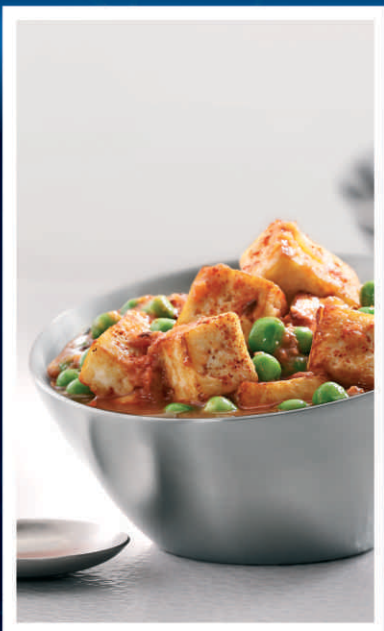


# **Kohinoor Foods Ltd.**

**ANNUAL REPORT 2018-19**





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# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

**Registered Office and Share Department** : Pinnacle Business Tower, 10th Floor,  
Shooting Range Road, Surajkund,  
Faridabad, (Haryana)-121001  
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)-131027  
  
: 42-43 Milestone, G.T. Karnal Road,  
Village Sultanpur, Bahalgarh,  
Sonapat (Haryana)-131021

**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  
Old No.- 25, New-33, G/F JMD  
Koninoor Galleria Masjid Moth,  
G.K-II, New Delhi - 110048

**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.

**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. M.K. Trisal	Non-Executive Independent Director (Resigned w.e.f. 22/10/18)
Mr. S.C. Gupta	Non-Executive Independent Director (Resigned w.e.f. 28/05/19)
Ms. Madhu Vij	Non-Executive Independent Director (Resigned w.e.f. 11/06/19)
Mr. Sandeep Kohli	Non-Executive Independent Director (Resigned w.e.f. 22/06/18)
Mr. Nitin Arora	Whole Time Director (Resigned w.e.f. 10/08/18)

### Company Secretary

Mr. Deepak Kaushal  
(Appointed w.e.f. 14.08.18)  
Mr. Rama Kant  
(Resigned w.e.f. 19/01/19)  
Mr. Ankit Sharma  
(Appointed w.e.f. 13/06/19 and resigned  
w.e.f. 10/07/19)

### CFO

Mr. Kamal Deep Chawla

### Auditors

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

### 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  
Tel.: +91-011-4045 0193-197 | Fax: +91-011-2681 2682  
Web: www.skylinert.com



### Chairman Message



Dear Shareholders,  
Greeting

It gives me pleasure to place before you the Annual Report of your Company for the financial year 2018-19. Your Company achieved a total turn-over of INR 3997 Million (Mn.) as against INR 8,584 Mn. of last year, the lower turnover is on account of erratic global rice market conditions and cash crunch faced by the Company. The rice export value stood at INR 171 Mn. as against INR 4,609 Mn. of last year. However, in domestic rice segment your company has registered a growth of 24.30% on YOY basis.

Basmati Rice Export is mainly driven by demand from some of the Middle East Countries like, Iran, Saudi Arabia, Yemen, Iraq, UAE etc. Iran, Yemen, Iraq are facing various problems making it difficult to export and realize sale proceeds from these countries.

Nevertheless, last year had been challenging one because of financial constraint and ongoing economic pressure. On the hindsight export market was low on sentiments & actual realization due to economic instability around countries beside our own constraint of business operation due to liquidity crunch. However Kohinoor is still striving to grow steadily and place its presence around world across renowned players.

KFL participates across nations and around world, under its few

prestigious brands for sale of rice and processed & packed food business.

However you will be glad to note that the company has done well in the current situation in **domestic rice segment** which has registered a Year on Year (YOY) growth of 24.30%.

Our UK operations continue to focus on growth both in Rice and processed food range of products.

We further inform the members that with an objective to improve the financials of the company, your company is exploring the possibilities such as:

- a. Monetising some of the assets of the company.
- b. Looking for Investor to infuse funds in the company.
- c. Negotiating with the Banks for restructuring of borrowings.

The company is working aggressively on the said lines to improve its financial/business to achieve the seamless working.

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 as well. 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**



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

### 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, 2019 and the audited financial statements and notes for the year ended March 31, 2018. 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 flavor. 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, 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 as well.

Your Directors have pleasure in presenting the 30th Annual Report and the Audited Annual Accounts of the Company for the Financial Year ended 31st March, 2019.

#### Financial Overview

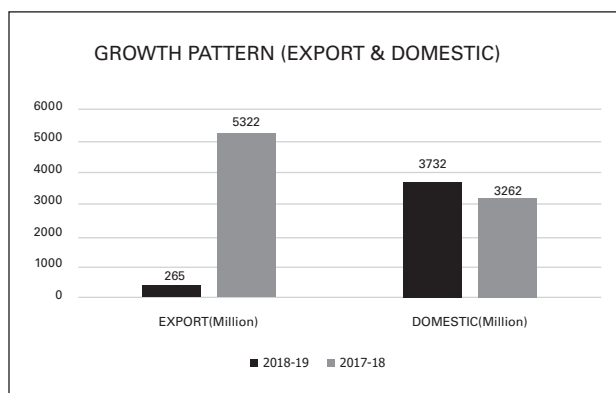
The financial highlights for the year ending 31st March, 2019 are as under:

Particulars	FY'19	FY'18
<b>Total Turnover</b>	<b>4065.84</b>	<b>8623.96</b>
Profit/(Loss) Before Interest, Depreciation and Tax (PBITD)	(1758.75)	274.87
Profit/(Loss) Before Tax	(2913.88)	(695.80)
Less: Tax Expense	941.86	14.48
Profit/(Loss) After Tax	(3855.75)	(710.28)
Total Comprehensive income for the year	(3854.50)	(709.73)

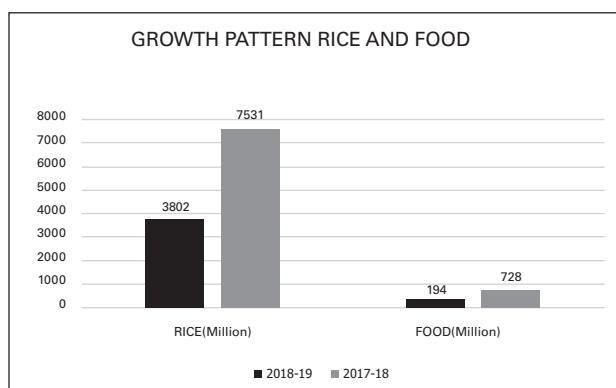
The Board's Report has been prepared based on the stand alone financial statements of the Company.

#### Operations:

For the financial year under review 2018-19, the company's Export stand at INR 265 million as against INR 5,322 million in previous year while as the Domestic Sales stood at INR 3,732 million as against INR 3,262 million in the last financial year.



The contribution made by Rice to the Company's business is INR 3802 million as against INR 7531 million in the last financial year, while the Food Business stood at INR 194 million as against INR 728 million in the previous year.







# Kohinoor Foods Ltd.

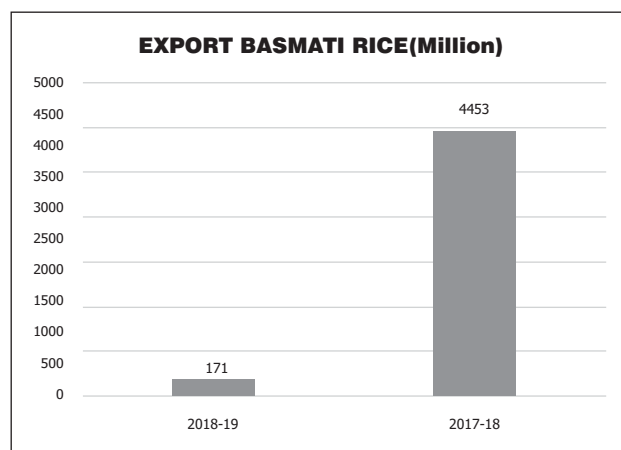
## ANNUAL REPORT 2018-19

The year saw an increase of 24.30% in basmati rice domestic sales in value terms in comparison to last year sales. Export market was down due to political instability in countries such as Iraq & Syria and the financial constraint faced by the company. During the year under review export realisation price had an upward trend as it is evident from the fact that average sale price was Rs 75,778 per MT as compared to Rs. 70,987 during the last year. These phenomena in the pricing led to the sub-dude sentiment. 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 US were exercised to control the steep debacle in sale of Basmati Rice in international market.

### EXPORT MARKETS

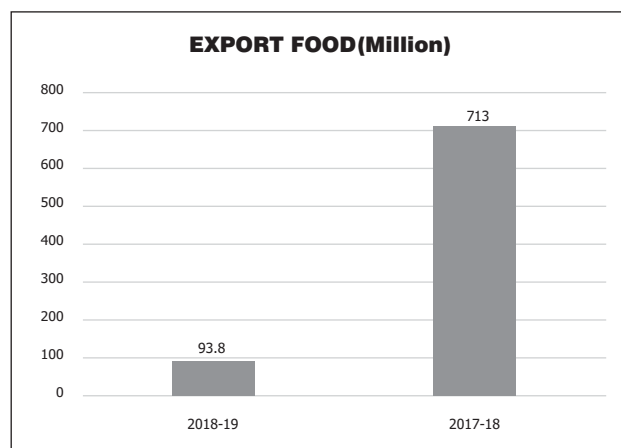
#### Export- Basmati Rice

This year, in the Export of Basmati Rice, the company did the business of around INR 171 million as against INR 4,453 million in the previous financial year.



#### Export-Food

This year the export of processed & packaged food products the company did the business of around INR 93.8 million as against INR 713 million in the previous year. The new food factory has started its operation effectively which improved our production & revenues.



### Subsidiaries / Joint Venture:

#### 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.

IEFL Sales show marginal decreases from last year i.e GBP 21.80 Million in comparison of last year GBP 24.15 Million. The Loss of this company decreased effective cost control. This operation continues to focus on profitable growth both in Rice and processed food range of products.

IEFL, has created a wide network of distribution for our Rice & Processed food items in UK market.

IEFL, in recent times has focused more on Kohinoor processed food products. Kohinoor cooking sauces and ready meals are currently listed and placed with prestigious multiple retail chains like -Tesco, Asda, Sainsburys, Aldi & Bookers etc.

IEFL marketing team is also focused in doubling the 'Kohinoor' processed foods, having re-launched the sauces & RTE lines in fresh packaging & refurbished recipes.

#### 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.

However during the current year this company did not carry any business nor earned any commission income. However it expects to restart its business and will soon improve its operations.

### FOOD BUSINESS:

During the year 2018-19, in processed & packaged food products the company did the business of around INR 194 million as against INR 727 million in the previous year. The new food factory has started its operation effectively which improved our production & revenues.

UK, Australia, USA, Canada are major markets for our range processed & packaged food products.

Kohinoor has introduced the new packaging of ready to eat curries and simmer sauces to the World market where UK has got the maximum appreciation from the entire mainstream and got listed with top retails of the country such as TESCO, ASDA, COOP & many more

It's not just stop here strong Research and Development team has gained appreciation from leading retail giants like as ALDI Australia, ALDI UK, Coles, etc by submitting their new developments to these



clients and same would definitely go for the launch once their respective procedure will be completed.

### **Highlights (2018-19)**

- Kohinoor has obtained 100% Export Oriented Unit (EOU) status for its food processing unit to fetch new businesses from Australia, UK & USA to and import all restricted Grains.
- Focus on mainstream private label of world leading retail giants of their respective local product lines which have bigger chunk in the market.
- Further introductions of new range of Ready to eat Curries & Simmer Sauces under Kohinoor brand in UK market.

### **CHALLENGES:**

- Intermittent supplies from our major business partner resulted in delayed shipments.
- Export of Basmati Rice and ready to eat rice to US, UK etc. with respective allowed pesticide MRL's limit.
- Major changes in import procedures in markets like Australia, US & UK.

### **Overview - Ready To Eat Industry**

India ready-to-eat food market stood at \$ 261 million in 2017 and is projected to grow at a CAGR of over 16% during 2018-2023 to reach \$ 647 million by 2023. Anticipated growth in the market can be attributed to rising urbanization, increasing disposable income of middle-class population and changing taste preferences of Indian consumers. Moreover, growing demand for quick food and presence of freshness and high nutritional value in these foods is further aiding growth of India ready-to-eat food market. Demand for ready-to-eat food products is recording high growth in metros where a lot of working people don't get enough time to cook proper meals. Additionally, longer shelf life and easy availability of ready-to-eat food products is further pushing their demand across the country. The most popular ready-to-eat items include preparations of paneer, chana masala, rajma masala, pav bhaji, etc. Rise in demand for ready-to-eat food products has created the interest among many companies to enter this space which is likely to contribute to the growth of the market in the coming years. Furthermore, innovation in products offerings, sustainable packaging, preference of single serving frozen products, aggressive marketing & promotional strategies would steer growth in the market during forecast period.

Convenience food is a concept that has been prevalent and popular in the western countries for a long time now. Globally, the demand for ready-to-eat (RTE) food products has been increasing over the

last few years on account of busier lifestyle of consumers and their rising income levels. Similar factors are fuelling the growth in the packaged food sector in India.

The Indian food and grocery market is the world's sixth largest, with retail contributing 70 percent of the sales. The Indian food processing industry accounts for 32 percent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It is believed that the Food Processing industry will be a US\$ 25 billion market in India by 2020. Out of which, the serviceable metro market is expected to be close to almost US\$ 20 billion. The past couple of years have seen a tremendous growth of this segment due to high consumer acceptance for convenience food nationwide.

Convenience food is a concept that has been prevalent and popular in the western countries for a long time now. Globally, the demand for ready-to-eat (RTE) food products has been increasing over the last few years on account of busier lifestyle of consumers and their rising income levels. Similar factors are fuelling the growth in the packaged food sector in India.

Increased employment opportunities have increased migration of people from tier 1 and tier 2 cities to metropolitans, which is an important driver for RTE food products in the country. Nuclear families and bachelors residing in metros for study or employment purpose are among the major consumers of RTE food products in India. The number of working women is particularly on the rise, which is again driving the demand. All these factors are creating significant awareness about ready meals among consumers. Growth in retail chains and outlets is also adding to the product awareness among consumers in the country's, supermarkets, convenience stores and hypermarkets, which are emerging as the key points-of-sale for offering a wide range RTE food products.

The Indian cooking styles have undergone considerable changes over the past few years owing to the advent of modern technology and several other changes such as urbanization, increasing working population, increase in female work population and the rise of nuclear families. People have been increasingly shifting to ready-to-eat food items in order to save the time involved in preparing meals.

With the growing media awareness, literacy rates and standard of living, people have grown more responsive towards the health and hygiene standards associated with food products. There has been a shift witnessed in the customers focus from price to quality in the recent years, particularly in the urban and a few semi-urban areas. Consumers have been drifting from openly or loosely sold food products to the consumption of hygienically packaged fortified RTE foods.

A recent survey done by Assocham (Associated Chamber of



Commerce and Industry of India) says about 79 percent of Indian households today prefer to have instant food due to time constraints. With two working parents and families becoming nuclear, people prefer authentic, nutritious store bought options rather than spending hours in the kitchen after work. In recent years, the focus of the ready-to-eat market has gradually shifted from just homemakers or students to young professionals and families.

It is found that 76 percent of parents in big cities, mostly both working with children under the age of five, are serving easy-to-make meals in some form or the other, at least 10-12 times every month! No wonder that the RTE market continues to expand at a brisk pace. The market for spreads, sauces and dips is now close to US\$ 2 billion and growing at 22 percent CAGR. The RTE meals market is currently valued at INR 23 crore. It grew at a compounded annual growth rate of 3-5 percent in the last five years. According to data research company Nielsen, the breakfast mixes market is growing at 17 percent and is currently pegged at Rs 275 crore.

However, as fancy as the various breakfast cereals available in the market might be, we crave the satisfaction that only a traditional dish can give. And hence the traditional brands are coming up with options that are suitable for the Indian palate. The traditional brands have forayed into items such as bhel bar, pot upma, poha which can be had on the go, anytime, anywhere. To fulfil the demand of this large section of consumers, one will find a lot of new RTE brands in the market.

Unlike the giant brands though, the new entrants are trying to create a niche category for themselves, be it breakfast cereals, canned, frozen foods, spreads, chutneys, and so on. Companies are looking to attract consumers within areas like olive oil, spreads and ready meals by offering promotions, new product developments, health and nutritional benefits and attractive packaging.

The Indian consumer behavior has been influenced by exposure to other cultures primarily in the West through travels, and popular literature. The ready-to-eat market is somewhat saturated in the West, hence developing countries like India are attracting the majority of big players in the promise of a high growth opportunity. The booming food sector, multiple food outlets, the popularity of international brands and distinctive distribution channels adopted by players are expected to help the market grow at a continuous pace.

Consumers are increasingly realizing that majorly RTE foods are loaded with preservatives for a longer shelf life. Increasing health awareness, particularly in the young generation, is hindering the growth of this market. Still a large Indian population is price sensitive and therefore the price factor of RTE food makes them affordable only to select economic classes of the society. Hence it becomes all the more essential for new players in this field to marry convenience

with health benefits to ensure convenience food does not mean compromising on quality. The key is to provide RTE food options focused on Indian taste for everyday consumption, which are not harmful in the long run.

This is the challenge taken up specifically by food tech start-ups who want to be considered as serious players and are getting into the game after years of R&D. With state of the art technology in packaging and processing to ensure the end product is not just a world class product that can eventually be on the shelves in countries across the globe but a product that is a strong contender in being a game changer.

### **Basmati Rice**

The year of 2019 has been a year of records of sorts for the Indian basmati rice industry as on the one side it is going to break all previous export figures in value terms, the total export value crossing 30,000 Crores & on the other the industry has concerns & issues to be addressed in terms of 'pesticide residues' & cash flows from its largest importing country viz. Iran.

For the year 2019 – 20, the scenario on the basmati rice horizon is quite bright as the coming harvest is indicating towards all time high bumper crop of 1121 variety & Iran, being the largest importer of this Indian 1121 quality of basmati, with payments of old dues now having started in right earnest from Iran, this will pave way for maintaining the basmati rice export figure of 30,000 Crores if not crossing this mark as well. The challenge of Pesticide residue shall remain, however, since Europe only contributes meagre 7 to 8% of total exports from India, the exporters shall recover the deficit from other emerging markets of Australia and the Far East along with North America, which too is showing an excellent growth in its demand for the king of rice i.e. Indian Basmati. The traditional basmati rice hub for India i.e. the Arab World (Middle East) in general and Saudi Arabia is particular is showing no slow down, the region is a bastion of Indian basmati rice and shall maintain the status quo in all probability.

### **Risks & Concern**

The Banks have classified the Company's Accounts as Non Performing Asset and served Notice under section 13(2) of The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, in the month of July 2018. The Company had replied of said notices and negotiating with different workable options.

The Banks have filed petition against Company before Hon'ble NCLT Bench Chandigarh, the company is contesting the matter and the petition is yet to be admitted.

The observations of the Auditor with regard to the management assessment of the company's ability to continue as going concern in





view of the liquidity problems/decrease in business. The management of the company believes that it can continue to retain as going concern, based on the Resolution plan submitted to the Banks by company and the interest shown by prospective investors in the company.

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:**

In a country like India, where more than 60 per cent of the area under cultivation is not irrigated, farm production is highly vulnerable to fluctuations in rainfall. Beside production risk, Indian farmers also face high market risk. Farm harvest prices in the country show high inter and intra year volatility. Price variation is quite pronounced in the regions and commodities where price support mechanism is not operative. Further 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 a strong brand which helps in differentiating their product.

### **Dividend**

Your Directors do not recommend any dividend for the financial year 2018-19.

### **Re-Appointment / Resignation of Directors**

In accordance with the provisions of the Companies Act, 2013, Mr. Gurnam Arora (holding DIN – 00010731), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Your Directors recommend this resolution for approval of the members.

The Re-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 28th Annual General Meeting of the Company held on 25th September, 2017 for the period of three years subject to the approval of the Central Government. Further the Company had obtained approval from the Central Government in this regard.

During the year the company has received resignation of Mr. Nitin Arora, Executive Director and Mr. M. K. Trisal, Independent Director of the Company from Board and Committees of Kohinoor Foods Limited w.e.f. 10th October, 2018 and 22nd October, 2018 respectively. The Board has accepted the resignation and necessary form has been filed with Registrar of Companies NCT of Delhi and Haryana.

Further in compliance of the provisions of Stock Exchanges Circular having Ref No. NSE/CML/2018/24 dated 20th June, 2018, Mr. Sandeep Kohli, Independent Director of the Company has voluntarily resigned from the Directorship of Kohinoor Foods Limited, effective from 22nd June, 2018 and necessary form has been filed in this regard.

This is to further inform that Mr. S. C. Gupta and Ms. Madhu Vij, Independent Directors of the company have resigned from the Board and Committees of Kohinoor Foods Limited w.e.f. 28th May, 2019 and 11th June, 2019 respectively and necessary form has been filed in this regard.

### **Appointment / Resignation of Company Secretary**

This is to inform that Mr. Deepak Kumar Kaushal, has been appointed as Company Secretary and Manager (Legal) of the Company w.e.f. 14th August, 2019.

This is to further inform that Mr. Rama Kant, Company Secretary and GM (Legal) (Ex-CS) of the Company has voluntarily resigned from the position of Company Secretary of Kohinoor Foods Limited, effective from 19th January, 2019 and necessary form has been filed in this regard.



This is to further inform that Mr. Ankit Sharma, was appointed as Company Secretary and Manager (Legal) of the Company w.e.f. 13th June, 2019. This is to further inform that earlier Mr. Ankit Sharma was designated as Assistant Manager, Secretarial and Legal of the Company and was handling the Secretarial and Legal function of the Company since 17th April, 2017. Mr. Ankit Sharma, Company Secretary and Manager (Legal) (Ex-CS) of the Company has voluntarily resigned from the position of Company Secretary of Kohinoor Foods Limited, effective from 10th July, 2019 and necessary form has been filed in this regard.

### Re-Valuation of Property, Plant and Equipment

The Company has adopted revaluation model for Land & Building. All the assets belonging to these classes of assets are carried at revalued amount being its fair value at the date of revaluation less subsequent depreciation. The company shall carry out the revaluation of these assets periodically after every 3 to 5 years.

Property, Plant & Equipment under all other classes are stated at cost of acquisition/installation inclusive of freight, duties, and taxes and all incidental expenses and net of accumulated depreciation. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing costs. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress" and stated at the amount spent up to the date of balance sheet.

Intangible assets are stated at their cost of acquisition.

### 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.

Further these Financial Statements have been prepared in

accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. These financial statements for the year ended March 31, 2019 are prepared under Ind AS. For all periods up to and including the year ended March 31, 2017, the financial statements were prepared in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS.

The Financial Statements have been prepared on the historical cost convention on going concern basis and on accruals basis unless otherwise stated.

The financial statements of Kohinoor Foods Limited ("Holding Company of KFL") together with its subsidiaries (hereinafter collectively referred to as "Group") are consolidated to form Consolidated Financial Statements (CFS). Consolidated Financial Statements consolidate the financial statements of KFL and its Wholly Owned Subsidiaries.

The parent company has not received audited financial statement from its Joint venture Company, Rich Rice Raisers LLC. The Management considers that the parent company is not in position to exercise control over this entity. Hence the results of Joint Venture Company have not been considered in the Consolidated Financial Statements. Rich Rice Raisers LLC, in which, KFL hold 25% shareholding, has closed its operation.

KFL was holding 20% share in Al Dhara Kohinoor LLC and Al Dhara Kohinoor Industries LLC. Al-Dahra Kohinoor LLC has exercised the call option, which KFL has accepted. Upon completion of the formalities the shareholding of the parent company in both of these associates has reduce to NIL and they are not considered as Associates Companies for the Current Year.

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 in the prescribed format AOC-1 is enclosed as Annexure to the 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 Registered 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 Financial Year 2019-20 is yet to be paid by the Company.

### 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

At the twenty-nine AGM held on September 28, 2018 the Members approved appointment of M/s. Rajender Kumar Singal & Associates LLP, Chartered Accountants (Firm Registration No. 016379N) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of twenty ninth AGM till the conclusion of the fifth AGM to be held in the year 2023, subject to ratification of their appointment by Members at every AGM, if so required under the Act.

The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.

### 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 notes to the Financial Statements, the same has not been reproduced for the sake of brevity as the remarks given by the Auditors are self-explanatory, however the Board has Discussed the same in details as had been provided in the notes to the Financial Statements.

### Cost Auditors

The Cost Auditor M/s Cheena and Associates appointed as Cost Accountants of the Company for the year 2018-19 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



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statutory modification(s) or re-enactment thereof, for the time being in force), 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, 2020 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 2019-2020.

### Secretarial Audit Report

The Secretarial Auditor M/s Vinod Aggarwal and Associates, Company Secretaries, appointed for the year 2018-19 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 2018-19 expired on 31st March, 2019.

Your Directors have approved their reappointment in the Board Meeting dated 29th May, 2019, for the financial year 2019-20.

### 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 has allotted 58,14,000 share warrants at a premium of Rs. 66/- per share to the promoters on preferential basis on 04th October, 2018, out of these, 18,30,000 share warrants have been converted into equity shares on 04th October, 2018. After allotment, the Company has filed application for listing of 18,30,000 equity shares to the Stock Exchanges (NSE & BSE). However BSE has closed the application and approval from NSE is yet to be received. The paid up Share Capital of the Company is amounting to Rs.

370,715,300/- comprising of 37,071,530 equity shares of Rs. 10/- each.

### Board Meetings

The Board is headed by an executive Chairman. As on 31st March 2019, the Board of Directors consisted of Six Directors, including Chairman, Joint Managing Directors, Woman Director, Independent Director and others.

Six (6) Board Meetings were held during the year 2018-19, i.e. on 03th April, 2018, 30th May, 2018, 14th August, 2018, 04th October, 2018, 14th November, 2018 and 14th February, 2019, and the gap between two meetings did not exceed 120 days.

### Audit Committee Meetings

During the year under review, the Audit Committee met Five (5) times i.e. on 03rd April, 2018, 30th May, 2018, 14th August, 2018, 14th November, 2018 and 14th February, 2019 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. Due to resignation of Mr. M. K. Trisal on 22nd October, 2018, Mr. Sandeep Kohli on 22nd June, 2018, Mr. S. C. Gupta on 28th May, 2019 and Ms. Madhu Vij on 11th June, 2019, the Audit Committee composition is not complete in accordance with the provisions of the Act.

### Nomination and Remuneration Committee

During the year under review, the Nomination and Remuneration Committee met One (1) times i.e. on 14th August, 2018. The committee in the meeting held on 14th August, 2018 has discussed/considered and approve the appointment of Mr. Vijay Burman as Non-Executive Independent Director of the Company. Due to resignation of Mr. M. K. Trisal on 22nd October, 2018, Mr. Sandeep Kohli on 22nd June, 2018, Mr. S. C. Gupta on 28th May, 2019 and Ms. Madhu Vij on 11th June, 2019, the Nomination and Remuneration Committee composition is not complete in accordance with the provisions of the Act.

### 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).

### 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 and well within the limit approved by the Shareholders of the company.

### Present Status of litigations

As informed in the Annual Report for the Financial Year 2017-18 that in terms of the Settlement Agreement, KFL transferred its 15% shareholding of KSF to McCormick, Singapore after receiving 75% of the total consideration after obtaining approval of RBI. Further as agreed in the agreement the company has receive the second tranche being 25% of the agreed consideration, amounting to Rs. 2,50,00,000/- (Rupees Two Crores Fifty Lakhs Only).

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.

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 Licenses made in earlier years.

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 has dismissed the 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. The Hon'ble CETSTAT vide its order dated 28/05/2019 has dismissed the aforesaid demand accordingly, entire pre-deposit of Rs 19.07L (Approx.) has become due to the company.

During the financial year 2016-17, the company has received an 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.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 aforesaid demand.

The Company has received Notices from the Banks under section 13(2) of The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, in the month of July, 2018 to May, 2019. The Company has replied to the notices received from the Bank and the Company has replied of said notices within 60 days from the date of notices. The Oriental Bank of Commerce and Punjab National Bank have served notice of Wilful Defaulter. The Company/Directors have replied to the said notices. The Company have also approached Banks with suitable resolution plan for their consideration.

The Company has submitted an offer of One Time Settlement (OTS) to the Banks. The Banks have not accepted the proposal of the Company.

The Lead Bankers, Oriental Bank of Commerce has filed petition under Section 7 of Insolvency and Bankruptcy Code, 2016, before the Honbl'e court of NCLT, Chandigarh Bench, which is not yet admitted.

M/s. Norton Rose Fulbright LLP. has filed petition under Section 7 of Insolvency and Bankruptcy Code, 2016, before the Honbl'e court of NCLT, Chandigarh Bench, which is not yet admitted.

M/s. Uma Polymers Limited has filed petition under Section 7 of Insolvency and Bankruptcy Code, 2016, before the Honbl'e court of NCLT, Chandigarh Bench, which is not yet admitted.

All other litigations are mentioned in the note on Contingent



liability in the Balance Sheet for the financial year 2018-19.

### **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 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, 2019, 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 31st March, 2019, 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 judgments 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 31st March, 2019 and of the profit and loss 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

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. Vijay Burman (Chairman)
2. Mr. Satnam Arora
3. Mr. Gurnam Arora
4. Mr. Satish Chand Gupta (Resigned w.e.f. 28th May, 2019)
5. Mr. M K Trisal (Resigned w.e.f. 22nd October, 2018)
6. Mr. Sandeep Kohli (Resigned w.e.f. 22nd June, 2018)

As the Average net Profit/(Loss) of the Company for last three financial years prior to 2018-19 comes to average net loss and

therefore the Company is not statutorily required to spend amount as prescribed for CSR expenditure.

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 endeavor we have offered subsidized meals to our employees at a very nominal cost.

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 2018-2019 as per the SEBI Circular SEBI/LAD-NRO/GN/2015-16/27 dated 22nd December, 2015 and Frequently Asked Questions issued by SEBI on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated 29th 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, 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/-

**Satnam Arora**

**Jt. Managing Director**

Place : Faridabad

Date : September 04, 2019

Sd/-

**Gurnam Arora**

**Jt. Managing Director**





### 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

As on 31st March, 2019, 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, the Board of Directors consisted of Six Directors, including Chairman, Joint Managing Directors, Woman Director, Independent Directors, Whole-time Director.

As on 31st March, 2019, 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.

Six (6) Board meetings were held during the Financial Year 2018-19 and the gap between two meetings did not exceed 120 days. The dates, on which the Board meetings were held, are 03th April, 2018, 30th May, 2018, 14th August, 2018, 04th October, 2018, 14th November, 2018 and 14th February, 2019.

Further the following Directors has also given their resignation from the directorship of the Company after the end of the financial year 2018-2019.

Mr. S. C. Gupta and Ms. Madhu Vij, Independent Directors of the company has resigned from the Board and Committees of Kohinoor Foods Limited w.e.f. 28th May, 2019 and 11th June, 2019 respectively and necessary form has been filed in this regard.

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, 2019, and at the last Annual General Meeting, and the number of other Directorship and Chairmanship/ Membership of Committees held by them, are given below:



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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)	3	No	1	Nil	Nil	6,653,484
Mr. Satnam Arora (Joint Managing Director)	6	No	2	Nil	2	5,988,923
Mr. Gurnam Arora (Joint Managing Director)	6	Yes	2	Nil	Nil	6,708,889
Mr. Nitin Arora (Whole-time Director) (Resigned w.e.f. 10 <sup>th</sup> August, 2018)	2	No	1	Nil	Nil	21,000
<b>Non - Executive and Non - Independent</b>						
Mr. Vijay Burman	6	Yes	Nil	Nil	Nil	Nil
Mr. Sandeep Kohli (Resigned w.e.f. 22 <sup>nd</sup> June, 2018)	1	No	Nil	Nil	Nil	Nil
Mr. Maharaj Kishan Trisal (Resigned w.e.f. 22 <sup>nd</sup> October, 2018)	3	No	2	Nil	1	Nil
Mr. Satish Chandra Gupta	6	No	4	1	4	Nil
Ms. Madhu Vij	6	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.



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INFORMATION AS REQUIRED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015, RELATING TO DIRECTORS AS ON DATE OF APPROVAL OF DIRECTOR'S REPORT

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

He is associated with the Organization 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 enjoyed 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 Food Processing Plant at Bahalgarh, Sonipat. His major contribution is in the areas of quality standardization. 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. Companies.

He holds 6,653,484 (17.95%) Equity Shares of the Company in his own name as on 31st March, 2019.

**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 organization, 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. Companies.

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

He holds 5,988,923 (16.16%) Equity Shares of the Company in his own name as on 31st March, 2019.

**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. 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 some of the Pvt. Ltd. Companies.

He holds 6,708,889 (18.1%) Equity Shares of the Company in his own name as on 31st March, 2019.

**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, Nomination and Remuneration Committee, Stakeholders Relationship Committee and corporate social responsibility Committee of the Kohinoor Foods Limited.

He does not hold any share of the Company in his name as on 31st March, 2019.

### 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 28th September, 2019 to answer member queries.

During the year under review, The Committee's 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.





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During the year under review, the Audit Committee met Five (5) times i.e. on 03rd April, 2018, 30th May, 2018, 14th August, 2018, 14th November, 2018, and 14th February, 2019, 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	5
Mr. Satnam Arora	Member	5
Mr. Maharaj Kishan Trisal (Resigned w.e.f. 22nd October, 2018)	Member	2
Mr. Satish Chandra Gupta (Resigned w.e.f. 28th May, 2019)	Member	5
Ms. Madhu Vij (Resigned w.e.f. 11th June, 2019)	Member	5
Mr. Sandeep Kohli (Resigned w.e.f. 22nd June, 2018)	Member	3

- Due to resignation of Mr. M. K. Trisal on 22nd October, 2018, Mr. Sandeep Kohli on 22nd June, 2018, Mr. S. C. Gupta on 28th May, 2019 and Ms. Madhu Vij on 11th June, 2019, the Audit Committee composition is not complete in accordance with the provisions of the Act.

### 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;



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- 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' grievances pertaining to transfer/ transmission of shares, dividends, de-materialization/ re-materialization, 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 de-materialization/ re-materialization 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 1 complaints from investors during the year 01.04.2018 to 31.03.2019, 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. Vijay Burman	Chairman
Mr. Gurnam Gupta	Member
Mr. Satnam Arora	Member
Mr. Sandeep Kohli	
(Resigned w.e.f.22nd June, 2018)	Ex-Chairman
Mr. Satish Chand Gupta	
(Resigned w.e.f.28th May, 2019)	Ex-Chairman

### iii) **Nomination and 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 (1) times i.e. on 14th August, 2018.

During the year under review, the Committee comprises of four members, all of them being Non-executive Independent Directors. The Company Secretary acts as Secretary to the Committee.

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

<b>Name</b>	<b>Position</b>
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Mr. Vijay Burman	Chairman
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Mr. Maharaj Kishan Trisal	
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(Resigned w.e.f. 22nd October, 2018)	Member
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Mr. Satish Chandra Gupta	
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(Resigned w.e.f. 28th May, 2019)	Member
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Ms. Madhu Vij	
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(Resigned w.e.f. 11th June, 2019)	Member
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Mr. Sandeep Kohli	
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(Resigned w.e.f. 22nd June, 2018)	Member
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- Due to resignation of Mr. M. K. Trisal on 22nd October, 2018, Mr. Sandeep Kohli on 22nd June, 2018, Mr. S. C. Gupta on 28th May, 2019 and Ms. Madhu Vij on 11th June, 2019, the Nomination and Remuneration Committee composition is not complete in accordance with the provisions of the Act.

### **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 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 SEBI (LODR) Regulation, 2015; 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 2018-19:

Name of Directors	Salary	Perquisites	Sitting Fee	Total
<b>Executive Director-Promoters</b>				
Mr. Jugal Kishore Arora (Whole time Director, designated as Chairman)	16,00,000	Nil	–	16,00,000
Mr. Satnam Arora (Joint Managing Director)	15,00,000	Nil	–	15,00,000
Mr. Gurnam Arora (Joint Managing Director)	15,00,000	Nil	–	15,00,000
<b>Mr. Nitin Arora (Whole-time Director)</b> (Resigned w.e.f. 10 <sup>th</sup> August, 2018)	25,93,548	Nil	–	25,93,548
<b>Non-executive and Non- Independent</b>				
Mr. Vijay Burman	–	–	3,00,000	3,00,000
Mr. Sandeep Kohli (Resigned w.e.f. 22 <sup>nd</sup> June, 2018)	–	–	–	–
Mr. Maharaj Kishan Trisal (Resigned w.e.f. 22 <sup>nd</sup> October, 2018)	–	–	1,25,000	1,25,000
Mr. Satish Chandra Gupta	–	–	3,00,000	3,00,000
Ms. Madhu Vij	–	–	3,00,000	3,00,000
<b>TOTAL</b>	<b>71,93,548</b>	<b>Nil</b>	<b>10,25,000</b>	<b>82,18,548</b>

### Remuneration to Executive Directors for 2018-2019

The Company has obtained the approval of the Central Government for payment of remuneration for the period of two years vide approval dated 3rd August, 2016 for the period 1/10/2015 to 30/09/2017.

Further the Re-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 28th Annual General Meeting of the Company held on 25th September, 2017 for the period of three years subject to the approval of the Central Government. In this regard the Company had already made application to the Central Government for approval. However, the Executive Directors have forgone their remuneration for remaining months from June 2018 to March 2019.

### Non-Executive Directors' Compensation

The Board of Directors at its meeting held on 13th 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. Vijay Burman
2. Mr. Satnam Arora
3. Mr. Gurnam Arora
4. Mr. Satish Chand Gupta (Resigned w.e.f. 28th May, 2019)
5. Mr. M K Trisal (Resigned w.e.f. 28th October, 2018)
6. Mr. Sandeep Kohli (Resigned 22nd June, 2018)

As the Average net Profit/(Loss) of the Company for last three financial years prior to 2018-19 comes to average net loss and therefore the company is not statutorily required to spent amount as prescribed for CSR expenditure.

Although the Company is not statutorily require to expend 2% of the average net profit (INR) of the last three financial years, being average net loss. 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 30th March 2019, 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 2018-19.

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>, 2019 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 Subsidiaries, 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.



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The Financial Statements have been prepared on the historical cost convention on going concern basis and on accruals basis unless otherwise stated.

The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements of Kohinoor Foods Limited ("Holding Company or KFL") together with its subsidiaries (hereinafter collectively referred to as "Group") are consolidated to form Consolidated Financial Statements (CFS). Consolidated Financial Statements consolidate the financial statements of KFL and its Wholly Owned Subsidiaries.

The parent Company has not received audited financial statement from its Joint venture Company, Rich Rice Raisers LLC. The Management considers that the parent company is not in position to exercise control over this entity. Hence the results of Joint Venture Company have not been considered in the Consolidated Financial Statements. Rich Rice Raisers LLC, in which, KFL holds 25% shareholding, has closed its operation.

KFL was holding 20% share in Al Dhara Kohinoor LLC and Al Dhara Kohinoor Industries LLC. Al-Dahra Kohinoor LLC has exercised the call option, which KFL has accepted. Upon completion of the formalities the shareholding of the parent company in both of these associates has reduce to NIL and they are not considered as Associates Companies for the Current Year.

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 in the prescribed format AOC-1 is enclosed as Annexure to the 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 Registered 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. The details are provided in the related party disclosures in the notes forming part of the financial statement and hence not repeated here for the sake of brevity. 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 2018-19

Pending at the beginning of the year	Nil
Received during the year	1
Disposed of during the year	1
Remaining unresolved at the end of the year	Nil

### Financial calendar

Audited annual results for year ending 31st March by May

Mailing of Annual Reports by August/September

Annual General Meeting by September

Un-audited first quarter Financial Results by August

Un-audited second quarter Financial Results by November

Un-audited 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 for processing of share transfer/de-materialization/ re-materialization. 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 de-materialization / re-materialization are being processed in periodical cycles at Skyline. The work related to de-materialization/ re-materialization 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 2018-19 was 27388 shares versus 5796 shares during 2017-18.

### 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 authorized 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 27th September, 2019 (9.00 a.m.) till 29th September, 2019 (5.00 p.m.). The Board has appointed Mr. Vinod Aggarwal, Practicing Company Secretary as scrutinizer for the e-voting process. Detailed procedure is given in the Notice of the Thirtieth 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
2016	29-09-2016	11:00 A.M.	Pearey Lal Bhawan Association, 2 Bahadur Shah Zafar Marg, New Delhi 110002	0
2017	25-09-2017	11:00 A.M.	Magpie Tourist Complex (a unit of Haryana Tourism Corporation Limited), Main Mathura Road, Sector-16A, Faridabad, Haryana – 121002.	6
2018	28-09-2018	11:00 A.M.	Magpie Tourist Complex (a unit of Haryana Tourism Corporation Limited), Main Mathura Road, Sector-16A, Faridabad, Haryana – 121002.	1

## 5. Disclosures

### a) Related Party Transactions

There were 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). 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. The details are provided in the related party disclosures in the notes forming part of the financial statement and hence not repeated here for the sake of brevity.

**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) Regulations, 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 de-materialized 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](http://www.kohinoorfoods.in).

**b) Website:**

The Company's website [www.kohinoorfoods.in](http://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 is displayed on the Company's website ([www.kohinoorfoods.in](http://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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, Results, media releases, among others are also filed electronically on the Listing Centre by the Company.

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

SEBI has designed a centralized web-based system, [www.scores.gov.in](http://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.



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

### 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	:	30 <sup>th</sup> September, 2019
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	:	24.09.2019 to 30.09.2019 (both days inclusive)
CIN	:	L52110HR1989PLC070351 (w.e.f. 16 <sup>th</sup> August, 2017)

### 8. Listing on Stock Exchanges

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

### 9. Payment of Listing Fees

The annual listing fee for the Financial Year 2019-2020 is yet to be paid by the Company to BSE.

### 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 BSE Ltd. (BSE).

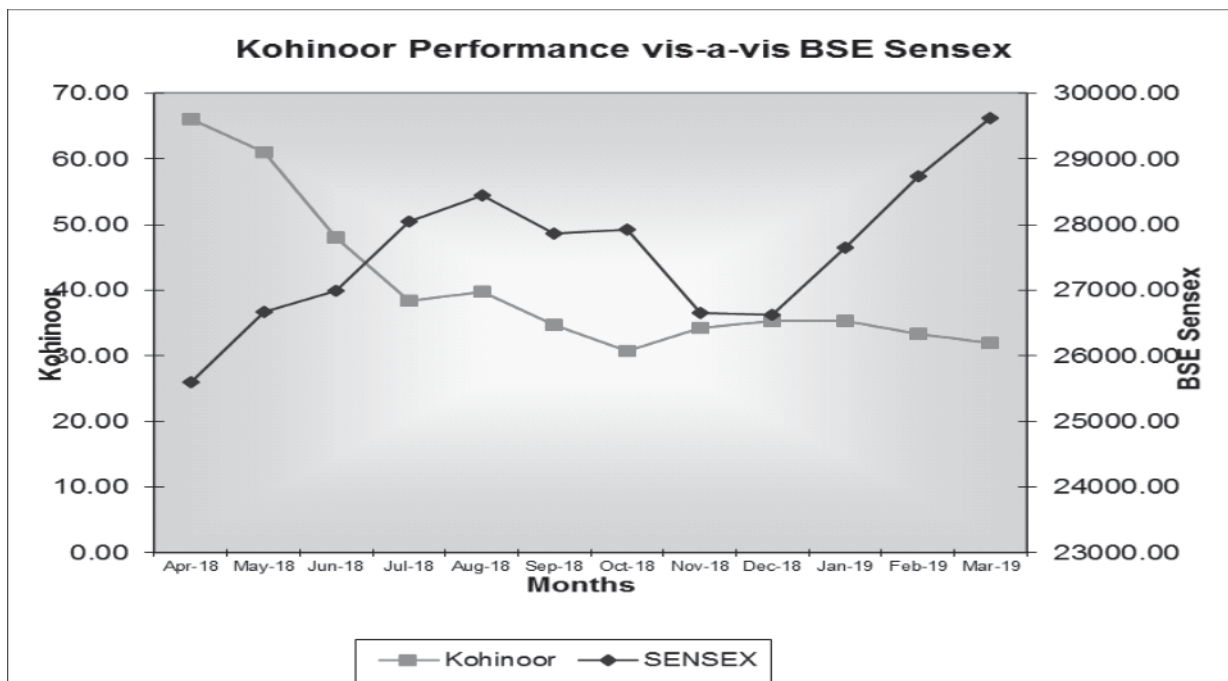
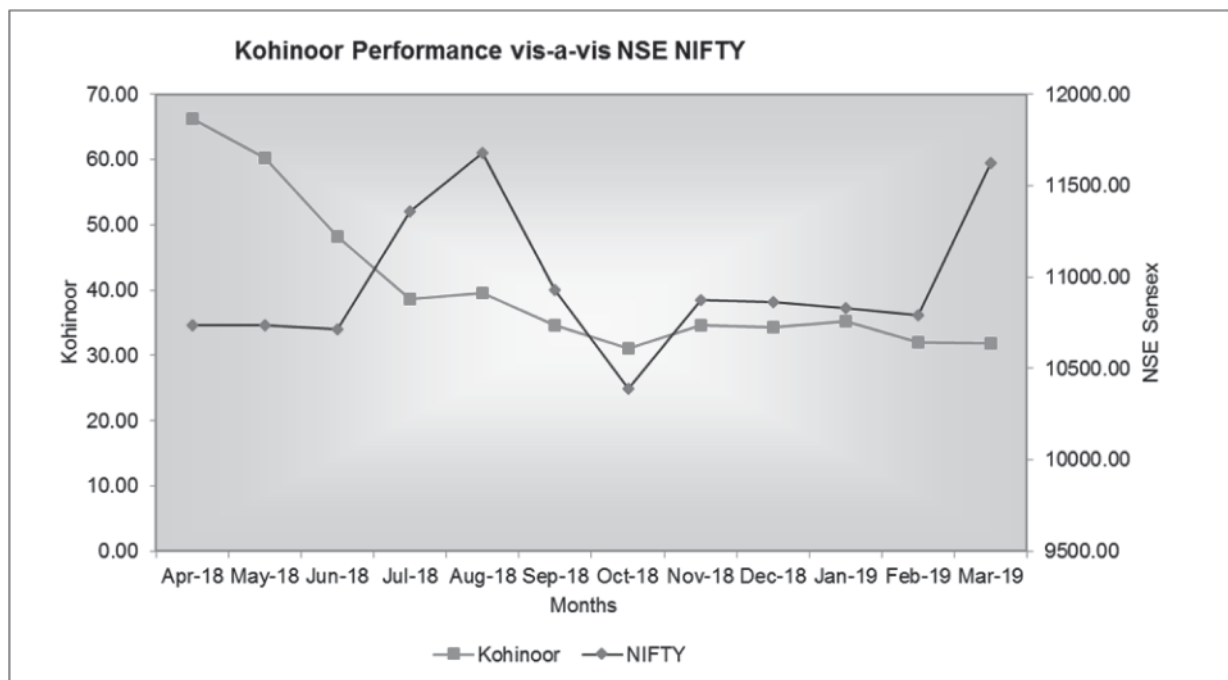
Month/Year	N.S.E		B.S.E	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
April 2018	69.90	62.50	70.00	62.25
May 2018	66.45	53.90	66.50	55.65
June 2018	56.60	39.80	56.00	40.00
July 2018	43.60	33.70	43.70	33.10
August 2018	44.00	35.20	44.10	35.55
September 2018	38.50	30.60	38.75	30.60
October 2018	33.45	28.55	33.30	28.25
November 2018	39.10	30.15	38.50	30.15
December 2018	37.45	31.10	39.00	31.60
January 2019	38.85	31.70	38.70	31.85
February 2019	35.35	28.75	38.10	28.55
March 2019	34.30	29.45	34.50	29.40



# Kohinoor Foods Ltd.

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**S&P CNX Nifty/Sensex vis-à-vis Kohinoor Foods**  
**Relative Price Movements April 2018 – March 2019 (Base price as on 1st April 2018)**





### 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, 2019.

**Distribution of Shareholding as on 31<sup>st</sup> March, 2019, as per SEBI (LODR) Regulations, 2015. (As per PAN Basis)**

NO. OF SHARES		SHARE HOLDERS		TOTAL SHARES	
		No.	% age	Total	% of Total
1	5,000	24544	89.02	30997240	8.36
5001	10,000	1681	6.1	13864770	3.74
10001	20,000	725	2.63	11040880	2.98
20001	30,000	242	0.88	6272140	1.69
30001	40,000	91	0.33	3227420	0.87
40001	50,000	89	0.32	4195950	1.13
50001	1,00,000	107	0.39	7908860	2.13
1,00,000	Above	93	0.34	293208040	79.09
	<b>Total</b>	<b>27572</b>	<b>100</b>	<b>370715300</b>	<b>100</b>

#### Category of Shareholders as on 31<sup>st</sup> March 2019

Category	No. of Shares of Rs. 10 each	Percentage (%) of Total
Promoter, Directors and Relatives	20225240	54.56
Mutual Funds / UTI	0	0.00
Alternative Investment Funds	0	0.00
Foreign Portfolio Investors	60000	0.16
Financial Institutions/Banks	187887	0.51
Insurance Companies	0	0.00
Foreign Institutional Investors	0	0.00
Foreign Companies	7048306	19.01
Domestic Companies/Bodies Corporate	654474	1.77



# Kohinoor Foods Ltd.

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Category	No. of Shares of Rs. 10 each	Percentage (%) of Total
Non-resident Individual	263741	0.71
Others	0	0.00
Individual Shareholders	7663032	21.47
HUF	414345	1.12
Clearing Member/House	254505	0.69
<b>Total</b>	<b>37071530</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 <sup>st</sup> March 2019. (As per Shareholding basis)				
Particulars of Shares	Shares of Rs. 10 each		Shareholders	
	Number	% of Total	Number	% of Total
De-materialised Form				
National Securities Depository Ltd. (NSDL)	31189419	88.50	13985	48.21
Central Depository Services (India) Ltd. (CDSL)	3616973	10.26	9838	33.92
Physical Form	435138	1.23	5184	17.87
<b>Total</b>	<b>3,52,41,530</b>	<b>100.00</b>	<b>29,007</b>	<b>100.00</b>

During the year under review, the Company has allotted 58,14,000 share warrants at a premium of Rs. 66/- per share to the promoters on preferential basis on 04th October, 2018, out of these, 18,30,000 share warrants have been converted into equity shares on 04th October, 2018. After allotment, the Company has filed application for listing of 18,30,000 equity shares to the Stock Exchanges (NSE & BSE). However BSE has closed the application and approval from NSE is yet to be received. The paid up Share Capital of the Company is amounting to Rs. 370,715,300/- comprising of 37,071,530 equity shares of Rs. 10/- each. Further the Company has not issued any GDRs/ADRs or any convertible instruments except as mentioned the Annual Report.

#### 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 31<sup>st</sup> March, 2019 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, 2018-2019, the total dematerialized equity shares of the Company is 3,48,06,392 Equity Shares forming 98.77% 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 20<sup>th</sup> 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)-131027

- 42-43 Milestone, G. T. Karnal Road, Village Sultanpur, Bahalgarh, Sonapat, Haryana-131021

### 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, 10th Floor, Shooting Range Road,

Surajkund, Faridabad, Haryana- 121001

However, shareholders holding shares in de-mat 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, Satnam Arora and Gurnam Arora, Jt. Managing Directors 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<sup>st</sup> March 2019.

### FOR AND ON BEHALF OF THE BOARD

Date : 04th September, 2019

Place : Faridabad

Sd/-

Satnam Arora

Jt. Managing Director

Sd/-

Gurnam Arora

Jt. Managing Director



### 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, 2019, 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: 04.09.2019

### 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 Kamal Deep Chawla, 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 : 04.09.2019

Satnam Arora

Jt. Managing Director

Sd/-

Kamal Deep Chawla

(CFO)



### FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> March, 2019

[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, 2019.

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, 2019 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, 2019 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
  - (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 normally given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent normally three days in advance. However, in some cases shorter notice/agenda of the Board Meeting has been sent to Directors. Consent, if obtained from the Directors were not available for our inspection.
- (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 the application made by the Company, seeking approval of the Central Government for appointment and payment of remuneration to Mr. Jugal Kishore Arora (Whole-time Director designated as Chairman), Mr. Satnam Arora (Jt. Managing Director) and Mr. Gurnam Arora (Jt. Managing Director) has been disposed off by the Central Government (Ministry of Corporate Affairs) vide email/letter dated 23rd October, 2018.

Place: New Delhi

Date: 04.09.2019

**For Vinod Aggarwal & Associates**

Company Secretaries

Sd/-

**Vinod Aggarwal, Prop.**

FCS No: 8007

CP No:8816



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

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: 04.09.2019

**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 31<sup>st</sup> March, 2018.

#### A. Conservation of Energy

Improvement of methods of Energy Conservation and optimal utilization 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 48.7% from Rs. 5.12 crores last year to Rs. 2.62 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, Dry Fruits, Healthy grain, 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





# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

product. During the year there is a decrease of 77.65% in R & D expenditure by the company, amounting to Rs. 6.3 lakhs against the last year amount of Rs. 28.21 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. . 6,30,504/-
c) Total	:	Rs. . 6,30,504/-

Total R&D expenditure is 0.02% 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**

a) **Total Foreign Exchange earned and used.**

Foreign Exchange Earnings of the Company amounted to Rs.2650.97 Lacs as against Foreign Exchange Outgo of Rs. 306.98 Lacs during the year under review.

b) 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, in International Market, from the country.

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 Italy, Kuwait, New Zealand, 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**

Date : 04th September, 2019

Place : Faridabad

Sd/-

Satnam Arora

Jt. Managing Director

Sd/-

Gurnam Arora

Jt. Managing Director



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2018

[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	L52110HR1989PLC070351
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, 10 <sup>th</sup> Floor, Shooting Range Shooting Range Road, Surajkund, Faridabad, Haryana- 121001 Phone: +91-129-424-2222, Fax: +91-129-424-2233 Email: <a href="mailto:info@kohinoorfoods.in">info@kohinoorfoods.in</a> Website: <a href="http://www.kohinoorfoods.in">www.kohinoorfoods.in</a>
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. 011- 40450193 to 97

#### 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	95.15% & 4.85%



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

### 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, 3 <sup>rd</sup> Interchange, Sh Zayed Road, Dubai, U.A.E.	NA	ASSOCIATE	25%	

### 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	20121140	0	20121140	54.28	2.38
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other .....	104100	0	104100	0.30	104100	0	104100	0.28	(0.02)
<b>Sub-total (A) (1):-</b>	<b>18395240</b>	<b>0</b>	<b>18395240</b>	<b>52.20</b>	<b>20225240</b>	<b>0</b>	<b>20225240</b>	<b>54.56</b>	<b>2.36</b>



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

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</b>									
<b>(A) (2):-</b>									
<b>Total shareholding</b>									
<b>of Promoter</b>	<b>18395240</b>	<b>0</b>	<b>18395240</b>	<b>52.20</b>	<b>20225240</b>	<b>0</b>	<b>20225240</b>	<b>54.56</b>	<b>0</b>
<b>(A) = (A)(1)+(A)( 2)</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	161075	0	161075	0.46	187887	0	187887	0.51	0.05
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) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
i) Others (specify)	60000	0	60000	0.17	60000	0	60000	0.16	(0.01)
<b>Sub-total (B)(1):-</b>	<b>221075</b>	<b>0</b>	<b>221075</b>	<b>0.63</b>	<b>247887</b>	<b>0</b>	<b>247887</b>	<b>0.67</b>	<b>0.04</b>
<b>2. Non Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	753548	34376	787924	2.24	620098	34376	654474	1.77	(0.47)
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
(I) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5826654	402916	6235870	17.70	6482724	383524	6866248	18.52	0.82



# Kohinoor Foods Ltd.

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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	1505159	16200	1521359	4.31	1080584	16200	1096784	2.96	(1.35)
<b>c) Other specify</b>									
N.R.I. (Rept & Non-Rept)	233200	0	233200	0.66	263741	0	263741	0.71	0.05
Public Trusts	0	0	0	0	0	0	0	0	0
Corporate Bodies-OCB	7048306	0	7048306	20	7048306	0	7048306	19.01	(0.99)
Intermediary/Other Depository A/c	0	0	0	0	0	0	0	0	0
Hindu Undivided Family	366088	0	366088	1.02	414345	0	414345	1.12	0.10
Clearing Members/ House	437858	0	437858	1.24	254505	0	254505	0.69	(0.55)
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	610	0	610	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>16184723</b>	<b>459792</b>	<b>16625215</b>	<b>47.17</b>	<b>16164303</b>	<b>434100</b>	<b>16598403</b>	<b>44.77</b>	<b>(2.40)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>16386498</b>	<b>459792</b>	<b>16846290</b>	<b>47.80</b>	<b>16412190</b>	<b>434100</b>	<b>16846290</b>	<b>45.44</b>	<b>(2.36)</b>
Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>34775046</b>	<b>466484</b>	<b>35241530</b>	<b>100</b>	<b>36637430</b>	<b>434100</b>	<b>37071530</b>	<b>100</b>	<b>0</b>





# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of 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	% change in shareholding during the year
1.	Gurnam Arora	6098889	17.31	-	6708889	18.1	-	0.79
2.	Jugal Kishore Arora	6043484	17.15	-	6653484	17.95	-	0.8
3.	Satnam Arora	5378923	15.26	-	5988923	16.16	-	0.9
4.	Rani Arora	746009	2.12	-	746009	2.01	-	(0.11)
5.	Nitin Arora	21000	0.06	-	21000	0.06	-	-
6.	Madhu Arora	1869	0.00	-	1869	-	-	-
7.	Meena Rani Arora	966	0.00	-	966	0.0	-	-
8.	Satnam Haegens Ltd.	104100	0.30	-	104100	0.28	-	(0.02)
	Total	18395240	52.20	-	18395240	54.56	-	2.36

### (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
	Gurnam Arora				
	At the beginning of the year	6098889	17.31	6098889	17.31
	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):	04/10/2018 Allotment of 610000 Equity Shares to Mr. Gurnam Arora (Promoter) of the Company upon Conversion of Warrants	0.79	04/10/2018 Allotment of 610000 Equity Shares to Mr. Gurnam Arora (Promoter) of the Company upon Conversion of Warrants	0.79
	At the End of the year	6708889	18.10	6708889	18.10
	Satnam Arora				
	At the beginning of the year	5378923	15.26	5378923	15.26



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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
	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):	04/10/2018 Allotment of 610000 Equity Shares to Mr. Satnam Arora (Promoter) of the Company upon Conversion of Warrants	0.90	04/10/2018 Allotment of 610000 Equity Shares to Mr. Satnam Arora (Promoter) of the Company upon Conversion of Warrants	0.90
	At the End of the year	<b>5988923</b>	<b>16.16</b>	<b>5988923</b>	<b>16.16</b>
	Jugal Kishore Arora	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	6043484	17.15	6043484	17.15
	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):	04/10/2018 Allotment of 610000 Equity Shares to Mr. Jugal Kishore Arora (Promoter) of the Company upon Conversion of Warrants	0.80	04/10/2018 Allotment of 610000 Equity Shares to Mr. Jugal Kishore Arora (Promoter) of the Company upon Conversion of Warrants	0.80
	At the End of the year	<b>6653484</b>	<b>17.95</b>	<b>6653484</b>	<b>17.95</b>

\* The increase in the percentage of shares is due to conversion of share warrants into equity shares.



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

### (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 (01-04-18)	% of total shares of the Company				No. of Shares	% of total shares of the company
1.	Al Dahra International Investments LLC	7048306	20.00	-	-	Increase in paid up Capital of the Company	7048306	19.1
2.	United India Insurance Company Limited	117081	0.33	-	-	Increase in paid up Capital of the Company	117081	0.32
3.	Pace Stock Broking Services Pvt Ltd	5660	0.02	19.10.2018 26.10.2018 09.11.2018 16.11.2018 30.11.2018 21.12.2018 25.01.2019 15.02.2019 20.02.2019 01.03.2019 08.03.2019	10555 9000 9897 4323 12789 3500 3500 1003 1000 32177 24910	Purchase Sale Purchase Sale Sale Purchase Sale Purchase Sale Purchase Purchase	106640	0.29
4.	Dilip Kumar Khandelwal	88000	0.25	-	-	Increase in paid up Capital of the Company	88000	0.24
5.	Devi Das Verma	30000	0.09	27.07.2018 10.08.2018 21.12.2018 25.01.2019 22.02.2019 08.03.2019 29.03.2019	65967 20000 10000 10000 10000 10000 10000	Purchase Sale Purchase Sale Purchase Sale Purchase	85697	0.23
6.	Angel Broking Private Limited	163890	0.47	27.07.2018 10.08.2018 17.08.2018 24.08.2018 31.08.2018 07.09.2018 14.09.2018 21.09.2018 28.09.2018 05.10.2018 12.10.2018 19.10.2018 26.10.2018 02.11.2018	124698 6203 2647 7543 12237 674 4849 106 11090 121 6533 4547 12716 5234	Sale Purchase Sale Purchase Sale Purchase Purchase Purchase Purchase Purchase Purchase Purchase Purchase Purchase	63243	0.17



# Kohinoor Foods Ltd.

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### (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 (01-04-18)	% of total shares of the Company				No. of Shares	% of total shares of the company
				09.11.2018	43594	Sale		
				16.11.2018	1569	Sale		
				23.11.2018	2708	Purchase		
				30.11.2018	3987	Sale		
				07.12.2018	2035	Purchase		
				21.12.2018	15951	Purchase		
				25.01.2019	18840	Sale		
				01.02.2019	595	Sale		
				08.02.2019	21398	Purchase		
				15.02.2019	21725	Purchase		
				22.02.2019	19113	Purchase		
				01.03.2019	2547	Purchase		
				08.03.2019	49848	Sale		
				29.03.2019	12275	Purchase		
7.	India Opportunities Growth Fund Ltd - Pinewood Strategy	50000	0.14	-	-	Increase in the Paid up Capital of the Company	50000	0.13
8.	Karvy Stock Broking Ltd (BSE)	0	0	05.10.2018	50000	Purchase	50000	0.13
9.	K. S. BHAMBRA	40000	0.11	-	-	-	40000	0.11
10.	SURAJKANWARI RAMNIWAS KASAT	40069	0.11	-	69	Sale	40000	0.11

### (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 (01-04-18) /end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the company



# Kohinoor Foods Ltd.

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### Directors

1.	Jugal Kishore Arora (Chairman)	6043484 6653484	17.15 17.95	01.04.2018 31.03.2019	- 610000	- Allotment on 04.10.2018 upon conversion of warrants	- 6653484	- 17.95
2.	Satnam Arora (Jt.M.D)	5378923 5988923	15.26 16.16	01.04.2018 31.03.2019	- 610000	- Allotment on 04.10.2018 upon conversion of warrants	- 5988923	- 16.16
3.	Gurnam Arora (Jt.M.D)	6098889 6708889	17.31 18.10	01.04.2018 31.03.2019	- 610000	- Allotment on 04.10.2018 upon conversion of warrants	- 6708889	- 18.10
4.	Vijay Burman (Non-Executive & Independent Director)	-	-	31.03.2019	-	-	-	-
5.	M.K.Trisal (Non-Executive & Independent Director) (Resigned w.e.f. 22/10/2018)	-	-	31.03.2019	-	-	-	-
6.	Satish Chandra Gupta (Non-Executive & Independent Director) (Resigned w.e.f. 28.05.2019)	-	-	31.03.2019	-	-	-	-
7.	Sandeep Kohli (Non-Executive & Independent Director) (Resigned w.e.f. 22/06/2018)	-	-	31/03/2019	-	-	-	-
8.	Nitin Arora (Whole-time Director) (Resigned w.e.f. 10/08/2018)	21000 21000	0.06 0.06	01/04/2018 31/03/2019	- -	- -	- -	- -
9.	Madhu Vij (Non-Executive & Independent Director) (Resigned w.e.f. 11/06/2019)	-	-	31/03/2019	-	-	-	-
<b>Key Managerial Personnel</b>								
Kamal Deep Chawla (CFO)		-	-	31.03.2019	-	-	-	-
Rama Kant, GM ( CS & Compliance Officer) (Resigned w.e.f 19/01/2019)		-	-	31.03.2019	-	-	-	-





Key Managerial Personnel							
Ankit Sharma (CS & Compliance Officer) (Appointed w.e.f. 13/06/2019 and resigned w.e.f.. 10/07/2019)	-	-	31.03.2019	-	-	-	-
Deepak Kaushal (CS & Compliance Officer) (Appointed w.e.f., 14/08/2019)	-	-	31.03.2019	-	-	-	-

### 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	6,853,972,827	336,475,837	-	7,190,448,664
ii) Interest due but not paid	2,430,414	-	-	2,430,414
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>6,856,403,241</b>	<b>336,475,837</b>	<b>-</b>	<b>7,192,879,078</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	-	-	-	-
· Reduction	-125,701,474	60,893,752	-	-186,595,226
<b>Net Change</b>	<b>-125,701,474</b>	<b>60,893,752</b>	<b>-</b>	<b>-186,595,226</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	6,730,701,767	275,582,085	-	7,006,283,852
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due*	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>6,730,701,767</b>	<b>275,582,085</b>	<b>-</b>	<b>7,006,283,852</b>

\* The Company has not provided interest to the extent of Rs. 545,227,972 up to 31/03/2019 on Bank loans which are classified as non-performing assets during the year from the date they were declared NPA.



### 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/WT/ Manager				Total Amount
		Mr. Jugal Kishore Arora	Mr. Satnam Arora	Mr. Gurnam Arora	Mr. Nitin Arora (Resigned w.e.f 10/08/2018)	
1.	<b>Gross salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,600,000	1,500,000	1,500,000	25,93,548	7,193,548
	(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	-	-	-	-	-
2.	<b>Stock Option</b>	-	-	-	-	-
3.	<b>Sweat Equity</b>	-	-	-	-	-
4.	<b>Commission - as % of profit - others, specify...</b>	-	-	-	-	-
5.	<b>Others, please specify</b>	-	-	-	-	-
	<b>Total (A)</b>	1,600,000	1,500,000	1,500,000	25,93,548	7,193,548
	<b>Ceiling as per the Act</b>					

\* The Executive Directors have forgone their remuneration for remaining months from June 2018 to March, 2019.

#### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Vijay Burman	Mr. Sandeep Kohli (Resigned w.e.f 22/06/2018)	Mr. M.K. Trisal (Resigned w.e.f 22/10/2018)	Mr. SC Gupta (Resigned w.e.f 28/05/2019)	Mrs. Madhu Vij (Resigned w.e.f 11/06/2019)	
	3. Independent Directors						
	• Fee for attending board / committee meetings	3,00,000	-	1,25,000	3,00,000	3,00,000	10,25,000
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	3,00,000	-	1,25,000	3,00,000	3,00,000	10,25,000
	4. Other Non-Executive Directors						
	• Fee for attending board / committee meetings	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	3,00,000	-	1,25,000	3,00,000	3,00,000	10,25,000
	<b>Total Managerial Remuneration</b>						
	<b>Overall Ceiling as per the Act</b>						



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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	<b>Gross salary</b>				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2,074,713	3,100,730	5,175,443
(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	-	-	-	-
2.	<b>Stock Option</b>	-	-	-	-
3.	<b>Sweat Equity</b>	-	-	-	-
4.	<b>Commission - as % of profit others, specify...</b>	-	-	-	-
5.	<b>Others, please specify</b>	-	-	-	-
	<b>Total</b>	-	<b>2,074,713</b>	<b>3,100,730</b>	<b>5,175,443</b>

\* Mr. Ramakant CS and GM (Legal) resigned w.e.f. 19.01.2019

### 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, 2019.

## 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 Managerial 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 2018-19
1	Mr. Jugal Kishore Arora	Chairman	6.60	0.00%
2	Mr. Satnam Arora	Jt. Managing Director	6.18	0.00%
3	Mr. Gurnam Arora	Jt. Managing Director	6.18	0.00%
4	Mr. Nitin Arora	Whole-time Director	10.69	0.00%
5	Mr. Kamal Deep Chawla	Chief Financial Officer	12.78	0.00%
6	Mr. Rama Kant (1st April 2018 to 19th January 2018)	Company Secretary	8.55	0.00%



# Kohinoor Foods Ltd.

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3)	Percentage increase in the median remuneration of employees in the financial year	4.54%
4)	Number of permanent employee on the roll of Company as at March 31, 2019	144
5)	Explanation on the relationship 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	4,049.00
		Total Remuneration to KMP	12.37
		Total Remuneration of KMP as % to total revenue	0.31%
7) i	Variation in market capitalization of the company as at March 31, 2019	Market capitalization decreased from Rs. 2186.70 million as on 31 <sup>st</sup> March 2018 to Rs. 1156.63 million as on 31 <sup>st</sup> March 2019	
ii	Price earning ratio of the Company	N/A	
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 no increase in managerial remuneration and in the salaries of employees other than the managerial personnel.	

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

S. No.	Name of KMPs	Remuneration in FY 2018-19 (Rs. in Million)	Remuneration as% of revenue median remuneration of Employees
1	Mr. Jugal Kishore Arora	1.60	0.04%
2	Mr. Satnam Arora	1.50	0.04%
3	Mr. Gurnam Arora	1.50	0.04%
4	Mr. Nitin Arora	2.59	0.06%
5	Mr. Kamal Deep Chawla	3.10	0.08%
6	Mr. Rama Kant	2.07	0.05%

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 policy.	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Director, KMP and other employees.



# Kohinoor Foods Ltd.

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### **Independent Auditors' Report**

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

#### **Qualified Opinion.**

We have audited the accompanying Standalone Ind AS financial statements of Kohinoor Foods Limited ("the Company"), which comprise the Balance Sheet as at March 31st, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/possible effects of the matters described in paragraph under 'Basis for Qualified Opinion', the aforesaid Ind AS 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 including the Ind AS, of the financial position of the Company as at March 31st, 2019, and profit/loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Qualified opinion**

1. Note No. 41 in the standalone financial statement discloses the management's assessment of the company's ability to continue as going concern. However, in view of the continuing default in re-payment of borrowings, significant decline of revenue, continuous losses, negative cash flows and negative net worth, resignation of KMP and senior management and due to financial constraints, material uncertainty exists about the company's ability to continue as going concern and the decision of the management of the company to prepare the accounts of the company on going concern basis. This assessment is based on Resolution plan submitted to the Banks by company and the interest shown by prospective investors in the company. There would arise a need to adjust the realizable value of assets and liabilities in the event of failure of assumption as to going concern.
2. Loss of the company is understated by Rs 5452.28 lakhs (approx.) due to non-provisioning of interest on bank loans after the accounts of the company were classified as NPA and further amount towards penal interest, any other penalty etc. as may be charged by lenders. In the absence of statement of account, the above amount has been arrived as per calculation made by the company. With the limited information the aggregate amount unprovided in books of account of the company is not ascertainable with accuracy.
3. The management of the company provided balance Confirmation of few debtors. However, as per information & explanation given by management that, "the company has dispute with its debtors due to quality issue of rice sold to them and most of the parties are claiming discount ranging 20%-40% due to quality issue. Therefore, management will have to accord them discount @25% to its debtors". Accordingly, the management has made a provision of 25% of bad debts on some of the debtors. However, the extent of provision required and number of debtors on which provision was required is not ascertainable. Accordingly, depending on the circumstances of the audit, audit evidence in the form of external confirmations received directly by the auditor from confirming parties may be more reliable than evidence generated internally by the entity. In the absence of above third-party confirmation and small recovery of amount from debtors till the date of audit, we are unable to comment on realizability of such amount due from debtors and its possible effect on financial statement of the company.
4. The management of company has provided confirmation of accounts of very few creditors only. Depending on the circumstances of the audit, audit evidence in the form of external confirmations received directly by the auditor from confirming parties may be more reliable than evidence generated internally by the entity. In the absence of above third-party confirmation, we are unable to comment on actual liability to creditors (including squared up accounts) and its possible effect on financial statement of the company.
5. In reference to note no 22 of financial statement, domestic sale made to various customers and as per information & explanation given by management that, "we are continuously following up for payment, but their customers are delaying it due to various reason, mainly because of quality problem. They have informed that their customers are not accepting this rice due to quality issue. Some of them are asking for huge discount and some want to return the rice. Some say that they will only pay to company when they receive money from their customers." Further, the company still retains significant risk of ownership because the company retains an obligation for unsatisfactory performance. The receipt of revenue from domestic sale is contingent on the derivation of revenue by the buyer from their onward sale of the goods. In such cases, it is not be probable that the economic benefits associated with the transaction will flow to the company until the consideration is received by its buyers and the uncertainty is removed. Due to such uncertainty, it is not possible to adequately measure the amount of revenue. Thus, in the absence of any agreement, underlying terms & conditions, schedule of delivery, acceptance and recovery from customers and revenue recognition by the company not being in line with Ind AS for Revenue Recognition, we are unable to comment its impact on standalone financial statement.



6. The Company has recognised Revenue without negating the effect of re-purchase from debtors. As per Ind AS, Revenue Recognition criteria are applied to two or more transactions together when they are linked in such a way that the commercial effect cannot be understood without reference to the series of transactions as a whole. The company made sale and purchase transaction with the same parties during the year. The management informed us that each transaction is separate transaction not related to each other as quality of goods sold and purchased are different. However, we have not been provided any quality wise record of sale & purchase, hence in the absence of such record we are unable to comment whether revenue recognised by the company is in line with Ind AS for Revenue Recognition and its impact on standalone financial statement.
7. As per Para 15 of Ind AS 105, an entity shall measure a non-current asset (or disposal group) classified as held for sale at the lower of carrying amount or fair value less costs to sell. As per board meeting held as on dated 14th November 2018, and 14th August, 2018, we understand that the company proposes to monetize its investment in UK based subsidiary company Indo European Food Ltd. However, the company has recognized such non-current assets held for sale at historical cost. We are unable to comment upon its impact on the standalone financial statement.
8. We were not provided with the balance confirmation and reconciliation, if any, of some bank accounts (including accounts closed during the year) appearing in books of accounts of the company. In the absence of having aforementioned confirmation and reconciliation, the impact thereof is unascertainable, and therefore, is not being commented upon in this report.

### Emphasis of Matters

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

- (1) As stated in Note 38 to the standalone financial statements, the company has not made Provision for the demand raised by various authorities as the matters are pending before various appellate forum. We are unable to comment upon possible impact in the standalone financial statement for the year ended 31st March 2019.
- (2) As stated in Note 7 to the standalone financial statements, management reviewed carrying amount of a deferred tax asset and on the basis of that review, balance of deferred tax assets has been written off by Rs 9,774.25 Lakhs as on 31st March 2019.
- (3) As stated in Note 4(c) to the standalone financial statements, the wholly owned subsidiary of the Company, Kohinoor Foods USA Inc. has been incurring continuous losses and its net worth is fully eroded, due to which Investments are written off by Rs 3,978.45 Lacs.
- (4) An amount of Rs 1780.54 lakh has been outstanding from its U.K. based subsidiary company, Indo-European Food Limited since long. It includes a stand by letter of credit amounting to Rs 814.80 Lakh (GBP 9,17,394/-) invoked by OBC bank on the account of default made by Indo-European Food Limited. As Indo-European Food Limited has written letters to bankers of the company that they will make the payment in instalments therefore the company has not made any provision on account of non-recoverability of the same.
- (5) As stated in Note No 13(a) in the standalone financial statement, the company has allotted 18,30,000 equity shares on conversion of warrant into equity shares issued on preferential basis to its promoters. The company has filed application for listing of 18,30,000 equity shares to both the stock exchange (NSE & BSE). However, the company is yet to receive the approval from the stock exchange (NSE & BSE). The consequential effect the above, on the standalone financial statement is not ascertainable.
- (6) A legal notice was issued to domestic debtor M/S. Kasturi Exim (P) Limited for recoverability of outstanding amount of Rs 2900 Lacs. The Company has made full provision of amount of Rs 2900 lacs on account of such debtor for the year ended 31st March 2019 and the company has submitted a claim under regulation 7 of the insolvency and bankruptcy board of India (Insolvency Resolution process for Corporate person) Regulation, 2016 to the interim resolution professional appointed by NCLT.
- (7) We draw attention to Note No. 17(c) of the statement of standalone financial statement of the company for the year ended 31st March 2019, that the lender of consortium bank "Oriental Bank of Commerce" have filed an application against company under section 7 of the Insolvency and Bankruptcy code, 2016 before National company Law Tribunal (NCLT) Chandigarh bench and the matter is adjourned to 19.07.2019.





Our opinion is not modified in respect of these matters.

### Key Audit Matters.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition, the matters described in the "basis for qualified opinion" and "Emphasis of matters" paragraph are by their nature are key audit matters.

### Responsibility of Management's and Those Charged with Governance 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 of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as application, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those board of directors are also responsible for overseeing the company's financial reporting process.

### Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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; except as stated in para under the head "Basis for Qualified Opinion".
  - b) Except for the effects/possible effects of the matters described in the "Basis for Qualified Opinion" paragraph above, 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 standalone financial statement dealt within the report are in agreement with the books of account and return;



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- d) Except for the effects/possible effects of the matters described in the "Basis for Qualified Opinion" paragraph, in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules;
- e) The matters described in the "Basis for Qualified Opinion" paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2019, from being appointed as a director in terms of Section 164(2) of the Act;
- g) 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
- h) 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. Except as matter described under "basis for qualified opinion" and "Emphasis of matter" paragraph, the company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 16 and 21 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.

**Place: New Delhi**

**Date: 29th May, 2019**

**For RAJENDER KUMAR SINGAL & ASSOCIATES LLP**

**(CHARTERED ACCOUNTANTS)**

**FRN NO.: 016379N**

**Sd/-**

**Shashi Pal Rawat**

**Partner**

**Membership No. 413795**



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### 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 31st March, 2019, we report that:

- (i) (a) According to explanation given to us, 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. However, we did not provide any physical verification report.
- (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. Further, according to information and explanation given to us no material discrepancy was noticed in such verification by management.
- (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 specified and 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) According to information and explanation given to us, the company has not accepted a deposit 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 not 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. However, the arrears of outstanding statutory dues as on the last day of the financial year is concerned for the period of less than six months from the date, they become payable, therefore not required to indicate.
- (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:



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Nature of Dues	Amount (Rs. in Lacs)	Period to which the Amount relates	Forum where dispute is pending
Income Tax	346.70	2002-03 to 2008-09	High Court of Delhi
Income Tax	57.32	2002-03 to 2008-09	ITAT 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	2395.92	2011-12	Income Tax Appellate Tribunal- (New Delhi)
Income Tax	2294.97	2012-13	CIT (A)
Income Tax	671.21	2013-14	CIT (A)
Income Tax	1251.89	2014-15	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	27.08	2014-15	Jt. Excise and Taxation Commissioner (Appeals), Rohtak
Sales Tax-Haryana	25.56	2010-11	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 defaulted in repayment of loan or borrowing to bank. The lender wise default is as under:

Sl No.	Name of Bank	Total default amount (exclude interest not provided in books)	Maximum delay (in days)
1.	Allahabad bank	15,032.80	363
2.	Bank of India	7,562.68	364
3.	ICICI Bank	6,568.05	272
4.	IDBI Bank	4,880.04	344
5.	Oriental Bank of Commerce	25,523.67	368
6.	Punjab National Bank	4,663.84	389
7.	State Bank of India	2,967.44	365
8.	Sundaram Finance Limited	31.37	56
9.	Religare Finvest Limited	50.54	111



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- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and further company has not raised term loan during the year under audit.
- (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 given to us and based on our examination of the records, the company has made preferential allotment/private placement of shares to its promoters by converting share warrant into equity shares. However, the requirement of section 42 of the companies act, 2013 has not been complied with by the company in respect to such preferential allotment. As the above share warrants were issued by converting outstanding loan into share application money, so we are unable to comment whether the funds have been used for the purpose it was meant to be raised.
- (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: New Delhi**  
**Date: 29th May, 2019**

**For RAJENDER KUMAR SINGAL & ASSOCIATES LLP**  
**(CHARTERED ACCOUNTANTS)**

FRN NO.: 016379N

**Sd/-**  
**Shashi Pal Rawat**

**Partner**

Membership No. 413795



### 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 31st March, 2019 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.





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### Basis for Qualified Opinion

We draw attention to paragraph of "Basis for Qualified opinion" of our main report and the same to be read with our comments as stated below:

According to information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31st, 2019.

1. The Company's did not have an appropriate internal control system for

- (a) Customer acceptance;
- (b) Customer credit evaluation;
- (c) Establishing customer credit limit for sales;
- (d) Acceptance of goods by customers and transfer of risk & reward at the time of sales.

which could potentially result in the company recognising revenue without establishing reasonable certainty of ultimate collection.

2. The company did not have any internal control system for follow-up/recovery/adjustment of old outstanding receivables and payables including balance confirmation and reconciliation.

A 'Material weakness' is a deficiency, or a combination of deficiency, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statement will not be prevented or detected on timely basis.

### Opinion

In our opinion, except for the effects/possible effects of basis for qualified opinion, the Company has maintained, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2018 standalone financial statements of the Company and these material weaknesses does not affect our opinion on the standalone financial statements of the Company.

Place: New Delhi

Date: 29th May, 2019

For RAJENDER KUMAR SINGAL & ASSOCIATES LLP

(CHARTERED ACCOUNTANTS)

FRN NO.: 016379N

Sd/-

Shashi Pal Rawat

Partner

Membership No. 413795



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

### BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2019

(Rs. In Lacs)

PARTICULARS	NOTE	As at 31-March-2019	As at 31-March-2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	19,267.82	20,560.73
Capital Work in Progress	3	-	1.26
Financial Assets			
Investments	4	4,969.18	8,967.76
Other Financial Assets	5	-	4.32
Other Non Current Assets	6	89.67	115.00
Deferred Tax Assets (Net)	7	355.65	9,774.26
<b>Total</b>		<b>24,682.32</b>	<b>39,423.32</b>
<b>Current Assets</b>			
Inventories	8	1,024.36	46,422.95
Financial Assets			
Trade Receivables	9	21,195.30	8,328.78
Cash and Cash Equivalents	10	102.18	791.23
Other Financial Assets	11	2.05	357.09
Other Current Assets	12	2,807.28	3,793.34
<b>Total</b>		<b>25,131.16</b>	<b>59,693.39</b>
<b>TOTAL ASSETS</b>		<b>49,813.48</b>	<b>99,116.71</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	3,707.15	3,524.15
Other equity	14	(31,348.05)	5,232.17
<b>Total</b>		<b>(27,640.90)</b>	<b>8,756.33</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Financial Liabilities			
Borrowings	15	1,500.00	1,522.25
Provisions	16	160.06	224.88
<b>Total</b>		<b>1,660.06</b>	<b>1,747.13</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	17	68,480.92	70,143.69
Trade Payables	18	4,187.26	13,209.76
Other Financial Liabilities	19	1,441.61	1,493.23
Other Current Liabilities	20	1,668.02	3,745.81
Provisions	21	16.50	20.76
<b>Total</b>		<b>75,794.32</b>	<b>88,613.25</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>49,813.48</b>	<b>99,116.71</b>

The Accompanying Notes form an integral part of the Financial Statements

Annexure to our Report of Date

for and on behalf of the Board of Directors

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

**Sd/-**  
**(SHASI PAL RAWAT)**  
**PARTNER**  
 Membership No: 413795

**Sd/-**  
**SATNAM ARORA**  
**Jt. Mg. Director**  
 DIN NO. 00010667

**Sd/-**  
**GURNAM ARORA**  
**Jt. Mg. Director**  
 DIN NO. 00010731

Faridabad  
 29th-May-2019

**Sd/-**  
**KAMAL DEEP CHAWLA**  
**CHIEF FINANCIAL OFFICER**



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(Rs. In Lacs)

PARTICULARS	Note	FOR THE YEAR ENDED 31-March-2019	FOR THE YEAR ENDED 31-March-2018
<b>INCOME</b>			
Revenue from Operations	22	40,493.98	85,914.90
Other Income	23	164.41	324.66
Total Income		40,658.38	86,239.57
<b>EXPENSES</b>			
Cost of Material Consumed	24	49,771.03	60,758.09
Purchases of Stock-in-Trade	25	78.75	6,761.27
Changes in Inventories of Finished Goods, WIP and Stock in Trade	26	6.91	3,772.35
Employee Benefits Expenses	27	1,029.07	2,107.25
Finance Costs	28	2,297.50	8,169.91
Depreciation and Amortisation Expenses	3	1,296.95	1,536.76
Impairment of Assets	29	3,978.45	71.34
Other Expenses	30	11,338.57	10,020.63
Total Expenses		69,797.23	93,197.60
<b>Profit Before Exceptional items and Tax</b>		<b>(29,138.84)</b>	<b>(6,958.04)</b>
Exceptional Items		—	—
<b>Profit Before Tax</b>		<b>(29,138.84)</b>	<b>(6,958.04)</b>
Tax Expenses			
Current Tax			
Income Tax for Prior Years		-	144.76
Deferred Tax		9,418.61	-
<b>Profit/(Loss) for the year</b>		<b>(38,557.45)</b>	<b>(7,102.80)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit plans		12.47	4.85
Fair value of Investments through OCI		-	0.60
<b>Income tax relating to Items that will not be reclassified to profit or loss</b>		—	—
<b>Other Comprehensive Income for the year</b>		<b>12.47</b>	<b>5.46</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(38,544.98)</b>	<b>(7,097.34)</b>
<b>EARNING PER EQUITY SHARE (Face value of `10 each)</b>			
Basic (In Rs.)	35	(106.66)	(20.14)
Diluted (In Rs.)	35	(106.66)	(20.14)
<i>The Accompanying Notes form an integral part of the Financial Statements</i>			
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/-  
(SHASI PAL RAWAT)  
PARTNER

Membership No: 413795

Faridabad  
29th-May-2019

Sd/-  
SATNAM ARORA  
Jt. Mg. Director

DIN NO. 00010667

Sd/-  
KAMAL DEEP CHAWLA  
CHIEF FINANCIAL OFFICER

Sd/-  
GURNAM ARORA  
Jt. Mg. Director

DIN NO. 00010731



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(Rs. In Lacs)

PARTICULARS	FOR THE YEAR ENDED 31-March-2019	FOR THE YEAR ENDED 31-March-2018
<b>A. Cash Flow From Operating Activities</b>		
Net Profit before tax	(29,138.84)	(6,958.04)
Adjustments for :		
Depreciation and Amortisation Expenses	1,296.95	1,536.76
Finance cost	2,297.50	8,169.91
Interest income	(14.14)	(60.33)
Profit on Sale of Fixed Assets	0.12	(6.48)
(Profit)/Loss on Sale of Shares	20.13	-
Income from Key Man Insurance Policy	(48.35)	(60.25)
Impairment loss on Investment in Subsidiary	3,978.45	71.34
<b>Operating profit before working capital changes</b>	<b>(21,608.19)</b>	<b>2,692.93</b>
Adjustments for		
Decrease/(Increase ) in Inventories	45,398.59	15,390.73
Decrease/(Increase ) in Trade Receivables	(12,866.52)	(53.12)
Decrease/(Increase ) in other Receivables	1,370.75	(502.32)
Increase/(Decrease) in Trade payables	(9,022.50)	2,346.88
Increase/(Decrease) in other payables	(2,186.02)	(595.69)
<b>Cash generated from operations</b>	<b>1,086.12</b>	<b>19,279.41</b>
Income tax paid	-	(144.76)
<b>Net Cash from operating activities</b>	<b>1,086.12</b>	<b>19,134.65</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment's	(3.20)	(535.90)
Sale of property, plant and equipment's	0.30	9.61
Investments in Subsidiaries /Associates Companies	-	-
Sale of Investments	(0.00)	1,000.24
Interest Received	14.14	60.33
Income from Key Man Insurance Policy	48.35	60.25
<b>Net cash from Investment activities</b>	<b>59.59</b>	<b>594.52</b>
<b>C. Cash Flow from Financing Activities</b>		
Receipts against issue of Share Capital/Share Warrants	2,147.76	-
Increase/( Decrease) in short term borrowings	(1,662.76)	(12,277.80)
Increase/( Decrease) in Long term borrowings	(22.25)	(238.54)
Interest paid	(2,297.50)	(8,169.91)
<b>Net cash flow from financing activities</b>	<b>(1,834.76)</b>	<b>(20,686.26)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(689.05)</b>	<b>(957.09)</b>
- Cash & Cash equivalent at beginning of the year	791.23	1,748.33
- Cash & Cash equivalent at end of the year	102.18	791.23
	<b>(689.05)</b>	<b>(957.09)</b>

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/-**  
**(SHASI PAL RAWAT)**  
**PARTNER**  
 Membership No: 413795

**Sd/-**  
**SATNAM ARORA**  
**Jt. Mg. Director**  
 DIN NO. 00010667  
**Sd/-**

**Sd/-**  
**GURNAM ARORA**  
**Jt. Mg. Director**  
 DIN NO. 00010731

Faridabad  
 29th-May-2019

**KAMAL DEEP CHAWLA**  
**CHIEF FINANCIAL OFFICER**



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

### STATEMENT OF CHANGES IN EQUITY

(Rs. In Lacs)

PARTICULARS	No. Shares	Amount
<b>A. Equity Share Capital</b>		
Balance as at 1st April, 2017	35,241,530	3,524.15
Change in equity share capital during the year	-	-
Balance as at 31st March, 2018	35,241,530	3,524.15
Change in equity share capital during the year	1,830,000	183.00
Balance as at 31st March, 2019	37,071,530	3,707.15

### B. Other Equity

(Rs. In Lacs)

PARTICULARS	Capital Reserve	Securities Premium Account	Retained earnings	Revaluation Surplus	Share Warrants Application Money	Total
<b>Balance as at 1st April, 2017</b>	742.76	14,549.43	(18,847.85)	15,885.19	-	12,329.52
Profit for the year			(7,102.80)			(7,102.80)
Other Comprehensive Income for the Year			5.46			5.46
<b>Total Comprehensive Income for the year</b>	-	-	(7,097.34)	-	-	(7,097.34)
Dividends Transferred to General Reserve						
<b>Balance as at 31st March, 2018</b>	742.76	14,549.43	(25,945.20)	15,885.19	-	5,232.17
Profit for the year			(38,557.45)			(38,557.45)
Other Comprehensive Income for the Year			12.47			12.47
	-	-	(38,544.98)	-	-	(38,544.98)
Security Premium on share issued during the year					756.96	756.96
Application Money on issue of Share Warrants		1,207.80				1,207.80
Dividends Transferred to General Reserve						-
						-
<b>Balance as at 31st March, 2018</b>	742.76	15,757.23	(64,490.18)	15,885.19	756.96	(31,348.05)

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/-  
(SHASI PAL RAWAT)  
PARTNER

Membership No: 413795

Sd/-  
SATNAM ARORA  
Jt. Mg. Director

DIN NO. 00010667

Sd/-

Sd/-  
GURNAM ARORA  
Jt. Mg. Director

DIN NO. 00010731

Faridabad  
29th-May-2019

**KAMAL DEEP CHAWLA**  
CHIEF FINANCIAL OFFICER



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

### NOTES FORMING PART OF THE FINANCIAL STATEMENT

#### 1. Company Information

Kohinoor Foods Limited was incorporated in 1989. It is a Public Limited company listed on the stock exchanges, BSE and NSE. The Company is a leading Basmati Rice player and has a Rice mill situated at Murthal, Sonapat. It also owns a Food Factory situated at Bahalgarh, Sonapat. The products of the company are known for superior quality and sell in more than 60 countries.

The company has two 100% wholly owned subsidiaries – Indo European Foods Limited, in UK and Kohinoor Foods USA Inc in USA.

#### 2. Significant Accounting Policies

##### (a) Basis of Preparation

These Financial Statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements for the year ended March 31, 2018 were prepared by the company under Ind AS for the first time, with 01-04-2016 as date of transition.

The Financial Statements have been prepared on the historical cost convention on going concern basis and on accruals basis unless otherwise stated. The accounting policies are applied consistently to all the periods presented in the financial statements.

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

The preparation of Financial Statements requires management to make certain assumptions and estimates that affect the reported amount, the Financial Statements and Notes thereto. Difference between actual results and estimates are recognized in the period in which they materialize.

##### (c) Property, Plant and Equipment

The Company has adopted revaluation model for land & building. All the assets belonging to these classes of assets are carried at revalued amount being its fair value at the date of revaluation less subsequent depreciation. The Company shall carry out the revaluation of these assets periodically after every 3 to 5 years.

Property, Plant & Equipment under all other classes are stated at cost of acquisition/installation inclusive of freight, duties, and taxes and all incidental expenses and net of accumulated depreciation. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing costs. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress" and stated at the amount spent up to the date of balance sheet.

Intangible assets are stated at their cost of acquisition.

##### (d) Depreciation

Depreciation on Property, Plant & Equipment is provided on written down value method, in terms of useful life of the Assets as prescribed 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.





# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

### **(e) Financial Instruments**

#### **(1) Financial Assets**

##### **Initial recognition and measurement**

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

##### **Subsequent measurement**

##### **i) Financial assets carried at amortised cost**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **ii) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **iii) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

#### **Investment in Subsidiaries, Associates and Joint Ventures**

The Company has accounted for its investments in Subsidiaries, Associates and Joint Venture at cost, subject to impairment loss if any.

#### **Other Equity Investments**

All other equity investments are measured at fair value. Investments which are not held for trading purposes and where the Company has exercised the option to classify the investment as Fair Value through other comprehensive income ('FVTOCI'), all fair value changes on the investment are recognised in OCI.

#### **(2) Financial liabilities**

##### **Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

##### **Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### **(3) Derivative financial instruments**

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

### **(f) Fair value measurement**

The Company classifies the fair value of its financial instruments, FVTPL and FVTOCI, in the following hierarchy, based on the inputs used in their valuation:

- i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.
- ii) Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.
- iii) Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

### **(g) Dividend to Equity Shareholders**

Dividend to Equity Shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

### **(h) Inventories**

Raw materials, traded and finished goods are stated at the lower of cost and net realisable value. Stores and spares are carried at cost.

Cost is determined on FIFO (First in First out) basis for raw material, and on weighted average method for all other categories of inventories. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition, where applicable, include appropriate overheads based on normal level of activity.

### **(i) Cash and Cash Equivalents**

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

### **(j) Revenue Recognition**

Revenue is measured at fair value of the consideration received or receivable, net of discount, rebate, returns and value added taxes. The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company activities.

Revenue from sale of goods is recognised when all the significant risk and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. On recognition of revenue the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Interest income is recognized using the effective interest method. Revenue in respect of Insurance / others claims, Commission, etc. is recognized only when it is reasonably certain that the ultimate collection will be made.

Revenue in respect of sale of licenses, duty drawback and other incentives is recognized on realization basis.

### **(k) Research and Development**

Research expenditure is recognised in the statement of profit and loss as incurred. Development expenditure is capitalised



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

only if the costs can be reliably measured, future economic benefits are probable, the product is technically feasible and the Company has the intent and the resources to complete the project. Development assets are amortised based on the estimated useful life, as appropriate.

### **(l) Employee Benefits**

Contributions to defined provident fund are charged to the statement of profit and loss on accrual basis. Present liability for future payment of gratuity is determined on the basis of actuarial valuation at the balance sheet date and the expenses is charged to the statement of profit and loss.

### **(m) Foreign Currency Transactions**

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

### **(n) Government Grant**

Grants from the government are recognised when there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grant received from government towards property, plant & equipment's acquired/constructed by the Company is deducted out of gross value of the asset acquired/ constructed and depreciation is charged accordingly.

### **(o) Borrowing Costs**

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Interest and other borrowing costs attributable to qualifying assets are capitalised as a part of such assets till such time the assets are ready for use. Other interest and borrowing costs are charged to Statement of Profit and Loss.

### **(p) Income tax**

#### **Current Income 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 Tax:**

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Current and Deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

### **Minimum Alternate Tax:**

According to section 115JAA of the Income Tax Act, 1961, Minimum Alternative Tax ('MAT') paid over and above the normal income tax in a subject year is eligible for carry forward for fifteen succeeding assessment years for set-off against normal income tax liability. The MAT credit asset is assessed against the Company's normal income tax during the specified period.

### **(q) Leases**

Lease of assets, where the Company, as a lessee, has substantially assumed all the risks and rewards of ownership are classified as finance leases. Assets acquired on finance lease are capitalised and depreciated as per Company's policy on Property, Plant and Equipment. Finance lease are measured at the lease's inception at the lower of fair value of the leased property and the present value of the minimum lease payments. The corresponding lease rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### **r) Provisions, Contingent Liability and Contingent Assets**

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

### **(s) Impairment of Financial Assets**

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

### **(t) Impairment of Non-Financial Assets**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such Indication exists; the Company estimates the recoverable amount of assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the assets belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of Profit & Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets is reflected at recoverable amount.

### **(u) Exceptional Items**

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. These are material items of income or expense that have to be shown separately due to their nature or incidence.



### **(v) Earnings per share**

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

### **(w) Events after the reporting period**

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.



### 3. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land	Building	Plant & Machinery	Furniture & Fixtures	Office Equipment & Computers	Vehicles	Wooden Crates	Total
<b>Gross Block</b>								
Balance as at March 31, 2018	10,546.72	11,379.51	10,924.51	336.24	629.79	1,186.40	168.15	35,171.31
Additions		4.24	0.22					4.46
Disposals						0.58		0.58
Balance as at March 31, 2019	10,546.72	11,383.75	10,924.73	336.24	629.79	1,185.82	168.15	35,176.19
<b>Accumulated Depreciation</b>								
Balance as at March 31, 2018	-	3,910.56	8,728.34	256.60	571.45	976.15	167.48	14,610.59
Additions		730.20	456.73	22.74	28.81	57.79	0.67	1,296.95
Disposals						0.16		0.16
Balance as at March 31, 2019	-	4,640.77	9,185.08	279.34	600.26	1,033.78	168.15	15,907.37
<b>NET BLOCK</b>								
Balance as at March 31, 2018	10,546.72	7,468.94	2,196.17	79.64	58.34	210.25	0.67	20,560.73
Balance as at March 31, 2019	10,546.72	6,742.98	1,739.66	56.89	29.53	152.03	0.00	19,267.82

#### Notes

On transition to IND AS as at April 1, 2016 the company has elected to measure all its property, plant and equipment at the previous GAAP carrying value except for the "Land and Building" for which it has opted revaluation model. The company has revalued its land and building as on 01-04-2016 and has transferred the difference between the revalued amount and the carrying value as per previous GAAP amounting to Rs. 15885.19 Lacs, to revaluation surplus under other Equity.

#### CAPITAL WORK IN PROGRESS

Particulars	Amount
<b>Net Book Value</b>	
Balance as at March 31, 2018	1.26
Balance as at March 31, 2019	NIL





# Kohinoor Foods Ltd.

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		(Rs. In Lacs)
As at	31- March-2019	31-March-2018
<b>4. Non-Current Investments</b>		
<b>Investment in Unquoted Equity Instruments</b>		
<b>Subsidiary Companies</b>		
Kohinoor Foods USA Inc.	1,608.68	1,608.68
56,000 (Previous year - 56,000) shares of USD 62.5 each fully paid up		
Less :- Impairment Loss on Investment	(1,608.68)	-
	-	1,608.68
Indo European Foods Ltd. U.K	4,185.78	4,185.78
5,183,534 (Previous year - 5,183,534) shares of GBP 1 each fully paid up		
Sachdeva Brothers Pvt. Ltd	71.34	71.34
15,835 (Previous year - 15,835) shares of Rs. 100 each fully paid up		
Less :- Impairment Loss on Investment	(71.34)	(71.34)
	-	-
<b>Other Companies</b>		
Rich Rice Raisers factory LLC.	9.42	9.42
75 (Previous year - 75) shares of AED 1000 each fully paid up		
Less :- Diminution in the Value of the Investment	(9.42)	(9.42)
	-	-
<b>Associates Companies</b>		
AL Dahra Kohinoor Industries LLC	-	10.06
Nil (Previous year - 60) shares of AED 1000 each fully paid up		
AL Dahra Kohinoor LLC	-	10.06
Nil (Previous year - 60) shares of AED 1000 each fully paid up		
<b>Investment in Unquoted Preference Shares</b>		
<b>Subsidiary Companies</b>		
Kohinoor Foods USA Inc.	2,369.77	2,369.77
80,000 (Previous year - 80,000) shares of USD 62.5 each fully paid up		
Less :- Impairment Loss on Investment	(2,369.77)	-
	-	2,369.77
Indo European Foods Ltd. U.K	773.64	773.64
1,000,000 (Previous year - 1,000,000) shares of GBP 1 each fully paid up		
<b>Other Investment</b>		
Investment in Un-quoted Fund		
Balanced Plan Fund- Canara-HSBC-OBC	9.76	9.76
(56496.16, previous year -(56496.16) Unit of		
Balanced Plus Fund issued under Canara-HSBC-OBC,		
Life Insurance Platinum Plus Plan	4,969.18	8,967.76
a) Aggregate amount of Quoted Investments	-	-
Aggregate amount of Un-quoted Investments	4,969.18	8,967.76
b) Investment in subsidiaries, associates and joint venture are carried at cost, subject to impairment loss if any. Other investments are carried at fair value through Other comprehensive income.		
c) The investment in wholly owned subsidiary, Kohinoor Foods USA Inc., amounted to Rs 3978.45 Lacs as on 31 March 2018. This subsidiary company has been incurring continuous losses and its net worth is fully eroded. The company has recognised an impairment loss of Rs.3978.45 Lacs during current year and consequently the value of investment is reduced to NIL as on 31 March 2019.		
d) The investment in wholly owned subsidiary, Sachdeva Brothers Private Limited amounted to Rs 71.34 Lacs as on 31 March 2017. This company is not having any operations and its net worth is fully eroded. The company has recognised an impairment loss of Rs.71.34 Lacs during previous year and consequently the value of investment is reduced to NIL as on 31 March 2018.		
e) The company was holding 20% share capital in Al Dahra Kohinoor LLC and Al Dahra Kohinoor Industries LLC. Al Dahra Kohinoor LLC has exercised the call option which Kohinoor Foods Limited has accepted. Upon completion of formalities the share holding of Kohinoor Foods Limited in both these companies has been reduced to NIL.		



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

		(Rs. In Lacs)
As at	31- March-2019	31-March-2018
<b>5. Other Financial Assets (Non-Current)</b>		
(Unsecured, considered goods)		
Advance to related party*	-	4.32
	-	4.32
<b>* To subsidiary company, Sachdeva Brothers Pvt Ltd</b>		
<b>6. Other Non-Current Assets</b>		
(Unsecured, considered goods)		
Security Deposit	89.67	115.00
	89.67	115.00
<b>7. Deferred Tax Asset (Net)</b>		
Disallowance under Income tax act, 1961	60.46	107.61
Related to fixed assets	295.19	(205.11)
Related to business loss	-	9,871.76
	355.65	9,774.26
Management reviewed the carrying amount of deferred tax asset and on the basis of that review balance of deferred tax asset related to Business Loss has been written off as on 31th March, 2019.		
<b>8. Inventories</b>		
(As taken, valued and certified by the Management)		
Raw Material	49.12	150.39
Work in Progress	25.24	26.75
Finished Goods	541.37	45,372.66
Stores and Spares	14.93	22.42
Packing Materials	393.70	850.73
	1,024.36	46,422.95
a) Inventories are valued at the lower of cost and net reliable value.		
b) Finished goods includes the Stock in transit.		
<b>9. Trade Receivables</b>		
(Unsecured, Considered Good)		
Outstanding for a period exceeding six months	4,692.17	570.40
Others	16,503.13	7,758.38
	21,195.30	8,328.78
(Unsecured, Considered Doubtful)		
Outstanding for a period exceeding six months	8,502.05	-
Others	-	-
	8,502.05	-
Less :- Provision for Bad & Doubtful Debts	8,502.05	-
	21,195.30	8,328.78
a) Trade receivables include the following amount due from related parties		
Subsidiary Companies		
Indo European Foods Ltd	1,780.55	2,899.20
	1,780.55	2,899.20
<b>10. Cash and Cash Equivalents</b>		
Balances with Banks in Current Accounts	92.79	48.50
Cash in Hand	7.91	36.36
Fixed deposits as Margin Money with Banks	1.49	706.38
	102.18	791.23
<b>11. Other Financial Assets (Current)</b>		
Staff Advance	0.49	9.80
Interest accrued on bank deposits	1.56	97.29
Others	-	250.00
	2.05	357.09



# Kohinoor Foods Ltd.

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		(Rs. In Lacs)	
As at	31- March-2019	31-March-2018	
<b>12. Other Current Assets</b>			
(Unsecured, Considered good)			
Advance Tax	2,139.88	2,123.68	
Advance against Purchases	83.71	815.60	
MAT Credit Entitlement	464.87	464.87	
Pre-paid Expenses	17.89	74.88	
Others	100.92	314.31	
	<u>2,807.28</u>	<u>3,793.34</u>	
<b>13. Equity Share Capital</b>			
Authorised Share Capital			
75,000,000 (Previous year 75,000,000)	7,500.00	7,500.00	
Equity shares of Rs. 10/- each			
Issued, Subscribed And Paid-Up Capital			
37,071,530 (Previous year 35,241,530)	3,707.15	3,524.15	
Equity Shares of Rs. 10/- each fully paid-up			
	<u>3,707.15</u>	<u>3,524.15</u>	
a) The reconciliation of the number of shares outstanding is set out below:			
Number of Equity Shares at the beginning of the year	35241530	35241530	
Number of Equity Shares issued during the year*	1830000		
Number of Equity Shares at the end of the year	37071530	35241530	

\* The company has allotted 18,30,000 Equity Shares during the year on conversion of Share Warrants in to Equity shares issued on preferential basis to promoters at a premium of Rs. 66/- per share. After allotment the company has filed application for listing of 18,30,000 equity shares to both the Stock Exchanges (NSE & BSE) and the approval for same is yet to be received.

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

As at		31- March-2019		31-March-2018	
		No. of Shares	Shareholding	No. of Shares	Shareholding
(1)	Jugal Kishore Arora	6,653,484	17.95%	6,043,484	17.15%
(2)	Satnam Arora	5,988,923	16.16%	5,378,923	15.26%
(3)	Gurnam Arora	6,708,889	18.10%	6,098,889	17.31%
(4)	AL Dahra International Investments LLC	7,048,306	19.01%	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.



# Kohinoor Foods Ltd.

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As at	(Rs. In Lacs)	
	31- March-2019	31-March-2018
<b>14. Other Equity</b>		
<b>Capital Reserve</b>	742.76	742.76
<b>Securities Premium Account</b>	15,757.23	14,549.43
<b>Revaluation Surplus</b>	15,885.19	15,885.19
<b>Share Warrants Application Money</b>	756.96	-
<b>Retained Earnings</b>		
As per last Balance Sheet	(25,945.20)	(18,847.85)
Profit/(Loss) during the year	(38,557.45)	(7,102.80)
Other Comprehensive Income	12.47	5.46
	<u>(64,490.18)</u>	<u>(25,945.20)</u>
	<u>(31,348.05)</u>	<u>5,232.17</u>

### Nature and Purpose of Reserves

#### i. Capital Reserve

Capital Reserve had been created consequent to forfeiture of Application Money on Share Warrants.

#### ii. Securities Premium Account

Securities Premium Account had been created consequent to issue of shares at premium. These reserves can be utilised in accordance with Section 52 of Companies Act, 2013. The addition to share premium account represents premium of Rs. 66/- per share on issue of 1830000 equity share of Rs. 10 each to Promoters.

#### iii. Revaluation Surplus

Revaluation surplus was created on revaluation of Land & Building as on 01-04-2016.

#### iv. Share Warrants Application Money

The company has allotted 58,14,000 share warrants to promoters on preferential basis on 04-10-2018. Out of these, 18,30,000 share warrants have been converted in to equity share @ Rs. 76/- per share and 39,84,000 share warrants are outstanding as on 31-03-2019. Share warrant application money represents application money @ Rs. 19/- per share warrant, which is 25% of the total consideration in respect of 39,84,000 outstanding share warrants.

### Terms attached to these share warrants are given below:-

- 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.
- In case the Warrant holder(s) do not apply for the conversion of the outstanding Warrants into equity shares of the Company within 18 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.
- The Equity shares issued and allotted on conversion thereof shall be subject to look-in for such period as prescribed under the SEBI(ICDR) Regulations.
- The said warrants by itself do not give to the Warrant holder any rights of the Shareholders or Debenture holders of the Company.



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		(Rs. In Lacs)	
As at	31- March-2019	31-March-2018	
15. <b>Borrowings (Non-Current)</b>			
<b>Secured Loans</b>			
Long Term maturity of Finance Lease obligations	-	22.25	
	-	22.25	
<b>Unsecured Loans</b>			
Loan from Directors*	1,500.00	1,500.00	
	1,500.00	1,522.25	
			*Loan from Directors are interest free.
16. <b>Provisions (Non-Current)</b>			
Provision for Employee Benefit			
Provision for Gratuity	160.06	224.88	
	160.06	224.88	
17. <b>Borrowings (Current)</b>			
<b>Secured</b>			
Loan repayable on Demand from Banks	67,225.10	68,239.53	
Buyers Credit	-	39.41	
<b>Unsecured</b>			
Overdraft in Current Account	-	420.85	
Loan from Directors	1,255.82	1,443.91	
	68,480.92	70,143.69	
a)	Loan repayable on Demand from Banks are working capital loans 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).		
b)	The balances are subject to confirmation and reconciliation.		
c)	<b>Default in Repayment of Loan</b>		
	There are default in repayment of bank loans from March-2018 onwards.		
	The Banks have classified the company's accounts as Non Performing asset and served recall Notice for entire amount of loans under section 13(2) of The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, in the month of July/August 2018. The Company has given reply of said notices within the stipulated time.		
	The lead banker, Oriental Bank of Commerce has filed petition under Section 7 of Insolvency and Bankruptcy Code, 2016, before the Hon'ble court of NCLT, Chandigarh Bench, which are not yet admitted.		
	The company has not provided interest to the extent of Rs. 5452.28 Lacs up to 31-03-2019 on bank loans which were classified as non-performing assets during the year from the date they were declared NPA.		
18. <b>Trade Payable</b>			
Due to Micro, Small and Medium Enterprises	-	-	
Due to Others	4,187.26	13,209.76	
	4,187.26	13,209.76	
19. <b>Other Financial Liabilities (Current)</b>			
Current maturities of long-term debt (Secured)	50.54	188.62	
Current maturities of finance lease obligations	31.37	49.92	
Employees Benefits Payable	108.72	113.74	
Other Payables	1,250.98	1,116.64	
Interest Payable	-	24.30	
	1,441.61	1,493.23	
20. <b>Other Current Liabilities</b>			
Advance received from customers	1,568.58	3,077.77	
Statutory Liabilities	42.59	65.65	
Other Liabilities	56.85	602.39	
	1,668.02	3,745.81	
21. <b>Provisions (Current)</b>			
Provision for gratuity	16.50	20.76	
	16.50	20.76	



# Kohinoor Foods Ltd.

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		(Rs. In Lacs)	
For the year ended	31- March-2019	31-March-2018	
22. Revenues From Operations			
Sales of Products	39,967.11	85,835.74	
Other Operating Revenues	526.86	79.16	
	<u>40,493.98</u>	<u>85,914.90</u>	
a) Sales of Products			
Rice	38,028.00	75,303.18	
Foods	1,939.12	7,267.57	
Pulses	-	3,253.15	
Other Foods Products	-	11.84	
	<u>39,967.11</u>	<u>85,835.74</u>	
b) Other Operating Revenues			
Sale of Scrap	64.67	8.64	
INCOME FROM RICE PROCESSING	291.98		
Duty Drawback/ Sale of Licenses	170.21	70.53	
	<u>526.86</u>	<u>79.16</u>	
23. Other Income			
Income from Key Man Insurance Policy	48.35	60.25	
Interest Income	14.14	60.33	
Miscellaneous Income	101.91	197.61	
Profit on Sale of Assets	-	6.48	
	<u>164.41</u>	<u>324.66</u>	
24. Cost of Material Consumed			
Paddy	171.45	8,058.05	
Rice	49,132.79	51,919.28	
Raw Material for Foods	466.79	780.76	
	<u>49,771.03</u>	<u>60,758.09</u>	
25. Purchase of Traded Goods			
Non-Basmati Rice	-	2,051.38	
Foods	78.75	3,857.31	
Pulses	-	836.71	
Other Foods Products	-	15.87	
	<u>78.75</u>	<u>6,761.27</u>	
26. Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade			
Opening Inventories	84.74	3,857.09	
Closing Inventories	77.83	84.74	
	<u>6.91</u>	<u>3,772.35</u>	
27. Employee Benefit Expenses			
Staff Salaries	820.22	1,518.51	
Director's Remuneration	71.94	348.08	
Gratuity	38.25	49.20	
Bonus	13.63	18.13	
Staff Welfare	45.45	94.76	
Employer's Contribution to P.F.& ESI	39.58	78.57	
	<u>1,029.07</u>	<u>2,107.25</u>	
28. Finance Cost			
Interest Expense*	2,040.30	7,537.81	
Bank Charges	1.40	99.40	
Borrowing Cost	255.81	532.71	
	<u>2,297.50</u>	<u>8,169.91</u>	
The company has not provided interest to the extent of Rs. 5452.28 Lacs up to 31-03-2019 on bank loans which were classified as non-performing assets during the year from the date they were declared NPA.			
29. Impairment of Assets			
Impairment of investment in subsidiaries	3,978.45	71.34	
	<u>3,978.45</u>	<u>71.34</u>	
The company has recognised the impairment loss in respect of Investment in its wholly owned subsidiaries , "Kohinoor Foods USA Inc." in current year and "Sachdeva Brothers Pvt. Ltd" in previous year.			





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		(Rs. In Lacs)
For the year ended	31- March-2019	31-March-2018
30. <b>Other Expenses</b>		
a) <b>Manufacturing Expenses</b>		
Loading and Unloading Charges	80.88	159.96
Packing Materials Consumed	947.61	2,818.27
Wages	122.15	141.04
Processing Charges	0.82	-
Repair to Machinery	17.64	107.53
Consumables & Stores Consumed	2.36	51.01
Power & Fuel	262.70	512.29
Brokerage & Commission	(0.17)	2.96
	<u>1,433.99</u>	<u>3,793.05</u>
b) <b>Administrative Expenses</b>		
Payment to Auditors *		
-Statutory Audit Fee	20.20	19.63
-Tax Audit Fee	4.50	4.50
-Other Matters	2.52	4.78
Postage, Telegram and Telephone	21.55	57.09
General Expenses^	98.96	167.64
Storage & Warehousing	-	57.47
Loss on Investment in Shares	20.13	
Legal and Professional Charges	296.02	377.33
Electricity Expenses	10.58	9.20
Rates and Taxes	15.38	30.13
Other Taxes Paid	144.47	137.78
Charity and Donation	1.77	7.70
Vehicle Maintenance	47.31	85.62
Printing and Stationery	10.78	20.34
Fumigation Expenses	12.28	55.87
Insurance Charges	57.53	103.12
Conveyance	21.32	42.43
Membership & Subscription	7.34	25.21
Traveling Expenses (Directors)	12.10	43.98
Traveling Expenses (Others)	19.62	77.43
Research & Development	6.31	28.22
Rent	-	30.03
Staff Recruitment Expenses	-	1.05
Provision for Bad & Doubtful Debts	8,502.05	-
Loss on Sale of Assets	0.12	-
Bad Debts/Balances Written Off	(123.52)	752.51
Repairs to Building	56.81	61.14
Repairs to Others	18.21	39.98
Foreign Exchange Loss	512.84	(43.95)
	<u>9,797.19</u>	<u>2,196.23</u>
c) <b>Selling &amp; Distribution Expenses</b>		
Advertisement and Publicity	0.85	58.22
Business Promotion	15.41	98.77
Rebate & Discount	15.08	91.39
Ocean Freight	23.86	1,267.22
Expenses Against Export	6.77	133.58
Brokerage & Commission on Sales	0.72	362.86
Clearing and Forwarding	44.70	2,019.31
	<u>107.38</u>	<u>4,031.35</u>
	<u>11,338.57</u>	<u>10,020.63</u>



### 31. Disclosures under IND AS-19 "Employees Benefits" :

#### a) Defined Contribution Plans:

Amount of Rs.39.58 Lacs (previous year Rs.78.57 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. 27.

#### 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. 20.00 Lacs (previous year Rs.10.00 Lacs) per employee.

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

##### i Reconciliation of opening and closing balances of defined benefit obligation

(Rs. In Lacs)

	Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018
1	Present value of obligation at the beginning of the year	286.82		316.61
2	Interest cost	22.17		23.87
3	Past service cost	-		0.41
4	Currents service cost	16.17		25.17
5	Liability Transferred Out	-		-
6	Benefits paid	(119.10)		(74.17)
7	Actuarial (gain)/loss on obligation	(12.28)		(5.07)
8	Present value of obligation at the end of the year	193.78		286.82

##### ii Change in plan assets

(Rs. In Lacs)

	Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018
1	Fair value of plan assets at the beginning of the period	1.25		3.38
2	Actual return on plan assets	0.28		0.04
3	Employer Contributions	98.97		72.00
4	Benefits paid	(98.11)		(74.17)
5	Fair value of plan assets at the end of the year	2.40		1.25

##### iii Actuarial gain/ loss on Plan Assets:-

(Rs. In Lacs)

	Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018
1	Expected Interest Income	0.10		0.25
2	Actuarial income on Plan Asset	0.28		0.04
3	Actuarial gain/(Loss) for the year on Assets	0.18		(0.22)

##### iv Balance Sheet and related analysis:-

(Rs. In Lacs)

	Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018
1	Present value of the obligation at the end	193.78		286.82
2	Fair value of plan assets	2.40		1.25
3	Unfunded liability/provision in Balance Sheet	(191.38)		(285.57)

##### v The amounts recognized in the Income Statements

(Rs. In Lacs)

	Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018
1	Total Service Cost	16.17		25.58
2	Net Interest Cost	22.07		23.62
3	Expenses recognized in the Income statement	38.25		49.20



# Kohinoor Foods Ltd.

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### vi Other Comprehensive Income (OCI)

(Rs. In Lacs)

	Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018
1	Net cumulative unrecognized actuarial gain/(loss) opening	-		-
2	Actual gain/(Loss) for the year on PBO	12.28		5.07
3	Actual gain/(Loss) for the year on Asset	0.18		(0.22)
4	Unrecognized actuarial gain/(loss) for the year	12.47		4.85

### vii 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.

(Rs. In Lacs)

	Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018
1	Discount rate	7.66%		7.73%
2	Expected rate of return on plan assets	8.00%		8.00%
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)

### 32 Disclosures under IND AS-108 on "Segment Reporting" :

As per the threshold limits prescribed under Indian Accounting Standard (Ind AS-108) on "Segment Reporting" prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and the other accounting principles generally accepted in India, the Company's reportable activity falls within a single business segment and hence the disclosure requirements are not applicable.

### 33 Disclosures under IND AS-24 on "Related Party Disclosures" :

#### List of related parties

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

The company was holding 20% share capital in Al Dahra Kohinoor LLC and Al Dahra Kohinoor Industries LLC. Al Dahra Kohinoor LLC has exercised the call option which Kohinoor Foods Limited has accepted. Upon completion of formalities the share holding of Kohinoor Foods Limited in both these companies has been reduced to NIL and they are not considered as Associate Companies for the current year

#### 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



# Kohinoor Foods Ltd.

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- 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.
  - Special Rice and Foods Private Limited

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 products	344.30	-		51.50
Commission	(4,842.93)	(15,737.16)		-
Remuneration	-		106.85	
Gratuity Paid	(252.86)		(460.96)	
Advance Received	4.88	-	(15.69)	
Receipt of Share Warrant Application Money	-	(10,435.92)	2,147.76	-
Allotment of Shares (including Share Premium)			-	-
Loan from Directors			1,390.80	
Balance Written Off	4.80		-	
Balance Written Back	-		2,228.21	
Repayment of Director's Loan	219.91		(1,276.30)	
Expenses incurred on behalf of the related party	-		2,416.29	
	0.48		(1,293.82)	
	(0.33)			
<b>Balances outstanding at the year end:-</b>				
Loans/Advances	-			
	(4.32)			
Loan from Directors			2,755.82	
Share Warrant Application money			(2,943.91)	
Trade Receivables	1,780.55	-	756.96	
Trade Payables	(2,899.20)	-	-	
Advance From Customers	-			
	(206.13)			
Corporate guarantee given by the Company		-		
		(2,608.40)		
	6,235.32			
	(12,305.85)			

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



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

### 34 Disclosures under IND AS-17 on "Leases" :

34.1 There were no operating lease agreements in force and no future lease rent commitments as on 31 March 2019 and 31 March 2018. No lease rentals were paid for operating lease during current year .

34.2 The company has taken on lease certain vehicles 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	31.91	54.71
Amount payable later than one year but not later than five years	Nil	22.80
Amount payable later than five years	Nil	Nil
	31.91	77.50

b) Present value of (a) above :-

Amount payable not later than one year	30.92	49.92
Amount payable later than one year but not later than five years	Nil	22.25
Amount payable later than five years	Nil	Nil
	30.92	72.18

c) Finance charges 0.99 5.33

### 35 Earning Per Share (EPS)

(Rs. In Lacs)

	For the year ended	31-Mar-2019	31-Mar-2018
i)	Total Comprehensive Income for the year attributable to Equity Shareholders	(38,544.98)	(7,097.34)
ii)	Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	36,138,982	35,241,530
iii)	Weighted Average Potential Equity Shares	-	-
iv)	Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	36,138,982	35,241,530
v)	Basic Earning Per Share	(106.66)	(20.14)
vi)	Diluted Earning Per Share	(106.66)	(20.14)
vii)	Face Value per Equity Share	10	10

Calculation of Weighted Average number of Equity Shares

	For the year ended	31-Mar-2019	31-Mar-2018
	Nos. of Days	186	365
	Nos. of Shares	35,241,530	35,241,530
	Nos. of Days	179	-
	Nos. of Shares	37,071,530	37,071,530
	total nos. of days	365	365
	Weighted Average number of shares	36,183,982	35,241,530

### 36. Disclosures under IND AS 37, "Provisions, Contingent Liabilities and Contingent Assets" , in respect of Provisions

Provision relating to	Opening balance as at 1 April 2018	Created during the year	Withdrawals	Closing balance as at 31- March-2019
Gratuity	245.64	38.25	107.32	176.56
	245.64	38.25	107.32	176.56



### 37 Other disclosures as per Schedule III of the Companies Act, 2013

For the Year Ended	31-March-2019	31-March-2017
<b>CIF Value of Imports</b>		
- Capital Goods	2.81	129.81
- Material Purchase	-	791.62
- Purchase of Stock in Trade	-	-
- Packaging Material	301.75	307.43
	<u>304.56</u>	<u>1,228.85</u>
<b>Expenditure in Foreign Currency (On accrual basis)</b>		
- Traveling	1.45	36.71
- Business Promotion	0.96	35.65
- Legal & Professional Charges	0.02	285.38
- Membership & Subscription	-	8.79
- Advertisement & Publicity	-	7.35
- Telephone Expenses	-	0.23
- Commission on Export Sales	-	300.32
- Expenses against Export	-	2.77
- Ocean Freight	-	6.59
- Copyright & Trademark	-	0.18
	<u>2.43</u>	<u>683.97</u>
<b>Earning in Foreign Exchange</b>		
- FOB Value of Export of Goods	2,627.11	51,637.50

### 38. Contingent Liabilities not provided for

(Rs. In Lacs)

Particulars	31-March-2019	31-March-2017
<b>A Claims against the company, not acknowledged as debt</b>		
<b>I Income Tax</b>	10,825.07	9,909.65
ii Sales Tax - Delhi	122.00	122.00
iii VAT-Haryana	859.90	1,090.72
iv Excise & Taxation Department, Punjab	455.82	455.82
v Excise Duty	42.91	42.91
vi Service Tax	9.12	9.12
vii Legal Cases against the Company	963.94	963.94
<b>B Corporate Guarantee given by the Company.</b>	6,235.32	13,236.74
<b>C Bank Guarantees</b>	18.75	1,382.60
<b>D Surety Bonds issued to Govt. Agencies under EPCG/Adv License scheme</b>	2,082.34	1,918.16

**Nature of contingent liabilities and other particulars are as given below:-**

- I 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 :-





(Rs. In Lacs)

AY	Tax	Interest	Total
2002-03 to 2008-09	298.03	106.00	404.03
2009-10	80.53	47.40	127.93
2010-11	2,331.25	1,347.86	3,679.11
2011-12	1,239.15	1,156.77	2,395.93
2012-13	1,274.98	1,019.99	2,294.97
2013-14	406.83	264.39	671.21
2014-15	798.04	453.85	1,251.89
Total			10,825.07

- i 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.122.00 Lacs on sale of REP Licenses 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.Lacs)	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 17.01.2014	25.56	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	859.90		

Note : The Appellate Authority has remanded back the above cases to Revision Authority,Rohtak / Assessing Authority, Sonipat

- iv Appeals are 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.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 an 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 aforesaid demand.



### vii Legal Cases against the Company

The Board of Trustee of the port of Mumbai has filed a money suit for recovery of Rs. 963.94 Lacs 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 Corporate guarantees given by the company are as per details given in Note 40.

### ix Bank guarantee's of Rs. 1382.60 Lacs as on 31 Mar-2018 included guarantee given by Oriental Bank of Commerce to Bank of India, U.K for GBP 1 Million (Rs. 922.85 Lacs and by Punjab National Bank to Kohinoor Speciality Foods India Pvt. Ltd for Rs. 430.00 Lacs. Both these guarantee's were invoked during the current year.

### 39. Commitments

There are no commitment for contracts remaining to be executed on capital account as at the end of current year or previous year.

### 40. Details of loans given, investment made and guarantee given covered u/s 186 (4) of the Companies Act-2013.

i Details of Loans given and investment made are given under the respective heads.

ii Corporate guarantees are given by the company for subsidiaries as follows:-

as at 31.03.2019

Name of Beneficiary currency	Guarantee issued to	Amount in foreign	Amount in Rs. Lacs
1 Indo European Foods Ltd	Bank of India, U.K	-	-
2 Kohinoor Foods USA INC	Punjab National Bank, Hong Kong	9,000,000 USD	6,235.32
			6,235.32

as at 31.03.2019

Name of Beneficiary currency	Guarantee issued to	Amount in foreign	Amount in Rs. Lacs
1 Indo European Foods Ltd	Bank of India, U.K	8,000,000 GBP	7,382.77
2 Kohinoor Foods USA INC	Punjab National Bank, Hong Kong	9,000,000 USD	5,853.97
			13,236.74

The loan taken from Bank of India, U.K has been fully repaid by Indo European Foods Ltd. Hence the corporate gurantee given by the company is not in force.

41. As per the assessment of Management the company continues to be going concern. This assessment is based on Resolution plan submitted to the Banks by company and the interest shown by prospective investors in the company.

### 42. Disclosures as Required by Indian Accounting Standard (Ind As) 113: Fair Value Measurement:

As at 31.03.2019

(Rs. In Lacs)

Fair value measurement at	Amortised Cost	FYTPL			FYTOCI			TOTAL
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
<b>Financial Assets</b>								
<b>Non Current Financial Assets</b>								
Investment					9.76		4,959.42	4,969.18
Other financial assets	-							-
<b>Current Financial Assets</b>								
Investments								
Trade receivables	21,195.30							21,195.30
Cash and cash equivalents	102.18							102.18
Other financial assets	2.05							2.05
	<b>21,299.53</b>	-	-	-	<b>9.76</b>	-	<b>4,959.42</b>	<b>26,268.71</b>
<b>Financial Liabilities</b>								
<b>Non Current Financial Liabilities</b>								
Borrowings	1,500.00							1,500.00
<b>Current Financial Liabilities</b>								
Borrowings	68,480.92							68,480.92
Trade Payables	4,187.26							4,187.26
Other Financial Liabilities	1,441.61							1,441.61
	<b>75,609.80</b>	-	-	-	-	-	-	<b>75,609.80</b>



As at 31.03.2018

(Rs. In Lacs)

Fair value measurement at	Amortised Cost	FYTPL			FYTOCI			TOTAL
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
<b>Financial Assets</b>								
<b>Non Current Financial Assets</b>								
Investment					9.76		8,958.00	8,967.76
Other financial assets	4.32							4.32
<b>Current Financial Assets</b>								
Investments					-			-
Trade receivables	8,328.78							8,328.78
Cash and cash equivalents	791.23							791.23
Other financial assets	357.09							357.09
	<b>9,481.42</b>	-	-	-	<b>9.76</b>	-	-	<b>18,449.18</b>
<b>Financial Liabilities</b>								
<b>Non Current Financial Liabilities</b>								
Borrowings	1,522.25							1,522.25
<b>Current Financial Liabilities</b>								
Borrowings	70,143.69							70,143.69
Trade Payables	13,209.76							13,209.76
Other Financial Liabilities	1,493.23							1,493.23
	<b>86,368.94</b>	-	-	-	-	-	-	<b>86,368.94</b>

### 43. Financial Risk Management

The company has exposure to the following risks arising from Financial Instruments:

- **Credit Risk**
- **Liquidity Risk**
- **Market Risk**

#### CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including cash and cash equivalents and deposits with banks and financial institutions.

#### CREDIT RISK MANAGEMENT

##### Trade receivable related credit risk

All trade receivable are reviewed and assessed for default on routine basis. Our historical experience of collecting receivables is of low credit risk.

##### Other financial assets

The company maintains low exposure in cash and cash equivalents. The Company's maximum exposure to credit risk is the carrying value of each class of financial assets.

#### LIQUIDITY RISK:

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

#### Maturities of financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.



### Maturity of Financial liabilities

(Rs. In Lacs)

31-Mar-2019	Carrying amount	Less than 1 year	1-2 years	2-5 years
Borrowings	69,980.92	68,480.92	-	1,500.00
Trade Payables	4,187.26	4,187.26		
Other Financial Liabilities	1,441.61	1,441.61		
	<b>75,609.80</b>	<b>74,109.80</b>	<b>-</b>	<b>1,500.00</b>

(Rs. In Lacs)

31-Mar-2019	Carrying amount	Less than 1 year	1-2 years	2-5 years
Borrowings	71,665.94	70,143.69	22.25	1,500.00
Trade Payables	13,209.76	13,209.76		
Other Financial Liabilities	1,493.23	1,493.23		
	<b>86,368.94</b>	<b>84,846.68</b>	<b>22.25</b>	<b>1,500.00</b>

### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to the following market risks that arise from its use of financial instruments:

- Currency Risk
- Price Risk
- Interest Rate Risk

### Currency Risk

The Company operates internationally and consequently the Company is exposed to foreign exchange risk through its sales in overseas market. The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows policies which includes the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

#### a) Foreign currency exposure not hedged by a derivative instrument or otherwise

Particulars	Currency	Foreign	In Rupees Lacs	Foreign	In Rupees Lacs
Export Receivable	USD	320,534	222.07	2,538,902	1,651.41
	GBP	1,664,177	1,503.75	75,773	699.31
	EURO			95,249	76.79
	AUD	486,035	238.96	648,648	324.56
	CAD			63,195	31.90
Advances received from customers for export	USD	2,024,305	1,402.47	4,090,056	2,660.34
	EURO				-
Borrowings	USD			6,673,827	4,340.93
	GBP				-
Creditors	USD	44,846	31.07	60,582	39.41
	GBP	217,071	196.15		



- b) There are no outstanding forward contracts as on 31 March 2019. The company had an outstanding Forward contract as on 31st March 2018 and there was Mark to Market (MTM) unrealized loss on forward contracts of Rs. 23.36 Lacs, which was accounted for accordingly in the books of accounts.
- c) **Outstanding forward exchange contracts entered by the company for the purpose of hedging its foreign currency exposures are as under:**

Currency	Cross Currency	In Foreign Currency as at 31-March-2019	Fair value as on 31 March 2019	In Foreign Currency as at 31-March-2018	Fair value as on 31 March 2019
GBP	Indian Rupees	-	-	500,000	461.42

### Price Risk

The price risk is the risk arising from investments held by the Company and classified in the balance sheet either at fair value through Other Comprehensive Income or at fair value through profit or loss.

The Company's equity investments are mainly strategic in nature and are generally held on a long-term basis.

### Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2019, the Company has short term borrowings of 67225.10 Lacs which is exposed in financial risk.

### Commodity Risk

The Company is exposed to the fluctuations in commodity prices. Mismatch in demand and supply, adverse weather conditions, market expectations etc., can lead to price fluctuations. The Company manages these price fluctuations by actively managing the sourcing of the raw material and other products.

44. The company was not required to spend any amount in respect of corporate social responsibility (CSR) for current year and for previous year as per section 135 of Companies Act.
45. The company has not made any contribution to any political party during current year and previous year.
46. During the year no amount of Dividend has been remitted in foreign currency to Non Resident out side India.
47. Some of the balances of Debtors and Creditors are subject to confirmation.
48. Corresponding figures for the previous year have been regrouped/rearranged, wherever necessary to confirm to current year classification.

The above notes form part of the financial statements

In terms of our separate report of even date attached

Annexure to our Report of Date

for and on behalf of the Board of Directors

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

**Sd/-**  
**(SHASI PAL RAWAT)**  
**PARTNER**  
 Membership No: 413795

**Sd/-**  
**SATNAM ARORA**  
**Jt. Mg. Director**  
 DIN NO. 00010667

**Sd/-**  
**GURNAM ARORA**  
**Jt. Mg. Director**  
 DIN NO. 00010731

Faridabad  
 29th-May-2019

**Sd/-**  
**KAMAL DEEP CHAWLA**  
**CHIEF FINANCIAL OFFICER**



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

### ANNEXURE TO THE BALANCE SHEET AS AT 31st MARCH, 2018

#### Form AOC - 1

( Pursuant to first proviso 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	31-03-2019	31-03-2019	31-03-2019
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	69.2813	90.3603
04 Share Capital	15.84	5,888.91	5,587.46
05 Reserves & Surplus	(15.89)	(8,740.49)	(4,544.17)
06 Total Assets	-	9.75	9,001.96
07 Total Liabilities	-	9.75	9,001.96
08 Investments	-	-	-
09 Turnover	-	-	19,933.93
10 Profit / Loss Before Tax	4.21	(280.54)	(1,786.11)
11 Provision for Tax (Including Deferred Tax Expenses)	-	1,213.11	(93.10)
12 Profit / Loss after Tax	4.21	(1,493.64)	(1,693.01)
13 Proposed Dividend including Dividend declared during the year.	-	-	-
14 % of shareholding	100%	100%	100%

Annexure to our Report of Date

for and on behalf of the Board of Directors

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

**Sd/-**  
**(SHASI PAL RAWAT)**  
**PARTNER**  
Membership No: 413795

**Sd/-**  
**SATNAM ARORA**  
**Jt. Mg. Director**  
DIN NO. 00010667

**Sd/-**  
**GURNAM ARORA**  
**Jt. Mg. Director**  
DIN NO. 00010731

Faridabad  
29th-May-2019

**Sd/-**  
**KAMAL DEEP CHAWLA**  
**CHIEF FINANCIAL OFFICER**





### INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF KOHINOOR FOODS LIMITED

Report on the Audit of the Consolidated Financial Statement

#### Qualified Opinion.

We have audited the accompanying Consolidated financial statements of Kohinoor Foods Limited (hereinafter referred to as “**the Holding Company**”) and its subsidiaries (the holding company and its subsidiaries together referred to as “**the Group**”), which comprise the Consolidated Balance Sheet as at March 31<sup>st</sup>, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects/possible effects of the matters described in paragraph under 'Basis of Qualified Opinion'**, 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 including the Ind AS, of the financial position of the Company as at March 31, 2019, and its consolidated profit/loss including other comprehensive income, its Consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Qualified opinion

1. Note No. 37 in the consolidated financial statement discloses the management's assessment of the company's ability to continue as going concern. However, in view of the continuing default in re-payment of borrowings, significant decline of revenue, continuous losses, negative cash flows and negative net worth, resignation of KMP and senior management and due to financial constraints, material uncertainty exists about the company's ability to continue as going concern and the decision of the management of the holding company to prepare the accounts of the Group company on going concern basis. This assessment is based on Resolution plan submitted to the Banks by holding company and the interest shown by prospective investors in the holding company. There would arise a need to adjust the realizable value of assets and liabilities in the event of failure of assumption as to going concern.
2. Loss of the company is understated by Rs 5452.28 lakhs (approx.) due to non-provisioning of interest on bank loans after the accounts of the company were classified as NPA and further amount towards penal interest, any other penalty etc. as may be charged by lenders. In the absence of statement of account, the above amount has been arrived as per calculation made by the holding company. With the limited information the aggregate amount unprovided in books of account of the company is not ascertainable with accuracy.
3. The management of holding company provided balance Confirmation of few debtors. However, as per information & explanation given by management of holding company, *“the company have dispute with its debtors due to quality issue of rice sold to them and most of the parties are claiming discount ranging 20%-40% due to quality issue. Therefore, management will have to accord them discount @25% to its debtors”*. Accordingly, the management has made a provision of 25% of bad debts on some of the debtors. However, the extent of provision required and number of debtors on which provision was required is not ascertainable. Accordingly, depending on the circumstances of the audit, audit evidence in the form of external confirmations received directly by the auditor from confirming parties may be more reliable than evidence generated internally by the entity. In the absence of above third-party confirmation and small recovery of amount from debtors till the date of audit, we are unable to comment on realizability of such amount due from debtors and its possible effect on consolidated financial statement of the group company.
4. The management of holding company has provided confirmation of accounts of very few creditors only. Depending on the circumstances of the audit, audit evidence in the form of external confirmations received directly by the auditor from confirming parties may be more reliable than evidence generated internally by the entity. In the absence of third-party confirmation, we are unable to comment on actual liability to creditors (including squared up accounts) and its possible effect on consolidated financial statement of the group company.
5. In reference to note no 21 of consolidated financial statement, domestic sale made to various customers and as per information & explanation given by management of holding company, *“we are continuously following up for payment, but their customers are delaying it due to various reason, mainly because of quality problem. They have informed that their customers are not accepting this rice due to quality issue. Some of them are asking for huge discount and some want to return the rice. Some say that they will only pay to company when they receive money from their customers.”* Further the company still retains significant



risk of ownership because the company retains an obligation for unsatisfactory performance. The receipt of revenue from domestic sale is contingent on the derivation of revenue by the buyer from their onward sale of the goods. In such cases, it is not probable that the economic benefits associated with the transaction will flow to the company until the consideration is received by its buyers and the uncertainty is removed. Due to such uncertainty, it is not possible to adequately measure the amount of revenue. Thus, in the absence of any agreement, underlying terms & conditions, schedule of delivery, acceptance and recovery from customers and revenue recognition by the holding company not being in line with Ind AS "Revenue Recognition", we are unable to comment its impact on consolidated financial statement.

6. The holding Company has recognised Revenue without negating the effect of re-purchase from debtors. As per Ind AS, Revenue Recognition criteria are applied to two or more transactions together when they are linked in such a way that the commercial effect cannot be understood without reference to the series of transactions as a whole. The holding company made sale and purchase transaction with the same parties during the year. The management informed us that each transaction is separate transaction not related to each other as quality of goods sold and purchased are different. However, we have not been provided any quality wise record of sale & purchase, hence in the absence of such record we are unable to comment whether revenue recognised by the holding company is in line with Ind AS Revenue Recognition and its impact on consolidated financial statement.
7. We were not provided with the balance confirmation and reconciliation, if any, of some bank accounts (including accounts closed during the year) appearing in books of accounts of the holding company. In the absence of having aforementioned confirmation and reconciliation, the impact there of is unascertainable, and therefore, is not being commented upon in this report.
8. We have not been provided the audited financial statement/financial information of U.K. based subsidiary companies Indo European Food Limited and Indian subsidiary company M/S. Sachdeva Brothers Private Limited. The Management of the holding company consolidated the financial statement on the basis of unaudited financial statement of these subsidiaries. We are unable to comment on adjustment that may have been required to these consolidated Ind AS financial statements, had such consolidated Ind AS financial statement been audited.
9. We have not been provided financial statement/financial information of jointly controlled entity "Rich Rice Raiser factory LLC. Therefore, we are unable to comment about any possible effect of these joint venture company in consolidated financial statement for the period ended 31<sup>st</sup> March 2019.
10. We draw attention on audit opinion in audit report of USA base subsidiary company Kohinoor foods USA INC. that *"The accompanying financial statements have been prepared assuming that the company will continue as a going concern. However, as discussed in Note 2 to the financial statements of this subsidiary company describing significant changes in business operations during the year what raise very substantial doubt about its ability to continue as a going concern. The financial statements include certain adjustments that result from the outcome of this uncertainty as discussed in Note 4 to the financial statements of this subsidiary."*

### Emphasis of Matters

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

- (1) As stated in Note 35 to the consolidated financial statements, the company has not made Provision for the demand raised by various authorities as the matters are pending before various appellate forum. We are unable to comment upon possible impact in the consolidated financial statement for the year ended 31<sup>st</sup> March 2019.
- (2) As stated in Note 6 to the consolidated financial statements, management of holding company has reviewed carrying amount of a deferred tax asset and on the basis of that review balance of deferred tax assets has been written off by Rs 9,774.25 Lakhs as on 31<sup>st</sup> March, 2019.
- (3) As stated in Note No 12(a) in the consolidated financial statement, the holding company has allotted 18,30,000 equity shares on conversion of warrant into equity shares issued on preferential basis to its promoters. The holding company has filed application for listing of 18,30,000 equity shares to both the stock exchange (NSE & BSE). However, the holding company is yet to receive the approval from the stock exchange (NSE & BSE). The consequential effect the above, on the consolidated financial statement is not ascertainable.
- (4) A legal notice was issued to domestic debtor M/S. Kasturi Exim (P) Limited for recoverability of outstanding amount of Rs 2900 Lacs. The holding company has made full provision of amount of Rs 2900 lacs on account of such debtor for the year ended 31<sup>st</sup> March 2019 and the company has submitted a claim under regulation 7 of the insolvency and bankruptcy board of India (Insolvency Resolution process for Corporate person) Regulation, 2016 to the interim resolution professional appointed by NCLT.



- (5) We draw attention to Note No. 16(c) of the statement of consolidated financial statement of the holding company for the year ended 31<sup>st</sup> March 2019, that the lender of consortium bank "Oriental Bank of Commerce" have filed an application against holding company under section 7 of the Insolvency and Bankruptcy code, 2016 before National company Law Tribunal (NCLT) Chandigarh bench and the matter is adjourned to date 19.07.2019.

Our opinion is not modified in respect of these matters.

### Key Audit Matters.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition, the matters described in the "basis for qualified opinion" and "Emphasis of matters" paragraph are by their nature key audit matters.

### Responsibility of Management's and Those Charged with Governance for the Consolidated Financial Statements

The Holding 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 of these consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statement, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as application, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those board of directors are also responsible for overseeing the company's financial reporting process.

### Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Other Matter

We did not audit the financial statements / financial information of three subsidiaries, whose financial statements / financial information reflect total assets of Rs. 2281 Lacs as at 31<sup>st</sup> March, 2019, total revenues of Rs. 19599 Lacs and net cash flows decrease amounting to Rs 99 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements include the Group's share of net loss of Rs 2411 Lacs for the year ended 2019, as considered in the consolidated financial statements, in respect of subsidiaries. Financial statements/financial information only of one subsidiary company Kohinoor Foods USA Inc. have been audited by other auditors whose reports have been furnished to us by the Management of holding company 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 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 is based solely on the reports of the other auditors.

Except as stated in the "Basis for Qualified Opinion" paragraph, 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 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



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

necessary for the purposes of our audit; except as stated in para under the head "Basis for Qualified Opinion".

- b) Except for the effects/possible effects of the matters described in the "Basis for Qualified Opinion" paragraph above, 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 consolidated financial statement dealt within the report are in agreement with the books of account and return;
- d) Except for the effects/possible effects of the matters described in the "Basis for Qualified Opinion", in our opinion, the aforesaid consolidate financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules;
- e) The matters described in the "Basis for Qualified Opinion" paragraph above, in our opinion, may have an adverse effect on the functioning of the group.
- f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors of the holding companies is disqualified as on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act;
- g) With respect to the adequacy of the internal financial controls over financial reporting of the holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- h) 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 holding company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. Refer Note 35 to the financial statements;
  - ii. Except as matter described under "Basis for qualified opinion" and Emphasis of matter" paragraph, the holding company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 15 and 20 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.

Place : New Delhi  
Date : 29th-May-2019

For RAJENDER KUMAR SINGAL & ASSOCIATES LLP  
(CHARTERED ACCOUNTANTS)  
FRN NO.: 016379N  
Sd/-  
(SHASHI PAL RAWAT)  
PARTNER  
Membership No. 413795



### 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 31st March, 2019, we have audited the internal financial controls over financial reporting of Kohinoor Food Limited (hereinafter referred to as "the Holding Company").

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

The respective Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the holding 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 Accountant 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 the 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 internal financial controls over financial reporting of the Holding Company 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 the ICAI and the Standards of Auditing, issued by the 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain the 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 internal financial controls system over financial reporting of the Holding Company.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A Holding 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.

#### **Basis of Qualified Opinion**





# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

According to information and explanations given to us and based on our audit, the following material weakness has been identified as at 31st March, 2019.

1. The Holding Company's did not have an appropriate internal control system for

- (a) Customer acceptance;
- (b) Customer credit evaluation;
- (c) Establishing customer credit limit for sales;
- (d) Acceptance of goods by customers and transfer of risk & reward at the time of sales.

which could potentially result in the company recognising revenue without establishing reasonable certainty of ultimate collection.

2. The Holding Company did not have any internal control system for follow-up/recovery/adjustment of old outstanding receivables and payables including balance confirmation and reconciliation.

A 'Material weakness' is a deficiency, or a combination of deficiency, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statement will not be prevented or detected on timely basis.

### Opinion

In our opinion, except for the effects/possible effects of basis of qualified opinion, the holding Company has maintained, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2018 standalone financial statements of the Company and these material weaknesses does not affect our opinion on the standalone financial statements of the Company.

Place : New Delhi  
Date : 29th-May-2019

For RAJENDER KUMAR SINGAL & ASSOCIATES LLP  
(CHARTERED ACCOUNTANTS)  
FRN NO.: 016379N  
Sd/-  
(SHASHI PAL RAWAT)  
PARTNER  
Membership No. 413795



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

### CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2019

(Rs. In Lacs)

PARTICULARS	NOTE	As at 31-March-019	As at 31-March-2018
<b>A. ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	24,576.09	26,071.72
Capital work in progress	3	—	1.26
Intangible assets			—
Investment	4	9.76	19.83
Other Non Current assets	5	89.67	115.00
Deferred tax assets (Net)	6	355.65	10,903.38
<b>TOTAL</b>		<b>25,031.17</b>	<b>37,111.19</b>
<b>Current Assets</b>			
Inventories	7	2,336.00	54,953.12
Financial assets			
Trade Receivables	8	21,179.37	8,890.84
Cash and Cash Equivalents	9	358.83	1,147.41
Other financial Assets	10	2.05	594.87
Other Current Assets	11	3,186.60	3,809.30
<b>TOTAL</b>		<b>27,062.85</b>	<b>69,395.54</b>
<b>TOTAL ASSETS</b>		<b>52,094.02</b>	<b>106,506.73</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	3,707.15	3,524.15
Other equity	13	(38,369.24)	(3,320.94)
<b>Total</b>		<b>(34,662.08)</b>	<b>203.21</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Financial Liabilities			
Borrowings	14	1,500.00	1,587.33
Provisions	15	160.06	224.88
<b>Total</b>		<b>1,660.06</b>	<b>1,812.21</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	16	74,821.22	81,959.72
Trade Payables	17	6,523.72	16,899.77
Other Financial Liabilities	18	1,447.95	1,509.68
Other Current Liabilities	19	2,286.65	4,101.38
Provisions	20	16.50	20.76
<b>Total</b>		<b>85,096.05</b>	<b>104,491.31</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>52,094.02</b>	<b>106,506.73</b>

The Accompanying Notes form an integral part of the Financial Statements

Annexure to our Report of Date

for and on behalf of the Board of Directors

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

**Sd/-**  
**(SHASI PAL RAWAT)**  
**PARTNER**  
 Membership No: 413795

**Sd/-**  
**SATNAM ARORA**  
**Jt. Mg. Director**  
 DIN NO. 00010667

**Sd/-**  
**GURNAM ARORA**  
**Jt. Mg. Director**  
 DIN NO. 00010731

Faridabad  
 29th-May-2019

**Sd/-**  
**KAMAL DEEP CHAWLA**  
**CHIEF FINANCIAL OFFICER**





# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019

(Rs. In Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-March-2019	FOR THE YEAR ENDED 31-March-2018
<b>INCOME</b>			
Revenue from Operations	21	60,083.61	101,919.91
Other Income	22	173.68	329.42
Total Income		60,257.30	102,249.33
<b>EXPENSES</b>			
Cost of Material Consumed	23	65,382.92	71,275.73
Purchases of Stock-in-Trade	24	78.75	6,761.27
Changes in Inventories of Finished Goods, WIP and Stock in Trade	25	6.91	3,772.35
Employee Benefits Expenses	26	2,543.75	3,663.31
Finance Costs	27	2,664.33	8,779.29
Depreciation and Amortisation Expenses	3	1,463.59	1,708.87
Impairment of Assets	28	3,978.45	71.34
Other Expenses	29	15,339.88	14,190.70
Total Expenses		91,458.58	110,222.87
<b>Profit Before Exceptional items and Tax</b>		(31,201.28)	(7,973.54)
Exceptional Items		—	—
<b>Profit Before Tax</b>		(31,201.28)	(7,973.54)
Tax Expenses			
Current Tax		(93.10)	0.65
Income Tax for Prior Years		—	144.76
Deferred Tax		10,631.72	(83.21)
<b>Profit/(Loss) for the year</b>		(41,739.90)	(8,035.75)
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit plans		12.47	4.85
Unrealised surplus on revaluation of Fixed Assets		771.38	728.79
Fair value of Investments through OCI		—	0.60
<b>Income tax relating to Items that will not be reclassified to profit or loss</b>		—	—
Remeasurements of defined benefit plans			
<b>Other Comprehensive Income for the year</b>		783.85	734.25
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		(40,956.05)	(7,301.50)
<b>EARNING PER EQUITY SHARE (Face value of ` 10 each)</b>			
Basic (In Rs.)	33	(113.33)	(20.72)
Diluted (In Rs.)	33	(113.33)	(20.72)
The Accompanying Notes form an integral part of the Financial Statements			

Annexure to our Report of Date

for and on behalf of the Board of Directors

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

**Sd/-**  
**(SHASI PAL RAWAT)**  
**PARTNER**  
 Membership No: 413795

**Sd/-**  
**SATNAM ARORA**  
**Jt. Mg. Director**  
 DIN NO. 00010667

**Sd/-**  
**GURNAM ARORA**  
**Jt. Mg. Director**  
 DIN NO. 00010731

Faridabad  
 29th-May-2019

**Sd/-**  
**KAMAL DEEP CHAWLA**  
**CHIEF FINANCIAL OFFICER**



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

### Cash Flow Statement for the year ended 31<sup>st</sup> March 2019

(Rs. In Lacs)

PARTICULARS	FOR THE YEAR ENDED 31-March-2019	FOR THE YEAR ENDED 31-March-2018
<b>A. Cash Flow From Operating Activities</b>		
Net Profit before tax	(31,201.28)	(7,973.54)
Adjustments for :		
Depreciation and Amortisation Expenses	1,463.59	1,708.87
Finance cost	2,664.33	8,779.29
Interest income	(15.31)	(60.33)
(Profit)/Loss on Sale of Fixed Assets	13.31	(6.48)
(Profit)/Loss on Sale of Shares	10.06	
Income from Key Man Insurance Policy	(48.35)	(60.25)
Impairment loss on Investment in Subsidiary	3,978.45	71.34
<b>Operating profit before working capital changes</b>	<b>(23,135.21)</b>	<b>2,458.92</b>
Adjustments for		
Decrease/(Increase) in Inventories	52,617.12	10,557.11
Decrease/(Increase) in Trade Receivables	(12,288.53)	2,143.20
Decrease/(Increase) in other Receivables	1,240.85	(317.60)
Increase/(Decrease) in Trade payables	(10,376.05)	4,978.33
Increase/(Decrease) in other payables	(1,933.06)	(512.66)
Un realized Foreign Exchange Gain/Loss	(110.23)	(623.47)
<b>Cash generated from operations</b>	<b>6,014.88</b>	<b>18,683.82</b>
Income tax paid	93.10	(145.42)
<b>Net Cash from operating activities</b>	<b>6,107.99</b>	<b>18,538.41</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment's	—	(1,021.65)
Sale of property, plant and equipment's	782.17	—
Investments in Subsidiaries /Associates Companies	—	—
Sale of Investments	---	928.90
Interest Received	15.31	60.33
Income from Key Man Insurance Policy	48.35	60.25
<b>Net cash from Investment activities</b>	<b>845.83</b>	<b>27.82</b>
<b>C. Cash Flow from Financing Activities</b>		
Receipts against issue of Share Capital/Share Warrants	2,147.76	—
Increase/( Decrease) in short term borrowings	(7,138.50)	(10,698.87)
Increase/( Decrease) in Long term borrowings	(87.33)	(173.47)
Interest paid	(2,664.33)	(8,779.29)
<b>Net cash flow from financing activities</b>	<b>(7,742.40)</b>	<b>(19,651.63)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(788.59)</b>	<b>(1,085.40)</b>
- Cash & Cash equivalent at beginning of the year	1,147.41	2,232.81
- Cash & Cash equivalent at end of the year *	358.83	1,147.41
	<b>(788.59)</b>	<b>(1,085.40)</b>

Annexure to our Report of Date

for and on behalf of the Board of Directors

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

Sd/-  
**(SHASI PAL RAWAT)**  
**PARTNER**  
 Membership No: 413795

Sd/-  
**SATNAM ARORA**  
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**GURNAM ARORA**  
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 DIN NO. 00010731

Faridabad  
 29th-May-2019

Sd/-  
**KAMAL DEEP CHAWLA**  
**CHIEF FINANCIAL OFFICER**



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amount. In Rs)

PARTICULARS	No. Shares	Amount
<b>A. Equity Share Capital</b>		
Balance as at 1st April, 2017	35,241,530	352,415,300
Change in equity share capital during the year 2017-18		
Balance as at 31 <sup>st</sup> March, 2018	35,241,530	352,415,300
Change in equity share capital during the year 2017-18	1,830,000	183.00
Balance as at 31 <sup>st</sup> March, 2018	37,071,530	3,707.15

### B. Other Equity

(Amount. In Rs)

PARTICULARS	Capital Reserve Account	Securities Premium	Retained earnings	Revaluation Surplus	Share Warrants Application Money	Foreign Currency Translation Reserve	Total
<b>Balance as at 1st April, 2017</b>	760.25	14,549.43	(22,407.23)	16,260.96	-	(4,608.07)	4,555.34
Profit for the year			(8,035.75)				(8,035.75)
Other Comprehensive Income for the Year			5.46				5.46
<b>Total Comprehensive Income for the year</b>	-	-	(8,030.29)	-	-	-	(8,030.29)
Exchange differences on foreign currency Translation of Foreign Operation						(625.15)	(625.15)
Unrealised gain on revaluation of Fixed Assets				779.15			779.15
Dividends Transferred to General Reserve							
<b>Balance as at 31st March, 2018</b>	760.25	14,549.43	(30,437.52)	17,040.11	-	(5,233.22)	(3,320.94)
Profit for the year			(41,739.90)				(41,739.90)
Other Comprehensive Income for the Year			12.47				12.47
	-	-	(41,727.43)	-	-	-	(41,727.43)
Exchange differences on foreign currency Translation of Foreign Operation						3,952.20	3,952.20
Unrealised gain on revaluation of Fixed Assets				762.18			762.18
Security Premium on share issued during the year		1,207.80					1,207.80
Application Money on issue of Share Warrants					756.96		756.96
Dividends Transferred to General Reserve							
<b>Balance as at 31st March, 2019</b>	760.25	15,757.23	(72,164.95)	17,802.29	756.96	(1,281.01)	(38,369.24)

Annexure to our Report of Date

for and on behalf of the Board of Directors

For Rajender Kumar Singal & Associates LLP.

CHARTERED ACCOUNTANTS

FRN : 016379N

Sd/-  
(SHASI PAL RAWAT)  
PARTNER

Membership No: 413795

Sd/-  
SATNAM ARORA  
Jt. Mg. Director

DIN NO. 00010667

Sd/-  
GURNAM ARORA  
Jt. Mg. Director

DIN NO. 00010731

Faridabad  
29th-May-2019

Sd/-  
KAMAL DEEP CHAWLA  
CHIEF FINANCIAL OFFICER



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

### NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

#### 1. Basis of Preparation of Consolidated Financial Statement

These Financial Statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements for the year ended March 31, 2018 were prepared by the company under Ind AS for the first time, with 01-04-2016 as date of transition.

The Financial Statements have been prepared on the historical cost convention on going concern basis and on accruals basis unless otherwise stated. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements of Kohinoor Foods Limited ("hereinafter referred to as company/ holding company/ parent company") together with its subsidiaries (hereinafter collectively referred to as "Group") are consolidated to form Consolidated Financial Statements (CFS). Consolidated Financial Statements consolidate the financial statements of KFL and its Wholly Owned Subsidiaries listed below

Wholly Owned Subsidiary(WOS)	Country of Incorporation
Sachdeva Brothers Pvt Ltd	India
Indo European Foods Ltd	United Kingdom
Kohinoor Foods USA Inc.	USA

The parent company has not received audited financial statement from its Joint venture company, Rich Rice Raisers LLC. Rich Rice Raisers LLC has closed its operations. KFL has 25% shareholding in this Joint Venture. The Management considers that the parent company is not in position to exercise control over this entity. Hence the results of Joint venture company Rich Rice Raisers LLC are not considered in the Consolidated Financial Statements.

The Company has not received the audited financial statement of U.K. based subsidiary company Indo European Foods Limited. The Consolidated financial statement has been prepared on the basis of unaudited financial statement of this subsidiary.

The company was holding 20% share capital in Al Dahra Kohinoor LLC and Al Dahra Kohinoor Industries LLC. Al Dahra Kohinoor LLC has exercised the call option which Kohinoor Foods Limited has accepted. Upon completion of formalities the shareholding of Kohinoor Foods Limited in both these companies has been reduced to NIL. Hence they are not considered as Associate Companies for the current year and their financial statements have not been considered in Consolidated Financial Statement.

#### 2. Significant Accounting Policies

##### (a) Principles of Consolidation:

The financial statements of the parent 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".

The results and financial position of all the Group Companies are translated into the reporting currency as follows:

- Current Assets and Liabilities for each balance sheet presented are translated at the closing rate at the date of that balancesheet;



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

- (ii) Income and expenses for each income statement are translated at average exchange rates.
- (iii) All resulting exchange differences are accumulated in foreign currency translation reserve until the disposal of net investment.

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

The preparation of Financial Statements requires management to make certain assumptions and estimates that affect the reported amount, the Financial Statements and Notes thereto. Difference between actual results and estimates are recognized in the period in which they materialize.

### **(c) Property, Plant and Equipment**

The Group has adopted revaluation model for land & building. All the assets belonging to these classes of assets are carried at revalued amount being its fair value at the date of revaluation less subsequent depreciation. The Group shall carry out the revaluation of these assets periodically after every 3 to 5 years.

Property, Plant & Equipment under all other classes are stated at cost of acquisition/installation inclusive of freight, duties, and taxes and all incidental expenses and net of accumulated depreciation. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing costs. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress" and stated at the amount spent up to the date of balance sheet.

Intangible assets are stated at their cost of acquisition.

### **(d) Depreciation**

Depreciation on Property, Plant & Equipment is provided on written down value method, in terms of useful life of the Assets as prescribed 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.
-------------------------	-----------

The subsidiaries, IEFL provides the depreciation on following basis: -

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 Property	2% p.a. straight line basis
Plant and Machinery	Up to 25 Years
Fixtures and Fittings	15% p.a. reducing balance basis
Motor Vehicles	20% p.a. reducing balance basis
Computer Equipment & Software	20% p.a straight line basis



### **(e) Financial Instruments**

#### **(1) Financial Assets**

##### **Initial recognition and measurement**

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

##### **Subsequent measurement**

###### **i) Financial assets carried at amortised cost**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### **ii) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### **iii) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

#### **Other Equity Investments**

Equity investments are measured at fair value. Investments which are not held for trading purposes and where the Company has exercised the option to classify the investment as Fair Value through other comprehensive income ('FVTOCI'), all fair value changes on the investment are recognised in OCI.

#### **(2) Financial liabilities**

##### **Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

##### **Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### **(3) Derivative financial instruments**

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.



### **(f) Fair value measurement**

The Group classifies the fair value of its financial instruments, FVTPL and FVTOCI, in the following hierarchy, based on the inputs used in their valuation:

- i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.
- ii) Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.
- iii) Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

### **(g) Dividend to Equity Shareholders**

Dividend to Equity Shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

### **(h) Inventories**

Raw materials, traded and finished goods are stated at the lower of cost and net realisable value. Stores and spares are carried at cost.

Cost is determined on FIFO (First in First out) basis for raw material, and on weighted average method for all other categories of inventories. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition, where applicable, include appropriate overheads based on normal level of activity.

### **(i) Cash and Cash Equivalents**

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

### **(j) Revenue Recognition**

Revenue is measured at fair value of the consideration received or receivable, net of discount, rebate, returns and value added taxes. The revenue is recognized when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the activities.

Revenue from sale of goods is recognised when all the significant risk and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. On recognition of revenue the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Interest income is recognized using the effective interest method. Revenue in respect of Insurance / others claims, Commission, etc. is recognized only when it is reasonably certain that the ultimate collection will be made.

Revenue in respect of sale of licenses, duty drawback and other incentives is recognized on realization basis.





### **(k) Research and Development**

Research expenditure is recognised in the statement of profit and loss as incurred. Development expenditure is capitalised only if the costs can be reliably measured, future economic benefits are probable, the product is technically feasible and the Company has the intent and the resources to complete the project. Development assets are amortised based on the estimated useful life, as appropriate.

### **(i) Employee Benefits**

Contributions to defined contribution plans are charged to the statement of profit and loss on accrual basis. Present liability for future payment of gratuity is determined on the basis of actuarial valuation at the balance sheet date and the expenses is charged to the statement of profit and loss.

### **(m) Foreign Currency Transactions**

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

### **(n) Government Grant**

Grants from the government are recognised when there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grant received from government towards property, plant & equipment's acquired/constructed by the Company is deducted out of gross value of the asset acquired/ constructed and depreciation is charged accordingly.

### **(o) Borrowing Costs**

Borrowing costs consist of interest, ancillary and other costs that the group incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Interest and other borrowing costs attributable to qualifying assets are capitalised as a part of such assets till such time the assets are ready for use. Other interest and borrowing costs are charged to Statement of Profit and Loss.

### **(p) Income tax**

#### **Current Income Tax:**

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with applicable Income Tax law.

#### **Deferred Tax:**

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date.



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Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Current and Deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

### **(q) Leases**

Lease of assets, where the Company, as a lessee, has substantially assumed all the risks and rewards of ownership are classified as finance leases. Assets acquired on finance lease are capitalised and depreciated as per the policy on Property, Plant and Equipment. Finance lease are measured at the lease's inception at the lower of fair value of the leased property and the present value of the minimum lease payments. The corresponding lease rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### **(r) Provisions, Contingent Liability and Contingent Assets**

A provision is created when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

### **(s) Impairment of Financial Assets**

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

### **(t) Impairment of Non-Financial Assets**

An assessment is made at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such Indication exists; the Company estimates the recoverable amount of assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the assets belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of Profit & Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets is reflected at recoverable amount.

### **(u) Exceptional Items**

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. These are material items of income or expense that have to be shown separately due to their nature or incidence.

### **(v) Earnings per share**



The Consolidated statement of Profit and Loss presents basic and diluted earnings per share data for the ordinary shares of parent company. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

### **(w) Events after the reporting period**

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.



### 3. PROPERTY, PLANT AND EQUIPMENT (Rs. In Lacs)

Particulars	Gross Block			Depreciation				WDV	WDV		
	As at 31-03-2018	Additions	Deletions	Translation Reserve	Total as on 31-03-2019	31-03-2018	D/Y as per Sch II	Deletions/ Adjust-ments	Translation Reserve	As at 31-03-2019	As at 31-03-2018
TANGIBLE ASSETS											
LAND	11,184.12		681.07	41.65	10,546.72	-	-	-	-	10,546.72	11,186.14
BUILDING	15,163.17	4.24	-	643.99	15,811.40	3,912.69	767.42	-	(39.34)	11,170.63	11,250.49
PLANT & MACHINERY AND OFFICE EQUIPMENTS	13,741.73	-	-	(47.58)	13,694.15	10,708.51	567.72	-	(31.10)	2,449.02	3,033.22
FURNITURE & FIXTURE	610.25	1.04	-	(5.71)	605.58	468.80	33.42	-	(4.42)	107.79	141.46
WOODEN, PLASTIC CREATES & TARPAULINS	168.15	-	-	-	168.15	167.48	0.67	-	-	0.00	0.67
COMPUTERS	274.62	-	-	(3.76)	270.86	116.98	15.96	-	(0.71)	138.63	157.63
VEHICLES	1,313.99	11.26	125.51	(2.66)	1,197.08	1,011.88	78.41	55.76	(0.74)	163.30	302.11
GRAND TOTAL	42,458.05	16.64	806.58	625.93	42,293.94	16,386.33	1,464.59	55.76	(76.32)	24,576.09	26,071.72
PREVIOUS YEAR	40,298.19	834.63	61.37	1,386.60	42,458.22	14,654.22	1,708.87	58.24	81.48	26,071.72	-

### CAPITAL WORK IN PROGRESS

Particulars	Amount
<b>Net Book Value</b>	-
Balance as at March 31, 2019	-
Balance as at March 31, 2018	1.26



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		(Rs. In Lacs)	
As at	31-March-2019	31-March-2018	
<b>4. Non-Current Investment</b>			
<b>Investment in Unquoted Equity Instruments</b>			
<b>Joint Venture Companies</b>			
Rich Rice Raisers factory LLC.	9.42	9.42	
75 (Previous year - 75) shares of AED 1000 each fully paid up			
Less :- Diminution in the Value of the Investment	(9.42)	(9.42)	
	—	—	
<b>Associates Companies</b>			
AL Dahra Kohinoor Industries LLC	—	10.06	
Nil (Previous year - 60) shares of AED 1000 each fully paid up			
AL Dahra Kohinoor LLC	—	10.06	
Nil (Previous year - 60) shares of AED 1000 each fully paid up			
Less :- Adjustment for Post acquisition losses	—	(10.06)	
	—	—	
<b>Other Investment</b>			
<b>Investment in Un-quoted Fund</b>			
Balanced Plan Fund- Canara-HSBC-OBC	9.76	9.76	
(56496.16 previous year -(58300.4583) Unit of			
Balanced Plus Fund issued under Canara-HSBC-OBC			
Life Insurance Platinum Plus Plan)			
	9.76	19.83	
a) Aggregate amount of Quoted investments	—	—	
Aggregate amount of Market value of Quoted Investments	—	—	
Aggregate amount of Un-quoted Investments	9.76	19.82	
Aggregate Provision for Diminution in value of Investments	9.42	9.42	
b) Investment in associates and joint venture are carried at cost. other investments are carried at fair value through Other comprehensive income.			
c) The company was holding 20% share capital in Al Dahra Kohinoor LLC and Al Dahra Kohinoor Industries LLC. Al Dahra Kohinoor LLC has exercised the call option which Kohinoor Foods Limited has accepted. Upon completion of formalities the share holding of Kohinoor Foods Limited in both these companies has been reduced to NIL.			
<b>5. Other Non-Current Assets</b>			
(Unsecured, considered goods)			
Security Deposit	89.67	115.00	
	89.67	115.00	
<b>6. Deferred Tax Assets (Net)</b>			
Disallowance under Income tax act, 1961	60.46	107.61	
Related to fixed assets	295.19	(205.11)	
Related to business loss*	—	11,000.88	
	355.65	10,903.38	

Management reviewed the carrying amount of deferred tax asset and on the basis of that review balance of deferred tax asset related to Business Loss has been written off as on 31th March, 2019.



# Kohinoor Foods Ltd.

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		(Rs. In Lacs)	
As at	31-March-2019	31-March-2018	
<b>7. Inventories</b>			
(As taken, valued and certified by the Management)			
Raw Material	747.63	6,109.05	
Work in Progress	25.24	26.75	
Finished Goods	1,154.51	47,944.17	
Stores and Spares	14.93	22.42	
Packing Materials	393.70	850.73	
	<u>2,336.00</u>	<u>54,953.12</u>	
a) Inventories are valued at the lower of cost and net reliable value.			
b) Finished goods includes the Stock in transit			
<b>8 Trade Receivables</b>			
(Unsecured, Considered Good)			
Outstanding for a period exceeding six months	3,018.41	535.34	
Others	18,160.96	8,355.50	
	<u>21,179.37</u>	<u>8,890.84</u>	
(Unsecured, Considered Doubtful)			
Outstanding for a period exceeding six months	8,502.05	—	
Others	—	—	
	<u>8,502.05</u>	<u>—</u>	
Less :- Provision for Bad & Doubtful Debts	8,502.05	—	
	<u>21,179.37</u>	<u>8,890.84</u>	
<b>9 Cash and Cash Equivalents</b>			
Balances with Banks in Current Accounts	346.28	398.31	
Cash in Hand	11.06	42.72	
Fixed deposits as Margin Money with Banks	1.49	706.38	
	<u>358.83</u>	<u>1,147.41</u>	
<b>10 Other Financial Assets (Current)</b>			
Staff Advance	0.49	9.80	
Interest accrued on bank deposits	1.56	97.29	
Others	—	487.78	
	<u>2.05</u>	<u>594.87</u>	
<b>11 Other Current Assets</b>			
(Unsecured, Considered good)			
Advance Tax	2,232.39	2,123.90	
Advance against Purchases	83.71	815.60	
MAT Credit Entitlement	464.87	464.87	
Pre-paid Expenses	183.77	90.62	
Others	221.85	314.31	
	<u>3,186.60</u>	<u>3,809.30</u>	



# Kohinoor Foods Ltd.

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(Rs. In Lacs)

As at	31-March-2019	31-March-2018
<b>12. EQUITY 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>		
37,071,530 (Previous year 35,241,530)	3,707.15	3,524.15
Equity Shares of Rs. 10/- each fully paid-up		
	<u>3,707.15</u>	<u>3,524.15</u>

- 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 | 35,241,530 |
| Number of Equity Shares issued during the year       | 1,830,000  | —          |
| Number of Equity Shares at the end of the year       | 37,071,530 | 35,241,530 |

\* The company has allotted 18,30,000 Equity Shares during the year on conversion of Share Warrants in to Equity shares issued on preferential basis to promoters at a premium of Rs. 66/- per share. After allotment the company has filed application for listing of 18,30,000 equity shares to both the Stock Exchanges (NSE & BSE) and the approval for same is yet to be received.

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

As at	31-March-2019		31-March-2018	
	No. of Shares	% holding	No. of Shares	% holding
(1) Jugal Kishore Arora	6,653,484	17.95%	6,043,484	17.15%
(2) Satnam Arora	5,988,923	16.16%	5,378,923	15.26%
(3) Gurnam Arora	6,708,889	18.10%	6,098,889	17.31%
(4) M/s Al Dahra	7,048,306	19.01%	7,048,306	20.00%
International Investments LLC				

- 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.

### 13. OTHER EQUITY

<b>Capital Reserve</b>	760.25	760.25
<b>Securities Premium Account</b>	15,757.23	14,549.43
<b>Revaluation Surplus</b>		
As per last Balance Sheet	17,040.11	16,260.96
Add :- During the year	762.18	779.15
<b>Revaluation Surplus</b>	17,802.29	17,040.11
<b>Share Warrants Application Money</b>	756.96	—
<b>Retained Earnings</b>		
As per last Balance Sheet	(30,437.52)	(22,407.23)
Profit/(Loss) during the year	(41,739.90)	(8,035.75)
Other Comprehensive Income	12.47	5.46
	<u>(72,164.95)</u>	<u>(30,437.52)</u>





# Kohinoor Foods Ltd.

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As at	(Rs. In Lacs)	
	31-March-2019	31-March-2018
<b>Foreign Currency Translation Reserve</b>		
As per last Balance Sheet	(5,233.22)	(4,608.07)
Add :- Exchange fluctuation during the year	3,952.20	(625.15)
	(1,281.01)	(5,233.22)
	(38,369.24)	(3,320.94)

### Nature and Purpose of Reserve.

#### i Capital Reserve

Capital Reserve had been created consequent to forfeiture of Application Money on Share Warrants.

#### ii. Securities Premium Account

Securities Premium Account had been created consequent to issue of shares at premium.

These reserves can be utilised in accordance with Section 52 of Companies Act, 2013. The addition to share premium account represents premium of Rs. 66/- per share on issue of 1830000 equity share of Rs. 10 each to Promoters.

#### iii Revaluation Surplus

Revaluation surplus of Rs. 15,885.19 Lacs was created on revaluation of Land & Building as on 01

04-2016 by Kohinoor Foods Limited. Its also includes revaluation surplus of Rs. 1917.10 Lacs on revaluation of Assets by subsidiaries company Indo European Foods Ltd.

### Share Warrants Application Money

The company has allotted 58,14,000 share warrants to promoters on preferential basis on 04-10-2018. Out of these, 18,30,000 share warrants have been converted in to equity share @ Rs. 76/- per share and 39,84,000 share warrants are outstanding as on 31-03-2019. Share warrant application money represents application money @ Rs. 19/- per share warrant, which is 25% of the total consideration in respect of 39,84,000 outstanding share warrants.

### Terms attached to these share warrants are given below:-

- 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.
- In case the Warrant holder(s) do not apply for the conversion of the outstanding Warrants into equity shares of the Company within 18 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 warrant shall lapse automatically.
- 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.
- The said warrants by itself do not give to the Warrant holder any rights of the Shareholders or Debenture holders of the Company.

## 14 Borrowings (Non-Current)

### Secured Loans

Long Term maturity of Finance Lease obligations	—	87.33
	—	87.33

### Unsecured Loans

Loan from Directors*	1,500.00	1,500.00
	1,500.00	1,587.33

\* Loan from Directors are interest free.



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

		(Rs. In Lacs)	
As at	31-March-2019	31-March-2018	
<b>15 Provisions (Non-Current)</b>			
Provision for Employee Benefit			
Provision for Gratuity	160.06	224.88	
	<u>160.06</u>	<u>224.88</u>	
<b>16 Borrowings (Current)</b>			
<b>Secured</b>			
Loan repayable on Demand from Banks	73,565.40	80,055.56	
Buyers Credit	—	39.41	
<b>Unsecured</b>			
Overdraft in Current Account	—	420.85	
Loan from Directors	1,255.82	1,443.91	
	<u>74,821.22</u>	<u>81,959.72</u>	
a) Loan repayable on Demand from Banks are working capital loans 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).			
b) The balances are subject to confirmation and reconciliation.			
<b>c) Default in Repayment of Loan</b>			
There are default in repayment of bank loans from March-2018 onwards.			
The Banks have classified the company's accounts as Non Performing asset and served recall Notice for entire amount of loans under section 13(2) of The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, in the month of July/August 2018. The Company has given reply of said notices within the stipulated time.			
Kohinoor Foods USA Inc. has defaulted in repayment of Loans. Its banker PNB-Hongkong has served recall notice. The lead banker, Oriental Bank of Commerce has filed petition under Section 7 of Insolvency and Bankruptcy Code, 2016, before the Honble court of NCLT, Chandigarh Bench, which is not yet admitted.			
The company has not provided interest to the extent of Rs. 5452.28 Lacs up to 31-03-2019 on bank loans which were classified as non-performing assets during the year from the date they were declared NPA.			
Kohinoor Foods USA Inc. has not provided interest to the extent of Rs. 157.86 Lacs up to 31-03-2019 on bank loans which were classified as non-performing assets during the year from the date It was declared NPA.			
<b>17 Trade Payable</b>			
Due to Micro, Small and Medium Enterprises	—	—	
Due to Others	6,523.72	16,899.77	
	<u>6,523.72</u>	<u>16,899.77</u>	
<b>18 Other Financial Liabilities (Current)</b>			
Current maturities of long-term debt (Secured)	50.54	188.62	
Current maturities of finance lease obligations	31.37	66.37	
Employees Benefits Payable	108.72	113.74	
Other Payables	1,257.32	1,116.64	
Interest Payable	—	24.30	
	<u>1,447.95</u>	<u>1,509.68</u>	



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

		(Rs. In Lacs)	
As at		31-March-2019	31-March-2018
<b>19 Other Current Liabilities</b>			
Advance received from customers		1,568.58	3,077.77
Statutory Liabilities		154.60	117.86
Other Liabilities		563.47	905.75
		<u>2,286.65</u>	<u>4,101.38</u>
<b>20 Provisions (Current)</b>			
Provision for gratuity		16.50	20.76
Income Tax			
		<u>16.50</u>	<u>20.76</u>
<b>21 Revenues From Operations</b>			
Sales of Products		59,556.75	101,840.75
Other Operating Revenues		526.86	79.16
		<u>60,083.61</u>	<u>101,919.91</u>
<b>a) Sales of Products</b>			
Rice		54,204.91	89,703.23
Foods		4,104.81	7,561.89
Pulses		—	3,253.15
Other Foods Products		1,247.03	1,322.49
		<u>59,556.75</u>	<u>101,840.75</u>
<b>b) Other Operating Revenues</b>			
Sale of Scrap		64.67	8.64
Income from Rice Processing		291.98	—
Duty Drawback/ Sale of Licenses		170.21	70.53
		<u>526.86</u>	<u>79.16</u>
<b>22 Other Income</b>			
Income from Key man Insurance Policy		48.35	60.25
Interest Income		15.31	60.33
Miscellaneous Income		110.02	202.37
Profit on Sale of Assets		—	6.48
		<u>173.68</u>	<u>329.42</u>
<b>23 Cost of Material Consumed</b>			
Opening Stock		53,995.23	62,912.01
Add: Purchases		13,237.25	62,109.33
Less Closing Stock		1,849.55	53,745.61
		<u>65,382.92</u>	<u>71,275.73</u>
<b>24 Purchase of Traded Goods</b>			
Non-Basmati Rice		—	2,051.38
Foods		78.75	3,857.31
Pulses		—	836.71
Other Foods Products		—	15.87
		<u>78.75</u>	<u>6,761.27</u>
<b>25 Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade</b>			
Opening Inventories		84.74	3,857.09
Closing Inventories		77.83	84.74
		<u>6.91</u>	<u>3,772.35</u>



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

		(Rs. In Lacs)	
For the year ended		31-March-2019	31-March-2018
<b>26 Employee Benefit Expenses</b>			
Staff Salaries	1,872.79	2,604.52	
Director's Remuneration	422.25	716.10	
Gratuity	38.25	49.20	
Bonus	13.63	18.13	
Staff Welfare	85.74	113.39	
Employer's Contribution to P.F. & ESI	111.09	161.98	
	<u>2,543.75</u>	<u>3,663.31</u>	
<b>27 Finance Cost</b>			
Interest Expense*	2,334.36	8,067.06	
Bank Charges	74.16	179.53	
Borrowing Cost	255.81	532.71	
	<u>2,664.33</u>	<u>8,779.29</u>	
<p>* The company has not provided interest to the extent of Rs. 5,452.28 Lacs up to 31-03-2019 on bank loans which were classified as non-performing assets during the year from the date they were declared NPA.</p> <p>Kohinoor Foods USA Inc. has not provided interest to the extent of Rs. 157.86 Lacs up to 31-03-2019 on bank loans which were classified as non-performing assets during the year from the date it was declared NPA.</p>			
<b>28 Impairment of Assets</b>			
Impairment of investment in subsidiaries	3,978.45	71.34	
	<u>3,978.45</u>	<u>71.34</u>	
<p>The company has recognised the impairment loss in respect of Investment in its wholly owned subsidiary, "Sachdeva Brothers Private Limited"</p>			
<b>29 Other Expenses</b>			
<b>a) Manufacturing Expenses</b>			
Loading and Unloading Charges	952.56	534.75	
Packing Materials Consumed	1,488.06	3,576.34	
Wages	148.92	658.63	
Processing Charges	0.82	—	
Repair to Machinery	17.64	107.53	
Consumables & Stores Consumed	2.36	51.01	
Power & Fuel	287.49	530.95	
Freight & Octroi	401.80	—	
Brokerage & Commission	(0.17)	2.96	
	<u>3,299.48</u>	<u>5,462.17</u>	
<b>b) Administrative Expenses</b>			
Payment to Auditors *			
-Statutory Audit Fee	54.71	45.13	
-Tax Audit Fee	4.50	4.50	
-Other Matters	2.52	6.72	
Postage, Telegram and Telephone	62.13	106.25	
General Expenses^	149.26	287.48	
Light & Heat	91.83	—	
Loss on Sale of Shares	20.13	—	



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

	(Rs. In Lacs)	
For the year ended	31-March-2019	31-March-2018
Legal and Professional Charges	340.68	385.92
Electricity Expenses	10.58	107.08
Rates and Taxes	422.80	307.16
Other Taxes Paid	144.47	137.78
Charity and Donation	1.81	10.07
Vehicle Maintenance	132.04	177.74
Printing and Stationery	22.45	30.69
Fumigation Expenses	12.28	55.87
Insurance Charges	123.00	170.82
Conveyance	29.37	61.00
Membership & Subscription	7.34	25.21
Traveling Expenses (Directors)	16.83	56.55
Traveling Expenses (Others)	32.33	93.06
Research & Development	14.21	58.47
Rent	45.75	61.97
HIRE OF EQUIPMENTS	64.33	55.55
Provision for Bad & Doubtful Debts	8,502.05	—
Loss on Sale of Assets	13.31	—
Bad Debts/Balances Written Off	69.31	756.13
Repairs to Building	56.81	61.14
Repairs to Others	165.62	211.52
Staff Recruitment Expenses	—	19.62
Foreign Exchange Loss	513.24	20.08
	<u>11,125.73</u>	<u>3,313.51</u>

### c) Selling & Distribution Expenses

Advertisement and Publicity	229.70	639.12
Business Promotion	29.43	113.86
Rebate & Discount	15.08	91.39
Ocean Freight	23.86	1,267.22
Expenses Against Export	6.77	133.58
Brokerage & Commission on Sales	0.72	109.47
Clearing and Forwarding	609.11	3,060.37
	<u>914.67</u>	<u>5,415.02</u>
	<u>15,339.88</u>	<u>14,190.70</u>



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

	(Rs. In Lacs)	
For the year ended	31-March-2019	31-March-2018
<b>30 Disclosures under IND AS-108 on "Segment Reporting" :</b>		
<b>(a) Information about products and services</b>		
<b>Revenue from sale of Products</b>		
Rice	54,204.91	89,703.23
Foods	4,104.81	7,561.89
Pulses	—	3,253.15
Other Foods Products	1,247.03	1,322.49
	<u>59,556.75</u>	<u>101,840.75</u>
<b>(a) Information about geographical areas</b>		
<b>Revenue by Geographical Area</b>		
ASIA	37,424.45	34,828.51
EUROPE	19,499.71	23,862.43
MIDDLE EAST	1,601.08	28,500.58
AUSTRALIA	824.75	6,710.46
AFRICA	—	3,742.18
C.I.S	—	333.19
NORTH AMERICA	206.76	3,863.39
	<u>59,556.75</u>	<u>101,840.75</u>
<b><u>Non Cuurent Assets</u></b>		
Property, plant and Equipment Located in		
India	19,267.82	20,560.73
United Kingdom	5,308.27	4,871.58
USA	—	639.42
	<u>24,576.09</u>	<u>26,071.72</u>



### 31. Disclosures under INDAS-24 on "Related Party Disclosures" :

#### 31.1 List of related parties

- ii) Joint Ventures
  - Rich Rice Raisers Factory LLC.- Dubai
- iii) Associates of the Company
  - AL Dhara Kohinoor Industries LLC
  - AL Dhara Kohinoor LLC

Kohinoor Foods Limited was holding 20% share capital in Al Dahra Kohinoor LLC and Al Dahra Kohinoor Industries LLC. Al Dahra Kohinoor LLC has exercised the call option which Kohinoor Foods Limited has accepted. Upon completion of formalities the share holding of Kohinoor Foods Limited in both these companies has been reduced to NIL and they are not considered as Associate Companies for the current year

- 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	Whole Time Director
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
- 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.
  - Special Rice and Foods Private Limited
  - Gourmet Foods and Beverages Limited
  - Sunny General Trading

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

	Joint Venture Company/ Asscoiates	Key Managerial Personnel and their Relatives	Enterprises over which Key managerial Personnel exercise significant influence
<b>Transactions during the year</b>			
Sale of products	— (15,737.16)		51.50 —
Remuneration		505.55 (878.15)	— —
Gratuity		— (15.69)	
Advance Received	— (10,435.92)		





# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

Receipt of Share Warrant Application Money		2,147.76	
Allotment of Shares (including Share Premium)		1,390.80	
Advance Given		—	
Payment of Royalty		(51.79)	45.73
Loan from Directors		2,228.21	(25.90)
Repayment of Director's loan		(1,276.30)	
		2,416.29	
		(12,938.21)	
<b>Balances outstanding at the year end:-</b>			
Loan from Directors		2,755.82	
Share Warrant Application Money		(2,943.91)	
		756.96	
Other Financial Liabilities		—	—
		(0.87)	(27.69)
Advance from customers	—	—	—
	(2,608.40)		

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

(Rs. In Lacs)

As at	31-March-2019	31-March-2018
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### 32 Disclosures under IND AS-17 on "Leases" :

#### 32.1 Total of minimum future lease payments under non-cancelable operating leases for various periods are as follows:-

Amount payable not later than one year	41.49	24.98
Amount payable later than one year but not later than five years	130.62	5.04
Amount payable later than five years	—	—
	<u>172.11</u>	<u>30.01</u>

The Subsidiary Company IEFL has entered into operating lease agreements that are renewable on a periodic basis and cancelable at company's option.

The Subsidiary company has not entered into sublease agreements in respect of these leases.

#### 32.2 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	95.63	71.16
Amount payable later than one year but not later than five years	—	87.87
Amount payable later than five years	—	Nil
	<u>95.63</u>	<u>159.03</u>

##### b) Present value of (a) above :-

Amount payable not later than one year	94.64	66.37
Amount payable later than one year but not later than five years	—	87.33
Amount payable later than five years	—	Nil
	<u>94.64</u>	<u>153.70</u>

##### c) Finance charges

0.99	5.33
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# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

(Rs. In Lacs)

For the Year Ended	31-March-2019	31-March-2018
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### 33 Earning Per Share (EPS)

	For the Year Ended	31-March-2019	31-March-2018
i)	Total Comprehensive Income for the year attributable to Equity Shareholders	(40,956.05)	(7,301.50)
ii)	Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	36,138,982	35,241,530
iii)	Weighted Average Potential Equity Shares	—	—
iv)	Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	36,138,982	35,241,530
v)	Basic Earning Per Share	(113.33)	(20.72)
vi)	Diluted Earning Per Share	(113.33)	(20.72)
vii)	Face Value per Equity Share	10	10

### Calculation Weighted Average number of Equity Shares

(Rs. In Lacs)

	For the Year Ended	31-March-2019	31-March-2018
	Nos. of Days	186	365
	Nos. of Shares	35,241,530	35,241,530
	Nos. of Days	179	-
	Nos. of Shares	37,071,530	-
	total nos. of days	365	365
	Weighted Average number of shares	36,138,982	35,241,530

(Rs. In Lacs)

### 34. Disclosures under IND AS 37, "Provisions, Contingent Liabilities and Contingent Assets", in respect of Provisions

Provision relating to	Opening balance as at 1 April 2018	Created during the year	Withdrawals	Clasing Balance as at 31 March 2019
Gratuity	245.64	38.25	107.32	176.56
	245.64	38.25	107.32	176.56

(Rs. In Lacs)

As at	31-March-2019	31-March-2018
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### 35 Contingent Liabilities not provided for

#### A Claims against the company , not acknowledged as debt

i	Income Tax	10,825.07	9,909.65
ii	Sales Tax - Delhi	122.00	122.00
iii	VAT-Haryana	859.90	1,090.72
iv	Excise & Taxation Department, Punjab	455.82	455.82
v	Excise Duty	42.91	42.91
vi	Service Tax	9.12	9.12
vii	Legal Cases against the Company	963.94	963.94

B	Bank Guarantees	18.75	1,382.60
C	Surety Bonds issued to Govt. Agencies under EPCG/Adv License scheme	2,082.34	1,918.16



### Nature of contingent liabilities and other particulars are as given below:-

- i 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 :-

(Rs. In Lacs)

AY	Tax	Tax	Total
2002-03 to 2008-09	298.03	106.00	140.50
2009-10	80.53	47.40	47.40
2010-11	2,331.25	1,347.86	1,347.89
2011-12*	1,239.15	1,156.77	518.37
2012-13	1,274.98	1,019.99	1,020.00
2013-14	406.83	264.39	264.39
2014-15	798.05	453.85	453.85
Total			3,792.40

\* 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 REP Licenses 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 :-

(Rs. In Lacs)

Particulars		Demand Raised (Rs.)	Assessing Authority	Appellate Authority
(Col.1)		(Col.2)	(Col.3)	(Col.4)
Sales Tax Murthal - AY 2008-09		7,32.35	Revision-Faridabad	Tribunal-Chandigarh
Sales Tax Murthal - Inspection 17.01.2014		25.56	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		8,59.80		

Note : The Appellate Authority has remanded back the above cases to Revision Authority,Rohtak / Assessing Authority, Sonipat

- iv Appeals are 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.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 an order from Hon.'ble Central Excise and Service Tax Appellate Tribunal, New Delhi (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 aforesaid demand.

### vii Legal Cases against the Company

The Board of Trustee of the port of Mumbai has filed a money suit for recovery of Rs. 963.94 Lacs 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 Bank guarantee's of Rs. 1382.60 Lacs as on 31 Mar-2018 included guarantee given by Oriental Bank of Commerce to Bank of India, U.K for GBP 1 Million (Rs. 922.85 Lacs and by Punjab National Bank to Kohinoor Speciality Foods India Pvt. Ltd for Rs. 430 Lacs. Both these guarantee's were invoked during the current year.

### 36 **Commitments**

There are no commitment for contracts remaining to be executed on capital account as at the end of current year or previous year.

37 As per the assessment of Management, Kohinoor Foods Limited and its subsidiaries continue to be going concern. This assessment is based on Resolution plan submitted to the Banks by Kohinoor Foods Limited and the interest shown by prospective investors.

### 38 **Disclosures as Required by Indian Accounting Standard (Ind As) 113: Fair Value Measurement:**

#### **Fair value measurement of Financial Instruments as at 31-03-2019**

Fair value measurement at	Amortised Cost	FYTPL			FYTOCI			TOTAL
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
<b>Financial Assets</b>								
<b>Non Current Financial Assets</b>								
Investment	-				9.76			9.76
Other financial assets								
<b>Current Financial Assets</b>								
Investments								
Trade receivables	21,179.37							21,179.37
Cash and cash equivalents	358.83							358.83
Other financial assets	2.05							2.05
	<b>21,540.25</b>				<b>9.76</b>			<b>21,550.01</b>
<b>Financial Liabilities</b>								
<b>Non Current Financial Liabilities</b>								
Borrowings	1,500.00							1,500.00
<b>Current Financial Liabilities</b>								
Borrowings	74,821.22							74,821.22
Trade Payables	6,523.72							6,523.72
Other Financial Liabilities	1,447.95							1,447.95
	<b>75,609.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>84,292.89</b>



# Kohinoor Foods Ltd.

## ANNUAL REPORT 2018-19

as at 31-03-2018

Fair value measurement at	Amortised Cost	FYTPL			FYTOCI			TOTAL
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
<b>Financial Assets</b>								
<b>Non Current Financial Assets</b>								
Investment					9.76		10.06	19.83
Other financial assets	-							
<b>Current Financial Assets</b>								
Investments								
Trade receivables	8,890.84							8,890.84
Cash and cash equivalents	1,147.41							1,147.41
Other financial assets	594.87							594.87
	<b>10,633.13</b>				<b>9.76</b>		<b>10.06</b>	<b>10,652.95</b>
<b>Financial Liabilities</b>								
<b>Non Current Financial Liabilities</b>								
Borrowings	1,587.33							1,587.33
<b>Current Financial Liabilities</b>								
Borrowings	81,959.72							81,959.72
Trade Payables	16,899.77							16,899.77
Other Financial Liabilities	1,509.68							1,509.68
	<b>101,956.50</b>	-	-	-	-	-	-	<b>101,956.50</b>

39 Some of the balances of Debtors and Creditors are subject to confirmation.

40 Corresponding figures for the previous year have been regrouped/rearranged, wherever necessary to confirm to current year classification

The above notes form part of the financial statements

Annexure to our Report of Date

for and on behalf of the Board of Directors

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

**Sd/-**  
**(SHASI PAL RAWAT)**  
**PARTNER**  
 Membership No: 413795

**Sd/-**  
**SATNAM ARORA**  
**Jt. Mg. Director**  
 DIN NO. 00010667

**Sd/-**  
**GURNAM ARORA**  
**Jt. Mg. Director**  
 DIN NO. 00010731

Faridabad  
 29th-May-2019

**Sd/-**  
**KAMAL DEEP CHAWLA**  
**CHIEF FINANCIAL OFFICER**



# **Kohinoor Foods Ltd.**

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CIN : L52110HR1989PLC070351

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