi Arabia and other countries in the Middle East.
- Around 40% increase in volumes of Non Basmati Business majorly from East Africa markets.
- Kohinoor Basmati Rice (Brand) exports saw impressive growth in markets of Saudi Arabia, Kuwait, Qatar & Thailand.



- Acquired business from new countries such as – Australia, Greece, Sweden, USA, New Zealand, Russia, Bangladesh and Togo.
- We have entered domestic market settlement agreement between KSF & KFL. The company is free to sell basmati rice under various brands in the current financial year. In fact we already have launched "MONSOON" brand of Basmati Rice in domestic as well as in the international market.



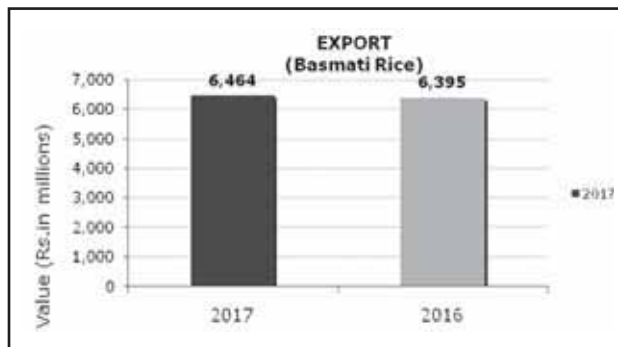




### EXPORT MARKETS

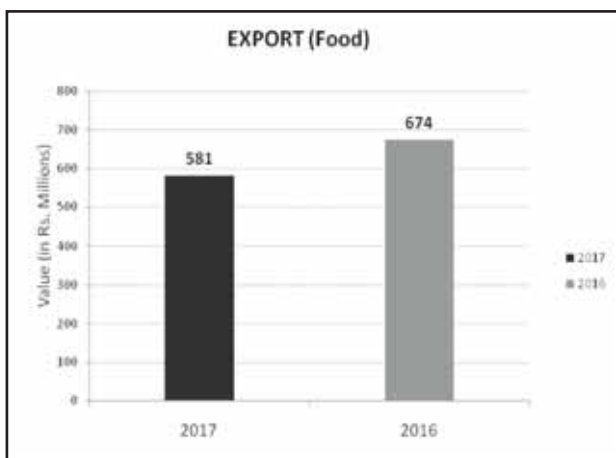
#### Export- Basmati Rice

This year, in the Export of Basmati Rice, the company did the business of around INR 6,464 million as against INR 6,395 million in the previous financial year.



#### Export- Food

This year the export of processed & packaged food products recorded a decline in revenues and stood at INR 581 million as against INR 674 million in the previous year. Termination of the food supply agreement between KSF & KFL impacted our production & subsequent revenues. Also renewal work for expansion of our newly acquired processing facility impacted production; overall business momentum was hampered that resulted in slow-down.



#### Subsidiaries / Joint Venture:

##### UAE Operations

During the financial year 2016-17, the rice processing plant/facility of Joint venture Company M/s Al Dahra Kohinoor LLC and Al Dahra Kohinoor Industries LLC, incorporated in Abu Dhabi (UAE), have become operational, in which Kohinoor Foods Limited is a shareholder & also having a board seat. This

processing plant is established for supply of Rice & other agro products from India to UAE and also to provide long-term sustainable food security to the people of UAE. In terms of the Agreement both the parties agreed to jointly develop and manage brown to white rice facility in Abu Dhabi with a capacity of approximately 60,000 MTs per annum scalable up to 1,00,000 MTs and also to build storage facility of approx 30,000 MTs. The JV is doing its operation successfully.

During this financial year, the export sale of Rice from Kohinoor Foods Limited to Al Dahra Kohinoor stood at 30,094 MTs as against 37,817 MTs in last year.

The Rich Rice Raisers Factory LLC, (RRR) is a Joint Venture Company where in KFL has 25% equity. The RRR is not doing any business activity since the inception of Al Dahra-Kohinoor Joint Venture. As per the terms of the JV agreement with Al-Dahra; Kohinoor Foods Ltd., have already initiated step to exit from Rich Rice Raisers Factory LLC, Dubai."

##### U.K Operations:

Indo European Foods Limited (IEFL) was incorporated in year 2000 in United Kingdom (UK), as a wholly owned subsidiary of Kohinoor Foods Limited (KFL), India, to cater the markets of UK and Europe.

##### Business performance and plans

IEFL had a very good year, as this subsidiary has not only added volumes but have also increased 'Kohinoor' brand listings and its presence in many new multiple stores. This year in spite of fall in the value of currency the sales showed a marginal increase. Led by the flagship Kohinoor Brand, the IEFL has become the leading supplier of packed rice to the UK grocery market. (Source: IRI, UK Grocery Major Multiples). The marketing and new product development efforts have focused on revitalizing the portfolio packaging and on reformulating the food range. IEFL has also invested in road shows that have sampled the products and showcased the brands at major retail outlets.

##### Investment in People-

The sales and marketing teams of IEFL has been strengthened, experienced marketing people have been hired and provided exposure to various training programmes.

##### BRC Audit –

The IEFL have been awarded the highly sought after "Grade AA" by the British Retail Consortium (BRC). The Felixstowe factory meets the criteria of global standard for food safety and is equipped to supply all major international retailers.

##### Forward Thinking-

IEFL while focusing on rice business is also strengthening the



food side of its business. The Efforts of IEFL will continue to open new accounts in the UK and Continental Europe.

### USA Operations

Kohinoor Foods USA Inc. was incorporated in year 2000 in the state of New Jersey, USA, as a wholly owned subsidiary of Kohinoor Foods Limited (KFL), India, to cater to the markets of US & Canada. The brand 'Kohinoor' is well known in USA for its quality rice and food items. The Company however was making losses on account of huge operational cost, low turnover and delayed/un-satisfactory sales realizations. On account of the aforesaid reasons during the financial year 2016-17, it was decided to downsize the company and make this company responsible for marketing and sales promotion through distributors. This decision has helped the company to reduce its operational expenses and focus on sales promotions.

Business of KFL in USA is now being conducted in a sound manner through distributors. The subsidiary is also earning commission to meet its expenses.

The US Subsidiary is planning to add following business in the current fiscal:

- Appointment of distributor for rice on West Coast USA.
- Entry into mainstream Stores.
- Building distribution network for 'Monsoon' Brand.
- Improving sales of food items, which has a good scope in US market, through new distributors.

We expect the company will be able to help KFL to improve its sales in USA and also improve its commission earning.

### **FOOD BUSINESS:**

During the year (2016-17) Kohinoor Processed & Packaged Food recorded a business of INR 581 Mn as against INR 674 Mn in the previous financial year, a decline of 13% over last year. US & UK are two major markets for our range processed & packaged food products. Because of the restructuring of our US subsidiary coupled with ban on import of Indian origin dairy products by UK & EU contributed towards the fall in revenues.

Bulk of Kohinoor's processed food business to the extent of 70% is contributed by the clients of Private Label; so in the event of any issue with the major client it has direct bearing on our Revenues. However we expect to notch up good numbers in the next financial year thru consolidation of our core business of Heat & Eat Products by acquiring new clients and targeting mainstream Retail chains of US & UK market.

### **Highlights (2016-17)**

- Kohinoor Foods Limited acquired new food processing

facility in year 2015-16 near Sonapat (Haryana) and commercial production started in 2016-17. Foreseeing an increase in the global demand of Ready to Eat (RTE) / Ready to Cook (RTC) Products, KFL plans to enhance its production capacity in next financial year from existing 15,000 to 50,000 ready meals per day by adding 2 more Retort Units from France

- The new food facility is now BRC & Halal Certified and will be FSSC:22000 Certified by next financial year.
- Developed 100% Certified Organic range of Products under 'Green Grown' brand such as Pulses, Spices, Cereals, Healthy Grains and much more. Launched the brand in Saudi Arabia & have major plans for next financial year.
- Have developed new product categories such as RTE- Pasta/Salad, Frozen Butter, Frozen Sweets & Besan
- New Clients added such as Nature's promise- Ahold (USA), Imperial Grain- ALDI (Australia), METCASH (Aus.)
- Some of our product range is available with US Amazon online shopping.
- Added new markets such as Iran & Russia.

### **CHALLENGES:**

- Erratic supply from our major business partner resulted in delayed shipment & business loss.
- Re-structuring of US office contributed to business slow-down.
- Export of products to UK containing 'Dairy' suffered due EU regulations.
- Quality related issues with one of our major clients in South Africa (M/s Tiger Brands) hampered the business & momentum.

### **FINANCIAL YEAR (2017-18)**

- After the settlement agreement between KSF & KFL the company plans to come in domestic market assertively for which market survey & recruitment of personnel would be initiated.
- We'll consolidate the existing categories & products by increasing the Width & Depth of Distribution network in focus markets.
- We will discontinue non core product categories such as cookies, pickles & dry fruit etc.
- Focus on mainstream market in UK, US, Canada & Australia.



- “Green Grown” Organic range of products would be our focused category and look to launch in several countries.

### Overview - Food Processing Industry

The Indian market offers a huge potential for the food processing industry - more so because of the fact that it promotes two main growing factors of our Indian Economy - Industry & Agriculture. During the last one decade, India moved from a position of scarcity to surplus in Food. Given the trade in production of food commodities, the Food Processing Industry in India is on an assured track of growth and profitability. It is expected to attract phenomenal investment in capital, human, technological and financial areas. A reason why the Food Processing Industry sector in India has been accorded high priority by the Government of India, with a number of fiscal relief and incentives, to encourage commercialization and value addition. As per a study conducted by McKinsey and Confederation of Indian Industry (CII), the turnover of the total food market is approximately Rs.2,50,000 Crores, out of which value-added food products comprise Rs.80,000 Crores.

### Basmati Rice

With the rise in disposable income, urbanization, younger work force & more employment opportunities the Basmati Rice in India, is one category which has grown significantly over the years and slated to grow further in times to come. Rice in past was perceived as low engagement category but with sustained growth in Indian economy and consumer's gradual shift towards branded rice coupled with growth in modern retail have been major contributors. Though still majorly unorganized, but year on year this category is experiencing good number of conversions from unbranded to branded packaged Basmati Rice in terms of consumptions in India. This is mainly due to introduction of branded and package basmati rice in many retail outlets. India's growing middle class has augmented the domestic demand of branded rice. Moreover, introduction of modern food retail formats has also propelled the packaged food market, facilitating the availability, visibility and accessibility of branded products. The domestic branded market in India is expected to grow in double digits as compared to single digit growth for unbranded rice. Eating rice is common habit in most of the Indian households and it is usually a part of one of the 3 meals cooked every day. Geographically, the consumption of Basmati is higher in the Northern & Western part of the country while culturally, its consumption is quite high in the Punjabi & Gujarati families. With the view of serving the best to their customers & employees, Basmati consumption is also higher in well recognized hotels & large institutions. The consumption of branded packaged Basmati Rice is also being driven by the modern retail that allows every

consumer to select what they want.

### Ambient - Ready Meals

Ready Meals, is a category which is gaining popularity globally though still at a growing stage; but the factors that has so far contributed to sales of Ready Meals have been increasing consumer base of working people who have less time to spend on cooking, Eating out of home becoming a common phenomena on weekends, growth of Modern trade, the Convenience of making exotic vegetarian & non-vegetarian dishes in just a few minutes, etc. As this category grows, an Innovative value addition to products with Health & Nutrition is expected to become an important aspect of it.

### Frozen Food - Ready Meals

Though Frozen Food as a category constitutes many products, majority of it being the frozen unprocessed non-vegetarian food, but within this segment vegetarian Frozen Ready Meals, snacks too is growing at significant rate. The factors that contribute to the growth of this category is very similar to that of Ambient Ready Meals like growing consumer base of working people who have less time to spend on cooking, Eating out of home becoming a common phenomena every week & on weekend, Growth of Modern trade, the Convenience of making exotic Vegetarian dishes in just a few minutes, etc.

### Risks & Concerns

Macro-economic factors like recession, subdued demand and political uncertainty may affect the business of the Company and the industry at large as well. The Company is aware that uncertainties in business offer opportunities as well as downside risks and thus has identified and put in place mitigation tools for the same. Some key risk areas are:

**Procurement risk:** Adequate availability of key raw materials at the right prices is crucial for the Company. Being a generic natural product with low yield concentrated in a small region of the World, production of Basmati depends on the vagaries of nature. Therefore, any disruption in the supply due to a natural or other calamity or violent changes in the cost structure could adversely affect the Company's ability to reach its consumers with the right value proposition. However, we are ready with plans that might help us at such times. However, the Company's long term relationship with farmers built on trust ensures constant supply and thus over the years it has not faced any procurement problems. Also, adequacy of irrigation facilities in the Basmati producing regions mitigates these uncertainties.

**High working capital requirement:** Basmati rice requires to be aged for 9-12 months before selling, leading to huge working capital requirements. This results in low ROCE for the industry.



Combating this risk, efficient working capital management system has been set in place by the Company and cash flow is monitored on daily basis.

**Intense competition from unorganized sector:** Another characteristic of this industry is the presence of unorganized sector offering basmati in loose unbranded form which intensifies competition. The Company is moving towards branded products and has invested significantly in building strong brands which helps differentiate their product.

### Dividend

Your Directors do not recommend any dividend for the financial year 2016-17.

### Re-Appointment / Appointment of Directors

In accordance with the provisions of the Companies Act, 2013, Mr. Satnam Arora (Holding DIN – 00010667), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Your Directors recommend his re-appointment.

The Board of Directors of the Company at its meeting held on November 14, 2016 has pursuant to the recommendation of the Nomination and Remuneration Committee appointed Mr. Nitin Arora (DIN-00017428) as an Additional Director who shall hold office of the Company till the date of the ensuing Annual General Meeting.

The Company has received consent in writing to act as directors in Form DIR 2 and intimation in Form DIR 8 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that they are not disqualified under sub-section (2) of section 164 of the Companies Act, 2013. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as Directors. Accordingly, the Board recommends the resolution Nos. 4, in relation to appointment of Mr. Nitin Arora as Directors, for the approval by the shareholders of the Company.

This is to further inform that the Management has appointed / designated Mr. Nitin Arora as a Whole Time Director of the Company and also fix his remuneration as determined by the Remuneration and Nomination Committee and approved by the Board and also been approved by the shareholder vide postal ballot notice dated 14th November, 2016 for the period of Three Years. The company had already made an application for approval of the Central Government and the same is awaited till date. Mr. Nitin Arora is presently looking after the day to day affairs of the Rice Factory Business and also having rich experience of all aspects of running a rice mill from purchase of paddy/rice to storage to milling. His rich experience can be of

great help on Board Level in decision making.

The Appointment and Remunerations of Mr. Jugal Kishore Arora (DIN 00010704), Mr. Satnam Arora (DIN 00010667) and Mr. Gurnam Arora (DIN - 00010731) had been approved by the Shareholders in the Annual General Meeting of the Company held on 27th September, 2012 for the period of Five years and the remuneration last approved in the Annual General Meeting dated 29th September, 2015. The Company had also obtained approval of the Central Government for confirmation of its appointment and also for payment of remuneration subject to the limit for the period of Three Years from 1st October, 2012 to 30th September, 2015, vide its order dated 23rd September, 2013 and dated 3rd August, 2016 for the period 1/10/2015 to 30th September, 2017. Now the Company wants to renew the appointment and remuneration payable to these Managerial Personnel on the same term and condition as approved by the shareholder in their Annual General Meeting held on 27th September, 2012 and 29th September, 2015 for further period of three years starting from 1st October, 2017 in the forthcoming Annual General Meeting, subject to the overall limit as approved by the Central Government.

Your Directors recommend this resolution for approval of the members.

### Subsidiary, Joint Ventures and Associate Companies

The company has no material subsidiary in accordance with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In accordance with section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. The statement provides the details of performance, financial positions of each of the subsidiaries.

During the year the Board of Directors of the Company had reviewed the affairs of the subsidiaries and a statement containing the salient features of the financial statement of our subsidiaries and Joint Venture in the prescribed format AOC-1 is enclosed as Part I and Part II of Annexure A to the Consolidated Financial Statement and hence not repeated here for the sake of brevity.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statement, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website [www.kohinoorfoods.in/investor](http://www.kohinoorfoods.in/investor). These documents will also be available for inspection during business hours at our corporate office.

Further the Policy for determining material subsidiaries as approved by the Board may be accessed on the Company's





website at the link: [www.kohinoorfoods.in/investor](http://www.kohinoorfoods.in/investor)

### Internal Control System

The Company has in place adequate internal control systems that facilitates the accurate and timely compilation of financial statements and management reports, ensures regulatory and statutory compliance, and safeguards investor interest by ensuring the highest level of governance. The control system ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. A CEO and CFO Certificate provided by Jt. Managing Director and CFO, included in the Corporate Governance Report confirms the existence of effective internal control systems and procedures in the Company Internal audit function evaluates the adequacy of, and compliance with policies, plans, regulatory and statutory requirements. The Internal Auditors directly report to the Board's Audit Committee, thus ensuring the independence of the process. It also evaluates and suggests improvement in effectiveness of risk management, controls and governance process. The Audit committee and Board provides necessary oversight and directions to the Internal audit function and periodically reviews the findings and ensures corrective measures are taken. In the opinion of the management and the internal auditors, there exists adequate safeguard against fraud and negligence within the Company.

Our Offices as well as the manufacturing facilities endorse the highest health, safety, security and environmental standards.

### Internal Financial Controls

The Company has in place well defined and adequate Internal Financial Controls which are tested from time to time for necessary improvement, if any required.

### Listing at Stock Exchange

The Equity Shares of the Company are listed with BSE Limited and National Stock Exchange of India Ltd. The annual listing fee for the year 2017-18 has been paid to the Exchanges.

### Registered office

During the year under review, as approved by the Shareholders vide Special Resolution passed on 24th January, 2017 by way of postal ballot process, the registered office of the Company was shifting from NCT of Delhi to the State of Haryana, subject, however, to the approval of the Central Government (powers delegated to Regional Director). The Regional Director, Northern Region vide its order dated 24th July, 2017 has allowed the application filed by the Company in this regard. As per the applicable provisions of the Companies Act, 2013 the copy of the said order has been filed by the Company with the Registrar of Companies which has since taken the same on record. The

shifting of registered office of the Company from NCT of Delhi to the State of Haryana shall be effective from the date of issuance of a Certificate in this regard by the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

### Corporate Governance

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as stipulated by the Stock Exchanges. Pursuant to SEBI (LODR), Regulation, 2015, a report on the Corporate Governance, Certificate regarding Compliance, Secretarial Audit Report and Jt. Managing Director (CEO) and CFO certification along with the Auditors Certificate has been made part of the Annual Report.

### Auditors

M/s Rajender Kumar Singal & Associates LLP, Chartered Accountants, New Delhi, Statutory Auditors of the Company, holds office till the ensuing Annual General Meeting and are eligible for re-appointment. The Board of Directors has received their consent and they have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits and they are not disqualified for re-appointment.

The Board pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and on the recommendation of the Audit Committee has considered the appointment of M/s Rajender Kumar Singal & Associates LLP, Chartered Accountants, New Delhi (Firm Registration No. 016379N), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting. The Board of Directors accordingly recommends their appointment as Statutory Auditors.

### Auditors Report

The Company has received the Auditors Report duly signed by M/s Rajender Kumar Singal & Associates LLP, Chartered Accountants, New Delhi, and took note on the same. Further as mentioned in the Auditors Report, attention is drawn (Emphasis of Matters) to Note No. 11(c) and 38(a)(i) to the financial statements, the board discussed the contention of the Auditor and is of the view that the losses incurred by the Wholly Owned Subsidiary is not going to affect the Company's investment in long run. Further as per advice received from legal experts and on the basis of merit of the case, there is a high probability that the income tax order will be set aside and the demand will be quashed. Accordingly, management is of the view that no provision in respect of the above demand is required to be made in the books of accounts.

### Cost Auditors



The Cost Auditor M/s Cheena and Associates appointed as Cost Accountants of the Company for the year 2016-17 and has completed the audit of the cost record of the Company. The Cost Audit Report does not contain any qualification, reservation or adverse remark.

The Board pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), on the recommendation of the Audit Committee has approved the appointment of M/s Cheena & Associates, Cost Accountant Firm to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2018 and remuneration to be paid subject to rectification by shareholders.

### **Secretarial Audit**

The Board of Directors pursuant to the Provision of Section 204 of the Companies Act, 2013, has appointed M/s Vinod Aggarwal and Associates, Company Secretary Firm, (having FCS No. 8007 and CP No. 8816) to conduct Secretarial Audit of the Company for the Financial Year 2017-2018.

### **Secretarial Audit Report**

The Secretarial Auditor M/s Vinod Aggarwal and Associates, Company Secretaries, appointed for the year 2016-17 and has completed the secretarial audit of the Company. The Secretarial Audit Report as received from the Practicing Company Secretary is annexed to the Annual Report as Form No.-MR-3. As per the Secretarial Audit Report the Company has complied with all the applicable acts, laws, rules and regulations and does not contain any qualification, reservation or adverse remark.

### **Internal Auditor**

The terms of M/s SPMG & Co., Chartered Accountants, New Delhi, who was reappointed as Internal Auditor of the Company for the Financial Year 2016-17 expired on 31st March, 2017.

Your Directors have approved their reappointment in the Board Meeting dated 30th May, 2017, for the financial year 2017-18.

### **Deposits**

During the year under review, the Company has not accepted any deposit under Chapter V of the Companies Act, 2013

### **Share Capital of the Company**

During the year under review, the Company did not issue equity shares. The paid up Share Capital of the Company is amounting to Rs. 35,24,15,300/- comprising of 3,52,41,530 equity shares of Rs. 10/- each.

### **Board Meetings**

The Board is headed by an executive Chairman. As on 31st March 2017, the Board of Directors consisted of Ten Directors, including Chairman, Joint Managing Directors, Woman Director, Independent Director and others.

Four (4) Board Meetings were held during the year 2016-17 i.e. on 30th May, 2016, 12th August, 2016, 14th November, 2016 and 14th February, 2017 and the gap between two meetings did not exceed 120 days.

### **Audit Committee Meetings**

During the year under review, the Audit Committee met Four (4) times i.e. on 30<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016 and 14<sup>th</sup> February, 2017 and the maximum time gap between any two consecutive meetings did not exceed 120 Days. The minutes of the meetings of the Audit Committee are noted by the Board.

### **Nomination and Remuneration Committee**

During the year under review, the Nomination and Remuneration Committee meeting was held on 14<sup>th</sup> November, 2016. The committee in this meeting has recommended the appointment of Mr. Nitin Arora as Director of the company.

### **Remuneration Policy**

On the recommendation of the Nomination and Remuneration Committee, the Board has formulated Remuneration Policy for appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration.

The Remuneration Policy of the Company forms part of this Report and may be accessed on the Company's website on the link [www.kohinoorfoods.in/investor](http://www.kohinoorfoods.in/investor)

### **Whistle Blower Policy/Vigil mechanism**

The Company has established a vigil mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected, fraud or violation of the company's code of conduct or ethics policy or any other grievances, the details of which are given in the Corporate Governance Report. The Whistle Blower Policy may be accessed on the Company's website on the link [www.kohinoorfoods.in/investor](http://www.kohinoorfoods.in/investor)

### **Risk Management**

The Company has constituted a Risk Management Committee comprising executives headed by the Managing Director.

The Company has a Risk Management Policy to identify, evaluate business risks and opportunities. The Company has adopted several strategies for Risk Management to mitigate risks and uncertainties. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance



the Company's competitive advantage.

The Company has adopted a Risk Management Policy which establishes various levels of accountability and overview within the Company. In addition, all the key risks get continuously deliberated and discussed at the Group Executive Committee level as well as the Business Unit level. The said Policy is placed on the Company's website [www.kohinoorfoods.in/investor](http://www.kohinoorfoods.in/investor).

### **Particulars of Loan Given, Investment made, Guarantees given and Securities Provided**

Particulars of loans given, investments made, guarantees and securities provided under section 186 of the Companies Act, 2013 are provided in the notes of standalone Financials statement.

### **Capacity enhancement of Food Factory**

During the year your Company has increase production capacity of its Food Factory of Ready to eat Packaged Food, situated at Village Sultanpur, Sonapat, Haryana, purchased during the last year. The production of this factory had already commenced during the current financial year.

The increase in capacity of new food facility would not only reduce the dependence on our existing out-sourced facilities but also help us to focus on business by acquiring new customers.

### **Present Status of litigations in terms of Settlement Agreement**

1. In terms of the Settlement Agreement dated 13<sup>th</sup> April, 2017, the company M/s Kohinoor Foods Limited (KFL/Seller) has settled all disputes with Kohinoor Speciality Foods India Pvt. Ltd. (KSF/Acquirer) and McCormick Switzerland GmbH, which resulted all proceedings in London Arbitration (LCIA) and in the Indian Court (NCLT) and agreed to irrevocably and unconditionally release, acquit, waive, relinquish and withdraw the Claims and not to initiate, proceed with or prosecute any of the Claims and hereby forever discharges each other."

The Parties further agreed that, subject to compliance with the terms and conditions of the Settlement Agreement:

- (i) each of the Seller BTA Non-Compete Obligations and the NCSA Non-Compete Obligations are released, waived and forever discharged and KFL is allowed to participate in the Indian market, under its corporate name, subject to the obligations under the Corporate Name License Agreement; and
- (ii) the Acquirer BTA Non-Compete Obligations are released, waived and forever discharged, and KSF is allowed to participate in markets outside India under its corporate name.

In accordance with the said terms of the settlement agreements all the parties of the disputes have consequently withdrawn the case filed in the respective Courts/Tribunal. The LCIA had issued a Final Award by Consent dated 26<sup>th</sup> May, 2017, to give effect of aforesaid settlement and NCLT also vide its order dated 28<sup>th</sup> April, 2017 had withdrawn the case upon settlement agreed between parties.

2. This is to further inform that subject to the terms and conditions of Settlement Agreement, KFL transferred its 15% shareholding of KSF for an agreed amount together with all the legal and beneficial interest therein to McCormick, Singapore, free and clear of all Encumbrances. The mutually agreed consideration is to be paid in two tranches – the first tranche, being 75% of the agreed consideration has already been received in the month of May, 2017, by the company and transferred all of the shares presently held by the KFL. However the second tranche being 25% of the agreed consideration will be received by the company on September 28, 2018. On receipts of 75% of consideration mentioned in first tranche, the company has made application in Form FC-TRS and has already obtained the necessary approval from the Reserve Bank of India.

### **The details Status of Pending Litigations before Various Court / Tribunal / Authorities has been given as under:**

-An appeal is lying pending before the Dy. Excise & Taxation Commissioner-Appeal, Punjab against the Order received from Excise and Taxation Deptt., Punjab in respect of Year 2009-10 and 2010-11 demanding a sum of Rs.4,50,41,414/- towards the cess imposed by the State Govt. on exports. The company has challenged the validity of imposition of cess on export in its appeal as the same is not permissible under article 286 of the Constitution of India. Further demand has been raised for Rs. 5,41,073/- after completing the Sales Tax assessment for AY 2011-12 against which appeal has been filed.

-An appeal before the Customs, Excise & Service Tax Appellate Tribunal, New Delhi is lying pending against the order of Commissioner of Central Excise (Appeals), Delhi -III in respect of additional excise duty of Rs. 42,90,580/- demanded by the Excise department in connection of dispute over classification of goods - food product produced at Bahalgarh Factory- as per the Central Tariff Act. As the matter is still pending before the Tribunal, no provision in the books of accounts has been made.

-During the financial year 2016-17, the company has received a order from Hon.'ble Central Excise and Service Tax Appellate Tribunal, New Delh (CESTAT) against the order passed by



Commissioner of Service Tax (Adjudication), New Delhi demanding a service tax of Rs.2.59 Crores. The Hon'ble CESTAT vide its order dt. 16/02/2017 has granted major relief of Rs.2.50 Cores against the aforesaid demand.

There are few more cases which are pending before the various authorities and the same has been duly disclosed under Notes to the Account.

### **Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earning and Outgo**

The particulars as prescribed in sub-section (3) of Section 134 of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 are enclosed as Annexure B to this Report.

### **Particulars of Employees and Related Disclosure**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are given as under:

- i) There are no Employee, employed throughout the year and in receipt of remuneration of Rs. 1,02,00,000/- or more per annum.
- ii) There are no Employee, employed for part of the year and in receipt of remuneration of Rs. 8,50,000/- or more per month during any part of the year.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in the annexure-D to this report.

Having regard to the provisions of Section 136(1) read with its relevant proviso of the Companies Act, 2013, the Board's Report is being sent to the members without some annexures. The said annexures are available for inspection at the Registered/Corporate Office of the Company during working hours and any member interested in obtaining such annexures may write to the Company Secretary and the same will be furnished free of cost.

### **Extract of Annual Return**

In accordance with Section 134(3)(a) of the Companies Act, 2013, the extract of the annual return in Form No. MGT – 9 is enclosed as Annexure C to this Report.

### **Management's Discussion and Analysis Report**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a Management Discussion and Analysis Report and a Report on Corporate Governance is attached in a separate section forming part of the Annual Report.

A Certificate from the Statutory Auditors of the Company regarding the Compliance by the Company of the conditions stipulated in Regulations Part C of Schedule V of the Listing Regulations is also attached with this report.

A declaration by the Managing Director pursuant to Regulations Part C of Schedule V of the Listing Regulations stating that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, during the financial year ended 31st March, 2017, is also attached with this report.

### **Directors' Responsibility Statement**

Pursuant to section 134(5) of The Companies Act, 2013, the Directors confirm that:

- a) in the preparation of the annual accounts for the year ended 31 March 2017, the applicable accounting standards read with requirements set out under Schedule III to the Act, had been followed and there are no material departures from the same;
- b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2017 and of the profit of the Company for the year ended on that date;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a 'going concern' basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **Awards & Recognitions**

Kohinoor Foods is no stranger to Awards & Recognitions. Since its inception, the company has been earning awards and





recognition like consumer validated Super Brand Award (thrice in series), Reader's Digest Most Trusted Brand award (4 times in a row), Power Brand Award, Guinness Book of World Record (for making World's Largest Biryani), National award for Export Excellence, Brand Equity Award & many APEDA awards.

### Corporate Social Responsibility

As per provisions under Section 135 of the Companies Act, 2013, all companies having net worth of Rs. 500 crores or more, or turnover of Rs.1,000 crores or more or a net profit of Rs. 5 crores or more during any financial year are required to constitute a Corporate Social Responsibility (CSR) Committee of Board of Directors comprising three or more directors, at least one of whom should be an Independent Director and such Company shall spend 2% of the average net profits of the Company made during the three immediately preceding financial years.

Accordingly a detailed CSR Policy was framed by the Company with the approvals of the CSR Committee and Board. The Policy, inter alia, covers the following:

- Philosophy
- Scope
- List of CSR activities
- Modalities of execution of projects/programmes
- Implementation through CSR Cell
- Monitoring assessment of projects/programmes

CSR Policy gives an overview of the projects or programmes which are proposed to be undertaken by the Company in the coming years.

### The composition of the CSR Committee

A Committee of the directors, titled 'Corporate Social Responsibility Committee', was constituted by the Board with the following members:

1. Mr. Sandeep Kohli
2. Mr. MK Trisal
3. Mr. Satnam Arora
4. Mr. Gurnam Arora

As the Average net Profit/(Loss) of the Company for last three financial years prior to 2016-17 comes to average net loss and therefore the company is not statutorily required to spend amount as prescribed for CSR expenditure.

Although the company is not statutory require to expend 2% of the average net profit (INR) of the last three financial years, being average net loss. However the company voluntarily expends an

amount of Rs. 3.15 lakhs in the last financial year on this account by doing various CSR activities.

Kohinoor also envisions to improve lives in communities we live around, protect workplace rights, respect people, support missions that help people have a better life, provide good jobs, world class quality products and a healthy environment to all of us around.

At Workplace, Kohinoor Foods maintain high standards for fair and dignified treatment of all the people who work for our company. For all of its employees, it is not just a place to work, but like another home and everybody in it like a big family, closely bonded with each other.

Kohinoor Foods also believes that a company is as good as the people who work for it - their combined talents; skills, knowledge, experience and passion make a company what it is. Hence, company's continuous goal is to inspire and motivate its people to hone their talents, increase their knowledge & skills and achieve extraordinary results at their workplace. In this endeavour we have offered subsidized meals to our employees at a very nominal cost.

The company also considers it as its responsibility to support the community and the environment we live in. Kohinoor Foods supports 'Maitri' an NGO working for women facing gender based violence, destitute & elderly women/widows in Vrindavan to make difference in their lives. We supported toward meals, festivals and more importantly towards construction of 'old age home' for widows in Radha Kund, Vrindavan. In addition we also supported Bienestar Welfare Trust (Regd.), working towards upliftment of under privileged children & women.

Being environmentally conscious company and as part of Go Green campaign, have put up water treatment plant in our rice factory (Murthal), where treated water is used for watering the lawn, garden and irrigate the fields.

Adherence to global human rights standards, No minor labour, Fair trade practices, complete Medical facilities for its people, Safe & sound working environment are the things that Kohinoor Foods take utmost care about.

The CSR Policy may be accessed on the Company's website at the link: [www.kohinoorfoods.in/investor](http://www.kohinoorfoods.in/investor)

### Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance towards sexual harassment at the workplace. The Company has in place a Sexual Harassment Policy in compliance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company always endeavors to create



and provide an environment that is free from discrimination and harassment including sexual harassment. The Sexual Harassment Committee has been set up to redress complaints received regarding sexual harassment.

The Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### Declaration by Independent Directors

The Company has received necessary declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015.

### Board Evaluation

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is mandatory that the Board shall monitor and review the Board Evaluation Framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. Schedule IV of the Companies Act, 2013 and Regulation 17 (10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria and framework adopted by the Board. In addition, the performance of Board as a whole and committees were evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of Board as a whole and performance of the Chairman was evaluated, taking into account the views of the Executive Directors and Non-Executive Directors. The evaluation process has been explained in the Corporate Governance Report section of the Annual Report.

### Training of Independent Directors

The Company Secretary of the company conducted a detailed training programme to provide/update the changes in the SEBI (LODR), Regulation, 2015/Companies Act, 2013 and other relevant act to the Independent Directors.

Further, the Company issues a formal letter of appointment to Independent Directors outlining their roles, responsibilities, functions and duties as an Independent Director. The format of the letter of appointment is available on the Company's website at the

link: [www.kohinoorfoods.in/investor](http://www.kohinoorfoods.in/investor)

### General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employee of the Company under any scheme.
4. Issue of Employees Stock Option to employee of the company under any scheme.
5. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
7. Business Responsibility Report as per Regulation 34 (2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, describing the initiatives taken by them from an environmental, social and governance perspective is not applicable to the Company, for the financial year 2015-2016 as per the SEBI Circular SEBI/LAD-NRO/GN/2015-16/27 dated 22 December 2015 and Frequently Asked Questions issued by SEBI on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated 29 January 2016.

### Acknowledgment

Your Directors would like to express their appreciation for the assistance and co-operation received from the Banks, Government Authorities, Customers, Vendors, JV Partners and Members during the year under review. Your Directors acknowledge with gratitude, the commitment and dedication of the employees at all levels that has contributed to the growth and success of the Company.

For and on Behalf of the Board

Sd/-

**Jugal Kishore Arora**

**Chairman**

Place : Faridabad

Date : August 10th, 2017



### ANNEXURE 'A' TO THE DIRECTORS' REPORT - REPORT ON CORPORATE GOVERNANCE

#### 1. Corporate Governance Philosophy

The Company has always maintained an integrated way of thinking, which is reflected in the functioning of the Board and corporate governance framework. A Company's relationship with its investors is an important component of corporate governance. The Board of Directors believes in upholding the highest standards of accountability and actively participates in overseeing risks and strategic management. The board fully supports and endorses corporate governance practices in accordance with the provisions of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The primary objective of corporate governance is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness, to develop capabilities and identify opportunities that best serve the goal of value creation. Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company. Over the years, we have strengthened governance practices. These practices define the way business is conducted and value is generated.

Our corporate governance framework has helped us to be aligned with the new guidelines of the Companies Act, 2013 as well as the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We believe that an active, well informed and independent board is necessary to ensure the highest standards of corporate governance.

#### 2. Board of Directors

The Company is managed and controlled by Board of Directors which has an optimal combination of Executive, Non-Executive and Independent Directors. The Board is headed by an executive Chairman as on 31st March 2017, the Board of Directors consisted of Ten Directors, including Chairman, Joint Managing Directors, Woman Director, Independent Directors, Whole-time Director and others.

As on 31 March 2017, none of the Directors on the Company's Board was a Director in more than 20 Companies, neither a Chairman of more than five Committees nor a member of more than 10 Committees in accordance with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, all the Directors have made necessary disclosures regarding their Directorship and Chairmanship/Committee Membership in other Companies as per the requirement of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board members possess the requisite skills, experience and expertise to guide the Company.

No Director is related to any other Director on the Board, except Mr. Jugal Kishore Arora, Mr. Satnam Arora and Mr. Gurnam Arora, being related to each other as brothers and Mr. Nitin Arora being related to Mr. Jugal Kishore Arora as his son.

Four (4) Board meetings were held during the Financial Year 2016-17 and the gap between two meetings did not exceed 120 days. The dates, on which the Board meetings were held, are 30th May 2016, 12th August 2016, 14th November, 2016 and 14th February, 2017.

Dates for the Board Meetings are decided well in advance and the Agenda, along with the supporting documents, explanatory notes and information, as enumerated under SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015, are made available to the Board along with the notice of respective meetings or soon after the notice. The Board periodically reviews compliance reports of all laws applicable to the Company. The Company undertakes steps to rectify instances of non-compliance, if any.

The names and categories of the Directors on the Board, along with their attendance at the Board Meetings held during the year ended 31st March 2017, and at the last Annual General Meeting, and the number of other Directorship and Chairmanship/ Membership of Committees held by them, are given below:



Name of the Director	No. of Board meetings attended during tenure	Whether attended the last AGM	No. of other Directorships*	Committee position of other Companies**		No. of Equity Shares held
				Chairman	Member	
<b>Executive (Promoter)</b>						
Mr. Jugal Kishore Arora (Whole time Director, designated as Chairman)	4	No	1	Nil	Nil	60,43,484
Mr. Satnam Arora (Joint Managing Director)	4	No	3	Nil	2	53,78,923
Mr. Gurnam Arora (Joint Managing Director)	4	Yes	2	Nil	Nil	60,98,889
Mr. Nitin Arora (Whole -time Director)	2	No	1	Nil	Nil	21,000
<b>Non - Executive and Non - Independent</b>						
Mr. Khedaim Abdulla Saeed Faris Alderei (Investor Director)	2	No	Nil	Nil	Nil	Nil
<b>Non - Executive and Independent</b>						
Mr. Vijay Burman	4	Yes	Nil	Nil	Nil	Nil
Mr. Sandeep Kohli	4	No	Nil	Nil	Nil	Nil
Mr. Maharaj Kishan Trisal	4	No	6	Nil	1	Nil
Mr. Satish Chandra Gupta	4	No	5	2	7	Nil
Ms. Madhu Vij	4	No	4	Nil	Nil	Nil

\*This includes Directorship in public limited companies (including subsidiaries of public limited companies) and excludes Directorship in associations, private, foreign and Section 8 companies.

\*\* Represents Chairmanship/Membership of Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship (Shareholders'/ Investors' Grievance) Committee, This includes Chairmanship/Membership in public limited companies (including subsidiaries of public limited companies) and excludes Chairmanship/Membership in private, foreign and Section 8 companies.





INFORMATION AS REQUIRED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015 RELATING TO DIRECTORS

**Mr. Jugal Kishore Arora (DIN- 00010704), Chairman of the Company.**

He is associated with the Organisation since its inception and has completed his Graduation from Punjab University. He has been looking after and is in-charge of Procurement as well as the Production of the Company. His vast experiences of more than three decades in the rice industry, together with a sharp eye for detail, have reaped rich dividends. In fact, he has been largely responsible for the wide acceptance that the Company's Basmati Brands enjoy all over the World today. Mr. Arora set up the first rice processing plant at Amritsar followed by rice processing plants at Murthal (Haryana) and New Delhi. His major contribution is in the areas of quality standardisation. He has pioneered the development of different quality parameters for Indian basmati rice by carrying out extensive interactions with the farmers, agro-scientists and research personnel for the betterment of basmati rice, the quality and output at the domestic level. Today, he is engaged in providing strategic direction to the Company's business; taking the overall charge of procuring raw-material (paddy) and selecting the optimum growing region etc. and setting "QUALITY" standards for the Company's range of rice-offerings.

He is a Director of Sachdeva Brothers Pvt. Ltd., Indo European Foods Ltd. UK, Kohinoor Foods USA Inc. and some of the Pvt. Ltd. company.

He holds 60,43,484 (17.15%) Equity Shares of the Company in his own name as on 31st March, 2017.

**Mr. Satnam Arora (DIN - 00010667), Jt. Managing Director of the Company.**

He has completed his education as a Master in Economics from Punjab University and has been involved in the family business of trading of Basmati Rice right from the beginning. He has vast experience in marketing the rice in overseas market. Mr. Satnam Arora has been looking after Export Marketing as well as he is responsible for Banking, Finance, Taxation, Legal and Secretarial as well. The fact that the Company has taken a Commanding Share of the Basmati Export Market is largely because of the sincere efforts and initiative taken by Mr. Satnam Arora. He strongly believes that success in life can be achieved only with self-confidence and belief. In order to bring significant exposure to his organisation, he has been a part of several Industry association like FICCI, ASSOCHAM, AIREA (All India Rice Exporters Association) and APEDA etc.

He is a director of Indraprastha Medical Corporation Ltd, Satnam Haegens Ltd., Sachdeva Brothers Pvt. Ltd., Kohinoor Foods USA, Inc. and some of the Pvt. Ltd. company.

He is a member of Audit Committee and Stakeholder Relationship Committee of the Indraprastha Medical Corporation Ltd and Kohinoor Foods Ltd.

He holds 53,78,923 (15.26%) Equity Shares of the Company in his own name as on 31st March, 2017.

**Mr. Gurnam Arora (DIN - 00010731), Jt. Managing Director of the Company.**

He is having vast experience and skills and has been instrumental in providing a new strategic focus to the rice industry from a commodity driven business to a branded category. After completion of Graduation degree, he joined the family business of rice trading. Over the years, Mr. Gurnam Arora learnt the intricacies of the business and demonstrated his strategic approach & acumen by successfully marketing & promoting Company's products in national & international markets. Amongst other career milestones, he has played a key role in introducing convenient packaging options and many more value additions for the consumers. He has over thirty three years of experience in rice industry. Mr. Gurnam Arora has been looking after Domestic Marketing, Purchase, Administration, HR, Quality Control and day to day Corporate Affairs of the Company. Mr. Gurnam Arora's broad vision helped the Company to increase its value. The Sales in domestic market have increased manifolds in the past years. He was the President of All India Rice Exporters Association and a member of the Basmati Development Fund, APEDA and Ministry of Commerce and also associated with various industry associations like FICCI, ASSOCHAM etc.

He is a Director of Satnam Haegens Ltd., Sachdeva Brothers Pvt. Ltd. and Indo European Foods Ltd. UK and in some Private Company.

He holds 60,98,889 (17.31%) Equity Shares of the Company in his own name as on 31st March, 2017.

**Mr. Vijay Burman (DIN - 00013710), Independent Director of the Company.**

He is a Science Graduate with over 42 years experience in Textile Industry and also having sufficient expertise in Finance. Because of his vast Financial Exposure, he has been appointed as an Independent Director of the Company. His wide exposure



helps the Company to improve its Financials.

He is a Chairman of Audit Committee and Nomination and Remuneration Committee and also a member of Stakeholders Relationship Committee of the Kohinoor Foods Limited.

He does not hold any share of the Company in his name as on March 31st, 2017.

**Mr. Sandeep Kohli (DIN – 00300767), Independent Director of the Company.**

He is a Post Graduate having 27 years of bluechip, MNC management experience in India and parts of Asia and has knowledge of finance, marketing, brand building and legal aspects of businesses. He has launched KFC, Pizza Hut and A&W brands in the Indian sub-continent and Indian Ocean countries, also instrumental in establishing and growing businesses in the services, hospitality and real estate industries, currently involved in various projects in the hospitality and services sector in an entrepreneurial and advisory capacity and also developed American Express card member, travelers cheques and travel business base in India and Taiwan. Established American Express travel as the travel service provider in India.

He is a Director of some prestigious Pvt. Ltd. companies.

He is a member of Audit Committee, Nomination and Remuneration Committee and Chairman of Stakeholders Relationship Committee of the Company.

He does not hold any share of the Company in his name as on March 31<sup>st</sup>, 2017.

**Mr. Maharaj Kishan Trisal (DIN – 00059545), Independent Director of the Company.**

He holds an Electrical Engineering degree from Thapar Institute of Engg. & Technology & has been awarded the coveted honor of being “Distinguished Alumnus” of the institute in the year 2002. He has extensive knowledge and experience in Industrial Power Generation business and has spearheaded and launched the concept of Cogeneration in Industrial Power Generation in India. He is presently working as President and Chief Executive Officer with Marathon Electric India Limited - An affiliate of Regal Beloit Corporation, USA. Marathon India is the combination of two Indian Companies GE Motors India Ltd & Alstom Industrial Products Ltd. Trisal's previous work experience includes various positions including Divisional Manager with Escorts, and Associate Vice President - Turbine with Kirloskar Oil Engine Ltd.

He is Director of Sudhir Power Projects Ltd, Sudhir Power Ltd., Sudhir Transformers Ltd., Sudhir Sales & Services Limited, Ansal Housing and Construction Ltd. and RBC Motors India Ltd.

He is a member of Audit Committee and Nomination and Remuneration Committee of the Company.

He does not hold any share of the Company in his name as on March 31<sup>st</sup>, 2017.

**Mr. Satish Chandra Gupta (DIN – 00025780), Independent Director of the Company.**

Mr. Satish Chandra Gupta is M. Com., CAIIB served as a Manager and General Manager at Oriental Bank of Commerce. Mr. Gupta was responsible for Credit, Credit Policy, Planning and Development, Marketing, International Banking Division, Domestic & International Treasuries, Accounts, Merchant Banking and Recovery & Law etc., having joined it in 1972. He served as the Managing Director of Punjab National Bank from May 1, 2001 to June 5, 2007 and Indian Overseas Bank from May 2001 to June 9, 2005. He is a practicing Chartered Accountant for more than 32 years with rich experiences in the field of Banking, finance and audit. He started his career with State Bank of India in the year 1966 and moved to Syndicate Bank as a probationer officer. He has been a career banker and has put in 41 years of banking service before attaining superannuation on May 31, 2007. His specialization is Credit and Manpower Management. In his career as a banker, he has worked as Credit Officer, Branch Manager, Regional Head, General Manager in-charge of the operations, For Indian Overseas Bank & Punjab National Bank. In the course of his earlier assignments, deployment of funds to SME and Large Corporates alike was the core area of his operations. In IOB and PNB, he dabbled with Treasury Operations as well apart from Corporate Planning and Manpower Management. He is B.Com and LL.B besides being a fellow member of the Institute of Chartered Accountants of India. Mr. Gupta is a Commerce Graduate from Agra University, Master of Commerce from Meerut University and also a Certified Associate of Indian Institute of Bankers.

He is a Director of Emmsons International Ltd., ISMT Ltd., Gujarat Foils Ltd., SMC Investments And Advisors Ltd., Brahmputra Infrastructure Ltd., Brahmputra Infraproject Ltd., SMC Global Securities Ltd., Kamanwala Housing Construction Ltd. and some of the Pvt. Ltd. Companies.



He is a member of Audit Committee and Nomination and Remuneration Committee of the Company.

He does not hold any share of the Company in his name as on March 31st, 2017.

**Mr. Khedaim Abdulla Saeed Faris Alderei (DIN – 06699678), Investor Director/ Non –Executive Director of the Company.**

He is the Vice Chairman of the Al Dahra Agriculture. He has over 21 years of public and private sector experience and has held senior positions within the UAE's diplomatic core, as well as managing the public and private offices of senior members of the UAE Government and Royal Family.

He began his career working in the UAE Ministry of Foreign Affairs, with postings to the UAE Embassies in Washington DC, USA and Beirut, Lebanon, where he held the post of First Secretary. Khedaim was then appointed Plenipotentiary Minister First Class at the Ministry of Foreign Affairs. In addition to these duties he was made Deputy General Manager to the Court of His Highness Sheikh Hamdan Bin Zayed Al Nahyan, then Deputy Prime Minister and Minister for Foreign Affairs.

After leaving the Ministry of Foreign Affairs, he was appointed Chief Executive Officer of the Private Office of His Highness Sheikh Hamdan Bin Zayed Al Nahyan. In this role, he was responsible for the coordination of all private and business interests and activities of His Highness.

His Excellency holds a Bachelors Degree in Human Resources Development from the American University in Washington DC, USA and a MBA in International Relations from the American University of Beirut, Lebanon. He has also attended several executive management programs at top institutions such as the Harvard Business School in Boston, USA.

He is a Director of various other companies situated outside India.

He is a member of Audit Committee and Nomination and Remuneration Committee of the Company.

He does not hold any share of the Company in his name as on March 31st, 2017.

**Ms. Madhu Vij (DIN – 00025006), Independent Director of the Company.**

Ms. Madhu Vij is a Professor of Finance at the Faculty of Management Studies, University of Delhi where she has been teaching for over three decades. Her professional and teaching interests include the areas of International Finance, Risk Management, Banking and Financial Services, Corporate Finance and Accounting. She has received the Alumni Excellence award from Shri Ram College of Commerce, University of Delhi. Dr Vij has participated and attended the Global Colloquium on 'Participant Centered Learning' at Harvard Business School, Boston, USA. Prof Vij was on the Panel of Judges for award of PM's trophy for selecting the best steel plant for 2 years (2011-2013) and has also been a member of Ad-Hoc TaskForce, Results Framework Document (2011-2013).

Prof Vij's research interests include asset liability management, country risk analysis, derivatives, foreign exchange risk management, treasury management, corporate valuation, credit ratings and financial crisis, currency correlation and corporate governance. She has completed a number of projects sanctioned by National bodies like UGC, RBI, ICSSR, SAIL and Delhi University. She serves on the editorial board and is also a reviewer for several academic journals, national and international conferences.

She has published several research papers in International and national Journals of repute and has presented papers globally in the field of banking and finance. She has authored four books namely Multinational Financial Management, Management Accounting, Management of Financial Institutions and a book on Corporate Finance for NIIT for MBA participants for ITT, USA. She has also co-authored two books – one on 'Merchant Banking and Financial Services' and the second one on 'Women's Studies in India: A Journey of 25 Years.

She is actively involved in research, consultancy and training for several leading public and private organizations in the areas of Project Management, Strategic Financial Management, Case based method of learning and teaching, Finance for Non finance managers.

She is Director of SMC Global Securities Ltd., Singer India Ltd., Amtek Auto Ltd., Solar Industries India Ltd. and Risk Educators Private Ltd.

She is a member of Audit Committee of the Company.

She does not hold any share of the Company in her name as on March 31st, 2017.



### **Mr. Nitin Arora (DIN –00017428), Whole Time Director of the Company.**

He is associated with the Organisation since his childhood and has completed his MBA degree from Birmingham University. He has been looking after and is in-charge of Procurement as well as the Production of the Company. His vast experiences of more than a decade in the rice industry, together with a sharp eye for detail, have reaped rich dividends. In fact, he has been largely responsible for the rice processing plants at Murthal (Haryana). He is presently looking after the day to day affairs of the Rice Factory Business and also having rich experience of all aspects of running a rice mill from purchase of paddy/rice to storage to milling. His rich experience can be of great help on Board Level in decision making.

He is a Director of some of the Pvt. Ltd. company.

He holds 21,000 (0.059 %) Equity Shares of the Company in his own name as on 31st March, 2017.

### **3. BOARD COMMITTEES**

The Board of Directors has constituted the following Committees of Directors with adequate delegation of powers to discharge the Company's requisite business:

- Audit Committee
- Stakeholder Relationship (Shareholders'/Investors' Grievance) Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee

The minutes of the meetings of all such committees were placed before the Board for discussion/ noting.

Detail of the composition, number of meetings held during the year, attendance of members and scope of the committees are as below:

#### **i) Audit Committee**

The Company has an Audit Committee which deals in matters relating to financial reporting and internal controls. All the members are financially literate. Mr. Vijay Burman, who has the expertise in the accounting and financial management is the Chairman of the Audit Committee. Mr. Satnam Arora, Jt. Managing Director and the person responsible for Finance, Accounting, Banking, Taxation, Secretarial & Legal and other departmental head were also present from time to time apart from the Internal Auditors and Statutory Auditors, who were the permanent invitees. The Company Secretary acts as Secretary to the Committee.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 29th September, 2016 to answer member queries.

The Committee's existing composition meets with requirements of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Members of the Audit Committee possess financial / accounting expertise / exposure.

During the year under review, the Audit Committee met Four (4) times i.e. on 30<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016 and 14<sup>th</sup> February, 2017 and the maximum time gap between any two consecutive meetings did not exceed 120 Days. The minutes of the meetings of the Audit Committee are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings along, are given below.





Name	Position	Meetings Attended
Mr. Vijay Burman	Chairman	4
Mr. Maharaj Kishan Trisal	Member	4
Mr. Sandeep Kholi	Member	4
Mr. Satnam Arora	Member	4
Mr. Satish Chandra Gupta	Member	4
Mr. Khedaim Abdulla Saeed Faris Alderei	Member	2
Ms. Madhu Vij	Member	4

### Scope of the Audit Committee

The Audit Committee, inter alia, supports the Board to ensure an effective internal control environment. The Committee discharges such duties and functions with powers generally indicated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

The scope of the Audit Committee is as follows:

### Powers of Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### Terms of Reference

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, adequate and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fee;
- Approving payment to Statutory Auditors for any other services rendered by them;
- Reviewing, with the management, the Annual Financial Statements and auditor's report thereon before submission to the Board for approval, with particular reference to, (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013 (b) Changes, if any, in accounting policies and practices and reasons for the same (c) Major accounting entries involving estimates based on the exercise of judgment by management (d) Significant adjustments made in the financial statements arising out of audit findings (e) Compliance with listing and other legal requirements relating to financial statements (f) Disclosure of any related party transactions (g) Qualifications in the draft audit report, if any.
- Reviewing, with the management, the Quarterly Financial Statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue, if any, and making appropriate recommendations to the Board to take up steps in this matter;



- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Reviewing, with the management, the performance of Statutory and Internal Auditors and adequacy of the internal control system;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Reviewing reports of internal audit and discussing with Internal Auditors on any significant findings of any internal investigations by the Internal Auditors and the executive management's response on matters and follow-up thereon;
- Reviewing reports of Cost audit, if any, and discussion with Cost Auditors on any significant findings by them;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- To review the functioning of the Vigil (Whistle Blower) mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Recommending to the Board, the appointment and fixation of remuneration of Cost Auditors, if applicable;
- Evaluating Internal Financial Controls and Risk Management Systems and reviewing the Company's financial and risk management policies;
- Looking into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the Management Discussion and Analysis of financial condition and results of operation;
- Reviewing the statement of significant related-party transactions;
- Reviewing the Management letters/letters of internal control weaknesses issued by the Statutory Auditors.
- To review the appointment, removal and terms of remuneration of the Chief internal auditor.
- To review the internal audit report relating to internal control weaknesses.

### **ii) Stakeholder Relationship Committee (formerly termed as Investor's Grievance and Share Transfer Committee)**

- The Company Secretary, being the Compliance Officer is entrusted with the responsibility to specifically look into the redressal of shareholders and investors complaints and report the same to Stakeholder Relationship Committee.
- The Functioning and terms of reference of Stakeholder Relationship Committee includes:
- To specifically look into the redressal of investors' grievance pertaining to transfer/ transmission of shares, dividends, dematerialization/ rematerialisation, replacement of lost/ stolen/ mutilated share certificates;
- To consider the matters relating to transfer, transmission and transposition of shares, sub-division and consolidation of



shares, replacement of lost/ stolen and mutilated share certificates and review of requests for dematerialization/ rematerialisation of share

- Other related issues and to strengthen investors' relations.

In accordance with Section 178(5) of the Companies Act, 2013 and as per the requirements of SEBI (LODR), 2015, the Board of Directors of the Company, have approved the change in nomenclature of the Shareholders Grievances Committee to Stakeholders Relationship Committee and enhanced their role. The Board of Directors of the Company currently has a Stakeholders Relationship Committee to specifically look into and resolve grievances of security-holders on various matters. Routine queries/complaints received from shareholders are promptly attended to and replied by way of resolution by circulation. Queries/complaints received during the period under review related to non-receipt of annual report, change of company name, non-receipt of transferred shares and change of address and/or bank particulars. There were no pending issues to be addressed or resolved

The Company received a total of 2 complaints from investors during the year 01.04.2016 to 31.03.2017, all of which were resolved within the stipulated time to the satisfaction of the complainants. No requests for share transfers are pending except those that are disputed or sub-judice.

#### **Constitution of Stakeholders Relationship Committee is as under:**

<b>Name</b>	<b>Position</b>
Mr. Sandeep Kohli	Chairman
Mr. Vijay Burman	Member
Mr. Satnam Arora	Member

#### **iii) Nomination and Remuneration Committee (formerly termed as Remuneration Committee)**

In accordance with Section 178 of the Companies Act, 2013 and as per the requirements of SEBI (LODR) Regulation 2015, the Board of Directors of the Company has constituted the Nomination and Remuneration Committee.

During the year under review, the Nomination and Remuneration Committee met one time i.e. on 14<sup>th</sup> November, 2016

Presently the Committee comprises of five members, four of them being Non-executive Independent Directors and one is Non-executive Non-Independent Director. The Company Secretary acts as Secretary to the Committee.

#### **Constitution of Nomination and Remuneration Committee**

<b>Name of Director</b>	<b>Position</b>
Mr. Vijay Burman	Chairman
Mr. Maharaj Kishan Trisal	Member
Mr. Sandeep Kohli	Member
Mr. Satish Chandra Gupta	Member
Mr. Khedaim Abdulla Saeed Faris Alderei	Member

#### **Term of reference**

The Nomination and Remuneration Committee is empowered to review and recommend to the Board of Directors, remuneration and Sitting Fees of the Company's Independent Directors with the guidelines laid down under the statute. The scope of the Nomination and Remuneration Committee is as follows:



- formulating criteria for determining qualifications, positive attributes and independence of Directors and recommending to the Board a policy relating to the remuneration of the directors, Key managerial personnel and other employees;
- formulating criteria for evaluation of performance of independent Directors and the Board;
- devising a policy on diversity of the Board;
- identifying and recommending individuals who are qualified to become Directors, and who may be appointed as Senior Management in accordance with the criteria laid down;
- recommending appropriate training program for new Directors, Key Managerial Personnel and Senior Management and periodically reviewing the same;
- evaluating the performance of the Directors based on the evaluation criteria and furnishing the Board with the necessary report for further evaluation;
- recommending to the Board a Policy, relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management, and while formulating such Policy ensuring that:
  - (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, of the quality required to run the Company successfully;
  - (ii) the relationship of remuneration to performance is clear and meets the appropriate performance benchmarks; and
  - (iii) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between the fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- assisting the Board, as and when required, in relation to matters relating to remuneration and incentives payable to Directors, Key Managerial Personnel and Senior Management, including increments to the compensation structure;
- preparing a policy on diversity of the Board;
- recommending to the Board the re-appointment and removal of any individuals holding the office of a Director, Key Managerial Personnel or Senior Management, subject to the provision of the law and their service contract;
- reviewing remuneration of the Directors, Key Managerial Personnel and Senior Management based on performance criteria and recommending any changes thereto to the Board;
- determining whether the relevant Director has the requisite qualifications for practice of a profession in terms of section 197 of the Companies Act in relation to payment of remuneration for services rendered by such Director;
- undertaking such other functions as may be determined by the Board or required under the provisions of the Companies Act or the Listing Agreement; and
- undertaking such other actions as may be necessary or appropriate for performance of the aforementioned functions.

The Board on the recommendation of the Nomination and Remuneration Committee has framed a Remuneration Policy, providing (a) criteria for determining qualifications, positive attributes and independence of directors and (b) a policy on remuneration for directors, key managerial personnel and other employees. The detailed Remuneration Policy is placed on Company's website [www.kohinoorfoods.in/investor](http://www.kohinoorfoods.in/investor)





### Detail of Remuneration of Directors

The table below provides the details of the remuneration paid to the Directors during the financial year 2016-17:

Name of Directors	Salary	Perquisites	Sitting Fee	Total
<b>Executive Director-Promoters</b>				
Mr. Jugal Kishore Arora (Whole time Director, designated as Chairman)	96,00,000	Nil	–	96,00,000
Mr. Satnam Arora (Joint Managing Director)	90,00,000	Nil	–	90,00,000
Mr. Gurnam Arora (Joint Managing Director)	90,00,000	Nil	–	90,00,000
Mr. Nitin Arora (Whole-time Director w.e.f. 14 <sup>th</sup> November, 2016)	27,40,000	Nil	–	27,40,000
<b>Non-executive and Non- Independent</b>				
Mr. Khedaim Abdulla Saeed Faris Alderei (Investor Director)	–	–	–	–
<b>Non-executive and Independent</b>				
Mr. Vijay Burman	–	–	2,50,000	2,50,000
Mr. Sandeep Kohli	–	–	2,50,000	2,50,000
Mr. Maharaj Kishan Trisal	–	–	2,50,000	2,50,000
Mr. Satish Chandra Gupta	–	–	2,50,000	2,50,000
Ms. Madhu Vij	–	–	2,25,000	2,25,000
<b>TOTAL</b>	<b>3,03,40,000</b>	<b>Nil</b>	<b>12,25,000</b>	<b>3,15,65,000</b>

### Remuneration to Executive Directors for 2016-2017

The Appointment and Remunerations of Mr. Jugal Kishore Arora, Mr. Satnam Arora and Mr. Gurnam Arora had been approved by the Shareholders in the Annual General Meeting of the Company held on 27<sup>th</sup> September, 2012 for the period of Five years.

The Company has obtained the approval of the Central Government for payment of remuneration subject to the limit as specified in the letter dated 23<sup>rd</sup> September, 2013 for the period of Three Years from 1<sup>st</sup> October, 2012 to 30<sup>th</sup> September, 2015 and accordingly the Company has given the remunerations to its directors within the limit as approved by the Central Government. The Company has again applied to the Central Government for renew the remuneration payable to the Managerial Personnel on the same term and condition as approved by the shareholder in their Annual General Meeting held on 29<sup>th</sup> September, 2015 for the period of further two years starting from 1<sup>st</sup> October, 2015 and the same has been approved by the Central Government vide approval dated 3rd August, 2016 for the period 1/10/2015 to 30<sup>th</sup> September, 2017

### Non-Executive Directors' Compensation

The Board of Directors at its meeting held on 13<sup>th</sup> November, 2014, revised sitting fee payable to Non-Executive Independent Directors amounting to Rs. 25,000/- per meeting for every meeting of the Board or Committees of the Board attended by them as member. The Company currently does not have a stock option programme for any of its directors.

### Maximum tenure of Independent Directors

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and Regulation 25(2) of SEBI (LODR), 2015.

### Formal letter of appointment to Independent Directors

The Company issues a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013 and Regulation 25 of SEBI (LODR), 2015. The terms and conditions of appointment of independent directors are placed on the Company's website [www.kohinoorfoods.in/investor](http://www.kohinoorfoods.in/investor)



### **Pecuniary transactions with Non-Executive Directors**

During the year under review, there were no pecuniary transactions with any non-executive director of the Company.

### **Criteria of making payments to Non-Executive Directors**

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee corporate governance framework of the Company. As stated earlier, the Remuneration Policy, inter alia, disclosing criteria of making payments to directors, key managerial personnel and employees is placed on the Company's website [www.kohinoorfoods.in/investor](http://www.kohinoorfoods.in/investor)

### **iv) Corporate Social Responsibility Committee**

As per provisions under Section 135 of the Companies Act, 2013, all companies having net worth of Rs. 500 crores or more, or turnover of Rs. 1,000 crores or more or a net profit of Rs. 5 crores or more during any financial year are required to constitute a Corporate Social Responsibility (CSR) Committee of Board of Directors comprising three or more directors, at least one of whom should be an Independent Director and such Company shall spend 2% of the average net profits of the Company made during the three immediately preceding financial years.

Accordingly a detailed CSR Policy was framed by the Company with the approvals of the CSR Committee and Board. The Policy, inter alia, covers the following:

- Philosophy
- Scope
- List of CSR activities
- Modalities of execution of projects/programmes
- Implementation through CSR Cell
- Monitoring assessment of projects/programmes

### **The composition of the CSR Committee**

A Committee of the directors, titled 'Corporate Social Responsibility Committee', was constituted by the Board with the following members:

1. Mr. Sandeep Kohli
2. Mr. MK Trisal
3. Mr. Satnam Arora
4. Mr. Gurnam Arora

As the Average net Profit/(Loss) of the Company for last three financial years prior to 2016-17 comes to average net loss and therefore the company is not statutorily required to spend amount as prescribed for CSR expenditure.

Although the Company is not statutory require to expend 2% of the average net profit (INR) of the last three financial years, being average net loss. However the company voluntarily expends an amount of Rs. 3.15 lakhs in the financial year 2016-17, on this account by doing various CSR activities. The CSR Policy may be accessed on the Company's website at the link: [www.kohinoorfoods.in/investor](http://www.kohinoorfoods.in/investor)

### **Independent Directors' Meeting**

In compliance with Schedule IV to the Companies Act, 2013 and Regulation 25(3) of SEBI (LODR), 2015, a separate meeting of Independent Directors was held on 31st March 2017, without the attendance of non-independent directors and members of management, inter alia, to discuss the following:

- i) review the performance of non-independent directors and the Board as a whole;
- ii) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; and
- iii) assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. All independent directors were present at the meeting, deliberated on the above and expressed their satisfaction.



All the Independent Directors were present at the meeting.

### **Board Diversity Policy**

In compliance with provisions of SEBI (LODR) Regulations, 2015, the Board through its Nomination and Remuneration Committee has devised a Policy on Board Diversity. The objective of the Policy is to ensure that the Board is comprised of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. It may be noted that, the Board composition as at present broadly meets with the above objective.

### **Orderly succession to Board and Senior Management**

The Board of the Company has satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.

### **Code of Conduct for Board Members & Senior Management Team:**

The Company's Board of Directors laid down and adopted a Code of Conduct under Corporate Governance for all the Directors and the Senior Management Personnel of your Company. The said Code of Conduct has also been posted on the Company's website. The Board members and Senior Management Personnel have affirmed their compliance with the Code of Conduct for 2016-17.

A declaration signed by the Company's Chairman and Managing Director to this effect is enclosed at the end of this report.

### **Compliances regarding Insider Trading**

The Company implemented a Code of Conduct for the Prevention of Insider Trading, in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended till date.

The Code of Conduct for Prevention of Insider Trading, inter alia, prohibits purchase/sale of Company's shares, while in possession of Company's unpublished and price-sensitive information and accordingly necessary procedures have been laid down for the Promoters, Directors, designated employees, Key Managerial Personnel, connected persons and others as prescribed under the said code for trading in the Company's securities.

The code of practices and procedures for fair disclosures is available on the Company's website [www.kohinoorfoods.in](http://www.kohinoorfoods.in)

### **Compliance Report as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Compliance Report of Kohinoor Foods Limited as on March 31<sup>st</sup>, 2017 with the applicable mandatory requirements is as under:

#### **Review of legal compliance reports**

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

#### **Whistle Blower Policy/Vigil mechanism**

The Company has established a vigil mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected, fraud or violation of the company's code of conduct or ethics policy or any other grievances, the details of which are given in the Corporate Governance Report.

The directors in all cases and employees in appropriate or exceptional cases will have direct access to the Chairman of the Audit Committee. The Whistle Blower Policy may be accessed on the Company's website on the link [www.kohinoorfoods.in/investor](http://www.kohinoorfoods.in/investor)

#### **Subsidiary, Joint Ventures and Associate Companies**

The Company has two Wholly Owned foreign Subsidiary, namely M/s Kohinoor Foods USA, Inc. (USA) and Indo European Foods Limited (UK), situated outside India and one Indian Wholly Owned Subsidiary in the name of Sachdeva Brothers Pvt. Ltd.

The company has no material subsidiary in accordance with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In accordance with section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. The statement provides the details of performance, financial positions of each of the subsidiaries.

During the year the Board of Directors of the Company had reviewed the affairs of the subsidiaries and a statement containing the salient features of the financial statement of our subsidiaries and Joint Venture in the prescribed format AOC-1 is enclosed as Part I and Part II of Annexure A to the Consolidated Financial Statement and hence not repeated here for the sake of brevity.



In accordance with Section 136 of the Companies Act, 2013, the audited financial statement, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website [www.kohinoorfoods.in/investor](http://www.kohinoorfoods.in/investor). These documents will also be available for inspection during business hours at our corporate office.

Further the Policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website at the link: [www.kohinoorfoods.in/investor](http://www.kohinoorfoods.in/investor)

### Related Party Transactions

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions and did not attract provisions of Section 188 of Companies Act, 2013 and were also not material Related Party Transactions (RPTs) under Regulation 23 of SEBI (LODR), 2015. A Policy on materiality of RPTs and also on dealing with RPTs has been formulated by the Board during the year under review and the same is placed on the Company's website [www.kohinoorfoods.in](http://www.kohinoorfoods.in)

### Disclosure of Material Transactions

Under SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Senior Management has made periodical disclosures to the Board relating to all material financial and commercial transactions where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company. The same was nil.

### Disclosures

Suitable disclosures have been made in the financial statements, together with the Management's explanation in the event of any treatment being different from that prescribed in Accounting Standards.

### Investors' complaints Attended/resolved during 2016-17

Pending at the beginning of the year	Nil
Received during the year	2
Disposed of during the year	2
Remaining unresolved at the end of the year	Nil

### Financial calendar

Audited annual results for year ending 31<sup>st</sup> March by May

Mailing of annual reports August/September

Annual General Meeting by September

Unaudited first quarter financial results by August

Unaudited second quarter financial results by November

Unaudited third quarter financial results by February

### Share Transfer Agent

The Company has appointed M/s Skyline Financial Services Pvt. Ltd. as its share transfer agent and processing of share transfer/dematerialisation/ rematerialisation. All physical transfers, transmission, transposition, issue of duplicate share certificate(s), issue of demand drafts in lieu of dividend warrants etc. as well as requests for dematerialization / rematerialisation are being processed in periodical cycles at Skyline. The work related to dematerialisation/ rematerialisation is handled by Skyline through connectivity with NSDL and CDSL.

### Share transfer system

Share transfers received by the share transfer agent/Company are registered within 15 days from the date of receipt, provided the documents are complete in all respects. Total number of shares transferred from physical category to dematerialized form during 2016-17 was 7794 shares versus 10909 shares during 2015-16.

### Voting through electronic means

Pursuant to section 108 of the Companies Act, 2013 and the Rules made thereunder, every listed Company is required to provide its members facility to exercise their right to vote at general meetings by electronic means. The Company has entered into an





arrangement with M/s Skyline Financial Services Pvt. Ltd., the authorised agency for this purpose, to facilitate such e-voting for its members. The shareholders would therefore be able to exercise their voting rights on the items put up in the Notice of annual general meeting, through such e-voting method. Further, in accordance with the Companies (Management and Administration) Rules, 2014 as amended, the Company shall also be making arrangements to provide voting facility through ballot at the venue of the annual general meeting. Shareholders who are attending the meeting and who have not already cast their votes by remote e-voting shall only be able to exercise their right of voting at the meeting. Voting period as per the amended Rules for e-voting shall be from 21<sup>st</sup> September, 2017 (9.00 a.m.) till 24<sup>th</sup> September, 2017 (5.00 p.m.) The Board has appointed Mr. Vinod Aggarwal, Practising Company Secretary as scrutiniser for the e-voting process. Detailed procedure is given in the Notice of the Twenty-Eighth Annual General Meeting and is also placed on the website of the Company. Shareholders may get in touch with the Company Secretary for further assistance.

#### 4. General Body Meetings

Details of location of the last three Annual General Meetings of the Company are given below:

Year Ended	Date of AGM	Time	Venue	Special Resolutions Passed
2014	29-09-2014	11.00 A.M.	Pearey Lal Bhawan Association, 2 Bahadur Shah Zafar Marg, New Delhi 110002	4
2015	29-09-2015	04:00 P.M.	Pearey Lal Bhawan Association, 2 Bahadur Shah Zafar Marg, New Delhi 110002	3
2016	29-09-2016	11:00 A.M.	Pearey Lal Bhawan Association, 2 Bahadur Shah Zafar Marg, New Delhi 110002	0

#### 5 Disclosures

##### a) Related Party Transactions

There was no related party transactions (RPTs) entered into by the Company during the financial year, which attracted the provisions of section 188 of Companies Act, 2013. There being no 'material' related party transactions as defined under Regulation 23 of SEBI (LODR), 2015, there are no details to be disclosed in Form AOC-2 in that regard. The Policy on RPTs as approved by Board is uploaded on the Company's website [www.kohinoorfoods.in](http://www.kohinoorfoods.in)

##### b) Compliances made by the Company

The Company was not subject to any non-compliance and no penalties or strictures have been imposed by Stock Exchanges, SEBI or any other Statutory Authority, on any matters relating to Capital Market during the last three years.

##### c) The Company has complied with the applicable mandatory requirements of SEBI (LODR) Regulation, 2015. There are certain Non-mandatory requirements which have also been unilaterally adopted by the Company.

##### d) Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out audit on quarterly basis to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The reconciliation of share capital audit report confirms the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

#### 6. Means of Communication

The Company interacts with its shareholders through multiple forms of corporate and financial communication:

##### a) Financial Results:

The Quarterly, Half yearly and Annual results are submitted to the Stock Exchange(s) in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the quarterly, half-yearly and annual results in the



prescribed format were generally published in English Newspaper Financial Express and regional language newspaper (Hindi) in Jansatta. The same were sent to Stock Exchanges and were also displayed on the website of the Company, www.kohinoorfoods.in.

**b) Website:**

The Company's website www.kohinoorfoods.in contains a separate dedicated section 'Investor' where shareholders information is available. The Company's Annual Report and all other relevant information are also available in a user-friendly and downloadable form.

**c) Annual Report**

The Annual Report containing, inter alia, Audited Financial Statement, Consolidated Financial Statements, Directors' Report with relevant annexure, Auditors' Report and other important information is circulated to members and others entitled thereto. The Annual Report and is displayed on the Company's website (www.kohinoorfoods.in).

**d) NSE Electronic Application Processing System ( NEAPS):**

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, results and other requirement of Listing Agreement, media releases, among others are filed electronically on NEAPS, by the Company.

**e) BSE Corporate Compliance & Listing Centre (the 'Listing Centre')**

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, result, reconciliation of share capital audit report, etc. among others are also filed electronically on the Listing Centre by the Company.

**f) SEBI Complaints Redress System( SCORES)**

SEBI has designed a centralised web-based system, www.scores.gov.in, wherein the investors can lodge their complaints and can view the status of their complaints being replied to by the respective Company. In compliance thereof, the Company is regularly uploading the 'Action taken Report' on the said website in respect of the investors' references received, if any.

**g) Designated Exclusive email-id**

The Company has designated the email-id "Investors@kohinoorfoods.in" exclusively for investor servicing.

## 7. Shareholders Information

### Annual General Meeting

Date	:	25 <sup>th</sup> September, 2017
Time	:	11:00 A.M.
Venue	:	Magpie Tourist Complex (a unit of Haryana Tourism Corporation Limited), Main Mathura Road, Sector 16A, Faridabad, Haryana-121002
Financial Calendar	:	1 <sup>st</sup> April to 31 <sup>st</sup> March
Date of Book Closure	:	20.09.2017 to 25.09.2017 (both days inclusive)
CIN	:	L52110DL1989PLC037097 (CIN changed to L52110HR1989PLC070351 w.e.f. 16 <sup>th</sup> August, 2017)

## 8. Listing on Stock Exchanges

The Equity Shares of the Company are listed with The BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

## 9. Payment of Listing Fees

The annual listing fee for the financial year 2017-2018 has been paid by the Company to BSE and NSE, both the Stock Exchanges.

## 10. Payment of Depository Fees

There is no outstanding invoice of Annual Custody / Issuer fees to be paid by the Company to NSDL and CDSL.

## 11. Trading Symbol / Stock Code

1. National Stock Exchange of India Ltd. Mumbai (NSE) : Kohinoor
2. The BSE Ltd., Mumbai (BSE) : 512559
3. ISIN Number for NSDL & CDSL : INE080B01012

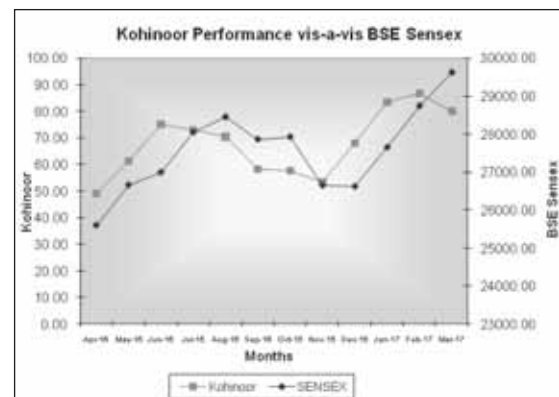
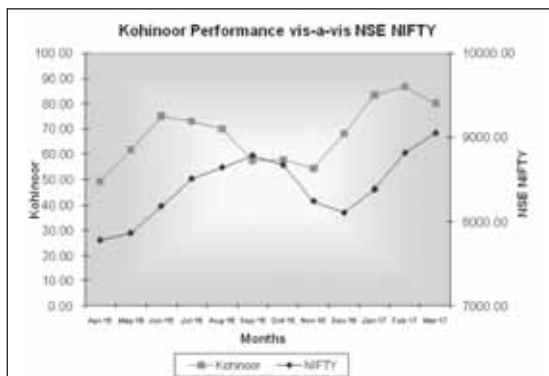


### STOCK MARKET DATA

Monthly High and Low quotations of Shares traded at The National Stock Exchange of India Ltd. (NSE) and The BSE Ltd. (BSE)

Month/Year	N.S.E		B.S.E	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
April 2016	54.80	43.25	54.70	43.60
May 2016	72.00	51.00	71.50	51.15
June 2016	84.60	65.10	84.80	65.30
July 2016	76.80	69.05	76.70	69.50
August 2016	78.90	60.75	78.90	62.00
September 2016	64.20	50.10	64.65	52.05
October 2016	62.30	53.00	62.00	53.55
November 2016	64.35	44.00	64.15	42.50
December 2016	80.90	55.10	80.80	55.40
January 2017	95.50	71.05	95.60	71.20
February 2017	94.95	78.30	95.10	78.40
March 2017	86.90	73.20	87.00	73.15

**S&P CNX Nifty/Sensex vis-à-vis Kohinoor Foods**  
**Relative Price Movements**  
**April 2016 – March 2017**  
 (Base price as on 1<sup>st</sup> April 2016)





### 12. Registrar and Share Transfer Agent

M/s. Skyline Financial Services Pvt. Ltd.  
D-153-A, 1st Floor, Okhla Industrial Area,  
Phase-I, New Delhi 110 020

#### Share Transfer System

All the Transfers received are processed and approved by the share transfer committee and sent to the shareholders within a period of 15 days. The Company obtains from a practicing Company Secretary half yearly certificate of compliance as required under Regulation 40(9) of SEBI (LODR) Regulation, 2015 and files the same with Stock Exchanges.

### 13. Distribution of Shareholding and Shareholding Pattern as on 31<sup>st</sup> March, 2017.

#### Distribution of Shareholding as on 31<sup>st</sup> March, 2017, as per SEBI (LODR) Regulations, 2015. (As per PAN Basis)

NO. OF SHARES		SHARE HOLDERS		TOTAL SHARES	
		No.	% age	Total	% of Total
01	500	28290	92.00	2541157	7.21
501	1,000	1269	4.13	1059514	3.00
1,001	2,000	5704	1.85	880925	2.50
2,001	3,000	203	0.66	518873	1.50
3,001	4,000	103	0.33	369504	1.04
4,001	5,000	77	0.25	360048	1.02
5,001	10,000	112	0.36	821364	2.33
10,001	Above	127	0.41	28690145	81.41
<b>Total</b>		<b>30751</b>	<b>100.00</b>	<b>35241530</b>	<b>100.00</b>

#### Category of Shareholders as on 31st March 2017

Category	No. of Shares of Rs. 10 each	Percentage (%) of Total
Promoter, Directors and Relatives	18395240	52.20
Mutual Funds & UTI	0	0.00
Alternative Investment Funds	0	0.00
Foreign Portfolio Investors	10000	0.02
Financial Institutions/Banks	185084	0.53
Insurance Companies	0	0.00
Foreign Institutional Investors	0	0.00
Foreign Companies	7048306	20.00
Domestic Companies/Bodies Corporate	1472622	4.18





Category	No. of Shares of Rs. 10 each	Percentage (%) of Total
Non-resident Individual	151964	0.43
Others	1850	0.01
Individual Shareholders	7204278	20.45
HUF	366087	1.04
Clearing Member/House	406099	1.15
<b>Total</b>	<b>35241530</b>	<b>100.00</b>

### Status of Dematerialization/Physical form of Shares

The detail of shares dematerialized and those held in physical form, as on 31 March 2017. (As per Shareholding basis)				
Particulars of Shares	Shares of Rs. 10 each		Shareholders	
	Number	% of Total	Number	% of Total
Dematerialised Form				
National Securities Depository Ltd. (NSDL)	31854937	90.40	12390	40.29
Central Depository Services (India) Ltd. (CDSL)	2919271	8.28	6955	22.61
Physical Form	467322	1.32	11406	37.10
<b>Total</b>	<b>3,52,41,530</b>	<b>100.00</b>	<b>30,751</b>	<b>100.00</b>

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

#### 14. CEO and CFO Certification

The Joint Managing Directors of the Company give quarterly certification on Financial Results while placing Financial Results before the Board in terms of SEBI (LODR) Regulation, 2015. The Joint Managing Director and CFO of the Company have also given certificate on CEO and CFO Certification for the year ended 31st March, 2017 and the same is attached with the Annual Report.

#### 15. Compliance Certificate

The Joint Managing Director of the Company gives quarterly certificate on compliance with various laws and regulations and other legal requirement of the central, state and other government and local authorities concerning the business and affairs of the Company.

#### 16. Dematerialisation of Shares

The Shares of the Company are in Compulsory Demat segment and are available for trading in the depository systems of both the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL). At the end of Financial Year, 2017, the total dematerialized equity shares of the Company is 3,47,74,208 Equity Shares forming 98.67% of the total share capital of the Company.

#### 17. Promoters Shareholding

In compliance of the SEBI circular No. CIR/ISD/3/2011 dated June 17, 2011, all the Shares of the Promoters are in Dematerialization form.



### 18. Un-Paid Dividend of Shareholders

As per MCA Circular no. G.S.R.352 (E) dated 20th May, 2012 the List of Un-paid dividend, transferred to Investor Education and Protection Fund (the IEPF) established by the Central Government and is available on MCA Portal as well as on the Company's website [www.kohinoorfoods.in/investor](http://www.kohinoorfoods.in/investor).

### 19. Green Initiatives

The Company had started a sustainability initiative with the aim of going green and minimizing our impact on the environment. Members are requested to support this green initiative by registering/updating their e-mail address, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Skyline Financial Services Pvt. Ltd.

### 20. Plant Locations

-50-51 Milestone, G.T.Karnal Road, Murthal, Dist. Sonapat (Haryana)

-42-43 Milestone, G. T. Karnal Road, Village Sultanpur, Bahalgarh, Sonapat, Haryana.

### 21. Address for Correspondence

Shareholders Correspondence may be addressed to:

M/s. Skyline Financial Services Pvt. Ltd.

D-153-A, 1st Floor,

Okhla Industrial Area,

Phase-I, New Delhi 110 020

Or

The Company Secretary

Kohinoor Foods Limited

Pinnacle Business Tower, 10<sup>th</sup> Floor,

Shooting Range Road, Surajkund,

Faridabad, Haryana- 121001

However, shareholders holding shares in demat mode should address their correspondence relating to their holdings to the respective Depository participants.

### Declaration – Compliance with the Code of Conduct

In accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Jugal Kishore Arora, Chairman of the Company, hereby declare that the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31 March 2017.

FOR AND ON BEHALF OF THE BOARD

Sd/-

Jugal Kishore Arora

Chairman

Date : 10<sup>th</sup> August, 2017

Place : Faridabad



### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Member,  
Kohinoor Foods Limited,

We have reviewed the implementation of the Corporate Governance procedures by Kohinoor Foods Ltd. (the Company), for the year ended on 31st March, 2017, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the relevant records and documents maintained by the Company, furnished to us for our review and report on Corporate Governance, as approved by the Board of Directors.

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

We state that no investor grievance is pending for a period exceeding one month against the Company from the date of receipt of the grievance by the Company as per the records and other documents maintained by the Shareholders/Investor Grievance Committee.

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

On the basis of our review and according to the best of our information and according to the explanations given to us, the Company has been complying with the conditions of Corporate Governance, as stipulated in the Listing Agreements with the Stock Exchange(s), as in force.

For **Rajender Kumar Singal & Associates LLP**

CHARTERED ACCOUNTANTS

FRN : 016379N

Sd/-

Pankaj Gupta

Partner

Membership No. 094909

Place: New Delhi

Date: 10.08.2017

### CEO AND CFO CERTIFICATION

The Board of Directors,  
Kohinoor Foods Limited

Dear Members of the Board,

As stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We, Satnam Arora, Jt. Managing Director and Prabhat Kumar, Chief Financial Officer, of the Company to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- D. We have indicated to the auditors and the Audit Committee:

There have been no significant changes in the internal control over financial reporting during this year.

There have been no significant changes in the accounting policies this year and that the same have been disclosed in the notes to the financial statements.

There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Sd/-

Place : Faridabad

Date : 10.08.2017

Satnam Arora

Jt. Managing Director

Sd/-

Parbhat Kumar

(CFO)



### FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> March, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

**Kohinoor Foods Limited**

Pinnacle Business Tower, 10th Floor

Shooting Range Road, Surajkund

Faridabad – 121001

Haryana

We were appointed by the Board of Directors of M/s Kohinoor Foods Limited to conduct the Secretarial Audit of the Company for the financial year ended on 31<sup>st</sup> March, 2017.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Kohinoor Foods Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Kohinoor Foods Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Kohinoor Foods Limited for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – **Not Applicable as the Company did not issue any security during the financial year under review.**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - **Not Applicable as the Company has not granted any options to its employees during the financial year under review.**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable as the Company has not issued any debt security during the financial year under review.**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not Applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **Not Applicable as the Company has not bought back any of its securities during the financial year under review.**





- (vi) Other laws as specifically applicable to the Company based on its sector/industry,
- (a) The Food Safety and Standards Act including packaging and Labelling Laws.
  - (b) Prevention of Food Adulteration Act, 1954.
  - (c) Legal Metrology Act, 2009 and rules and regulations made thereunder.

**We have also examined compliance with the applicable clauses of the following:**

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (b) The applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (c) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice of atleast seven days is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least three days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no specific events/actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

We further report that during the audit period the Company has obtained approval of the members under section 13(4) of the Companies Act, 2013 by way of special resolution, passed through postal ballot process, for shifting the registered office of the Company from NCT of Delhi to the State of Haryana subject however to the approval of the Central Government (Regional Director) in this regard. The application filed by the Company has since been approved by the Regional Director after the audit period and before signing of this report.

We further report that during the audit period the Company has obtained approval of the members under section 196, 197 and 203 of the Companies Act, 2013 by way of special resolution, passed through postal ballot process, for appointment and payment of remuneration to Mr. Nitin Arora subject however to the approval of the Central Government in this regard. The Company has made the application to the Central Government which is pending.

Place: New Delhi

Date: 10.08.2017

**For Vinod Aggarwal & Associates**

Company Secretaries

Sd/-

**Vinod Aggarwal, Prop.**

FCS No: 8007

CP No: 8816

This report is to be read along with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



### Annexure A

To,  
The Members  
Kohinoor Foods Limited  
Pinnacle Business Tower, 10th Floor  
Shooting Range Range, Surajkund  
Faridabad – 121001, Haryana

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi  
Date: 10.08.2017

**For Vinod Aggarwal & Associates**

Company Secretaries

Sd/-

Vinod Aggarwal, Prop.

FCS No: 8007

CP No:8816

### ANNEXURE – 'B' TO THE DIRECTORS' REPORT

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming Part of the Directors' Report for the year ended 31st March, 2017.

#### A. Conservation of Energy

Improvement of methods of Energy Conservation and optimal utilisation of Energy in all operations, continued to receive close attention. Company is always conscious to conserve energy through improved methods of operations and design. In this regard the Company has introduced energy saving features in the systems and monitors by which the user saves the power consumption to a considerable extent. The company's efforts towards energy conservation resulted in reduction in power and fuel expenses by 30% from Rs. 10.62 crores last year to Rs. 7.48 crores during the current year.

#### B. Research & Development (R & D)

##### i) Specific areas in which R&D carried out by the Company and benefits derived as a result of R&D

Research & Development has always been a focus area at Kohinoor Foods Ltd.. During the year the Company has put special efforts in research and development. As the company had also started production in its new food factory at Sonapat, which has state of art R & D facility. The R&D team of the Company has worked on a number of areas, more specifically in the areas of frozen foods. This has resulted in the Company being able to launch a range of products in the Kohinoor 'Ghee' and introduction of new range product variants e.g. Rice Bran Oil, Healthy grain, organic product, in both Ready to Eat & Ready to Cook segments. We expect to notch up good numbers in the next financial year through some exciting product launches and expanding & streamlining the distribution network. The company is also perusing R & D activities in the



organic food product. During the year there is an increase of 88.55% in R & D expenditure by the company, amounting to Rs.57.81 lakhs against the last year amount of Rs.30.66 lakhs.

### ii) Future plan of action

Steps are continuously being taken to promote the branded sales in overseas market. During the year the company launched Monsoon brand basmati rice in domestic as well as in International Market. The Company is continuously making efforts to provide best of quality products to its customers.

### iii) Expenditure on R&D

a) Capital	:	Nil
b) Recurring	:	Rs. 5,781,026/-
c) Total	:	Rs. 5,781,026/-

Total R&D expenditure is 0.05% of Turnover.

### C. Technology Absorption, Adaptation and Innovation

Technology Absorption, Adaptation and Innovation had always been the key strength of the Company. The Company plans to be a leading player in technology introduction through innovative products.

### D. Foreign Exchange Earnings and Outgo

#### i) Total Foreign Exchange earned and used

Foreign Exchange Earnings of the Company amounted to Rs. 77,146.45 Lacs as against Foreign Exchange Outgo of Rs.13908.20 Lacs during the year under review.

#### ii) Activities related to exports, initiative taken to increase exports, development of new export markets for products.

During the year, Kohinoor Foods has put in a lot of emphasis to increase exports of value added food products and basmati rice including introduction of new Monsoon Brand in International Market, from the country, namely the following:

- Basmati Rice
- Ready to Eat-Pasta/Salad
- Frozen Butter
- Ghee
- Spices
- Indian Sweets
- Paneer
- Rice Bran Oil
- Healthy grain
- Organic food Product
- Namkeen
- Processed Foods (value added culinary products using basmati rice, and other vegetables)

With its traditional strength in the exports of basmati gathered over the years, Kohinoor Foods has yet again put special efforts to increase the exports of value added food products in the last year. The Company having two subsidiaries in UK and USA, has been able to provide renewed impetus to the growth of exports of various agro commodities, produced in India.

It has now made substantial inroads in the overseas markets, particularly in Germany, Iran, Israel, Italy, Jordan, Kuwait, Lebanon, Maldives, New Zealand, Poland, Russia, Reunion & Saudi Arabia. Kohinoor Foods has concentrated in marketing of valued added food products and basmati rice in order to maximise selling under its own brand names even in the overseas markets.

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**JUGAL KISHORE ARORA**  
**CHAIRMAN**

Place : Faridabad

Date : 10.08.2017



**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31<sup>st</sup> March, 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN	L52110DL1989PLC037097 (CIN L52110HR1989PLC070351 w.e.f. 16 <sup>th</sup> August, 2017)
ii) Registration Date	26 <sup>th</sup> July, 1989
iii) Name of the Company	<b>Kohinoor Foods Limited</b>
iv) Category / Sub - Category of the Company	<b>Public (Listed) Company</b>
v) Address of the Registered/Corporate office and contact details:	Pinnacle Business Tower, 10th Floor, Shooting Range Road, Surajkund, Faridabad, Haryana- 121001 Phone: +91-129-424-2222, Fax:+91-129-424-2233 Email: info@kohinoorfoods.in Website: www.kohinoorfoods.in
vi) Whether listed company Yes / No	YES
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Skyline Financial Services Pvt. Ltd., Off: D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Ph No. 26812682,83

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities are under single segment and not contributing 10 % or more of the total turnover of the company:-

S.NO	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1.	Rice and Food	2042 & 2180	94.5% & 5.50%





### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S.NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1.	Indo European Foods Limited, Kohinoor Congress House 6 <sup>th</sup> Floor, Suite 2, 14 Lyon Road, Harrow, Middlesex, Post Code: HA2 2EN, United Kingdom	NA	SUBSIDIARY	100%	
2.	Kohinoor Foods USA INC, 40, Northfield Avenue Edison, NJ 08837	NA	SUBSIDIARY	100%	
3.	Sachdeva Brothers Pvt. Ltd. 201, Vipps Centre, Masjid Moth, Greater Kailash-II, New Delhi-110 048	U15311DL1986PTC222606	SUBSIDIARY	100%	
4.	Rich Rice Raisers Factory LLC, Post Box No. 15542, Al Quoz Industrial Area, 3rd Interchange, Sh Zayed Road, Dubai, U.A.E.	NA	ASSOCIATE	25%	
5.	Al Dahra Kohinoor LLC, Abu Dhabi, U.A.E.	NA	ASSOCIATE	20%	
6.	Al Dahra Kohinoor Industries LLC, Abu Dhabi, U.A.E.	NA	ASSOCIATE	20%	

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Changing During Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
<b>A. Promoter</b>									
<b>(1) Indian</b>									
a) Individual / HUF	18291140	0	18291140	51.90	18291140	0	18291140	51.90	0.00
b) Central Govt.	0	0	0	0	0	0	0	0	000
c) State Govt(s)	0	0	0	0	0	0	0	0	000
d) Bodies Corp.	0	0	0	0	0	0	0	0	00
e) Banks / FI	0	0	0	0	0	0	0	0	00
f) Any Other(Body Corporated	104100	0	104100	0.30	104100	0	104100	0.30	0
<b>Sub-total (A) (1):-</b>	<b>18395240</b>	<b>0</b>	<b>18395240</b>	<b>52.20</b>	<b>18395240</b>	<b>0</b>	<b>18395240</b>	<b>52.20</b>	<b>0</b>



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Changing During Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
<b>(2) Foreign</b>									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (2):- Total shareholding of Promoter (A) = (A)(1)+(A)( 2)</b>	<b>18395240</b>	<b>0</b>	<b>18395240</b>	<b>52.20</b>	<b>18395240</b>	<b>0</b>	<b>18395240</b>	<b>52.20</b>	<b>0</b>
<b>B. Public Share holding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	133621	0	133621	0.38	185084	0	185084	0.53	0.15
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Investors	10000	0	10000	0.03	10000	0	10000	0.03	0
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>143621</b>	<b>0</b>	<b>143621</b>	<b>0.41</b>	<b>195084</b>	<b>0</b>	<b>195084</b>	<b>0.56</b>	<b>0.15</b>
<b>2. Non Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	2749695	34476	2784171	7.90	1438246	34376	1472622	4.18	(3.87)
ii) Overseas	0	0	0		0	0	0	0	00
<b>b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4090533	423209	4513742	12.80	4999495	415908	5415403	15.37	2.57



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Changing During Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1906115	16200	1922315	5.45	1772675	16200	1788875	5.07	(0.37)
<b>c) Other specify</b>									
N.R.I. (Rept & Non-Rept)	114753	0	114753	0.32	151964	0	151964	0.43	0.10
Public Trusts	0	0	0	0	0	0	0	0	0
Corporate Bodies-OCB	7048306	0	7048306	20	7048306	0	7048306	20	0
Intermediary/Other Depository A/c	0	0	0	0	0	0	0	0	0
Hindu Undivided Family	266596	0	266596	0.75	366087	0	366087	1.03	0.28
Clearing Members/House	52786	0	52786	0.14	406099	0	406099	1.15	0.01
Qualified Foreign Investor-Individual	0	0	0	0	0	0	0	0	0
Qualified Foreign Investor-Corporate	0	0	0	0	0	0	0	0	0
NBFC's Registered with RBI	0	0	0	0	1850	0	1850	0.01	0.01
<b>Sub-total (B)(2):-</b>	<b>16281570</b>	<b>473966</b>	<b>16702669</b>	<b>47.38</b>	<b>16184722</b>	<b>466484</b>	<b>16651206</b>	<b>47.25</b>	<b>(1.28)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>16425191</b>	<b>473966</b>	<b>16846290</b>	<b>47.80</b>	<b>16379806</b>	<b>466484</b>	<b>16846290</b>	<b>47.80</b>	<b>(1.13)</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>34820431</b>	<b>473966</b>	<b>35241530</b>	<b>100</b>	<b>34775046</b>	<b>466484</b>	<b>35241530</b>	<b>100</b>	<b>0</b>



### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Gurnam Arora	6098889	17.31	-	6098889	17.31	-	0.00
2.	Jugal Kishore Arora	6043484	17.15	-	6043484	17.15	-	0.00
3.	Satnam Arora	5378923	15.26	-	5378923	15.26	-	0.00
4.	Rani Arora	746009	2.12	-	746009	2.12	-	-
5.	Nitin Arora	21000	0.06	-	21000	0.06	-	-
6.	Madhu Arora	1869	0.00	-	1869	0.00	-	-
7.	Meena Rani Arora	966	0.00	-	966	0.00	-	-
8.	Satnam Haegens Ltd.	104100	0.30	-	104100	0.30	-	-
	Total	18395240	52.20	-	18395240	52.20	-	-

### (i) Change in Promoters' Shareholding ( please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-





### (ii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative	
		No. of Shares at the beginning (01-04-16)	% of total shares of the Company				No. of Shares	% of total shares of the company
1.	Al Dahra International Investments LLC	7048306	20.00	31.03.2017	-	-	7048306	20.00
2.	Angel Broking Private Limited	23631	0.07	01.04.2016	194442	Purchase	218073	0.62
3.	Naminder Singh Dhir	147090	0.42	31.03.2017	-	-	147090	0.42
4.	Syed Arshad Ali	139749	0.40	31.03.2017	-	-	139749	0.40
5.	Motilal Oswal Securities Ltd. Collateral Account	22134	0.06	01.04.2016	103477	Purchase	125611	0.36
6.	Nitin Kapil Tandon	201000	0.57	17.02.2017	81000	Sale	120000	0.34
7.	United India Insurance Company Limited	117081	0.33	31.03.2017	-	-	117081	0.33
8.	Dilip Kumar Khandelwal	89779	0.25	13.01.2017	1779	Sale	88000	0.25
9.	Purshotham Chandak	28607	0.08	06.05.2016	54710	Purchase	83317	0.24
10.	Sharekhan Limited	8646	0.02	01.04.2016	67066	Purchase	75712	0.21

### (iii) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative	
		No. of shares at the beginning (01-04-16) /end of the year (31-03-2017)	% of total shares of the Company				No. of Shares	% of total shares of the company



### Directors

1.	Jugal Kishore Arora (Chairman)	6043484	17.15	31.03.2017	-	-	-	-
2.	Satnam Arora (Jt.M.D)	5378923	15.26	31.03.2017	-	-	-	-
3.	Gurnam Arora (Jt.M.D)	6098889	17.31	31.03.2017	-	-	-	-
4.	Vijay Burman (Non-Executive & Independent Director)	-	-	31.03.2017	-	-	-	-
5.	M.K.Trisal (Non-Executive & Independent Director)	-	-	31.03.2017	-	-	-	-
6.	Satish Chandra Gupta (Non-Executive & Independent Director)	-	-	31.03.2017	-	-	-	-
7.	Sandeep Kohli (Non-Executive & Independent Director)	-	-	31.03.2017	-	-	-	-
8.	Khedaim Abdulla Saed Faris Alderei (Non-Executive & Non-Independent Director)	-	-	31.03.2017	-	-	-	-
9.	Madhu Vij (Non-Executive & Independent Director)	-	-	31.03.2017	-	-	-	-
10	Nitin Arora (Whole-time Director)	21000	0.06	31.03.2017	-	-	-	-
<b>Key Managerial Personnel</b>								
	Prabhat Kumar (CFO)	-	-	31.03.2017	-	-	-	-
	Rama Kant, GM (CS & Compliance Officer)	-	-	31.03.2017	-	-	-	-



### V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	7,851,389,383	813,015,485	-	8,664,404,868
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,650,655	-	-	2,650,655
<b>Total (i+ii+iii)</b>	<b>7,854,040,038</b>	<b>813,015,485</b>	<b>-</b>	<b>8,667,055,523</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	150,945,966	-	-	150,945,966
· Reduction	-	373,362,296	-	373,362,296
<b>Net Change</b>	<b>150,945,966</b>	<b>-373,362,296</b>	<b>-</b>	<b>-222,416,330</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	8,000,167,670	439,653,189	-	8,439,820,859
ii) Interest due but not paid	4,818,334	-	-	4,818,334
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>8,004,986,004</b>	<b>439,653,189</b>	<b>-</b>	<b>8,444,639,193</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Jugal Kishore Arora	Mr. Satnam Arora	Mr. Gurnam Arora	Mr. Nitin Arora	
<b>1.</b>	<b>Gross salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,600,000	9,000,000	9,000,000	2,740,000	30,340,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	-
<b>2.</b>	<b>Stock Option</b>	-	-	-	-	-
<b>3.</b>	<b>Sweat Equity</b>	-	-	-	-	-
<b>4.</b>	<b>Commission - as % of profit - others, specify...</b>	-	-	-	-	-
<b>5.</b>	<b>Others, please specify</b>	-	-	-	-	-
	<b>Total (A)</b>	<b>9,600,000</b>	<b>9,000,000</b>	<b>9,000,000</b>	<b>27,740,000</b>	<b>30,340,000</b>
	<b>Ceiling as per the Act</b>					



### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Vijay Burman	Mr. Sandeep Kohli	Mr. M.K. Trisal	Mr. SC Gupta	Ms. Madhu Vij	
	3. Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	2,50,000	2,50,000	2,50,000	2,50,000	2,25,000	12,25,000
	Total (1)	2,50,000	2,50,000	2,50,000	2,50,000	2,25,000	12,25,000
	4. Other Non-Executive Directors · Fee for attending board / committee meetings · Commission · Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	2,50,000	2,50,000	2,50,000	2,50,000	2,25,000	12,25,000
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						

### C. Remuneration to key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
<b>1.</b>	<b>Gross salary</b>				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2,227,960	3,056,004	5,283,964
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
<b>2.</b>	<b>Stock Option</b>	-	-	-	-
<b>3.</b>	<b>Sweat Equity</b>	-	-	-	-
<b>4.</b>	<b>Commission - as % of profit others, specify...</b>	-	-	-	-
<b>5.</b>	<b>Others, please specify</b>	-	-	-	-
	<b>Total</b>	-	<b>2,227,960</b>	<b>3,056,004</b>	<b>5,283,964</b>

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There are no penalties/punishment/compounding of offences against Kohinoor Foods Limited and its Directors and Officers for the year ended on 31st March, 2017.





### ANNEXURE-D

**Disclosers as required under section 197(12) of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of management Personnel) Rules, 2014.**

Ratio of remuneration of each director of the median remuneration of employees of the Company and the Percentage increase in remuneration of Directors & KMPs in the Financial Year:

S. No.	Name of Director/KMP	Designation	Ratio of remuneration of each director to median remuneration of Employees	Percentage increase in remuneration during FY 2016-17
1	Mr. Jugal Kishore Arora	Chairman	38.12	0.00%
2	Mr. Satnam Arora	Jt. Managing Director	35.73	0.00%
3	Mr. Gurnam Arora	Jt. Managing Director	35.73	0.00%
4	Mr. Nitin Arora	Whole-time Director	10.88	N/A
5	Mr. Prabhat Kumar	Chief Financial Officer	12.13	0.00%
6	Mr. Rama Kant	Company Secretary	8.85	0.00%

3)	Percentage increase in the median remuneration of employees in the financial year	7.14%
4)	Number of permanent employee on the roll of Company as at March 31, 2017	374
5)	Explanation on the relation ship between average increase in remuneration and company Performance.	There was no increase in employees remuneration during the year.

(Rs. in Million)

6)	Comparison of remuneration of Key managerial Remuneration against the performance of the company	Total Turnover	10,508.00
		Total Remuneration to KMPs	35.52
		Total Remuneration of KMP as % to total revenue	0.34%
7) i	Variation in market capitalization of the company as at March 31, 2017	Market capitalization increased from Rs. 1525.96 million as on 31st March 2016 to Rs. 2981.43 million as on 31st March 2017	
ii	Price earning ratio of the Company	-	
iii	Percentage increase over/decrease in the market quotation of the shares of the company as compared to the rate at which the company come out with the last Public offer in the year	N/A	
8)	Average percentile increase already made in the salaries of the employee other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration	There was an increase of 1.63% in managerial remuneration and in the salaries of employees other than the managerial personnel the average increase was 1.83% during the year.	



### 9) Comparison of each remuneration of Key Managerial Remuneration against the performance of the Company

S. No.	Name of KMPs	Remuneration in FY 2015-16 ( Rs. in Million)	Remuneration as% of revenue median remuneration of Employees
1	Mr. Jugal Kishore Arora	9.60	0.09
2	Mr. Satnam Arora	9.00	0.09
3	Mr. Gurnam Arora	9.00	0.09
4	Mr. Nitin Arora	2.74	0.03
5	Mr. Prabhat Kumar	3.06	0.03
6	Mr. Rama Kant	2.23	0.02

10)	The Key parameter of any variable component of remuneration availed by the Directors	Not applicable
11)	Ratio of remuneration of highest paid director to that of the employee who are not director but receive remuneration in excess of the highest paid director during the year.	Not applicable
12)	Affirmation that the remuneration is as per the remuneration	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Director, KMP and other employees.



### **Independent Auditors' Report**

#### **TO THE MEMBERS OF KOHINOOR FOODS LIMITED**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying Standalone financial statements of Kohinoor Foods Limited ("the company"), which comprises the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### ***Management's Responsibility for the Standalone Financial Statements***

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### ***Opinion***

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its losses and its cash flows for the year ended on that date.

#### ***Emphasis of Matters***

We draw attention to the following matters in the Notes to the financial statements:

- a) Note – 11(c) to the financial statements, the company has not made provision for the Diminution in the value of Investments as the Investment is strategic investment.
- b) Note - 38(a)(i) to the financial statements, the company has not made Provision for the demand raised by Income Tax Authorities as the matter is pending before ITAT and DRP.



Our opinion is not modified in respect of these matters.

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2106 ("the Order") issued by the Central Government of India in terms of sub - section (11) of section 143 of the Act, we give in the Annexure A, a statement on the Matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules.
  - e) The basis of the written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements ;
- ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 5 and 9 to the financial statements;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The company had provided requisite disclosures in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

**For RAJENDER KUMAR SINGAL & ASSOCIATES LLP**

(CHARTERED ACCOUNTANTS)

FRN NO.: 016379N

Sd/-

**(Pankaj Gupta)**

Partner

Place: Delhi

Date: 30th May, 2017

Membership No. 94909



### Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) According to explanation given to us, fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to information and explanation given to us physical verification of inventory has been conducted at reasonable intervals by the management and according to information given to us no material discrepancies were noticed in such verification.
- (iii) According to information and explanation given to us The Company has granted unsecured loans to company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - (a) according to information given to us the terms and conditions of grant of such loan is not prejudicial to the interest of the Company
  - (b) according to information given to us the schedule of repayment of loan is not specified and is repayable on demand.
  - (c) according to information given to us, There is no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The company has not accepted any deposited from the public
- (vi) To the best of our knowledge and explanation given to us, the cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act have been made and maintained by the company. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues to the appropriate authority.
- (b) According to information and explanations given to us, the following dues of income tax, sales tax, service tax, duty of excise, and value added tax have not been deposited by the Company on account of disputes:





(INR. In Lacs)

Nature of Dues	Amount	Period to which the Amount relates	Forum where dispute is pending
Income Tax	495.74	2002-03 to 2008-09	High Court of Delhi
Income Tax	329.04	2002-03 to 2008-09	CIT (A), New Delhi
Income Tax	127.93	2009-10	Income Tax Appellate Tribunal- (New Delhi)
Income Tax	3679.11	2010-11	Income Tax Appellate Tribunal- (New Delhi)
Income Tax	1420.98	2011-12	DRP, New Delhi
Income Tax	2294.96	2012-13	CIT (A)
Income Tax	671.21	2013-14	CIT (A)
Sales Tax - Delhi	122.00	1991-92 to 2000-01	Commissioner of Sales Tax (Delhi)
Sales Tax - Amritsar	455.82	2009-10 to 2010-11	Deputy Excise & Taxation Commission (Appeal)
Sales Tax - Haryana	732.35	2008-09	VAT Tribunal, Haryana
Sales Tax - Haryana	52.64	2014-15	Jt. Excise and Taxation Commissioner (Appeals), Rohtak
Sales Tax - Haryana	98.60	2010-11	Jt. Excise and Taxation Commissioner (Appeals), Rohtak
Sales Tax - Haryana	132.21	2011-12	Jt. Excise and Taxation Commissioner (Appeals), Rohtak
Sales Tax - Haryana	28.51	2009-10	VAT Tribunal, Haryana
Sales Tax - Haryana	46.39	2012-13	Jt. Excise and Taxation Commissioner (Appeals), Rohtak
Excise Duty	42.90	April 2005 to February 2006	CCE (Appeals)
Service Tax	9.12	2004-05 to 2008-09	Service Tax Appellate Tribunal (New Delhi)

- (viii) Based on our audit procedure and as per the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of loan or borrowing to a financial institution, bank or government.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). However company raise money by way of term loan, which were applied for the purposes for which those are raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us managerial remuneration paid or provided in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.



(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Delhi

Date: 30th May, 2017

For **RAJENDER KUMAR SINGAL & ASSOCIATES LLP**

(CHARTERED ACCOUNTANTS)

FRN NO. : 016379N

Sd/-

**(Pankaj Gupta)**

Partner

Membership No. 94909

### Annexure – B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Kohinoor Foods Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting



A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Delhi

Date: 30th May, 2017

**For RAJENDER KUMAR SINGAL & ASSOCIATES LLP**  
(CHARTERED ACCOUNTANTS)  
FRN : 016379N

**Sd/-**  
**(Pankaj Gupta)**  
Partner  
Membership No. 94909



### BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2017

(Rs. In Lacs)

PARTICULARS	NOTE	As at 31-March-2017	As at 31-March-2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Fund</b>			
Share Capital	2	3,524.15	3,524.15
Reserve and Surplus	3	23,150.70	38,013.43
		26,674.85	41,537.58
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	1,760.80	1976.72
Long Term Provisions	5	297.43	278.30
		2,058.23	2,255.01
<b>Current Liabilities</b>			
Short Term Borrowings	6	82,421.49	83,862.44
Trade Payables	7	10,862.88	7,206.46
Other Current Liabilities	8	5,768.61	5,816.75
Short Term Provisions	9	19.17	123.88
		99,072.16	97,009.52
<b>TOTAL</b>		<b>127,805.24</b>	<b>140,802.12</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	10		
Tangible Assets		6,710.02	7,492.22
Capital Work-in-Progress		275.10	23.91
		6,985.11	7,516.13
Non-Current Investments	11	9,039.37	13,250.82
Deferred tax assets (net)	12	9,774.26	2,573.40
Long Term Loans and Advances	13	2,245.80	2,198.36
		21,059.42	18,022.58
<b>Current Assets</b>			
Current Investments	14	1,000.00	—
Inventories	15	85,215.75	97,383.67
Trade Receivables	16	8,275.66	13,483.63
Cash and Bank Balances	17	1,748.33	726.11
Short Term Loans and Advances	18	3,406.50	3,594.33
Other Current Assets	19	114.47	75.67
		99,760.71	115,262.41
<b>TOTAL</b>		<b>127,805.24</b>	<b>140,801.12</b>
Significant Accounting Policies	1		

The Notes Referred To Above Form Part of The Balance Sheet  
In terms of our separate report of even date attached

for and on behalf of the Board of Directors

**For Rajender Kumar Singal & Associates LLP.**  
**CHARTERED ACCOUNTANTS**  
FRN : 016379N

Sd/-  
**(PANKAJ GUPTA)**  
PARTNER  
Membership No: 094909

Sd/-  
**SATNAM ARORA**  
JT. MG. DIRECTOR  
DIN NO. 00010667

Sd/-  
**GURNAM ARORA**  
JT. MG. DIRECTOR  
DIN NO. 00010731

Faridabad  
30th-May-2017

Sd/-  
**PRABHAT KUMAR**  
C.F.O

Sd/-  
**RAMA KANT**  
COMPANY SECRETARY



### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(Rs. In Lacs)

PARTICULARS	Note	FOR THE YEAR ENDED 31-March-2017	FOR THE YEAR ENDED 31-March-2016
<b>INCOME</b>			
Revenue from Operations	20	105,081.66	113,089.96
Other Income	21	<u>885.97</u>	<u>292.75</u>
Total Revenue		105,967.63	113,382.71
<b>EXPENDITURE</b>			
Cost of Material Consumed	22	73,102.47	72,189.76
Purchases of Stock-in-Trade	23	23,644.74	11,711.29
Changes in Inventories of Finished Goods, WIP and Stock in Trade	24	(3,284.54)	30.44
Employee Benefits Expenses	25	2,187.94	2,231.61
Finance Costs	26	9,268.83	9,754.63
Depreciation and Amortisation Expenses	10	<u>1,137.80</u>	<u>1,271.22</u>
Other Expenses	27	<u>18,775.71</u>	<u>13,240.78</u>
Total Expenses		124,832.95	110,428.74
<b>Profit Before Exceptional and Extra Ordinary items and Tax</b>		<b>(18,865.32)</b>	<b>2,953.97</b>
Exceptional Items	28	<u>3,220.86</u>	—
<b>Profit Before Extra Ordinary Items and Tax</b>		<b>(22,086.18)</b>	<b>2,953.97</b>
Extra Ordinary Items	29	—	2,500.00
<b>Profit Before Tax</b>		<b>(22,086.18)</b>	<b>453.97</b>
Tax Expenses			
Current Tax			104.04
Less : - MAT credit entitlement		—	92.36
Income Tax for Prior Years		(22.59)	—
Deferred Tax		(7,200.86)	59.96
<b>Profit/(Loss) for the year</b>		<b>(14,862.73)</b>	<b>382.33</b>
Earnings per equity share before extra ordinary items of face value of Rs. 10 each			
Basic and Diluted (in Rs.) [Refer note no. 35]		(42.17)	8.18
Earnings per equity share after extra ordinary items of face value of Rs. 10 each			
Basic and Diluted (in Rs.) [Refer note no. 35]		(42.17)	1.08

The Notes Referred to Above Form Part of The Statement of Profit and Loss  
In terms of our separate report of even date attached

for and on behalf of the Board of Directors

**For Rajender Kumar Singal & Associates LLP.**  
**CHARTERED ACCOUNTANTS**  
FRN : 016379N

Sd/-  
**(PANKAJ GUPTA)**  
PARTNER

Membership No: 094909

Faridabad  
30th-May-2017

Sd/-  
**SATNAM ARORA**  
JT. MG. DIRECTOR  
DIN NO. 00010667

Sd/-  
**PRABHAT KUMAR**  
C.F.O

Sd/-  
**GURNAM ARORA**  
JT. MG. DIRECTOR  
DIN NO. 00010731

Sd/-  
**RAMA KANT**  
COMPANY SECRETARY





### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(Rs. In Lacs)

PARTICULARS	FOR THE YEAR ENDED 31-March-2017	FOR THE YEAR ENDED 31-March-2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax & extra ordinary items	(22,086.00)	2,952.97
Adjustments for :		
Depreciation	1,138.00	1,271.22
Interest Paid	9,269.00	9,754.63
Interest Received	(77.00)	(62.42)
Profit on Sale of Assets	(663.00)	—
Income From Key Man Insurance Policy	(30.00)	(70.98)
Diminution in the Value of the Investment	3,221.00	9.42
<b>Operating profit before working capital changes</b>	<b>(9,228.00)</b>	<b>13,855.00</b>
Adjustments for :		
Debtors	5,208.00	5,121.62
Inventories	12,168.00	8,307.22
Current Liabilities & Provision	3,523.00	(19,910.51)
Direct taxes	23.00	(11.68)
<b>Cash flow before exceptional and extra ordinary items</b>	<b>11,693.00</b>	<b>7,361.00</b>
Exceptional Items	—	—
Extra ordinary items	—	(2,500.00)
<b>Net cash from operating activities</b>	<b>11,693.00</b>	<b>4,861.00</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets and change in Capital work in progress	56.00	(1,333.55)
Investments in Associates Companies	—	(20.13)
Investments in Balanced Plus Fund	(9.00)	—
Loans & advances and other current assets	102.00	191.10
Interest Received	77.00	62.42
Income from Key Man Insurance Policy	30.00	70.98
<b>Net cash from Investment activities</b>	<b>255.00</b>	<b>(1,029.00)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capita	—	—
Proceeds from short term borrowings	(1,441.00)	4,418.22
Proceeds from (Repayment of) long term borrowing	(216.00)	1,353.89
Interest paid	(9,269.00)	(9,754.63)
<b>Net cash flow from financing activities</b>	<b>(10,926.00)</b>	<b>(3,984.00)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,022.00</b>	<b>(151.00)</b>
- Cash & Cash equivalent at beginning of the year	726.00	876.33
- Cash & Cash equivalent at end of the year *	1,748.00	726.11
- Effect of change in Exchange Rate on Cash and Cash Equivalent	(5.19)	(11.77)
<u>* Cash &amp; Cash equivalent include :</u>		
FDR/Margin money with Bank	1,415.00	573.00

In terms of our separate report of even date attached

for and on behalf of the Board of Directors

For Rajender Kumar Singal & Associates LLP.

CHARTERED ACCOUNTANTS

FRN : 016379N

Sd/-  
(PANKAJ GUPTA)  
PARTNER  
Membership No: 094909

Sd/-  
SATNAM ARORA  
JT. MG. DIRECTOR  
DIN NO. 00010667

Sd/-  
GURNAM ARORA  
JT. MG. DIRECTOR  
DIN NO. 00010731

Faridabad  
30th-May-2017

Sd/-  
PRABHAT KUMAR  
C.F.O

Sd/-  
RAMA KANT  
COMPANY SECRETARY



### 1. Significant Accounting Policies

#### (a) Basis of Preparation of Financial Statements :

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the generally accepted Accounting Principles in India including Accounting Standards notified under the relevant provisions of the Companies Act, 2013 to the extent applicable, as adopted consistently by the company.

#### (b) Use of Estimates and Judgments :

The preparation of financial statements are in conformity with the Accounting Standards which requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to the contingent liabilities as on the date of balance sheet and the reported amount of revenues and expenditures during the reporting period. The estimates and assumptions used in the Financial Statements are based upon Management's best evaluation of the relevant facts and circumstances as of the date of the Financial Statements. Examples of such estimates include useful life of fixed assets, creation of deferred tax asset, lease rentals and write off of deferred revenue expenditure. Actual results may differ from those estimates.

#### (c) Revenue Recognition :

The company follows the mercantile system of accounting and recognizes the income and expenditures on accrual basis except in case of significant uncertainties. Certain items of income such as insurance claim, market fees refund, overdue interest from customers etc have been considered to the extent the amount is accepted by the parties. The principles of the revenue recognition are given below:-

Sales are recognized as follows :

Domestic Sales - At the point of dispatches to customers.

Export Sales - At the time of issue of Bill of Lading.

Sales are recorded net of sales returns, price differences and sales tax.

Sale of license and duty draw back are recognized on realization basis.

#### (d) Fixed Assets:

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. All costs, including financing cost till commencement of commercial production, net charges on foreign exchange contracts, if capitalization criteria are met.

Capital work in progress is stated at cost. Capital WIP includes the cost of fixed assets that are not yet ready for their intended use, as on the balance sheet date.

#### (e) Depreciation:

Depreciation is provided on written down value basis at rates provided in Schedule II to the Companies Act, 2013. The depreciation rates which are different from the principal rates specified in Schedule-II are as follows:-

Tarpaulin: 100% p.a.

Wooden & Plastic Crates: 100% p.a.

Depreciation on addition to fixed assets is provided on pro-rata basis from the date the assets are acquired/installed. Depreciation on sale/deduction from fixed assets is provided for upto the date of sale, deduction and discardment as the case may be.

In case of items having value of Rs. 5,000/- or below, acquired during the year have been charged to profit & loss account at 100% in the year of purchase.

#### (f) Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on



internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**(g) Expenditure Incurred during Construction Period:**

Expenditure directly relating to construction activity is capitalized, Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Statement of Profit and Loss. Income earned during construction period is deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion are capitalized. As regards indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalized only if they increase the value of the asset beyond its original standard of performance.

**(h) Leases:**

**(a) Finance Lease:**

(i) Assets taken on finance lease are capitalised at fair value or net present value of the minimum lease payments, whichever is less.

(ii) Lease payments are apportioned between the finance charges and outstanding liability in respect of assets taken on lease.

**(b) Operating Lease:**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating lease. Charges are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

**(i) Government Grants:**

Grants in the nature of capital contribution towards setting up of projects in backward area is adjusted from the cost of the related fixed assets. Grants related to revenue are deducted from the related expense.

**(j) Income Taxes:**

(i) Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income that originates in one period and are capable of reversal in one or more subsequent periods

(ii) Minimum Alternate Tax (MAT) paid in accordance with Income Tax Act, 1961 gives rise to future economic benefits in the form of adjustments of future income tax liability against such payments.

(iii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

**(k) Provisions, Contingent Liabilities and Contingent Assets :**

**Provisions**

A provision is recognised when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not



discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

#### Contingent Liability

A contingent liability is disclosed where, as a result of past events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### Contingent asset

Contingent assets are neither recognized nor disclosed.

#### (l) **Employees Benefits :**

The Company has adopted the Accounting Standard 15- Employee Benefits prescribed under the Companies (Accounting Standards) Rules, 2006 with effect from 1 January 2008. The Company's obligation towards various employee benefits has been recognized as follows:

##### **Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are short-term employee benefits. Benefits such as salaries, wages and bonus wages, etc, are recognized in the Profit and Loss statement in the period in which the employee renders the related service.

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

Gratuity cost is a defined benefit plan. The present value of obligations under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, years approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the profit and loss statement. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the settlement occurs.

#### (m) **Borrowing Cost:**

Borrowing cost includes:

- a) Interest and commitment charges on bank borrowings and other short term and long term borrowings;
- b) Amortization of discounts and premiums relating to the borrowings;
- c) Amortization of ancillary costs incurred in connection with the arrangement of borrowing;
- d) Finance charges in respect of assets acquired under finance lease and under other similar arrangements; and
- e) Exchange difference arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing cost attributable to the fixed assets during construction/ exploration, renovation and modernization are capitalized. Such borrowing costs are apportioned on the average balance of capital work in progress for the year. Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### (n) **Investments:**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost.



**(o) Inventories:**

Inventories are valued at cost or net realizable value whichever is lower, as taken, valued and certified by the management. The basis for determining cost for various categories of inventories are as under:

Raw Material - At cost on FIFO Basis

Finished Stock - At material cost + appropriate share of production overhead. +Other cost to the extent they are incurred in bringing the inventory to the present location and condition.  
(On weighted average cost basis).

Work in Progress - At material cost + appropriate share of production overhead.  
(On weighted average cost basis).

Packing Material - At cost

Stores & Spares - At cost

**(p) Foreign Exchange Transactions :**

Transactions in foreign currency are converted at the exchange rate prevailing at the date of the transaction. Foreign currency monetary assets and liabilities not covered by forward exchange contracts are restated at the year end rates and the resultant gains or losses are recognized in the Profit and Loss account. Non-monetary items are carried in terms of historical cost denominated in foreign currency using the exchange rates at the date of transaction.

Forward contracts other than those entered into to hedge foreign currency risk on unexecuted firm commitment or of highly probable forecast transactions are treated as foreign currency transactions and accounted accordingly. Any profit or loss arising on cancellation of a forward contract is recognized as income or expense in the period in which they arise.

Mark to Market exposure arising out of derivative contracts are provided except for those contracts which have been challenged in the court of law and disclosed under contingent liabilities.

The Company follows the Accounting Standards which are made mandatory. It is in the process of formulating the requisite mechanism/systems to meet prescribed requirements under Accounting Standards 30, 31 & 32. It shall be following the accounting policy of recognition, presentation & disclosure of forward exchange transactions including Derivative/ Hedging/ Currency Swaps & Interest Swaps etc as prescribed under these Accounting Standards with effect from the date these are made mandatory by ICAI. Unhedged balances of receivables and payables are disclosed on net basis.

**(q) Research & Development :**

Revenue Expenditure on Research & Development is charged as an expense in the year in which it is incurred.

Capital expenditure is included in respective heads under fixed assets.

**(r) Earning per share:**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**(s) Cash and Cash Equivalents :**

Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term investments with an original maturity of three months or less. Earmarked balances with bank, margin money or security against borrowings, guarantees and other commitments, if any shall be treated separately from cash and cash equivalent.





### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Rs. In Lacs)

PARTICULARS	As at	As at
	31-March-2017	31-March-2016
<b>2. SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
75,000,000 (Previous Year 75,000,000)	7,500.00	7,500.00
Equity Shares of Rs. 10/- each		
<b>Issued, Subscribed And Paid-Up Capital</b>		
35,241,530 (Previous Year 35,241,530)	3,524.00	3,524.00
Equity Shares of Rs. 10/- each fully paid-up		
	3,524.00	3,524.00

a) The reconciliation of the number of shares outstanding is set out below:

Number of Equity Shares at the beginning of the year	35,241,530.00	35,241,530.00
Number of Equity Shares issued during the year	—	—
Number of Equity Shares at the end of the year	35,241,530.00	35,241,530.00

b) Shares held by Shareholders holding more than 5 percent shares in the Company :

As at	31-March-2017		31-March-2016	
	No. of Shares	holding	No. of Shares	holding
(1) Jugal Kishore Arora	6,043,484.00	17.15%	6,043,484	17.15%
(2) Satnam Arora	5,378,923.00	15.26%	5,378,923	15.26%
(3) Gurnam Arora	6,098,889.00	17.31%	6,098,889	17.31%
(4) M/s Al Dahra International Investments LLC	7,048,306.00	20.00%	7,048,306	20.00%

c) **Terms/Rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share and has equal dividend right. The Company declares and pays dividend in Indian Rupees. The Dividend if proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by the shareholders.

### 3. Reserve And Surplus

(Rs. In Lacs)

	As at	As at
	31-March-2017	31-March-2016
<b>Capital Reserve</b>		
As per last Balance Sheet	742.76	742.76
<b>Securities Premium Account</b>		
As per last Balance Sheet	14,549.43	14,549.43
<b>General Reserve</b>		
As per last Balance Sheet	11,171.17	11,171.17
Amount transferred from Profit & Loss	(3,312.65)	—
	7,858.52	11,171.17
<b>Surplus from Statement of Profit &amp; Loss</b>		
As per last Balance sheet	11,550.07	11,168.74
Profit/(Loss) during the year	(14,862.73)	381.33
	(3,312.65)	11,550.07
Deficit in Profit & Loss transferred to General Reserve	3,312.65	—
	23,150.70	38,013.43



	As at 31-March-2017	(Rs. In Lacs) As at 31-March-2016
<b>4. LONG TERM BORROWINGS</b>		
<b>Secured Loans</b>		
Term Loans from Banks	—	—
Term Loans from Other Parties	188.62	354.36
Long Term maturity of Finance Lease obligations	72.18	122.36
	<u>260.80</u>	<u>476.72</u>
<b>Unsecured Loans</b>		
Loan from Promoters	1,500.00	15,00.00
	<u>1,760.80</u>	<u>1,976.72</u>
a) Term loans are repayable in monthly/quarterly installments. Maturity profile of non-current term loans are as set out below		
Term Loan Installments Repayable within:-		
1-2 Years	188.62	165.74
2-3 Years	—	188.62
	<u>188.62</u>	<u>354.36</u>
b) Term Loans carry interest rate of 13% P.A. (Previous year 13% per annum.)		
c) Term loan from other parties(including current maturities) are secured by :-		
i) Secured by charge on Fixed Assets Financed against the loan.	—	600.00
ii) Secured by Charge on third party property	345.36	500.00
<b>5. LONG TERM PROVISIONS</b>		
Provision for Employee Benefit		
Provision for Gratuity	297.43	278.30
	<u>297.43</u>	<u>278.30</u>
<b>6. SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Loan repayable on Demand from Banks	74,681.68	77,232.28
Buyers Credit	4,843.28	—
<b>Unsecured</b>		
Overdraft in Current Account	1,435.10	1,549.48
Loan from Promoters	1,461.43	5,080.67
	<u>82,421.49</u>	<u>83,862.44</u>



a) Loan repayable on Demand from Banks include the followings

Pre-Shipment	50,519.17	52,533.04
Post-Shipment	2,518.23	2,032.32
Cash Credit	20,164.80	19,983.43
Suppliers Bill Discounting	1,479.47	2,683.50
Loan from promoters	—	—
	<u>74,681.68</u>	<u>77,232.28</u>

b) Loan repayable on Demand from Banks are secured by hypothecation of Inventory, book debts and other current assets of the company, both present and future and the first charge on fixed assets of the company (excluding of specific assets charged to Term lending Banks).

c) Buyer credit has been availed from Banks under non fund based limit, secured as described in Para 6(b) above.

### 7. TRADE PAYABLE

-Due to Micro, Small and Medium Enterprises	—	—
-Due to Others	10,862.88	7,206.46
	<u>10,862.88</u>	<u>7,206.46</u>

The Ministry of Micro, Small and Medium Enterprises has issued an office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amount payable to such enterprises as at the year end has been made in the financial statements based on the information received and available with the Company. Based on the information received from vendors, there are no dues outstanding to micro and small enterprises (Suppliers) covered under the Micro, Small and Medium Enterprises Development Act, 2006.

### 8. OTHER CURRENT LIABILITIES

Current maturities of long-term debt (Secured)	165.74	745.64
Current maturities of finance lease obligations	50.18	59.26
Interest Accrued and due on borrowings	48.18	26.51
Advance received from customers	3,536.74	2,715.31
Statutory Liabilities	138.57	88.69
Employees Benefit Payable	131.69	180.00
Other Liabilities	1,697.51	2,001.35
	<u>5,768.61</u>	<u>5,816.75</u>

### 9. SHORT TERM PROVISIONS

Provision for employee benefits		
Provision for gratuity	19.17	19.84
Other Provisions		
Income Tax [Refer note no. 38]	—	104.04
	<u>19.17</u>	<u>123.88</u>



(Rs. In Lacs)

Particulars	Gross Block			Accumulated Depreciation			WDV As at 31-03-2017	WDV As at 31-03-2016
	As at 31-03-2016	Additions	Deletions	As at 31.03.2017	For the Year	Deletions/ Adjustments		
LAND	803.21	15.76	—	818.98	—	—	818.98	803.21
FACTORY BUILDING	3,315.09	72.29	—	3,387.39	169.61	—	1,348.28	1,445.59
OFFICE BUILDING	2,278.86	—	159.63	2,119.17	91.49	103.78	1,681.93	1,829.34
OFFICE EQUIPMENTS	756.33	42.97	289.31	509.99	35.94	288.99	55.32	48.61
PLANT & MACHINERY	10,344.15	205.19	16.24	10,533.09	627.77	16.00	2,382.34	2,805.16
FURNITURE & FIXTURES	330.79	33.71	36.85	327.64	35.24	36.25	101.80	103.93
WOODEN, CRATES	160.35	7.00	—	167.35	42.81	—	2.91	38.73
COMPUTERS	201.85	28.75	141.31	89.29	18.08	141.08	23.65	13.21
VEHICLES*	1,252.48	18.73	24.51	1,246.70	116.87	13.01	301.80	404.44
<b>GRAND TOTAL</b>	<b>19,443.10</b>	<b>424.41</b>	<b>667.92</b>	<b>19,199.59</b>	<b>1,137.80</b>	<b>599.11</b>	<b>6,717.02</b>	<b>7,492.22</b>
<b>PREVIOUS YEAR</b>	18,708.80	1,392.26	657.95	19,443.10	1,271.22	644.25	7,492.22	7,384.88

(Rs. In Lacs)

Particulars	Gross Block		
	As at 31-03-2016	Addition during the year	Capitalisation during the year
Plant & Machinery WIP	22.70	307.67	176.94
Building WIP	1.21	193.38	72.93
<b>TOTAL</b>	<b>23.91</b>	<b>501.05</b>	<b>249.87</b>
<b>PREVIOUS YEAR</b>	68.92	87.34	132.35
			275.10
			23.91



	<u>As at 31-March-2017</u>	<u>(Rs. In Lacs) As at 31-March-2016</u>
<b>11. NON-CURRENT INVESTMENTS</b>		
<b>Trade Investments</b>		
<b>Investment in Unquoted Equity Instruments</b>		
<b>Subsidiary Companies</b>		
Kohinoor Foods USA Inc. 56,000 (Previous year - 56,000) shares of USD 62.5 each fully paid up	1,608.68	1,608.68
Indo European Foods Ltd., UK 5,183,534 (Previous year - 5,183,534) shares of GBP 1 each fully paid up	4,185.78	4,185.78
Sachdeva Brothers Pvt. Ltd. 15,835 (Previous year - 15,835) shares of Rs. 100 each fully paid up	71.34	71.34
<b>Joint Venture Company</b>		
Rich Rice Raisers Factory LLC. 75 (Previous year - 75) shares of AED 1000 each fully paid up	9.42	
Less :- Diminution in the Value of the Investment	<u>9.42</u>	—
<b>Associates Companies</b>		
AL Dahra Kohinoor Industries LLC 60 (Previous year - 60) shares of AED 1000 each fully paid up	10.06	10.06
Al Dahra Kohinoor LLC 60 (Previous year - 60) shares of AED 1000 each fully paid up	10.06	10.06
<b>Others</b>		
Kohinoor Speciality Foods India Pvt. Ltd (Previous year - 44,161) shares of Rs. 10 each fully paid up	—	4,220.86
<b>Investment in Unquoted Preference Shares</b>		
<b>Subsidiary Companies</b>		
Kohinoor Foods USA Inc. 80,000 (Previous year - 80,000) shares of USD 62.5 each fully paid up	2,369.77	2,369.77
Indo European Foods Ltd., UK 1,000,000 (Previous year - 1,000,000) shares of GBP 1 each fully paid up	773.64	773.64
<b>Other Investment</b>		
<b>Investment in Quoted Equity Instruments</b>		
Anu Laboratories Ltd. 5,940 (Previous year - 5,940) shares of Rs. 1 each. Fully paid up	0.62	0.62
<b>Investment in Un-quoted Fund</b>		
Balanced Plan Fund- Canara-HSBC-OBC (58300.4583 Unit of Balanced Plus Fund issued under Canara-HSBC-OBC Life Insurance Platinum Plus Plan)	9.40	—
	<u>9,039.37</u>	<u>13,250.82</u>
<b>a) Aggregate amount of Quoted investments</b>	0.62	0.62
Aggregate amount of Market value of Quoted Investments	—	0.01
Aggregate amount of Un-quoted Investments	9,038.74	13,250.20
Aggregate Provision for Diminution of Value of Investments	—	9.42
<b>b) All the Non-current investments are carried at cost.</b>		
<b>c) The Company's Investment in Subsidiary Companies are long term strategic investment involving long-term commitment. The losses incurred by wholly owned subsidiary companies are not going to effect the company's investment in long run, therefore no provisions for diminution in the value of investment or losses suffered by the subsidiary companies have been made in the accounts. However, consolidated financial statements have been prepared in accordance with AS-21 prescribed by the Companies (Accounting Standard) Rules, 2006.</b>		





	As at 31-March-2017	(Rs. In Lacs) As at 31-March-2016
d) In current year the investment in Kohinoor Speciality Foods India Pvt. Ltd has been treated as current investment. (refer to Note 14)		
<b>12. DEFERRED TAX ASSETS (NET)</b>		
Disallowance under Income tax act, 1961	108.00	101.34
Related to fixed assets	(205.11)	(48.49)
Related to business loss	9,871.76	2,520.55
	9,774.00	2,573.00
<b>13. LONG TERM LOAN AND ADVANCES</b>		
(Unsecured, Considered Good)		
Capital Advances	73.94	—
Security Deposit	168.53	154.57
Loan and advances to related parties	2,003.33	2,043.79
	2,245.80	2,198.36
a) <b>Loans and advances to related parties*</b>		
<b>To Subsidiary Companies</b>		
Sachdeva Brothers Private Limited	3.98	3.93
<b>To Joint Venture</b>		
Rich Rice Raisers Factory LLC.**	1,999.34	2,039.86
	2,003.33	2,043.79
*The loan and advances are provided for general business purpose.		
** The loan to the Joint Venture Company, Rich Rice Raisers Factory LLC of Rs. 1999.34 Lacs (2039.86 Lacs) does not carry any interest and the repayment schedule is not specified.		
b) <b>Disclosures required by Clause 32 of the Listing Agreement</b>		
Amount of loans and advances in the nature of loans outstanding from subsidiaries, where interest is not charged.		
<b>Subsidiary Company</b>		
Sachdeva Brothers Private Limited		
Amount outstanding at the end of years	3.98	3.93
Maximum amount outstanding during the years	3.98	3.93
<b>14. CURRENT INVESTMENT</b>		
<b>Trade Investment</b>		
<b>Investment in Unquoted Equity Instruments</b>		
<b>Other</b>		
Kohinoor Speciality Foods India Pvt. Ltd	4,220.86	
44,161 shares of Rs. 10 each fully paid up		
Less :- Diminution in the Value of Investment	3,221.00	1,000.00
	1,000.00	—
a) Current investment are carried at lower of cost and fair value		
<b>15. INVENTORIES*</b>		
(As taken, valued and certified by the Management)		
Raw Material	17.94	936.89
Work in Progress	33.96	—
Finished Goods	82,306.86	88,623.62
Stock in Transit-in-Trade	213.12	554.61
Stock in Transit-Finished Goods	1,395.47	6,102.97
Stores and Spares	46.00	213.36
Packing Materials	1,203.00	952.21
	85,216.00	97,384.00
a) Inventories are valued at cost or net realizable value whichever is lower.		



	<u>As at</u> <u>31-March-2017</u>	<u>(Rs. In Lacs)</u> <u>As at</u> <u>31-March-2016</u>
<b>16. TRADE RECEIVABLES</b>		
(Unsecured, Considered Good)		
Outstanding for a period exceeding six months	239.00	4,167.77
Others	8,036.00	6,500.84
	<u>8,276.00</u>	<u>10,666.00</u>
(Unsecured, Considered Doubtful)		
Outstanding for a period exceeding six months	—	799.76
Others	—	2,018.27
	<u>—</u>	<u>2,818.00</u>
	<u>8,276.00</u>	<u>13,484.00</u>
a) Trade receivables include the following amount due from related parties		
<b>Subsidiary Companies</b>		
Kohinoor Foods USA Inc.	—	3,600.92
Indo European Foods Ltd.	573.18	590.59
	<u>573.00</u>	<u>4,192.00</u>
<b>17. CASH AND CASH EQUIVALENTS</b>		
Balances with Banks in Current Accounts	290.55	115.66
Cash in Hand	42.00	37.42
Fixed Deposits as Margin Money with Banks	1,415.00	573.04
	<u>1,748.00</u>	<u>726.00</u>
<b>18. SHORT TERM LOAN AND ADVANCES</b>		
(Unsecured considered good)		
Staff Advance	19.00	20.18
Pre-paid Expenses	136.86	140.00
Advance against Purchases	233.00	139.00
Advance Tax	2,251.98	2,238.00
MAT Credit Entitlement	464.87	546.00
Others	301.27	510.00
	<u>3,407.00</u>	<u>3,594.00</u>
<b>19. OTHER CURRENT ASSETS</b>		
(Unsecured, Considered good)		
Interest accrued but not due on bank deposits	114.00	75.67
	<u>114.00</u>	<u>76.00</u>
<b>20. REVENUES FROM OPERATIONS</b>		
Sales of Product	105,049.82	113,018.09
Other Operating Revenues	31.84	71.87
	<u>105,081.66</u>	<u>113,089.96</u>
a) <b>Sales of Products</b>		
Rice	90,632.11	103,998.84
Foods	5,858.97	6,835.72
Pulses	8,540.42	—
Other Foods Products	18.33	2,183.53
	<u>105,049.82</u>	<u>113,018.09</u>
b) <b>Other Operating Revenues</b>		
Sale of Scrap	18.69	17.30
Duty Drawback/ Sale of License	13.15	54.57
	<u>31.84</u>	<u>71.87</u>



	<u>For the Year Ended</u> <u>31-March-2017</u>	<u>(Rs. In Lacs)</u> <u>For the Year Ended</u> <u>31-March-2016</u>
<b>21. OTHER INCOME</b>		
Income from Key man Insurance Policy	29.70	70.98
Interest Income	76.93	62.42
Miscellaneous Income	116.47	156.92
Profit on Sale of Assets	662.86	2.43
	<u>885.97</u>	<u>292.75</u>
<b>22. COST OF MATERIAL CONSUMED</b>		
Opening Stock	95,663.48	103,794.85
Add: Purchases	57,567.19	64,058.40
Less Closing Stock	80,128.20	95,663.48
	<u>73,102.47</u>	<u>72,189.76</u>
<b>Cost of Material Consumed Under Broad Heads</b>		
Paddy	14,245.91	31,189.09
Rice	58,694.60	41,000.67
Raw Material for Foods	161.96	—
	<u>73,102.47</u>	<u>72,189.76</u>
<b>23. PURCHASE OF STOCK IN TRADE UNDER BROAD HEADS</b>		
Non-Basmati Rice	6,208.49	4,123.87
Foods	4,442.16	5,380.37
Pulses	12,980.70	—
Other Foods Products	13.39	2,207.05
	<u>23,644.74</u>	<u>11,711.29</u>
<b>24. CHANGES OF INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS &amp; STOCK IN TRADE</b>		
Opening Stock	554.61	585.05
Closing Stock	3,839.16	554.61
	<u>(3,284.54)</u>	<u>30.44</u>
<b>25. EMPLOYEE BENEFIT EXPENSES</b>		
Staff Salaries	1,613.78	1,655.09
Director's Remuneration	303.40	276.00
Gratuity	59.60	56.50
Bonus	40.41	42.61
Staff Welfare	82.60	113.02
Employer's Contribution to P.F.& ESI	88.14	88.39
	<u>2,187.94</u>	<u>2,231.61</u>
<b>26. FINANCE COST</b>		
Interest Expense*	8,544.80	9,040.63
Other Bank Charges	111.23	70.21
Other Borrowing Cost	612.80	643.80
	<u>9,268.83</u>	<u>9,754.63</u>

\*Interest cost for the year includes exchange difference of Rs. Nil (945.51 Lacs) arising from foreign currency borrowing to the extent they are regarded as an adjustment to the interest expense in accordance with AS-16



	For the Year Ended 31-March-2017	(Rs. In Lacs) For the Year Ended 31-March-2016
<b>27. OTHER EXPENSES</b>		
<b>a) Manufacturing Expenses</b>		
Loading and Unloading Charges	250.20	363.46
Packing Materials Consumed	3,551.20	3,494.48
Wages	78.42	101.26
Repair to Machinery	135.92	198.18
Consumables & Stores Consumed	82.47	149.95
Power & Fuel	747.57	1,062.25
Brokerage & Commission	19.06	10.36
	4,864.84	5,379.94
<b>b) Administrative Expenses</b>		
Payment to Auditors		
-Statutory Audit Fee	22.13	20.98
-Tax Audit Fee	5.18	5.15
-Other Matters	5.03	5.77
Postage, Telegram and Telephone	73.54	74.97
General Expenses <sup>^</sup>	184.76	166.95
Storage & Warehousing	62.82	—
Legal and Professional Charges	922.99	285.17
Electricity Expenses	9.37	11.73
Rates and Taxes	41.95	22.79
Other Taxes Paid	14.18	23.84
Charity and Donation	3.46	14.26
Vehicle Maintenance	85.52	102.01
Printing and Stationery	16.62	17.59
Fumigation Expenses	80.45	103.79
Insurance Charges	102.58	106.04
Conveyance	39.97	45.37
Membership & Subscription	21.97	23.46
Traveling Expenses (Directors)	123.42	113.06
Traveling Expenses (Others)	109.39	140.95
Research & Development	57.81	30.66
Rent	97.50	99.84
Staff Recruitment Expenses	4.19	—
Diminution in the Value of Investment	—	9.42
Bad Debts	6,207.29	0.44
Repairs to Building	126.96	145.92
Repairs to Others	75.11	112.62
Foreign Exchange Loss	(965.06)	154.24
	7,529.14	1,837.03

<sup>^</sup> Expenses incurred during the year on registration of trade mark amounting to Rs. 72 Lacs (Previous year: Rs.19 Lacs) has been charged to profit/loss a/c and has not been recognized as an Intangible asset as per Accounting Standard-26.



	(Rs. In Lacs)	
	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
<b>c) Selling &amp; Distribution Expenses</b>		
Advertisement and Publicity	0.15	143.75
Business Promotion	151.57	357.27
Rebate & Discount	25.21	17.88
Ocean Freight	1,844.70	1,500.05
Expenses Against Export	245.01	161.47
Brokerage & Commission on Sales	322.49	42.22
Clearing and Forwarding	3,792.60	3,801.18
	6,381.73	6,023.81
	18,775.71	13,240.78

### 28 Exceptional Items

In terms of Settlement Agreement dated 13th April 2017, Kohinoor Foods Limited agreed to transfer its 15% shareholding of Kohinoor speciality Foods india Pvt. Ltd for a consideration of Rs. 10 crores. The value of this Investment has accordingly been written down to its fair value of Rs. 10 crores and the resultant loss of Rs. 3220.86 Lacs has been shown in Profit and Loss account as an Exceptional Item.

### 29. Extra Ordinary Items

During the previous year (FY 2015-2016), the Company entered into settlement agreement with Punjab National Bank (PNB) in respect of liability on account of Derivative transactions. The liability was settled for Rs. 25.00 Crores After this settlement, now there is no contingent liability on account of derivative transactions with any bank.

### 30. Disclosures under Accounting Standard 11 on "Effects of Change in Foreign Exchange Rates" :

#### a) Foreign currency exposure not hedged by a derivative instrument or otherwise (Figures In Lacs)

Particulars	Currency	As at 31st March 2017		As at 31st March 2016	
		In Foreign Currency	In Rupees Lacs	In Foreign Currency	In Rupees Lacs
Export Receivable	USD	49.00	3,177.25	93.59	6,208.03
	GBP	3.17	256.71	0.50	47.50
	EURO	1.80	124.54	—	—
	AUD	5.41	268.04	—	—
Advances Received from customers for export	USD	50.86	3,297.83	38.19	2,533.41
Loans and advance	USD	0.53	34.58	—	—
	AED	113.22	1,999.34	113.22	2,039.86
Borrowings	USD	133.83	8,677.31	22.94	1,521.76
Creditors	USD	80.30	5,206.27	—	—

b) As required under AS-11 the company has an outstanding Forward contract as on 31st March 2017 and there is Marked to Market (MTM) unrealized loss on forward contracts of Rs.3.20 Lacs, which has been accounted for accordingly in the books of accounts. The company had no outstanding Forward contracts as on 31st March 2016.

#### c) Outstanding forward exchange contracts entered by the company for the purpose of hedging its foreign currency exposures are as under: (Figures In Lacs)

Currency	Cross Currency	In Foreign Currency As at 31st March 2017	Fair value as on 31st March 2017 (Rs. Lac)	In Foreign Currency As at 31st March 2016	Fair Value as on 31st March 2017
USD	Indian Rupees	18.80	1,221.43	—	—





### 31. Disclosures under Accounting Standard 15 on "Employees Benefits" :

#### a) Defined Contribution Plans:

Amount of Rs.88.14 Lacs (previous year Rs.88.39 Lacs) pertaining to employers' contribution to Provident Fund and Employees State Insurance is recognized as an expense and included in "Employees cost" in Note No. 24.

#### b) Defined Benefit Plan:

##### General description of Defined Benefit Plan (Gratuity):

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days basic salary last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefits vest after five years of continuous service. The Company has set a limit of Rs. 10 Lacs (previous year Rs.10 Lacs) per employee.

#### c) The disclosures for gratuity cost is given below:

- i The changes in the present value of obligation representing reconciliation of opening and closing balances thereof are as follows:

(Rs. In Lacs)

	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
1	Present value of obligation at the beginning of the year	298.13	256.76
2	Interest cost	23.85	21.18
3	Past service cost	—	—
4	Currents service cost	35.67	32.56
5	Liability transferred out	—	—
6	Benefits paid	(41.50)	(15.31)
7	Actuarial (gain)/loss on obligation	0.46	2.94
8	Present value of obligation at the end of the year	316.61	298.13

- (ii) The changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
1	Fair value of plan assets at the beginning of the year	2.51	1.63
2	Expected return on plan assets	0.22	0.14
3	Contributions	42.00	16.00
4	Liability transferred out	—	—
5	Benefits paid	(41.50)	(15.31)
6	Actuarial gain/(loss) on plan assets	0.15	0.04
7	Fair value of plan assets at the end of the year	3.38	2.51

- (iii) Actuarial gain/ loss recognized are as follows:-

	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
1	Actuarial gain/(loss) for the year - obligation	(0.46)	(2.94)
2	Actuarial gain/(loss) for the year - plan assets	0.15	0.04
3	Total gain/(loss) for the year	(0.30)	(2.90)
4	Actuarial gain/(loss) recognized in the year	(0.30)	(2.90)
5	Unrecognized actuarial gains (losses) at the end of year	—	—



(iv) The amounts recognized in Balance Sheet are as follows:-

	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
1	Present value of obligation as at the end of the year	316.61	298.13
2	Fair value of plan assets as at the end of the year	3.38	2.51
3	Funded/(unfunded) status	(313.23)	(295.62)
4	Excess of actual over estimated	0.15	0.04
5	Net assets/(liability) recognized in balance sheet	(313.23)	(295.62)

(v) The amounts recognized in Profit and Loss Account are as follows

	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
1	Current service cost	35.67	32.56
2	Past service cost	—	—
3	Interest cost	23.85	21.18
4	Expected return on plan assets	(0.22)	(0.14)
5	Net actuarial (gain)/loss recognized in the year	0.30	2.90
6	Expenses recognized in the statement of profit and losses*	59.60	56.50

\* Included in the "Employee Costs" in Note No. 24

(vi) Principal actuarial assumptions at the balance sheet date are as follows:

### A. Economic Assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
1	Discount rate	7.54%	8.00%
2	Expected rate of return on plan assets	8.00%	8.70%
3	Salary growth rate	7.00%	7.00%

### B. Demographic Assumption

1	Retirement Age	58 Years
2	Mortality table	Indian Assured life maturity (2006-08) ultimate

### 32. Disclosures under Accounting Standard 17 on "Segment Reporting":

The Company is primarily engaged in the business of manufacturing, trading & marketing of food products which is a single segment, as per Accounting Standard (AS) 17 issued by the Institute of Chartered Accountants of India.

### 33. Disclosures under Accounting Standard 18 on "Related Party Disclosures":

#### 33.1 List of Related Parties

- i) Wholly Owned Subsidiaries of the Company
  - Sachdeva Brothers Pvt Ltd. India
  - Kohinoor Foods USA Inc.,
  - Indo European Foods Ltd., UK
- ii) Joint Venture
  - Rich Rice Raisers Factory LLC.- Dubai
- iii) Associates of the Company
  - Al Dahra Kohinoor Industries LLC
  - Al Dahra Kohinoor LLC



- iv) Key Managerial Personnel and their relatives
- |                         |                                |
|-------------------------|--------------------------------|
| Mr. Jugal Kishore Arora | Chairman                       |
| Mr. Satnam Arora        | Jt.Mg.Director                 |
| Mr. Gurnam Arora        | Jt.Mg.Director                 |
| Mr. Nitin Arora         | Son of Mr. Jugal Kishore Arora |
| Mr. Amit Arora          | Son of Mr. Satnam Arora        |
| Mr. Ankush Arora        | Son of Mr.Gurnam Arora         |
| Mr. Nishant Arora       | Son of Mr.Gurnam Arora         |
- v) Enterprise over which key managerial personnel exercise significant influence
- Satnam Overseas (Exports) - Partnership Firm of Promoter Directors
  - Adonis No.1 Beauty Clinic LLP.
  - Incredible Foods Pvt. Ltd.
  - Satnam International Pvt. Ltd.
  - Satnam Haegens Ltd.
  - Adhiraj Buildcon LLP.
  - Booker Satnam Wholesale Pvt. Ltd.
  - Little Munchkins LLP.

**33.2 The following transactions were carried out with related parties in the ordinary course of Business during the year\***  
(Rs. In Lacs)

	Subsidiary Companies	Joint Venture Company/ Associates	Key management personnel and their relatives	Enterprises over which Key management personnel exercise significant influence
<b>Transactions during the year</b>				
- Sale of Product	10,838.31 (8,385.16)	19,077.80 (19,920.88)		
- Commission	297.64			
- Remuneration	—		458.08 (448.83)	
- Advance received		3,209.30 (2,147.15)		
- Expenses	—	—		— (0.56)
- Loan from Promoter			325.00 (6,580.67)	
- Balance Written Back		— (206.83)		
- Balance Written off	3,539.20			
- Repayment of Promoters Loan	—		3,944.24	
- Expenses incurred on behalf of the related party	0.06 (0.40)			
<b>Balances outstanding at the year end:-</b>				
- Loans/Advances	3.98 (3.93)	1,999.34 (2,039.86)		
- Loan from Promoter			2,961.43 (6,580.67)	
- Debtors	573.18 (4,191.51)	—		
- Creditor	205.31	—		
- Advance form customers	—	3,209.30 (2,147.15)		
- Corporate guarantee given by the company	12,305.85 (13,577.02)			

\*Figures in ( ) are related to previous year.



	<u>As at</u> <u>31-March-2017</u>	<u>(Rs. In Lacs)</u> <u>As at</u> <u>31-March-2016</u>
<b>34. Disclosures under Accounting Standard 19 on "Leases":</b>		
34.1 Total of minimum future lease payments under non-cancelable operating leases for various periods are as follows:-		
Amount payable not later than one year	71.55	90.20
Amount payable later than one year but not later than five years	308.57	309.54
Amount payable later than five years	170.06	252.34
	<u>550.18</u>	<u>652.08</u>
The company has entered into operating lease agreements that are renewable on a periodic basis and cancelable at company's option.		
The company has not entered into sublease agreements in respect of these leases.		
34.2 The company has taken on lease certain vehicle and has the option to purchase the vehicles as per terms of the lease agreements, details of which are as under :-		
<b>a) Obligations towards minimum lease payments:-</b>		
Amount payable not later than one year	59.60	74.28
Amount payable later than one year but not later than five years	77.5	137.11
Amount payable later than five years	Nil	Nil
	<u>137.11</u>	<u>211.39</u>
<b>b) Present value of (a) above :-</b>		
Amount payable not later than one year	50.18	59.26
Amount payable later than one year but not later than five years	72.18	122.36
Amount payable later than five years	Nil	Nil
	<u>122.36</u>	<u>181.61</u>
<b>c) Finance Charges</b>	14.75	29.77
<b>35. Disclosures under Accounting Standard 20 on "Earning Per Share" :</b>		
<b>a) <u>Calculation of Weighted Average number of equity shares</u></b>		
<b>For Basic/Diluted EPS</b>		
No. of Shares at the beginning of the year	352.42	352.42
Equity Shares issued during the year	—	—
Total number of equity shares outstanding at the end of the year	352.42	352.42
Weighted Average number of equity shares outstanding during the year	352.42	352.42
<b>b) <u>Net Profit after tax available for equity shareholders</u></b>		
Before Extra Ordinary item	(14,862.73)	2,882.33
After Extra Ordinary Item	(14,862.73)	382.33
Earnings per share (face value per share Rs. 10 each)		
Basic and Diluted: before extra ordinary item	(42.17)	8.18
Basic and Diluted: after extra ordinary item	(42.17)	1.08



	As at 31 <sup>st</sup> March, 2017	(Rs. In Lacs) As at 31 <sup>st</sup> March, 2016
<b>36. Disclosures under Accounting Standard 27, "Financial Reporting of Interest in Joint Venture" :</b>		
Rich Rice Raisers LLC (Dubai)                      % holding in Joint Venture	25.00%	25.00%
<b>36.1 The Company's Share of the assets, liabilities, contingent liabilities and capital commitments as at 31st March 2017</b>		
<b>Assets</b>		
Non-current Assets	15.64	19.33
Non-current Investment	41.63	42.47
Current Assets	0.53	0.91
	<u>57.80</u>	<u>62.71</u>
<b>Liabilities</b>		
Non-current Liabilities	203.02	207.13
Current Liabilities	4.92	2.00
	<u>207.94</u>	<u>209.13</u>
Contingent Liabilities	—	—
<b>Income</b>	—	—
<b>Expenses</b>	6.73	526.54

**37. Other disclosures as per Revised Schedule III of the Companies Act, 2013**  
**CIF Value of Imports**

- Capital Goods	137.06	33.83
- Material Purchase	—	1,183.22
- Purchase of Stock in Trade	12,584.95	—
- Packaging Material	44.33	—
	<u>12,766.34</u>	<u>1,217.05</u>

**Expenditure in Foreign Currency (On accrual basis)**

- Traveling	85.43	89.07
- Business Promotion	43.36	210.89
- Legal & Professional Charges	671.66	2.66
- Membership & Subscription	6.24	2.38
- Entertainment	0.65	0.68
- Clearing & Forwarding	5.02	5.60
- Advertisement & Publicity	3.73	14.85
- Telephone Expenses	1.04	0.67
- Commission on Export Sales	302.19	17.57
- Expenses against Export	22.54	—
- Miscellaneous Expences	—	0.16
	<u>1,141.86</u>	<u>344.53</u>

Earning in Foreign Exchange

- FOB Value of Export of Goods	76,122.72	75,489.07
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**38. Consumption of Raw Material, Components and Spares etc.**

(Rs. In Lacs)

	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
	Amount	%	Amount	%
<b>Consumption of</b>				
<b>Indigenous</b>	76,554.74	99.76%	74,617.14	98.40%
<b>Imported</b>	181.39	0.24%	1,217.05	1.60%
	<u>76,736.13</u>	<u>100.00%</u>	<u>75,834.19</u>	<u>100.00%</u>





### 39. Disclosures under Accounting Standard 29, "Provisions, Contingent Liabilities and Contingent Assets" : (Rs. In Lacs)

Provision relating to	Opening Balance as at 1 April, 2016	Created during the year	Withdrawals/ Deposited	Closing Balance as at 31 March, 2017
Gratuity	298.13	59.98	41.50	316.61
Income Tax	104.04	—	104.04	—
	402.17	59.98	145.54	316.61

	As at 31 March, 2017	(Rs. In Lacs) As at 31 March, 2016
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### 40. Contingent Liabilities

#### a) Claims against the company, not acknowledged as debt

i	Income Tax	9,018.99	11,063.77
ii	Sales Tax - Delhi	122.00	122.00
iii	VAT - Haryana	1,090.72	1,090.72
iv	Excise & Taxation Department, Punjab	455.82	455.82
v	Excise Duty	42.91	42.91
vi	Service Tax	9.12	259.25
vii	Legal Cases against the Company	963.94	4,463.94
b)	Corporate Guarantee given by the Company.	12,305.85	13,577.02
c)	Surety Bonds issued to Govt. Agencies under EPCG scheme	1,742.13	1,872.19

#### Nature of contingent liabilities and other particulars are as given below:-

Following appeals are lying pending for hearing before the CIT(A), New Delhi/ Income Tax Appellate Tribunal, New Delhi / Hon'ble Delhi High Court against the tax demand raised in impugned Income Tax Assessment Orders as per details given below :-

AY	Tax	Interest	Total
2002-03 to 2008.09	590.40	234.38	824.78
2009-10	80.53	47.40	127.93
2010-11	2,331.25	1,347.86	3,679.11
2011-12*	902.63	518.36	1,420.98
2012-13	1,274.98	1,019.99	2,294.97
2013-14	406.83	264.39	671.21

\* The company has also filed a rectification application before DRP to reconsider its findings.

As per the advice received from legal experts and on the basis of merit of the case, there is a high probability that the aforesaid impugned orders will be set aside and the demand will be deleted. Accordingly, management is of the view that no provision in respect of the above demands is required to be made in the books of accounts.

- ii An appeal before the Sales Tax Commissioner - Appeals, New Delhi is lying pending in respect of Sales Tax demand of Rs.122 Lacs on sale of REPLicences made in earlier years.
- iii Following appeals are also lying pending before the Appellate Authorities/Tribunal, Haryana as mentioned in column.4 against the impugned VAT Assessment Orders/Revision Order passed by the assessing authorities as mentioned in column. 3 of the table given below :-



Particulars	Demand raised (Rs)	Assessing Authority	Appellate Authority
(Col.1)	(Col.2)	(Col.3)	(Col.4)
Sales Tax Murthal -AY 2008-09	732.35	Revision-Faridabad	Tribunal-Chandigarh
Sales Tax Murthal - Inspection 17.1.2014	25.56	ETO-Sonipat	JETC-Rohtak
Sales Tax Murthal - AY 2010-11	98.61	ETO-Sonipat	JETC-Rohtak
Sales Tax-Murthal - AY 2011-12	132.21	ETO-Sonipat	JETC-Rohtak
Sales Tax-Murthal-Inspection 13.11.2014	27.09	ETO-Sonipat	JETC-Rohtak
Sales Tax-Murthal - AY 2009-10	28.51	Revision-Faridabad	Tribunal-Chandigarh
Sales Tax-Murthal - AY 2012-13	46.39	ETO-Sonipat	JETC-Rohtak
Total	1,090.72		

- iv An appeal is lying pending before the Dy. Excise & Taxation Commissioner-Appeal, Punjab against the Order received from Excise and Taxation Department, Punjab in respect of Year 2009-10 and 2010-11 demanding a sum of Rs.450.41 Lacs towards the cess imposed by the State Govt. on exports. The company has challenged the validity of imposition of cess on export in its appeal as the same is not permissible under article 286 of the Constitution of India. Further demand has been raised for Rs. 5.41 Lacs after completing the Sales Tax assessment for AY 2011-12 against which appeal has been filed.
- v II. An appeal before the Customs, Excise & Service Tax Appellate Tribunal, New Delhi is lying pending against the order of Commissioner of Central Excise (Appeals), Delhi -III in respect of additional excise duty of Rs. 42.91 Lacs demanded by the Excise department in connection of dispute over classification of goods - food product produced at Bahalgarh Factory- as per the Central Tariff Act. As the matter is still pending before the Tribunal, no provision in the books of accounts have been made
- vi During the financial year 2016-17, the company has received a order from Hon.'ble Central Excise and Service Tax Appellate Tribunal, New Delh (CETSTAT) against the order passed by Commissioner of Service Tax (Adjudication), New Delhi demanding a service tax of Rs.259.25 Lacs. The Hon'ble CETSTAT vide its order dated 16/02/2017 has granted major relief of Rs.250.13 Lacs against the aforesid demand.
- vii The Board of Trustee of the port of Mumbai has filed a money suit for recovery of Rs. 9.64 Cr. towards alleged outstanding demurrage charges against which the company has filed its counter claim of Rs. 10.88 Cr. towards the financial losses, interest on the investment, refund of the license fees, refund of the demurrage charges, compensation and damages etc. The matter is still pending.
- viii During previous year ( FY 2015-16) McCormick Switzerland GmbH and Kohinoor Speciality Foods India Pvt. Ltd. (KSF) invoked the Arbitration clause under License Mark and Corporate Name License Agreement and Business Transfer Agreement (BTA), respectively against KFL and its Promoters before London Court of International Arbitration (LCIA) for breach of its obligations under Agreements and to pay to KSF an amount of Rs. 35.00 crores by way of Liquidated damages as provided under BTA.KSF also invoked the Arbitration clause under Non Compete and Non Solicitation Agreement, before LCIA against Promoters.

Further in terms of the settlement Agreement dated 13th April, 2017, Kohinoor Foods Ltd. (KFL) and Promoters have settled all disputes with Kohinoor Speciality Foods India Pvt. Ltd. (KSF) and McCormick Switzerland GmbH. Accordingly all proceeding in London Court of International Arbitration (LCIA) and in National Company Law Board Tribunal (NCLT), will be withdrawn and both KFL and KSF, will be free from Non-Compete Obligations.

#### 41. Details of loans given, investment made and guarantee given covered u/s 186 (4) of the Companies Act-2013.

- i Loans given and investment made are given under the respective heads.
- ii Corporate guarantees are given by the company for subsidiaries as follows:-

Name of Beneficiary	Guarantee issued to	Amount in foreign currency	Amount in Rs. Lacs
i Indo European Foods Ltd	Bank of India, U.K	8,000,000 GBP	6,470.38
ii Kohinoor Foods USA INC	Punjab National Bank, Hong Kong	9,000,000 USD	5,835.47



	As at 31 March, 2017	As at 31 March, 2016
<b>42. Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account ( Net of advances)	452.94	—
<b>43. Bank Guarantee given by Bankers on behalf of the Company.</b>	1,670.14	2,103.31
<b>44. During the year no amount of Dividend has been remitted in foreign currency to Non Resident out side India.</b>		
<b>45. Some of the balances of Debtors and Creditors are subject to confirmation.</b>		
<b>46. Prior Period Items</b>		
There is no material prior period items included in profit & loss account required to be disclosed as per Accounting Standard - 5, prescribed by the Companies (Accounting Standard) Rules, 2006.		
<b>47. Corresponding figures for the previous year have been regrouped/rearranged, wherever necessary to confirm to current year classification.</b>		
<b>48. Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016.</b>		

### Amount in INR in Lacs

	Specified Bank Notes	Other denomination notes	Total
<b>Closing cash in hand as on 08.11.2016</b>	39.98	4.77	44.75
<b>(+) Permitted receipts</b>		35.32	35.32
<b>(-) Permitted payments</b>		32.34	32.34
<b>(-) Amount deposited in Banks</b>	39.98		39.98
<b>Closing cash in hand as on 30.12.2016</b>	—	7.74	7.74

The above notes form part of the financial statements

In terms of our separate report of even date attached

**For Rajender Kumar Singal & Associates LLP.**

CHARTERED ACCOUNTANTS

FRN : 016379N

Sd/-

**(PANKAJ GUPTA)**

**PARTNER**

Membership No: 094909

Faridabad

30th-May-2017

Sd/-

**SATNAM ARORA**

**JT. MG. DIRECTOR**

DIN NO. 00010667

Sd/-

**PRABHAT KUMAR**

**C.F.O**

Sd/-

**GURNAM ARORA**

**JT. MG. DIRECTOR**

DIN NO. 00010731

Sd/-

**RAMA KANT**

**COMPANY SECRETARY**

**for and on behalf of the Board of Directors**



### ANNEXURE TO THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

#### Form AOC - 1

( Pursuant to first provisio to sub section (3) of section 129 read with rule 5 of Companies (Account) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A" : Subsidiaries

01 Name of subsidiaries Company	Sachdeva Brothers Pvt. Ltd.	Kohinoor Foods USA. Inc.	Indo European Foods Limited
02 Reporting period for the subsidiary concerned	31-03-2017	31-03-2017	31-03-2017
03 Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries			
i) Reporting Currency	INR	USD	GBP
ii) Exchange Rate	N.A	64.8386	80.8797
04 Share Capital	15.84	5,511.28	5,001.22
05 Reserves & Surplus	(38.47)	(7,289.29)	(424.49)
06 Total Assets	0.21	2,003.24	13,768.37
07 Total Liabilities	0.21	2,003.24	13,768.37
08 Investments	—	—	—
09 Turnover	—	3,940.81	21,392.61
10 Profit / Loss Before Tax	(0.09)	1,910.95	(782.71)
11 Provision for Tax	—	—	55.26
12 Profit / Loss after Tax	(0.09)	1,910.95	(837.98)
13 Proposed Dividend including Dividend declared during the year.	—	—	—
14 % of shareholding	100%	100%	100%



### Part "B": Associates and Joint Venture

(Rs. in Lacs)

	Rich Rice Raiser Factory LLC	AL Dahra Khinoor LLC.	AL Dahra Kohinoor Industries LLC
01 Name of Associates and Joint Venture			
02 Latest Audited balance sheet date	31-03-2017	31-12-2016	Refer Note A
03 Shares of Associates/ joint ventures held by the company on the year end:			
Number of shares	75	60	60
Amount of Investment in Associates/; Joint Venture	9.42	10.06	10.06
Extent of Holding	25%	20%	20%
04 Discription of how there is significant influence	Due to percentage of Share Holding	Due to percentage of Share Holding	Due to percentage of Share Holding
05 Reason why the associates/ Joint venture is not consolidated	N/A.	N/A.	Refer Note A
06 Net worth attributable to Shareholding as per latest audited balance sheet	(676.80)	(194.34)	Refer Note A
07 Profit/Loss for the year			
(i) Considered in consolidation	(6.73)	(104.31)	—
(ii) Not Considered in consolidation	(20.18)	(417.22)	—

Note A- As per explanation received from the management of Associate, Al Dahra Kohinoor Industries LLC does not have any books of accounts and that entity was created to get Industrial license only and no business activity is carried in that.

Sd/-

**SATNAM ARORA**  
JT. MG. DIRECTOR  
DIN NO. 00010667

Faridabad  
30th-May-2017

Sd/-

**GURNAM ARORA**  
JT. MG. DIRECTOR  
DIN NO. 00010731

Sd/-  
**RAMA KANT**  
COMPANY SECRETARY

Sd/-

**PRABHAT KUMAR**  
C.F.O



### **INDEPENDENT AUDITOR'S REPORT**

TO

**THE MEMBERS OF KOHINOOR FOODS LIMITED**

#### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Kohinoor Foods Limited (hereinafter referred to as "the Holding Company") and its subsidiaries, its associates and jointly controlled entities (collectively referred to as "the company" or "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.





### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2017, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to the following matters.

1. Note-36(a) to the financial statements. The Company has not made provisions for the demand raised by Income Tax Authorities as the matter is pending before ITAT and DRP.
2. As per information and explanation provide by the management Aldhara Kohinoor Industrial LLC is an extended arm of Aldhara Kohinoor LLC which is incorporated only for industrial licence purpose. It has been further informed by the management that no books of accounts have been maintained by Aldhara Kohinoor industrial LLC and therefore the company has not considered it while consolidating its financial statement. Consequently we are unable to determine whether any adjustment in this account was necessary.

### Other Matters

- a) We did not audit the financial statements / financial information of three subsidiaries and one jointly controlled entity, whose financial statements / financial information reflect total assets of Rs.14692.40 Lakh as at 31st March, 2017, total revenues of Rs.23831.65 Lakh and net cash flows decrease amounting to Rs 73.66 Lakh for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements includes the Group's share of net profit of Rs 1066.15 Lakh for the year ended 2017, as considered in the consolidated financial statements, in respect of subsidiaries and jointly controlled entity. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and our report in terms of sub-sections (3) and(11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.
- b) In the previous year consolidated financial statements also includes the Group's share of net Loss of Rs 10.06 Lakh for the year ended 2016, as considered in the consolidated financial statements, in respect of one associates, based on their audited financial statements as at end for the period ended 31st December, 2015. The impact of loss is remaining same in current financial statement based on their audited financial statement as at end for the period ended 31st December, 2016.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.



- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporate in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities— Refer Note 36(a) to the consolidated financial statements.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 5 and 9 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and jointly controlled entities.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

Place : Delhi  
Date : 30th-May-2017

**For RAJENDER KUMAR SINGAL & ASSOCIATES LLP**  
(CHARTERED ACCOUNTANTS)  
FRN : 016379N  
Sd/-  
**(PANKAJ GUPTA)**  
PARTNER  
Membership No. 094909

### Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Kohinoor Foods Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.



### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Place : Delhi  
Date : 30th-May-2017

For **RAJENDER KUMAR SINGAL & ASSOCIATES LLP**  
(CHARTERED ACCOUNTANTS)  
FRN : 016379N  
Sd/-

**(PANKAJ GUPTA)**  
PARTNER  
Membership No. 094909



### CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

(Rs. In Lacs)

PARTICULARS	NOTE	As at 31-March-2017	As at 31-March-2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Fund</b>			
Share Capital	2	3,524.15	3,524.15
Reserve and Surplus	3	17,455.52	31,178.50
		20,979.67	34,702.66
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	1,963.82	2,183.85
Long Term Provisions	5	297.43	278.30
		2,261.25	2,462.15
<b>Current Liabilities</b>			
Short Term Borrowings	6	92,658.59	94,611.82
Trade Payables	7	11,921.44	9,451.67
Other Current Liabilities	8	6,062.52	6,222.70
Short Term Provisions	9	19.17	123.88
		110,661.72	110,410.07
<b>TOTAL</b>		<b>133,902.65</b>	<b>147,574.87</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	10		
Tangible Assets		11,078.75	12,508.59
Intangible Assets		55.51	55.51
Capital Work-in-Progress		275.10	23.91
		11,409.36	12,588.02
Non-Current Investments	11	61.72	4,274.02
Deferred tax assets (net)	12	10,821.85	3,649.04
Long Term Loans and Advances	13	1,966.75	2,078.57
		12,850.31	10,001.63
<b>Current Assets</b>			
Current Investment	14	1,000.00	—
Inventories	15	91,419.57	104,708.12
Trade Receivables	16	11,034.04	15,043.02
Cash and Bank Balances	17	2,233.34	1,284.79
Short Term Loans and Advances	18	3,841.55	3,873.64
Other Current Assets	19	114.47	75.67
		109,642.97	124,985.23
<b>TOTAL</b>		<b>133,902.65</b>	<b>147,574.87</b>
Significant Accounting Policies	1		

The Notes Referred To Above Form Part of The Balance Sheet  
In terms of our separate report of even date attached

for and on behalf of the Board of Directors

**For Rajender Kumar Singal & Associates LLP.**  
**CHARTERED ACCOUNTANTS**  
FRN : 016379N

Sd/-  
**(PANKAJ GUPTA)**  
PARTNER  
Membership No: 094909

Sd/-  
**SATNAM ARORA**  
JT. MG. DIRECTOR  
DIN NO. 00010667

Sd/-  
**GURNAM ARORA**  
JT. MG. DIRECTOR  
DIN NO. 00010731

Faridabad  
30th-May-2017

Sd/-  
**PRABHAT KUMAR**  
C.F.O

Sd/-  
**RAMA KANT**  
COMPANY SECRETARY



### CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017 (Rs. In Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-March-2017	FOR THE YEAR ENDED 31-March-2016
<b>INCOME</b>			
Revenue from Operations	20	115,686.02	130,045.31
Other Income	21	<u>900.23</u>	<u>434.78</u>
Total Revenue		116,586.25	130,480.09
<b>EXPENDITURE</b>			
Cost of Material Consumed	22	80,681.92	83,080.82
Purchases of Stock-in-Trade	23	23,647.22	11,821.87
Changes of Inventories of Finished Goods, WIP and Stock in Trade	24	(3,284.54)	2,893.31
Employee Benefits Expenses	25	3,555.97	3,567.59
Finance Costs	26	9,845.27	10,410.16
Depreciation and Amortisation Expenses	10	1,284.48	1,533.76
Other Expenses	27	<u>18,599.84</u>	<u>16,909.24</u>
Total Expenses		134,330.15	130,216.76
<b>Profit Before Exceptional &amp; Extra Ordinary items and Tax</b>		<u>(17,743.90)</u>	<u>263.33</u>
Exceptional Items	28	<u>3,220.86</u>	<u>—</u>
<b>Profit Before Extra Ordinary items and Tax</b>		(20,964.76)	263.33
Extra Ordinary Items	29	<u>—</u>	<u>2,500.00</u>
<b>Profit Before Tax</b>		<u>(20,964.76)</u>	<u>(2,236.67)</u>
Tax Expenses			
Current Tax		—	189.11
Less :- MAT credit entitlement		—	<u>92.36</u>
Income Tax for Prior Years		(22.59)	—
Deferred Tax		(7,145.60)	59.69
<b>Profit for the year</b>		<b>(13,796.58)</b>	<b>(2,393.37)</b>
Earnings per equity share before extra ordinary item of face value of Rs. 10 each Basic and Diluted (in Rs.) [Refer note no. 34]		(39.15)	0.30
Earnings per equity share after extra ordinary items of face value of Rs. 10 each Basic and Diluted (in Rs.) [Refer note no. 34]		(39.15)	(6.79)

The Notes Referred To Above Form Part of The Statement of Profit and Loss  
In terms of our separate report of even date attached

for and on behalf of the Board of Directors

**For Rajender Kumar Singal & Associates LLP.**

**CHARTERED ACCOUNTANTS**

FRN : 016379N

Sd/-  
**(PANKAJ GUPTA)**  
PARTNER

Membership No: 094909

Faridabad  
30th-May-2017

Sd/-  
**SATNAM ARORA**  
JT. MG. DIRECTOR  
DIN NO. 00010667

Sd/-  
**PRABHAT KUMAR**  
C.F.O

Sd/-  
**GURNAM ARORA**  
JT. MG. DIRECTOR  
DIN NO. 00010731

Sd/-  
**RAMA KANT**  
COMPANY SECRETARY



### Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2017

(Rs. In Lacs)

PARTICULARS	FOR THE YEAR ENDED 31-March-2017	FOR THE YEAR ENDED 31-March-2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax & extra ordinary items	(20,964.76)	263.33
Adjustments for :		
Depreciation	1,284.48	1,533.76
Interest paid	9,845.27	10,410.16
Interest received	(77.05)	(63.71)
Profit on sale of Asset	(662.86)	—
Income from Key Man Insurance Policy	(29.70)	(70.98)
Diminution in the Value of the Investment	3,220.86	19.48
<b>Operating profit before working capital changes</b>	<b>(7,383.77)</b>	<b>12,092.04</b>
Adjustments for :		
Debtors	4,008.98	1,903.88
Inventories	13,288.54	10,795.21
Current Liabilities & Provision	2,224.02	(18,309.50)
Direct taxes	—	(96.75)
Un realized Foreign Exchange Gain/Loss	68.96	(277.25)
<b>Cash flow before extra ordinary items</b>	<b>12,206.74</b>	<b>6,107.63</b>
Extra ordinary items	—	(2,500.00)
<b>Net cash from operating activities</b>	<b>12,206.74</b>	<b>3,607.63</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets and change in Capital work in progress	557.04	(1,690.38)
Sale of Investments	0.84	71.61
Investments in Balanced Plus Fund	(9.40)	—
Loans & advances and other current assets	105.11	1,156.09
Interest Received	77.05	63.71
Income from Key Man Insurance Policy	29.70	70.98
<b>Net cash from Investing activities</b>	<b>760.34</b>	<b>(328.00)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital	—	—
Proceeds from short term borrowings	(1,953.22)	5,809.96
Proceeds from (Repayment of) long term borrowing	(220.04)	301.03
Interest paid	(9,845.27)	(10,410.16)
<b>Net cash flow from financing activities</b>	<b>(12,018.53)</b>	<b>(4,300.16)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>948.55</b>	<b>(1,020.53)</b>
- Cash & Cash equivalent at beginning of the year	1,284.79	2,304.32
- Cash & Cash equivalent at end of the year *	2,233.34	1,284.79
- Effect of change in Exchange Rate on cash and cash equivalent	948.55	0.000
* Cash & Cash equivalent include :		
Restricted Bank Balance ( In dividend accounts)		—
FDR/Margin money with Bank	1,415.88	573.04

In terms of our separate report of even date attached

for and on behalf of the Board of Directors

For Rajender Kumar Singal & Associates LLP.

CHARTERED ACCOUNTANTS

FRN : 016379N

Sd/-  
(PANKAJ GUPTA)  
PARTNER

Membership No: 094909

Sd/-  
SATNAM ARORA  
JT. MG. DIRECTOR  
DIN NO. 00010667

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JT. MG. DIRECTOR  
DIN NO. 00010731

Faridabad  
30th-May-2017

Sd/-  
PRABHAT KUMAR  
C.F.O

Sd/-  
RAMA KANT  
COMPANY SECRETARY





### 1. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of Preparation of Consolidated Financial Statements :

These Consolidated Financial Statements are prepared and presented in Indian Rupees under the historical cost convention, on the accrual basis of accounting and comply with the generally accepted Accounting Principles in India including Accounting Standards notified under the relevant provisions of the Companies Act, 2013 to the extent applicable, as adopted consistently by the company.

The financial statements of Kohinoor Foods Ltd ("Holding Company or KFL") together with its subsidiaries, Joint Venture and Associates (herein after collectively referred to as "Group") are consolidated to form Consolidated Financial Statements (CFS). Consolidated Financial Statements consolidate the financial statements of KFL, its subsidiaries and its Joint Venture and Associates listed below.

#### A. Subsidiaries

##### Wholly Owned Subsidiary (WOS)

Sachdeva Brothers Pvt. Ltd.

Indo European Food Ltd

Kohinoor Foods USA Inc.

#### Country of Incorporation

India

United Kingdom

USA

#### % of Ownership

100%

100%

100%

#### B. Joint Venture

Rich Rice Raisers Factory LLC.

UAE

25%

#### C. Associates

AL Dahara Kohinoor Industries LLC.

UAE

20%

AL Dahra Kohinoor LLC.

UAE

20%

#### b) Principles of Consolidation :

The Financial Statements of foreign subsidiaries and the joint venture and Associates, are prepared on the basis of generally accepted accounting principles, local laws and regulations as prevalent in their respective countries and such financial statements are considered for consolidation. The effect of adjustments on account of variance in accounting policies of such associate and joint venture vis-à-vis those of the parent is not material, and accordingly, not considered.

The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, Liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements".

Investment in Joint Venture undertaking over which the company exercises joint control is accounted for using proportionate consolidation method as prescribed under Accounting Standard (AS) 27 'Financial Reporting of Interests in Joint Ventures' prescribed by the Companies (Accounting Standard) Rules, 2006.

Investment in associates has been accounted under the equity method of consolidation in accordance with Accounting Standard-23. "Accounting for Investments in Associates in Consolidated Financial Statements"

The reporting date of all the subsidiaries and joint venture is same as that of holding company i.e 31st March 2017. However the reporting date for Associate company Al Dahra Kohinoor LLC is 31st December 2016, the audited accounts for the year ended on that date have been considered for the purpose of consolidation.

For the purpose of consolidation, foreign currency assets, liabilities, income and expenditure are translated using the exchange rate as prescribed under Accounting Standard (AS-11) on 'Accounting for the Effects of Changes in Foreign Exchange Rates', prescribed by the Companies (Accounting Standard) Rules, 2006. The exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve classified under Reserves and Surplus.

#### c) Use of Estimates and Judgments

The preparation of financial statements are in conformity with the Accounting Standards which requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to the contingent liabilities as on the date of balance sheet and the reported amount of revenues and expenditures during the reporting period. The estimates and assumptions used in the Financial Statements are based upon Management's best evaluation of the relevant facts and circumstances as of the date of the Financial Statements. Examples of such estimates include useful life of fixed assets, creation of deferred tax asset, lease rentals and write off of deferred revenue expenditure. Actual results may differ from those estimates.



### d) Revenue Recognition :

The Group follows the mercantile system of accounting and recognizes the income and expenditures on accrual basis except in case of significant uncertainties. Certain items of income such as insurance claim, market fees refund ,overdue interest from customers etc have been considered to the extent the amount is accepted by the parties. The principles of the revenue recognition are given below:-

Sales are recognized as follows :

Domestic Sales - At the point of dispatches to customers.

Export Sales - At the time of issue of Bill of Lading.

Sales are recorded net of sales returns, price differences and sales tax.

Sale of license and duty draw back are recognized on realization basis.

### e) Fixed Assets

Fixed assets of the Group are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. All costs, including financing cost till commencement of commercial production, net charges on foreign exchange contracts, if capitalization criteria are met.

Capital work in progress is stated at cost. Capital WIP includes the cost of fixed assets that are not yet ready for their intended use, as on the balance sheet date.

### f) Depreciation /Amortization :

#### i) Kohinoor Foods Limited

Depreciation is provided on written down value basis at rates provided in Schedule II to the Companies Act, 2013. The depreciation rates which are different from the principal rates specified in Schedule-II are as follows:-

Tarpaulin	100%
Wooden & Plastic Crates	100%

Depreciation on addition to fixed assets is provided on pro-rata basis from the date the assets are acquired/installed. Depreciation on sale/deduction from fixed assets is provided for upto the date of sale, deduction and discardment as the case may be.

#### ii) Indo European Foods Limited :

Depreciation is calculated as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that assets as follows:

Freehold Buildings	2% p.a. straight line basis
Plant and Machinery	Over estimated useful life
Fixtures and Fittings	15% p.a. reducing balance basis
Motor Vehicles	20% p.a. reducing balance basis

Amortization is calculated as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that assets as follows:

Website	7.50%
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#### iii) Rich Rice Raiser Factory LLC.

Depreciation of property, plant and equipments is charged using the straight line method so as to provide for the full cost of assets over their estimated useful lives. The principal categories of assets and their useful lives are as follows:

	Years
Building Improvements	10



Office Equipment, Furniture and fixture	5
Plant and Machinery	10
Motor Vehicles	5

**iv) Kohinoor Foods USA INC.**

The Company records Property and equipments at cost. Depreciation is charged on Straight line methods. The principal categories of assets and their useful lives are as follows:

	<b>Years</b>
Office Equipment	5
Furniture and fixture	7
Computers	5
Software	3

**g) Impairment of Assets:**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**h) Expenditure Incurred during Construction Period:**

Expenditure directly relating to construction activity is capitalized, Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Statement of Profit and Loss. Income earned during construction period is deducted from the total of the indirect expenditure.

**i) Deferred expenditure :**

*Indo European Foods Limited*

In line with group accounting policy on product entry cost, the company has carried forward, as deferred expenditure, certain cost relating to the introduction of various branded products into the united kingdom market.

Deferred expenditure is that which, when incurred will not produce an immediate return and which may be expected to accrue economic benefit over the future period.

Promotional expenditure (such as expenditure incurred to introduce a new brand name to, and increase awareness among , consumers) may be deferred over a period. Promotional expenditure following the introduction of a new sale product is carried forward and write off over a period not exceeding ten years provided, in the opinion of the directors, such expenditure is separately identifiable and the future product sales are reasonably expected to benefit from such expenditure. The future benefit is kept under constant review and the rate of write off adjusted accordingly.

**j) Leases:**

where the Group ,as a lessor, effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating lease. Charges are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

**k) Income Taxes:**

i) Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income that originates in one period and are capable of reversal in one or more subsequent periods



- ii) Minimum Alternate Tax (MAT) paid in accordance with Income Tax Act, 1961 gives rise to future economic benefits in the form of adjustments of future income tax liability against such payments.
- iii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

### **l) Provisions, Contingent Liabilities and Contingent Assets :**

#### **Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

#### **Contingent Liability**

A contingent liability is disclosed where, as a result of past events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### **Contingent assets**

Contingent assets are neither recognized nor disclosed.

### **m) Employees Benefits :**

#### **Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are short-term employee benefits. Benefits such as salaries, wages and bonus wages, etc, are recognized in the Profit and Loss statement in the period in which the employee renders the related service.

#### **Defined Benefit Plan**

Gratuity cost is a defined benefit plan. The present value of obligations under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, years approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the profit and loss statement. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the settlement occurs.

### **n) Investments:**

#### **Long Term Investments**

Long term Investments are stated at cost.

### **o) Inventories:**

Inventories are valued at cost or net realizable value whichever is lower, as taken, valued and certified by the management. The basis for determining cost for various categories of inventories are as under:

Raw Material - At cost on FIFO Basis

Finished Stock - At material cost + appropriate share of production overhead.



(On weighted average cost basis).

Work in Progress - At material cost + appropriate share of production overhead.

(On weighted average cost basis).

Packing Material - At cost

Stores & Spares - At cost

**p) Foreign Exchange Transactions :**

Transactions in foreign currency are converted at the exchange rate prevailing at the date of the transaction. Foreign currency monetary assets and liabilities not covered by forward exchange contracts are restated at the year end rates and the resultant gains or losses are recognized in the Profit and Loss account. Non-monetary items are carried in terms of historical cost denominated in foreign currency using the exchange rates at the date of transaction.

Forward contracts other than those entered into to hedge foreign currency risk on unexecuted firm commitment or of highly probable forecast transactions are treated as foreign currency transactions and accounted accordingly. Any profit or loss arising on cancellation of a forward contract is recognized as income or expense in the period in which they arise.

Derivative transactions are considered as off balance sheet items and cash flows arising there from are recognized in the books of accounts as and when paid in accordance with the terms of the respective contracts over the tenor thereof. Mark to market exposure arising out of derivative contracts has not been reflected in the financial statements.

The Group follows the Accounting Standards which are made mandatory. It is in the process of formulating the requisite mechanism/systems to meet prescribed requirements under Accounting Standards 30, 31 & 32. It shall be following the accounting policy of recognition, presentation & disclosure of forward exchange transactions including Derivative/ Hedging/ Currency Swaps & Interest Swaps etc as prescribed under these Accounting Standards with effect from the date these are made mandatory by ICAI.

**q) Research & Development :**

Revenue Expenditure on Research & Development is charged as an expense in the year in which it is incurred.

Capital expenditure is included in respective heads under fixed assets.

**r) Earning Per Share:**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**s) Cash and Cash Equivalents :**

Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term investments with an original maturity of three months or less. Earmarked balances with bank, margin money or security against borrowings, guarantees and other commitments, if any shall be treated separately from cash and cash equivalent.



### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017

(Rs. In Lacs)

PARTICULARS	As at 31-March-2017	As at 31-March-2016
<b>2. SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
75,000,000 (Previous year 75,000,000)	7,500.00	7,500.00
Equity shares of Rs. 10/- each		
<b>Issued, Subscribed And Paid-up Capital</b>		
35,241,530 (Previous year 35,241,530)	3,524.00	3,524.00
Equity Shares of Rs. 10/- each fully paid-up		
	3,524.00	3,524.00

a) The reconciliation of the number of shares outstanding is set out below:		
Number of Equity Shares at the beginning of the year	35,241,530.00	35,241,530.00
Number of Equity Shares issued during the year	—	—
Number of Equity Shares at the end of the year	35,241,530.00	35,241,530.00

b) Shares held by Shareholders holding more than 5 percent shares in the Company :

	As at 31-March-2017		As at 31-March-2016	
	No. of Shares	% holding	No. of Shares	% holding
(1) Jugal Kishore Arora	6,043,484	17.15%	6,043,484	17.15%
(2) Satnam Arora	5,378,923	15.26%	5,378,923	15.26%
(3) Gurnam Arora	6,098,889	17.31%	6,098,889	17.31%
(4) M/s Al Dahra International Investments LLC	7,048,306	20.00%	7,048,306	20.00%

c) **Terms/Rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share and has equal dividend right. The Company declares and pays dividend in Indian Rupees. The Dividend if proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by the shareholders.

### 3. RESERVE AND SURPLUS

	As at 31-March-2017	As at 31-March-2016
<b>(Rs. In Lacs)</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	776.42	776.42
<b>Securities Premium Account</b>		
As per last Balance Sheet	14,549.43	14,549.43
<b>General Reserve</b>		
As per last Balance Sheet	11,171.17	11,171.17
Add: Amount transfer from Profit & Loss	(3,312.65)	—
	7,858.52	11,171.17
<b>Revaluation Reserve</b>		
	375.77	375.77
<b>Surplus from Statement of Profit &amp; Loss</b>		
As per last Balance Sheet	9,019.70	11,413.07
Add: Profit during the year	(13,796.58)	(2,393.374)
	(4,776.88)	9,019.70
Deficit in Profit & Loss transfer to General Reserve	3,312.65	—
	(1,464.22)	9,019.70
<b>Foreign Currency Translation Reserve</b>		
As per last Balance Sheet	(4,713.99)	(4,470.60)
Add: Exchange fluctuation during the year	73.59	(243.38)
	(4,640.40)	(4,713.99)
	17,455.52	31,178.50





	<u>AS AT</u> <u>31-March-2017</u>	<u>(Rs. In Lacs)</u> <u>AS AT</u> <u>31-March-2016</u>
<b>4. LONG TERM BORROWINGS</b>		
<b>Secured Loans</b>		
Term Loans from Banks	—	—
Term Loans from Other Parties	188.62	354.36
Long Term maturity of Finance Lease obligations	72.18	122.36
	<u>260.80</u>	<u>476.72</u>
<b>Unsecured Loans</b>		
Loan from Promoters	1,500.00	1,500.00
Term Loans from Related Party	203.02	207.13
	<u>1,963.82</u>	<u>2183.85</u>
a) Term loans are repayable in monthly/quarterly installments. Maturity profile of non-current term loans are as set out below		
Term Loan Installments Repayable within:-		
1-2 Years	188.62	165.74
2-3 Years	—	188.62
	<u>188.62</u>	<u>354.36</u>
b) Term Loans carry interest rate of 13% P.A. (Previous year 13% per annum.)		
c) Term loan from other parties(including current maturities) are secured by :-		
(i) Secured by charge on Fixed Assets Financed against the loan.		600.00
(ii) Secured by Charge on third party property and personal guranteee by Director	354.36	500.00
<b>5. LONG TERM PROVISIONS</b>		
Provision for Employee Benefit		
Provision for Gratuity	297.43	278.30
	<u>297.43</u>	<u>278.30</u>
<b>6. SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Loan repayable on Demand from Banks	84,918.78	87,981.66
Buyers Credit	4,843.28	—
<b>Unsecured</b>		
Overdraft in Current Account	1,435.10	1,549.48
Loan from Promoters	1,461.43	5,080.67
	<u>92,658.59</u>	<u>94,611.82</u>
a) Loan repayable on Demand from Banks include the followings		
Pre-Shipment	50,519.17	52,533.04
Post - Shipment	2,518.23	2,032.32
Working Capital Demand Loan	6,643.84	—
Cash Credit	23,758.05	30,732.81
Suppliers Bill Discounting	1,479.47	2,683.50
	<u>84,918.78</u>	<u>87,981.66</u>
b) Loan repayable on Demand from Banks are secured by hypothecation of Inventory, book debts and other current assets of the company, both present and future and the first charge on fixed assets of the company (excluding of specific assets charged to Term lending Banks).		



- c) Buyer credit has been availed from Banks against lien on L.C limit secured as described in Para 6(b) above for non fund based limits of working capital loans.

	<u>As at 31-March-2017</u>	<u>(Rs. In Lacs) As at 31-March-2016</u>
<b>7. TRADE PAYABLE</b>		
-Due to Micro, Small and Medium Enterprises	—	—
-Due to Others	11,921.44	9,451.67
	<u>11,921.44</u>	<u>9,451.67</u>
<p>The Ministry of Micro, Small and Medium Enterprises has issued an office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amount payable to such enterprises as at the year end has been made in the financial statements based on the information received and available with the Company. Based on the information received from vendors, there are no dues outstanding to micro and small enterprises (Suppliers) covered under the Micro, Small and Medium Enterprises Development Act, 2006.</p>		
<b>8. OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt (Secured)	165.74	745.64
Current maturities of finance lease obligations	50.18	59.26
Interest Accrued and due on borrowings	48.18	26.51
Advance received from customers	3,536.74	2,715.31
Statutory Liabilities	219.08	175.41
Employees Benefit Payable	131.69	180.00
Other Liabilities	1,910.91	2,320.58
	<u>6,062.52</u>	<u>6,222.70</u>
<b>9. SHORT TERM PROVISIONS</b>		
Provision for employee benefits		
Provision for gratuity	19.17	19.84
Other provisions		
Income Tax [Refer note no.38]	—	104.04
	<u>19.17</u>	<u>123.88</u>



### 10. FIXED ASSETS

(Rs. In Lacs)

Particulars	Gross Block			Depreciation				WDV			
	As At 31-03-2016	Additions	Deletions	Translation Reserve	Total As on 31-03-2017	31-03-2016	D/Y as per Sch II	Deletions/ Adjustments	Translation Reserve	As at 31-03-2017	As at 31-03-2016
<b>TANGIBLE ASSETS</b>											
LAND	1,455.30			(14.69)	1,456.37	—	—	—	—	1,456.37	1,455.30
FACTORY BUILDING	3,315.09	72.29		—	3,387.39	1,869.50	169.61	—	—	1,348.28	1,445.59
OFFICE BUILDING	5,532.09		159.69	(483.49)	4,888.91	530.90	124.76	103.78	(9.57)	4,346.60	5,001.19
PLANT & MACHINERY AND OFFICE EQUIPMENTS	13,616.03	279.25	305.56	(366.52)	13,223.20	9,661.90	751.12	305.00	(204.57)	3,319.75	3,954.13
FURNITURE & FIXTURE	661.64	55.58	36.85	(43.88)	636.48	467.30	50.05	36.25	(30.37)	185.75	194.34
WOODEN, PLASTIC CREATES & TARPULINS	160.35	7.00	—	—	167.35	121.62	42.81	—	—	2.91	38.73
COMPUTERS	201.85	28.75	141.31	—	89.29	188.64	18.08	141.08	—	23.65	13.21
VEHICLES	1,339.91	130.55	41.55	(4.33)	1,424.57	933.80	128.05	28.63	(4.08)	395.44	406.10
<b>SUBTOTAL</b>	<b>26,282.25</b>	<b>573.42</b>	<b>684.96</b>	<b>(912.92)</b>	<b>25,273.55</b>	<b>13,773.65</b>	<b>1,284.48</b>	<b>614.73</b>	<b>(248.60)</b>	<b>11,078.75</b>	<b>12,508.59</b>
<b>INTANGIBLE ASSETS</b>											
GOODWILL	55.51	—	—	—	55.51	—	—	—	—	55.51	55.51
<b>SUBTOTAL</b>	<b>55.51</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>55.51</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>55.51</b>	<b>55.51</b>
<b>GRAND TOTAL</b>	<b>26,337.76</b>	<b>573.42</b>	<b>684.96</b>	<b>(912.92)</b>	<b>25,329.06</b>	<b>13,773.65</b>	<b>1,284.48</b>	<b>614.73</b>	<b>(248.60)</b>	<b>11,134.26</b>	<b>12,564.10</b>
Previous Year	26,675.69	1,591.46	2,175.33	245.93	26,337.76	14,313.22	1,533.76	1,305.27	85.67	12,564.10	12,362.47

### CAPITAL WORK IN PROGRESS

(Rs. In Lacs)

Particulars	Gross Block		
	As at 01-03-2016	Addition during the year	Capitalisation during the year
Plant & Machinery WIP	22.70	307.67	176.94
Building WIP	1.21	193.38	72.93
<b>TOTAL</b>	<b>23.91</b>	<b>501.05</b>	<b>249.87</b>
<b>PREVIOUS YEAR</b>	<b>68.92</b>	<b>87.34</b>	<b>132.35</b>



	As at 31-March-2017	(Rs. In Lacs) As at 31-March-2016
<b>11. NON-CURRENT INVESTMENTS</b>		
<b>Trade Investment</b>		
<b>Investment in Unquoted Equity Instruments</b>		
<b>Associates Companies</b>		
Al Dhara Kohinoor Industries LLC	10.06	10.06
60 (Previous year - 60) shares of AED 1000 each fully paid up		
Al Dhara Kohinoor LLC	10.06	—
60 (Previous year - 60) shares of AED 1000 each fully paid up		
Less : Adjustment for Post acquisition Losses*	10.06	—
<b>Others</b>		
Kohinoor Speciality Foods India Pvt. Ltd	—	4,220.86
(Previous year - 44,161) shares of Rs. 10 each fully paid up		
<b>Investment in Unquoted Preference Shares</b>		
<b>Other Investment</b>		
<b>Investment in Quoted Equity Instruments</b>		
Anu Laboratories Ltd.	0.62	0.62
5,940 (Previous year - 5,940) shares of Rs. 1 each. Fully paid up		
<b>Investment in Property</b>	41.63	42.47
<b>Investment in Un-Quoted Fund</b>		
INVESTMENT - BALANCED PLUS FUND (CANARA-HSBC-OBC)	9.40	—
(58300.4583 Unit of Balanced Plus Fund issued under Canara-HSBC-OBC		
Life Insurance Platinum Plus Plan)	61.72	4,274.02
a) Aggregate amount of Quoted investments	0.62	0.62
Aggregate amount of Market value of Quoted investments	—	0.01
Aggregate amount of un-quoted investments	61.09	4,273.39
Aggregate Provision for Diminution of Value of Investments	—	—
b) All the Non-current investments are carried at cost		
<b>12. DEFERRED TAX ASSETS (NET)</b>		
Disallowance under Income tax act, 1961	107.61	101.34
Related to fixed assets	(283.08)	(124.35)
Related to business loss	10,997.31	3,672.05
	10,821.85	3,649.04
<b>13. LONG TERM LOAN AND ADVANCES</b>		
(Unsecured, Considered Good)	—	—
Capital Advances	73.94	—
Security Deposit	171.61	157.72
Loan and advances to related parties	1,499.51	1,529.90
Deferred Marketing Expenditure	221.69	390.96
	1,966.75	2,078.57
a) <b>Loans And Advances To Related Parties*</b>		
<b>To Joint Venture</b>		
Rich Rice Raisers Factory LLC.**	1,499.51	1,529.90
	1,499.51	1,529.90

\* The loan and advances are provided for general business purpose.

\*\* The loan to the joint venture company, Rich Rice Raisers factory LLC does not carry any interest and the repayment schedule is not specified.



	<u>As at</u> <u>31-March-2017</u>	<u>(Rs. In Lacs)</u> <u>As at</u> <u>31-March-2016</u>
<b>14. CURRENT INVESTMENT</b>		
Trade Investment		
Investment in unquoted Instruments		
Others		
Kohinoor Speciality Foods India Pvt Ltd	4,220.86	
44,161 share of Rs. 10 each fully paid up		
Less Diminution in the value of Investment	<u>3,220.86</u>	
	<u>1,000</u>	
	<u>1,000</u>	
<b>15. INVENTORIES*</b>		
(As taken, valued and certified by the Management)		
Raw Material	3,911.57	5,317.04
Work in Progress	33.96	
Finished Goods	84,617.05	90,815.60
Stock in Transit-inTrade	213.12	—
Stock in Transit-Finished Goods	1,395.47	7,409.90
Stores and Spares	45.87	213.36
Packing Materials	<u>1,202.52</u>	<u>952.21</u>
	<u>91,419.57</u>	<u>104,708.12</u>
*Inventories are valued at cost or net realizable value which ever is lower		
<b>16. TRADE RECEIVABLES</b>		
(Unsecured Considered Goods)		
Outstanding for a period exceeding six months	263.76	2,457.19
Others	10,770.28	9,767.81
	<u>11,034.04</u>	<u>12,225.00</u>
(Unsecured, Considered Doubtful)		
Outstanding for a period exceeding six months		799.76
Others		2,018.27
	<u>—</u>	<u>2,818.02</u>
	<u>11,034.04</u>	<u>15,043.02</u>
<b>17. CASH &amp; CASH EQUIVALENTS</b>		
Balances with Banks in Current Accounts	774.71	667.35
Cash in Hand	42.75	44.40
Fixed deposits as Margin Money with Banks	1,415.88	573.04
	<u>2,233.34</u>	<u>1,284.79</u>
<b>18. SHORT TERM LOAN AND ADVANCES</b>		
(Unsecured considered good)		
Staff Advance	18.95	20.18
Pre-paid Expenses	143.33	159.03
Advance against Purchases	232.57	139.12
Advance Tax	2,252.19	2,238.16
MAT Credit Entitlement	464.87	546.33
Others	<u>729.64</u>	<u>770.82</u>
	<u>3,841.55</u>	<u>3,873.64</u>
<b>19. OTHER CURRENT ASSETS</b>		
(Unsecured, Considered good)	114.47	75.67
Interest accrued but not due on bank deposits	<u>114.47</u>	<u>75.67</u>



	As At 31-March-2017	As At 31-March-2016
<b>(Rs. In Lacs)</b>		
<b>20. REVENUES FROM OPERATIONS</b>		
Sales of Products	115,654.17	129,973.44
Other Operating Revenues	31.84	71.87
	<u>115,686.02</u>	<u>130,045.31</u>
<b>a) Sales of Products</b>		
Rice	99,568.42	119,005.13
Foods	7,527.00	8,792.26
Pulses	8,540.42	—
Others Products	18.33	2,176.04
	<u>115,654.17</u>	<u>129,973.44</u>
<b>b) Other Operating Revenues</b>		
Sale of Scrap	18.69	17.30
Duty Drawback/Sale of License	13.15	54.57
	<u>31.84</u>	<u>71.87</u>
<b>21. OTHER INCOME</b>		
Income from Key man Insurance Policy	29.70	70.98
Interest Income	77.05	63.71
Miscellaneous Income	130.62	297.67
Profit on Sale of Assets	662.86	2.43
	<u>900.23</u>	<u>434.78</u>
<b>22. COST OF MATERIAL CONSUMED</b>		
Opening Stock	102,987.93	110,744.42
Add: Purchases	64,026.02	75,324.33
Less Closing Stock	86,33.02	102,987.93
	<u>80,681.92</u>	<u>83,080.82</u>
<b>23. PURCHASE OF STOCK IN TRADE UNDER BROAD HEADS</b>		
Non-Basmati Rice	6,208.49	4,123.87
Foods	4,442.16	5,490.96
Pulses	12,980.70	—
Others Products	15.87	2,207.05
	<u>23,647.22</u>	<u>11,821.87</u>
<b>24. CHANGES OF INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS &amp; STOCK IN TRADE</b>		
Opening Stock	554.61	3,447.92
Closing Stock	3,839.16	554.61
	<u>(3,284.54)</u>	<u>2,893.31</u>
<b>25. EMPLOYEE BENEFIT EXPENSES</b>		
Staff Salaries	2,600.92	2,842.54
Director's Remuneration	675.21	378.64
Gratuity	59.60	56.50
Bonus	40.41	42.61
Staff Welfare	87.63	123.13
Employer's Contribution to P.F.& ESI	92.20	124.17
	<u>3,555.97</u>	<u>3,567.59</u>





	(Rs. In Lacs)	
	As at 31-March-2017	As at 31-March-2016
<b>26. FINANCE COST</b>		
Interest Expense*	9,058.45	9,589.91
Other Bank Charges	174.01	176.45
Other Borrowing Cost	612.80	643.80
	9,845.27	10,410.16

\*Interest cost for the year includes exchange difference of Rs. Nil (Rs. 945.51 Lacs) arising from foreign currency borrowing to the extent they are regarded as an adjustment to the interest expense in accordance with AS-16

### 27. OTHER EXPENSES

#### a) Manufacturing Expenses

Loading and Unloading Charges	250.20	363.46
Packing Materials Consumed	3,551.20	3,494.48
Wages	533.48	538.12
Warehouses Expenses	—	109.53
Repair to Machinery	135.92	198.18
Consumables & Stores Consumed	82.47	149.95
Power & Fuel	747.57	1,062.25
Brokerage & Commission	19.06	10.36
	5,319.90	5,926.33

#### b) Administrative Expenses

Payment to Auditors		
-Statutory Audit Fee	37.17	38.37
-Tax Audit Fee	5.18	5.15
-Other Matters	5.03	5.77
Postage, Telegram and Telephone	106.25	114.44
General Expenses^	240.24	249.58
Storage & Warehousing	62.82	—
Loss on sale of Asset	0.83	—
Legal and Professional Charges	1,089.56	594.06
Electricity Expenses	9.37	11.73
Rate and Taxes	65.37	67.17
Other Taxes Paid	14.18	23.84
Charity and Donation	3.89	14.26
Vehicle Maintenance	116.00	148.53
Printing and Stationery	52.09	57.23
Fumigation Expenses	80.45	103.79
Insurance Charges	174.28	191.63
Conveyance	39.97	45.37
Membership & Subscription	21.97	23.46
Traveling Expenses (Directors)	123.42	113.06
Traveling Expenses (Others)	119.32	250.94
Research & Development	57.81	30.66
Rent	315.23	362.49
Staff Recruitment Expenses	4.19	—
Diminution in the Value of Investment	—	19.48
Hire of Equipments	59.98	56.51



	For the Year Ended 31-March-2017	(Rs. In Lacs) For the Year Ended 31-March-2016
Light & Heat	111.91	—
Utilities	—	148.95
Bad Debts	4,169.87	1,196.47
Repairs to Building	126.96	145.92
Repairs to Others	252.17	278.86
Foreign Exchange Loss	(1,173.60)	118.04
	6,291.89	4,415.77

<sup>^^</sup> Expenses incurred during the year on registration of trade mark amounting to Rs.72 Lacs (Previous year: Rs .19 Lacs) has been charged to profit/loss a/c and has not been recognized as an Intangible asset as per Accounting Standard-26.

### c) Selling & Distribution Expenses

Advertisement and Publicity	575.74	660.91
Business Promotion	164.97	372.70
Rebate & Discount	181.93	17.88
Ocean Freight	1,943.44	1,505.31
Expenses Against Export	245.01	161.47
Brokerage & Commission on Sales	84.35	47.69
Clearing and Forwarding	3,792.60	3,801.18
	6,988.04	6,567.13
	18,600	16,909

### 28. Exceptional Item

In terms of Settlement Agreement dated 13th April 2017, Kohinoor Foods Limited agreed to transfer its 15% shareholding of Kohinoor speciality Foods india Pvt. Ltd for a consideration of Rs. 10 crores. The value of this Investment has accordingly been written down to its fair value of Rs. 10 crores and the resultant loss of Rs. 32,20,85,709 has been shown in Profit and Loss account as an Exceptional Item.

### 29. Extra Ordinary Items

During the previous year (F.Y 2015-16), the Company entered into settlement agreement with Punjab National Bank (PNB) in respect of liability on account of Derivative transactions. The liability was settled for Rs. 25.00 Crores. After this settlement, now there is no contingent liability on account of derivative transactions with any bank.

### 30. Disclosures under Accounting Standard 11 on "Effects of Change in Foreign Exchange Rates" :

- a) As required under AS-11 the company has an outstanding Forward contract as on 31st March 2017 and there is Marked to Market (MTM) unrealized loss on forward contracts of Rs. 3,19,672/-, which has been accounted for accordingly in the books of accounts. The company had no outstanding Forward contracts as on 31st March 2016.
- b) **Outstanding forward exchange contracts entered by the company for the purpose of hedging its foreign currency exposures are as under:**

(Figures in Lacs)

Currency	Cross Currency	In Foreign Currency as at 31 <sup>st</sup> March, 2017	Fair value as at 31 <sup>st</sup> March, 2017	In Foreign Currency as at 31 <sup>st</sup> March, 2016	Fair value as on 31 <sup>st</sup> March 2016
USD	INR	1,880,426.00	122,143,080.00	—	—

### 31. Disclosures under Accounting Standard 17 on "Segment Reporting" :

The Company is primarily engaged in the business of manufacturing, trading & marketing of food products which is a single segment, as per Accounting Standard (AS) 17 issued by the Institute of Chartered Accountants of India.



### 32. Disclosures under Accounting Standard 18 on "Related Party Disclosures" :

#### 32.1 List of related parties

- i) Joint Venture
  - Rich Rice Raisers Factory LLC.- Dubai
- ii) Associates of the Company
  - Al Dhara Kohinoor Industries LLC
  - Al Dhara Kohinoor LLC
- ii) Key Managerial Personnel and their relatives
 

Mr. Jugal Kishore Arora	Chairman
Mr. Satnam Arora	Jt.Mg.Director
Mr. Gurnam Arora	Jt.Mg.Director
Mr. Nitin Arora	Son of Mr. Jugal Kishore Arora
Mr. Amit Arora	Son of Mr. Satnam Arora
Mr. Ankush Arora	Son of Mr.Gurnam Arora
Mr. Nishant Arora	Son of Mr.Gurnam Arora
Mr. Mukesh Kochar	Managing Director of Rich Rice Raisers Factory LLC
Mr. Sumit Arora	Director of Indo European Foods Ltd
Mr. Vijay Vaidyanathan	Director of Indo European Foods Ltd
- iii) Enterprise over which key managerial personnel exercise significant influence
  - Satnam Overseas (Exports) - Partnership Firm of Promoter directors
  - Adonis No.1 Beauty Clinic LLP
  - Incredible Foods Pvt. Ltd.
  - Satnam International Pvt. Ltd.
  - Satnam Haegens Ltd.
  - Adhiraj Buildcon Pvt. Ltd.
  - Booker Satnam Wholesale Pvt. Ltd.
  - Little Munchkins LLP
  - Gourmet Foods and Beverages Limited
  - Sunny General Trading

#### 32.2 The following transactions were carried out with related parties in the ordinary course of Business during the year\* (Rs. In Lacs)

	Joint Venture Company/ Assoiates	Key managerial personnel and their relatives	Enterprises over which Key managerial Personnel exercise significant influence
<b>Transactions during the year</b>			
- Sale of products	19,077.80 (19,920.88)		
- Remuneration		829.56 (564.53)	
- Purchase	1,077.43		
- Advance Received	3,209.30 (2,147.15)		
- Expenses			— (0.56)



- Expenses Reimbursement to the related party			
- Payment of Royalty			52.40 (59.21)
- Loan from Promoter		325.00 (6,580.67)	
- Balance Written Back	— (155.12)		
- Repayment of Promoters loan		3,944.24 —	
<b>Balances outstanding at the year end:-</b>			
- Loans/Advances	1,499.51 (1,529.90)		
- Loan from Promoter		2,961.43 (6,580.67)	
- Accounts Payable	620.62		
- Loan from Related Party			206.47 (207.12)
- Advance form Customer	3,209.30 (2,147.15)		

\*Figures in ( ) are related to previous year.

(Rs. In Lacs)

As at  
31-March-2017

As at  
31-March-2016

### 33 Disclosures under Accounting Standard 19 on "Leases" :

#### 33.1 Total of minimum future lease payments under non-cancelable operating leases for various periods are as follows:-

Amount payable not later than one year	105.06	129.28
Amount payable later than one year but not later than five years	316.28	318.60
Amount payable later than five years	170.06	252.34
	<u>591.40</u>	<u>700.22</u>

The company has entered into operating lease agreements that are renewable on a periodic basis and cancelable at company's option.

The company has not entered into sublease agreements in respect of these leases.

#### 33.2 The company has taken on lease certain vehicle and has the option to purchase the vehicles as per terms of the lease agreements, details of which are as under :-

##### a) Obligations towards minimum lease payments:-

Amount payable not later than one year	59.60	74.28
Amount payable later than one year but not later than five years	77.50	137.11
Amount payable later than five years	Nil	Nil
	<u>137.11</u>	<u>211.39</u>

##### b) Present value of (a) above :-

Amount payable not later than one year	50.18	59.26
Amount payable later than one year but not later than five years	72.18	122.26
Amount payable later than five years	Nil	Nil
	<u>122.36</u>	<u>181.61</u>

##### c) Finance Charges

	14.75	29.77
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	As at 31-March-2017	(Rs. In Lacs) As at 31-March-2016
<b>34. Disclosures under Accounting Standard 20 on "Earning Per Share" :</b>		
<b>a) Calculation of Weighted Average number of equity shares</b>		
<b>For Basic/Diluted EPS</b>		
No. of Shares at the beginning of the year	352.00	352.00
Equity Shares issued during the year	—	—
Total number of equity shares outstanding at the end of the year	352.00	352.00
Weighted Average number of equity shares outstanding during the year	352.00	352.00
<b>b) Net Profit after tax available for equity shareholders</b>		
Before Extra Ordinary item	(13,797.00)	107.00
After Extra Ordinary Item	(13,797.00)	(2,393.00)
Earnings per share (face value per share Rs. 10 each)		
Basic and Diluted: before extra ordinary item	(39.15)	0.30
Basic and Diluted: after extra ordinary item	(39.15)	(6.79)

**35. Disclosures under Accounting Standard 29, "Provisions, Contingent Liabilities and Contingent Assets" :**

(Rs. In Lacs)

Provision relating to	Opening Balance as at 1 <sup>st</sup> April, 2016	Created during the year	Withdrawals/ Deposited	Closing Balance as at 31 <sup>st</sup> March, 2017
Gratuity	298.13	59.98	41.50	316.61
Income Tax	104.04	—	104.04	—
	402.17	59.98	147.06	318.12

	As at 31-March-2017	(Rs. In Lacs) As at 31-March-2016
<b>36. Contingent Liabilities</b>		
<b>a) Claims against the company , not acknowledged as debt</b>		
i Income Tax	9,018.99	11,063.77
ii Sales Tax - Delhi	122.00	122.00
iii VAT-Haryana	1,090.72	1,090.72
iv Excise & Taxation Department, Punjab	455.82	455.82
v Excise Duty	42.91	42.91
vi Service Tax	9.12	259.25
vii Legal Cases against the Company	963.94	4,463.94
<b>b) Surety Bonds issued to Govt. Agencies under EPCG Scheme</b>	1,742.13	1,872.19



### Nature of contingent liabilities and other particulars are as given below:-

- i) Following appeals are also lying pending for hearing before the Income Tax Appellate Tribunal, New Delhi against the tax demand raised in impugned Income Tax Assessment Orders as per details given below :-

AY		Tax	Interest	Total
2002-03 to 2008-09		590.40	234.38	824.78
2009-10		80.53	47.40	127.93
2010-11		2,331.25	1,347.86	3,679.11
2011-12		902.63	518.36	1,420.98
2012-13		1,274.98	1,019.99	2,294.97
2013-14		406.83	264.39	671.21

\* The company has also filed a rectification application before DRP to reconsider its findings.

As per the advice received from legal experts and on the basis of merit of the case, there is a high probability that the aforesaid impugned orders will be set aside and the demand will be deleted. Accordingly, management is of the view that no provision in respect of the above demands is required to be made in the books of accounts.

- ii) An appeal before the Sales Tax Commissioner - Appeals, New Delhi is lying pending in respect of Sales Tax demand of Rs.1,22,00,000/- on sale of REP Licences made in earlier years.
- iii) Following appeals are also lying pending before the Appellate Authorities/Tribunal, Haryana as mentioned in coloumn.4 against the impugned VAT Assessment Orders/Revision Order passed by the assessing authorities as mentioned in coloumn. 3 of the table given below :-

Particulars (Col.1)	Demand Raised (R) (Col.2)	Assessing Authority (Col.3)	Appellate Authority (Col.4)
Sales Tax Murthal - AY 2008-09	7,32,34,793	Revision-Faridabad	Tribunal-Chandigarh
Sales Tax Murthal - Inspection 17.01.2014	25,56,037	ETO-Sonipat	JETC-Rohtak
Sales Tax - Murthal - AY 2010-11	98,60,555	ETO-Sonipat	JETC-Rohtak
Sales Tax - Murthal - AY 2011-12	1,32,21,332	ETO-Sonipat	JETC-Rohtak
Sales Tax - Murthal - Inspection 13.11.2014	27,08,740	ETO-Sonipat	JETC-Rohtak
Sales Tax - Murthal - AY 2009-10	28,51,488	Revision-Faridabad	Tribunal-Chandigarh
Sales Tax - Murthal - AY 2012-13	46,39,346	ETO-Sonipat	JETC-Rohtak
Total	10,90,72,291		





- iv) An appeal is lying pending before the Dy. Excise & Taxation Commissioner-Appeal, Punjab against the Order received from Excise and Taxation Department, Punjab in respect of Year 2009-10 and 2010-11 demanding a sum of Rs.4,50,41,414/- towards the cess imposed by the State Govt. on exports. The company has challenged the validity of imposition of cess on export in its appeal as the same is not permissible under article 286 of the Constitution of India. Further demand has been raised for Rs. 5,41,073/- after completing the Sales Tax assessment for AY 2011-12 against which appeal has been filed.
- v) An appeal before the Customs, Excise & Service Tax Appellate Tribunal, New Delhi is lying pending against the order of Commissioner of Central Excise (Appeals), Delhi -III in respect of additional excise duty of Rs. 42,90,580/- demanded by the Excise department in connection of dispute over classification of goods - food product produced at Bahalgarh Factory- as per the Central Tariff Act. As the matter is still pending before the Tribunal, no provision in the books of accounts have been made
- vi) During the financial year 2016-17, the company has received a order from Hon.'ble Central Excise and Service Tax Appealate Tribunal, New Delh (CETSTAT) against the order passed by Commissioner of Service Tax (Adjudication), New Delhi demanding a service tax of Rs. 2,59,25,214/-. The Hon'ble CETSTAT vide its order dated 16/02/2017 has granted major relief of Rs. 2,50,12,963/- against the aforesid demand.
- vii) The Board of Trustee of the port of Mumbai has filed a money suit for recovery of Rs. 9.64 Cr. towards alleged outstanding demurrage charges against which the company has filed its counter claim of Rs. 10.88 Cr. towards the financial losses, interest on the investment, refund of the license fees, refund of the demurrage charges, compensation and damages etc. The matter is still pending.
- viii) During previous year ( FY 2015-16) McCormick Switzerland GmbH and Kohinoor Speciality Foods India Pvt. Ltd. (KSF) invoked the Arbitration clause under License Mark and Corporate Name License Agreement and Business Transfer Agreement (BTA), respectively against KFL and its Promoters before London Court of International Arbitration (LCIA) for breach of its obligations under Agreements and to pay to KSF an amount of Rs. 35.00 crores by way of Liquidated damages as provided under BTA.KSF also invoked the Arbitration clause under Non Compete and Non Solicitation Agreement, before LCIA against Promoters.

Further in terms of the settlement Agreement dated 13th April, 2017, Kohinoor Foods Ltd. (KFL) and Promoters have settled all disputes with Kohinoor Speciality Foods India Pvt. Ltd. (KSF) and McCormick Switzerland GmbH. Accordingly all proceeding in London Court of International Arbitration (LCIA) and in National Company Law Board Tribunal (NCLT), will be withdrawn and both KFL and KSF, will be free from Non-Compete Obligations.

	As at 31-March-2017	As at 31-March-2016
<b>37. Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account ( Net of advances)	45293552	—
<b>38. Bank Guarantee given by Bankers on behalf of the Company.</b>	167014400	210,331,400
<b>39. During the year no amount of Dividend has been remitted in foreign currency to Non Resident out side India.</b>		
<b>40. Some of the balances of Debtors and Creditors are subject to confirmation.</b>		



#### 41. Prior Period Items

There is no material prior period items included in profit & loss account required to be disclosed as per Accounting Standard - 5, prescribed by the Companies (Accounting Standard) Rules, 2006.

42. Corresponding figures for the previous year have been regrouped/rearranged, wherever necessary to confirm to current year classification.

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The above notes form part of the financial statements  
In terms of our separate report of even date attached

**For Rajender Kumar Singal & Associates LLP.**  
**CHARTERED ACCOUNTANTS**  
FRN : 016379N

**Sd/-**  
**(PANKAJ GUPTA)**  
**PARTNER**

Membership No: 094909

Faridabad  
30th-May-2017

**Sd/-**  
**SATNAM ARORA**  
**JT. MG. DIRECTOR**  
DIN NO. 00010667

**Sd/-**  
**PRABHAT KUMAR**  
**C.F.O**

**For and on behalf of the Board of Directors**

**Sd/-**  
**GURNAM ARORA**  
**JT. MG. DIRECTOR**  
DIN NO. 00010731

**Sd/-**  
**RAMA KANT**  
**COMPANY SECRETARY**



**Route Map of 28th AGM**  
Magpie Tourist Complex (a unit of Haryana Tourism Corporation Limited), Main Mathura Road, Sector 16A, Faridabad, Haryana-121002



# **Kohinoor Foods Ltd.**

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Faridabad, (Haryana)-121001

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Email: [info@kohinoorfoods.in](mailto:info@kohinoorfoods.in), Website: [www.kohinoorfoods.in](http://www.kohinoorfoods.in)