

# Kohinoor Foods Ltd.

08<sup>th</sup> September, 2022

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

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

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

Dear Sirs,

**Sub: Notice of AGM along with Annual Report for the Financial Year 2021-22**

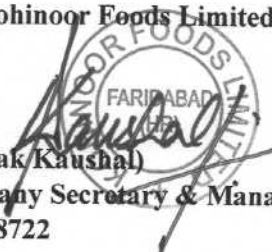
Please find enclosed herewith a copy of Notice convening 33rd Annual General Meeting of the Company, through Video Conferencing/Other Audio Visual Means (“VC/OAVM”) facility, on Friday, the 30<sup>th</sup> September, 2022, along with Annual Report of our Company for the Financial Year 2021-22.

The above is for your reference and records, please.

Thanking You

Yours faithfully,

For Kohinoor Foods Limited

  
(Deepak Kaushal)  
Company Secretary & Manager (Legal)  
FCS: 8722

Encl: As above

# Kohinoor Foods Ltd.

Regd. Office: Pinnacle Business Tower, 10th Floor,  
Shooting Range Road, Surajkund, Faridabad, Haryana - 121001  
CIN NO. L52110HR1989PLC070351 Phone: +91-129-424-2222, Fax: +91-129-424-2233,  
E-mail: info@kohinoorfoods.in, Website: www.kohinoorfoods.in

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Thirty Third Annual General Meeting ("AGM") of the Members of Kohinoor Foods Limited will be held on Friday, 30th September 2022 at 11:30 a.m., Indian Standard time ("IST"), through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility, pursuant to the General Circular Nos. 20/2020, 02/2021, 19/2021, 21/2021 and 2/2022 issued by the Ministry of Corporate Affairs ("MCA") and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 issued by SEBI, companies are allowed to hold Annual General Meeting through VC/OAVM up to December 31, 2022, without the physical presence of Members at a common venue. Hence, in compliance with the Circulars, the Thirty Third AGM of the Company is being held through VC, to transact the following businesses:-

### Ordinary Business:

#### Item No. 1.

#### Adoption of Financial Statements

To receive, consider and adopt:

- a. the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2022 and the Reports of the Board of Directors and Auditors thereon; and
- b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2022 and the Report of the Auditors thereon.

#### Item No. 2.

#### Appointment of Director

To appoint a Director in place of Shri Gurnam Arora (holding DIN: 00010731), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

### Special Business:

#### Item No. 3.

#### To rectify the remuneration of the Cost Auditors for the year ending 31st March, 2023

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013

and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the shareholders be and is hereby accorded to approve the remuneration payable to M/s. Cheena & Associates, Cost Accountant Firm, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company, for the financial year 2022-23, on such remuneration plus out-of-pocket expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.

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

**By Order of the Board**

**For Kohinoor Foods Limited**

**Sd/-**

Place: Faridabad, Haryana

Deepak Kaushal

Date: 31.08.2022

Company Secretary & Manager (Legal)

### NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the business under Item No. 3 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on 31st August 2022 considered that the special business under Item No. 3, being considered unavoidable, be transacted at the 33rd AGM of the Company.
2. General instructions for accessing and participating in the 33rd AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting
  - a. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to the General Circular Nos. 20/2020, 02/2021, 19/2021, 21/2021 and 2/2022 issued by the Ministry of Corporate Affairs ("MCA") and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 issued by SEBI, companies are allowed to hold Annual General Meeting through VC/OAVM up to December 31, 2022, without the physical presence of Members at a common



- venue. Hence, in compliance with the Circulars, the Thirty Third AGM of the Company is being held through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 33rd AGM shall be the Registered Office of the Company.
- b. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 33rd AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 33rd AGM through VC/OAVM Facility and e-Voting during the 33rd AGM.
  - c. In line with the MCA Circulars and SEBI Circular, the Notice of the 33rd AGM will be available on the website of the Company at [www.kohinoorfoods.in](http://www.kohinoorfoods.in), on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com), on the website of National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and also on the website of NSDL at [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - d. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
  - e. National Securities Depositories Limited (“NSDL”) will be providing facility for voting through remote e-Voting, for participation in the 33rd AGM through VC/OAVM Facility and e-Voting during the 33rd AGM.
  - f. Members may join the 33rd AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 11.00 a.m. IST i.e. 30 minutes before the time scheduled to start the 33rd AGM and the Company may close the window for joining the VC/OAVM facility 30 minutes after the scheduled time to start the 33rd AGM.
  - g. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of atleast 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 33rd AGM without any restriction on account of first-come first-served principle.
  - h. Attendance of the Members participating in the 33rd AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  - i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (“ICSI”) and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 33rd AGM and facility for those Members participating in the 33rd AGM to cast vote through e-Voting system during the 33rd AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the 33rd AGM will be provided by NSDL.
  - j. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 33rd AGM has been uploaded on the website of the Company at [www.kohinoorfoods.in](http://www.kohinoorfoods.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the 33rd AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - k. 33rd AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA General Circular Nos. 20/2020, 02/2021, 19/2021, 21/2021 and 2/2022 and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 issued by SEBI.
3. Instructions for Members for Remote e-Voting are as under:-
    - a. The remote e-Voting period will commence on Tuesday, 27th September 2022 (9:00 am IST) and end on Thursday 29 September 2022 (5:00 pm IST). During this



period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday 23rd September 2022, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, 23rd September 2022.

- b. A person who is not a Member as on the cut-off date should treat this Notice of 33rd AGM for information purpose only.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**





In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.  2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> . Select “Register Online for





<p>IDeAS Portal” or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <p style="text-align: center;">  App Store           Google Play     </p> <div style="display: flex; justify-content: space-around;">   </div>	<p>Individual Shareholders holding securities in demat mode with CDSL</p> <ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
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Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***



5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [mankandassociates@gmail.com](mailto:mankandassociates@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).



2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), who will also address the grievances connected with voting by electronic means. Members may also write to the Company Secretary at the Company's email address [info@kohinoorfoods.in](mailto:info@kohinoorfoods.in).

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [info@kohinoorfoods.in](mailto:info@kohinoorfoods.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [info@kohinoorfoods.in](mailto:info@kohinoorfoods.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and

joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are





- requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [info@kohinoorfoods.in](mailto:info@kohinoorfoods.in). The same will be replied by the company suitably. Members may also write to the Company Secretary at the Company's email address [info@kohinoorfoods.in](mailto:info@kohinoorfoods.in). You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  3. Members are encouraged to join the Meeting through Laptops for better experience.
  4. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
    - a. Please note that Members connecting from mobile devices or tablets or through laptops etc connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
    - b. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the 33rd AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address [info@kohinoorfoods.in](mailto:info@kohinoorfoods.in) at least 7 days in advance before the start of the meeting to the Company Secretary at the Registered Office of the Company to keep the information ready at the meeting.

- c. Members, who would like to ask questions during the 33rd AGM with regard to the financial statements or any other matter to be placed at the 33rd AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address: [info@kohinoorfoods.in](mailto:info@kohinoorfoods.in) at least 7 days in advance before the start of the 33rd AGM.

Those Members who have registered themselves as a speaker shall be allowed to ask questions during the 33rd AGM, depending up on the availability of time.

- d. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the 33rd AGM through VC/OAVM facility.

#### Other Guidelines for Members

- a. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- b. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 33rd AGM by email and holds shares as on the cut-off date i.e. Friday 23rd September 2022, may obtain the User ID and password by sending a request to the Company's email address [info@kohinoorfoods.in](mailto:info@kohinoorfoods.in). However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).





- c. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
  - d. Mr. Manish Kumar, Company Secretary in Practice (Membership No. FCS 10248), Proprietor of M/s. Mank & Associates, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.
  - e. During the 33rd AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 33rd AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 33rd AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the 33rd AGM.
  - f. The Scrutinizer shall after the conclusion of e-Voting at the 33rd AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 33rd AGM, who shall then countersign and declare the result of the voting forthwith.
  - g. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.kohinoorfoods.in](http://www.kohinoorfoods.in) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited, Mumbai.
4. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 33rd AGM and the Annual Report for the year 2022 including therein the Audited Financial Statements for year 2022, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 33rd AGM and the Annual Report for the year 2022 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
 

For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s. Members can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  5. The Notice of the 33rd AGM and the Annual Report for the year 2022 including therein the Audited Financial Statements for the year 2022, will be available on the website of the Company at [www.kohinoorfoods.in](http://www.kohinoorfoods.in) and the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com). The Notice of 33rd AGM will also be available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  6. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday 24th September 2022 to Friday 30th September 2022, both days inclusive, in connection with the Annual General Meeting.
  7. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend



remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. The Company had, already accordingly, transferred the unpaid and unclaimed dividend amount pertaining to Final Dividend, to the IEPF.

Pursuant to the provisions of Section 205 A(5) and 205 C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends (remaining unpaid/ unclaimed for a period of 7 (Seven) years from the due date), to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 29, 2014, on the website of the Company ([www.kohinoorfoods.in](http://www.kohinoorfoods.in)), and also on the website of the Ministry of Corporate Affairs.

8. Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account.
9. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom

they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

11. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1st April, 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.
12. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, nominations, power of attorney, change of address, change of name and e-mail address, permanent account number (PAN) etc. to their Depository Participant only and not to the company's registrar and share transfer agent, Skyline Financial Services Pvt. Ltd. (RTA). The changes intimated to the Depository Participants will then be automatically reflected in the Company's records which will help the Company and Registrar and Share Transfer Agent to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Skyline Financial Services Pvt. Ltd., having office at D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020.
13. As per SEBI circular No. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated April 20, 2018, the shareholders holding securities in Physical form and has not updated PAN No., Bank Details, Email Id and Mobile No / Telephone No. shall furnish self-attested copy of PAN Card and original cancelled "Name printed Cheque" falling which copy of Bank Passbook / Statement attested by the Bank along with all the desired details to the Company's Registrar & Share Transfer Agent (RTA), M/s SKYLINE FINANCIAL SERVICES PRIVATE LIMITED at D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi – 110 020, without any further delay.
14. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the



Company or Skyline Financial Services Pvt. Ltd., for assistance in this regard.

15. Members who hold shares in physical form in multiple form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA, for consolidation into single folio.
16. Members who wish to obtain any information on the Company or view the accounts for the Financial Year ended 31st March, 2022, may visit the Company's corporate website [www.kohinoorfoods.in](http://www.kohinoorfoods.in).
17. Members who have not registered their e-mail addresses so far are requested to register their e-mail address with depository for receiving all communication including Annual Report, Notices, Circulars, etc. of the Company electronically.
18. Electronic copy of all the documents referred to in the accompanying Notice of the 33rd AGM and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company at [www.kohinoorfoods.in](http://www.kohinoorfoods.in).
19. During the 33rd AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.
20. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking appointment/ re-appointment at the 33rd AGM, forms integral part of the Notice of the 33rd AGM. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.
21. In compliance with the said Circulars, the Company has also published a public notice by way of an advertisement along with their electronic editions, inter alia, advising the members whose e-mail ids

are not registered with the Company, its Registrar and Share Transfer Agent (RTA) or Depository Participant(s) (DPs), as the case may be, to register their e-mail ids with them.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")**

Item No. 3

The Board has approved the remuneration of M/s Cheena & Associates, Cost Accountant Firm to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2023, on such remuneration plus out-of-pocket expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.

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

Accordingly consent of member is sought for passing an Ordinary Resolution as set out in item No. 3 of the notice for the ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2023.

None of the Director or Key Managerial Personnel and their relatives are, in any way, concerned or interested, financial or otherwise, in this resolution. The Board commends the Ordinary Resolution set out at Item no. 3 for approval of the Members.

**Profile of Directors retiring by rotation / seeking Appointment / Re-appointment in the Annual General Meeting to be held on September 30 2022 pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards -2 (SS-2) and other applicable requirements:**



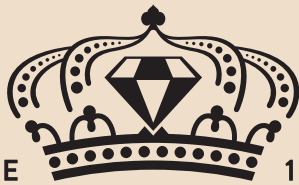
<b>Name of Director</b>	<b>Mr. Gurnam Arora</b>
<b>DIN No.</b>	00010731
<b>Date of Birth / Age</b>	26 <sup>th</sup> March 1950 / 72 years
<b>Date of First Appointment</b>	26 <sup>th</sup> July, 1989
<b>Expertise in specific General Functional area</b>	Businessman
<b>Qualification</b>	Graduation
<b>Shareholding in the Company as on 31<sup>st</sup> March, 2022</b>	6,708,889
<b>No. of Board meetings attended during FY 21-22</b>	7
<b>List of outside Directorships held (Public Limited and Subsidiary Companies)</b>	1. Sachdeva Brothers Private Limited 2. Satnam Haegens Ltd.
<b>Chairman / Member of the Committee of the Board of Directors of the Company</b>	Nil
<b>Chairman / Member of the Committee of Directors of other Public Limited Companies in which he / she is a Director</b>  a) <b>Audit Committee</b>  b) <b>Stakeholders Committee</b>	Nil  Nil
<b>Relationship between the Directors inter-se</b>	He is brother of Mr. Satnam Arora, Jt. Managing Director and Mr. Jugal Kishore Arora, Whole-time Director, of the Company.
<b>Terms and Conditions of Appointment</b>	N.A.

Place: Faridabad, Haryana  
Date: 31.08.2022

**By order of the Board of Directors**

Sd/-  
**Deepak Kaushal**  
 Company Secretary & Manager (Legal)





SINCE 1981

# KOHINOOR

A LEGACY OF TRUST & TASTE

**WORLD CUISINES  
ON YOUR PLATTER**



**ANNUAL  
REPORT**

**2021-22**





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<b>Registered Office and Share Department</b>	: 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	<b>Registrar &amp; Transfer Agents</b>	: 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.skylinerta.com
<b>Works</b>	: 50-51 Milestone, G.T. Karnal Road, Murthal, Sonapat (Haryana)-131027  : 42-43 Milestone, G.T. Karnal Road, Village Sultanpur, Bahalgarh, Sonapat (Haryana)-131021	<b>Board of Directors</b>	Mr. Jugal Kishore Arora : Chairman Mr. Satnam Arora : Jt. Managing Director Mr. Gurnam Arora : Jt. Managing Director Mr. Vijay Burman : Non-Executive Independent Director (Cessation due to sad demise on 10/06/2021)  Mr. Yash Pal Mahajan : Non-Executive Independent Director Mr. Sunil Sharma : Non-Executive Independent Director Ms. Mani Chandra Bhandari : Non-Executive Independent Director
<b>Wholly Owned Subsidiary Companies</b>	: 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	<b>CFO</b>	: Mr. Kamal Deep Chawla [resigned w.e.f. 29/03/2022] : Mr. Chashu Arora [appointed w.e.f., 30/03/2022]
<b>Joint Venture Company</b>	: Rich Rice Raisers Factory L.L.C. Post Box No. 15542 Al Quoz Industrial Area 3rd Interchange, Sh Zayed Road Dubai, U.A.E.	<b>Company Secretary</b>	: Mr. Deepak Kaushal (Appointed w.e.f. 14.08.2019)
<b>Listing of Equity Shares</b>	: National Stock Exchange of India Ltd. (NSE) BSE Ltd. (BSE)	<b>Auditors</b>	: M/s. Rajender Kumar Singal & Associates LLP [resigned w.e.f. 12/08/2021] M/s. N C Raj & Associates, Chartered Accountants [appointed w.e.f., 12/08/2021]
<b>Depositories</b>	: National Securities Depository Ltd. (NSDL)  : Central Depository Services (India) Ltd. (CDSL)	<b>Cost Auditors</b>	: M/s. Cheena and Associates Cost Accountants
		<b>Bankers</b>	: Punjab National Bank (erstwhile Oriental Bank of Commerce)  : State Bank of India  : Indian Bank (erstwhile Allahabad Bank)  : ICICI Bank Ltd.  : IDBI Bank Ltd.  : Bank of India



## Chairman Message



Dear Members,

It is my privilege to write to you and present the Annual Report of your Company for the financial year 2021–22.

I hope this letter finds you safe and in good health.

My letter of introduction to your Annual Report last year had just completed the first full year of the pandemic, that demonstrate the difficulties faced by the business and performance delivered in difficult circumstances.

This year, in the face of continuing challenging ahead, the Company has delivered outstanding results while continuing to invest for the future.

We are committed to doing all this in a way that drives long-term shareholder value by creating shared value for all of our stakeholders, including customers, associates, suppliers, business partners, and communities.

In late 2017-18, we set a goal to overcome from the financial crises and work towards regaining the glory of your company, which requires time, courage and trust and encourages others to work towards the same goal. The Board reinforced this commitment in 2021-22, which sets forth our key goals and strategies towards overcoming the situation.

Your Board is committed to maintaining highest standards of corporate governance and will continue to review and strengthen these practices and your Board endless efforts towards strategic transformation during this time of rapid change. Where, it gives confidence that the Board experience to serve our company and to continue to guide us in the years to come to meet the Company purpose – Building a brighter future for all –our fundamental and the role in supporting economic growth, contributing to prosperity, and helping customers achieve their goals.

The present Indian Rice market both in terms of local consumption as well as in exports is very bullish. In the last 2 years, after the dipping of sales figures during the 'Covid Lockdown' era, the rice market has aggressively bounced back. In Basmati alone, India has produced near to 5 million tons of superior quality of rice

and the exports have surpassed 4 million tons in the last fiscal. It is a positive sign for the Indian rice industry more so for the basmati variant that consumption graph is on the up in almost all the quality rice eating countries; the consumption graph in some of the traditional markets such as Iran, Saudi Arabia & Iraq etc. may not be growing very fast but there is no slide down as well. The emerging markets for Indian basmati especially North America and Africa is ever consuming in larger numbers.

Your Company achieved a total turn-over of INR 985.65 Million (Mn.) as against INR 401.92 Mn. of last year, the rice business turnover stood at INR 720.87 Mn. as against INR 73.34 Mn. of last year.

Recently your company has scaled up its operations. It has hired new Marketing team for domestic rice business to make best use of its marketing network and strengthen it further to regain the market share. Now your company has started direct exports to different countries for both rice and food products. Your Company has also started tapping the Domestic Rice Market which carry good potential.

Nevertheless, the turnaround story of your Company have been started evolving with your trust and support, as in the last few years, your Company could not perform well because of financial constraint, ongoing economic pressure and pandemic. 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.

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. Executing with the Banks for restructuring of borrowings or settlement of loans.

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.

I would like to take this opportunity to thank you for your continued trust, confidence, and support as we enter a brave new decade—one that is already rewriting the rules of the past.

With best wishes,

Sincerely

Sd/-

**Jugal Kishore Arora**

**Chairman**



## Directors' Report and Management Discussion & Analysis

(Rs. In Million)

The following report should be read in conjunction with the audited financial statements and notes for the year ended March 31, 2022 and the audited financial statements and notes for the year ended March 31, 2021. 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 USA, UAE, Canada, Australia, Middle East, Singapore, Japan, Mauritius & other European countries. As of now, the brand 'Kohinoor' is known worldwide.

Your Directors have pleasure in presenting the 33rd Annual Report and the Audited Annual Accounts of the Company for the Financial Year ended 31st March, 2022.

### Financial Overview

The financial highlights for the year ending 31st March, 2022 are as under:

Particulars	FY'22	FY'21
<b>Total Turnover</b>	<b>1034.83</b>	<b>443.53</b>
Profit/(Loss) Before Interest, Depreciation and Tax (PBIDT)	31.12	(16.39)
Profit/(Loss) Before Tax	(55.06)	(32.60)
Less: Tax Expense	7.98	18.86
Profit/(Loss) After Tax	(63.04)	(51.46)
Total Comprehensive income for the year	(61.90)	(50.99)

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

### Operations

During the Year, your company focused on the restructuring of the company operations due to various constraint faced due to financial crisis, various measures have been taken for reduction of the cost of operation. Despite of the factors faced by the company during the year you company remain committed to providing world class quality product to its consumer, focused in improving operational efficiencies across its functions and enhancing its reach to the global consumers.

For the financial year under review 2021-22, the contribution made by Rice to the Company's business is INR 720.87 million as against INR 73.34 million in previous year while as the Food Business stood at INR 236.93 million as against INR 304.84 million in the last financial year.

The year saw an increase of 882.91% in Rice business in sales in value terms in comparison to last year sales. Sales market was down due to instability in country such as current pandemic Covid-19 / lock down and the financial constraint faced by the Company.

### Impact of Covid-19 Pandemic

Details of the impact of Covid-19, have been provided in the notes to financial statements forming part of this report.

### Subsidiaries / Joint Venture

#### 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 as their as no export sales for KFL India to US & Canada.



## Food Business

During the year 2021-22, in processed & packaged food products the company did the business of around INR 236.93 million as against INR 304.84 million in the previous year. The food factory has continued its operation effectively in spite of the liquidity problem which improved our production & revenues from food business.

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

### Overview - Ready to Eat Industry

Ready to eat food market size is expected to grow at a compound annual rate of 9.00% in the forecast period 2021 to 2028. The changing consumer preferences towards convenient food associated with various food delivery apps is the factor for the ready to eat food market in the forecast period of 2021 to 2028.

Ready to eat food is a kind of packaged cooked food which does not need further processing to make sure the quality. It can be frozen, is shelf-stable and involve minimal heating or are served hot. Some food requires being stored in the refrigerator until used but some need special handling to guarantee quality of food.

The major growing factor towards ready to eat food market is the changing food consumption behaviour amongst consumers. The prime factor driving the demand for ready to eat food is the increased willingness to spend on such food along with the lack of time to cook at home is a result of the rapid urbanization. Furthermore, the growing millennial and working women population is also heightening the overall demand for ready to eat food market over the forecast period of 2021 to 2028. Moreover, the consumers are demanding for on the go convenience food, which also serves as a foremost driver for increasing the demand for ready to eat food market at a global level. In addition, the improving consumer lifestyle, rapid urbanization and high disposable income are also lifting the growth of the ready to eat food market.

This type of food has been on the rise for several years now, and shows no signs of slowing down. Some of the reasons for this include busy lifestyles, the growing number of single-person households, and the increasing popularity of takeout and delivery services.

There are a number of different types of ready-to-eat food available, from pre-packaged meals to frozen pizzas to takeout containers. And while most people think of unhealthy options when they hear the term "ready-to-eat," there are actually many healthy choices available as well. In fact, some stores are now specializing in healthy pre-made meals that can be eaten on the go.

Product launches are important, but for a ready-to-eat (RTE) food company, it's all about the product.

"A successful product launch is paramount to the success of a ready-

to-eat food company," said Harry Balzer, vice president of The NPD Group, a market research company. "The challenge for these companies is to create products that will resonate with consumers and stand out in what is an increasingly competitive marketplace."

There are many factors that go into a successful product launch. The most important one, though, may be creating a product that consumers want. That's not always easy to do, but it's essential if a company wants to be successful.

Today's consumers want products that are healthier, customized, and natural, without sacrificing health goals, flavors, or ingredients. Above all, such items must help people to keep up with their demanding schedules. Manufacturers and retailers must reach out to consumers who are increasingly rushed for the time while also having high expectations for food quality, flavors, and forms.

More premium ready-to-eat food items are already on the market, ranging from world cuisine-inspired ready-meals to pre-made charcuterie boards and deli-style snacks. Given that consumers have an abundance of on-demand options in many aspects of their lives, a more diverse array of upgraded ready-to-eat food items is obvious.

### **The growing number of working women has encouraged households to move towards ready-to-eat food to replace regular lunch and dinner.**

Previously, women were limited to their homes and had a certain responsibility as housewives, but as society changed, they began to seek employment. There has been an increase in the ready-to-eat food sector as a result of the rise in working couples who are busy with their careers and have little time to spend on domestic tasks. Women, in particular, were left with little time to manage home tasks and maintain a sense of balance

People eat at home and avoid eating out, but there have been many changes in everybody's lifestyle over the last two decades, including an unexpected increase in the number of working women, which has resulted in urbanization, an increase in per capita income, a shortage of time, a change in lifestyle, and a tremendous increase in the level of the middle-income group. All of these factors have influenced working women's purchasing habits, causing them to gravitate toward ready-to-eat foods. As a result, as the number of working women increases, this trend is likely to continue in the coming years, boosting the ready-to-eat food market.

### **Hindrance caused the growth of this market due to the rising awareness of health concerns related to the use of artificial preservatives in food products**

To reduce the risk of deterioration due to microbial interactions and improve food quality, ready-to-eat foods use a variety of natural and chemical preservatives. However, not all preservatives are harmful.





Natural preservatives, which are used to keep food fresh are safe for our health. Artificial or chemical preservatives, which are meant to keep foods from being contaminated, are the ones that cause health issues. These preservatives are synthesized and manufactured artificially. On product labels, these are frequently referred to as 'additives.'

One of the probable side effects of preservatives is that they can cause breathing difficulties such as asthma and bronchitis. They can cause issues in young children, such as hyperactivity. Artificial preservatives, when consumed in large quantities, can weaken cardiac tissues, which is particularly dangerous for the elderly. They could include the cancer-causing food chemicals BHA and BHT. Because preservatives contain fatty acids, they may cause obesity in some people. As a result, taking into account the negative consequences of artificial preservatives found in ready-to-eat foods could stifle the market's growth.

**The U.S.A. is a dominant market region in the global market for ready-to-eat food due to improved technology and preservatives practices**

The U.S leads the ready-to-eat food market in the North American region as well as worldwide because of its large market share along with the various technological innovations, busy lifestyles, and high disposable incomes. It is anticipated to emerge as a major consumer of ready-to-eat meals due to its growing popularity among working-class consumers and students. North America holds 38% of the market share of which the United States enjoys a major 65% share in the market-dominating in the region with a market value of over USD 44460 Mn.

**India's growing population and increase in working-class consumers have assisted the growth of the market segment**

India ready to eat food market is estimated to generate high sales revenues in the market owing to the top-selling categories are smoked fish and precooked meat which is been mostly consumed in Kerala and goa underpinned by rising expatriate population and tourists visit is expected to proliferate the demand for ready to eat food and this driver acts as growth proliferating factor is estimated to secure the substantial growth of India ready to eat food market, as a result, is projected to spur the massive growth of the entire Asia Pacific ready to eat food market in the coming timeframe.

Rising urbanization increased middle-class disposable income, and changing food habits of Indian consumers all contribute to the market's expected growth. Furthermore, the increased desire for quick food, as well as the freshness and nutritional content of these items, is helping the Indian ready-to-eat food market to rise.

**Basmati Rice**

The present Indian Rice market both in terms of local consumption as well as in exports is very bullish. In the last 2 years, after the dipping of sales figures during the 'Covid Lockdown' era, the rice market has aggressively bounced back.

In Basmati alone, India has produced near to 5 million tons of superior quality of rice and the exports have surpassed 4 million tons in the last fiscal.

It is a positive sign for the Indian rice industry more so for the basmati variant that consumption graph is on the up in almost all the quality rice eating countries; the consumption graph in some of the traditional markets such as Iran, Saudi Arabia & Iraq etc. may not be growing very fast but there is no slide down as well. The emerging markets for Indian basmati especially North America and Africa is ever consuming in larger numbers.

Besides basmati rice, the non - basmati LG Rice too is adding good volumes; in the last harvest the traditional LG rice growing countries such as Vietnam, Indonesia, Philippines and Thailand either had drought like conditions or floods, with which the Indian LG Rice took the center stage and India became the major sourcing end for LG Rice too. More so in 100% Broken rice that China imports in large volumes due to failure of crops in far east countries had no other alternative but to approach Indian rice millers and exporters for it.

The Rice Industry in India in conclusion is yet to see its peak; the markets abroad are positively responding and this growth trajectory shall remain unhindered for couple of more years ahead if not decades ahead.

**Risks & Concerns**

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 and in the month of February 2020 to September 2020. The Company has replied to said notices and negotiating with different workable options. 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 has also approached Banks with suitable resolution plan for their consideration, which the consortium has sanctioned.

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 Company has received an ex parte interim order from Debt Recovery Tribunal-III, Delhi dated 25/06/2020 restraining the company from transferring/ alienating or otherwise dealing with, or disposing off or encumbering or creating any third party interest with



respect of the hypothecated assets/immovable properties of the Company until further orders. The company is contesting the matter against the ex parte interim order.

The Company has received a Notice through speed post from DRT-II, New Delhi. The Lead Bank has filed an OANo. 300 of 2022 before DRT 2 Delhi against the Company under section 19(4) of the Act. The matter is listed before the registrar for completing of pleading on 03/08/2022. The Company is in process of filing suitable reply of the aforesaid notice with the respective Hon'ble courts/ Authorities/ offices in due course

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 as a going concern, based on the Resolution plan and after of one time settlement 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 2021-22.

**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.

Further the Mr. Vijay Burman, Independent Directors, ceased to be director of the company due to sudden demise on 10.06.2021 and the necessary intimation is submitted to the exchange and form has been filed in this regard.

Mr. Kamal Deep Chawla, CFO of the Company, resigned, due to some personal reason, from the Company w.e.f., the close of business hours on 29-03-2022. The Board in its meeting held on 24th March 2022 placed the invaluable contributions and achievements of Mr. Kamal Deep Chawla, as a CFO of the Company and a valued member of the Board.

The Board in its meeting held on 24th March 2022, appointed Mr. Chashu Arora, Member of ICAI, who possess the requisite qualification, as the CFO of the Company with effect from 30th March, 2022, to perform the duties of a CFO, of the Company.

**Subsidiary, Joint Ventures and Associate Companies**

Kohinoor Foods Limited enjoys its global presence and has well managed to build a premium brand name for its quality in Rice Branding and Ready to Eat Food and with a view of expansion and diversification; it has created subsidiary companies for facilitating these operations in various countries.

A statement containing the performance and highlights of Financial Statements of subsidiary, associate and joint venture companies is



provided in Form AOC-1 attached to the Financial Statements forms part of this Report and hence not repeated here for the sake of brevity.

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 Financial Statements have been prepared on the historical cost convention on going concern basis and on accruals basis unless otherwise stated. The name of companies which have become or ceased to be subsidiary or joint venture or associate companies, if any, have been mentioned in the notes to the accounts. 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 been reduced to NIL and they are not considered as Associates Companies.

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 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,

2022 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.

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)

The details of business operations / performance of major subsidiaries are as below:

#### **Indo European Foods Limited**

Indo European Foods Limited ("IEFL") a wholly owned foreign subsidiary company, (Last Year) which was incorporated and domiciled in the U.K. and is the manufacture and marketing of specialist rice products, cooking, sauces, ready meals and savoury snacks having its registered office at Kohinoor House, Langer Road, Felixstowe, Suffolk, IP11 2BW.

The Company had obtained approval from its members vide postal ballot meeting held on 10.01.2021 and the Board in its meeting held on 30.03.2021 approved a strategic disinvestment in its Wholly Owned foreign Subsidiary, M/s Indo European Foods Limited (UK), situated outside India to M/s. Herba Foods S.L.U.

#### **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 authorized, 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 (During the Year Status: Suspended – Due to penal reasons) your Company have applied for revocation of suspension of Trading of Securities of the Company and the Suspension of Trading has been revoked with effect from 06/04/2022 vide Circular ref. No. 0368/2022 Dated 29/03/2022. The annual listing fee for the Financial Year 2022-23 has been 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**

M/s. Rajender Kumar Singal & Associates LLP, Chartered Accountants (Firm Registration No. 016379N), who were re-appointed as the Statutory Auditors of the Company for a period of five years from the conclusion of Twenty Ninth Annual General Meeting held on 28th September, 2018 until the conclusion of the fifth Annual General Meeting to be held in the year 2023, have resigned as the Statutory Auditors of the Company w.e.f. August 12, 2021 due to commercial reasons. The Board, at its meeting held on August 12, 2021, on the recommendation of the Audit Committee, accepted the resignation tendered by the Statutory Auditors.

Further, the Audit Committee and the Board, at their respective meetings held in August 12, 2021 placed on record their appreciation to M/s. Rajender Kumar Singal & Associates LLP, Chartered Accountants (Firm Registration No. 016379N) for their contribution to the Company with their audit processes and standards of auditing.

#### **Appointment of M/s. N C Raj & Associates**

Pursuant to the provision of Section 139 of the Companies Act, 2013, the Company was required to fill the casual vacancy caused by the resignation of M/s. Rajender Kumar Singal & Associates LLP, Chartered Accountants (Firm Registration No. 016379N) as Statutory Auditors of the Company. Accordingly, the Shareholders of the Company in its 1st Extra-Ordinary General Meeting for Financial Year 2021-22 held on November 10, 2021, on their commendation of the Board of Directors and Audit Committee, have approved the appointment of M/s. N C Raj & Associates, Chartered Accountant (FRN: 002249N) as Statutory Auditors of the Company to fill the casual vacancy caused due to the resignation M/s. Rajender Kumar Singal & Associates LLP, as Statutory Auditors of the Company, till the conclusion of ensuing 32nd Annual General Meeting of the Company to be held in the Year 2021 and that they shall be eligible for re-appointment in the upcoming 32nd Annual General Meeting of the Company to be held in the year 2021, and that they shall conduct the Statutory Audit for the period ended 31st March, 2022, on such remuneration as may be fixed by the Board of Directors in consultation with them.

This is to further note that to appoint M/s. N C Raj & Associates, Chartered Accountant (FRN: 002249N), Statutory Auditors of the Company, to holds office from the conclusion of ensuing Annual General Meeting to the conclusion of Fifth Annual General Meeting to be held till the year 2026. The Board of Directors has received their consent and they have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits and they are not disqualified for re-appointment.

The Board pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and on the recommendation of the Audit Committee has considered the appointment of M/s. N C Raj & Associates, Chartered Accountant (FRN: 002249N), as Statutory Auditors of the Company to hold office from the conclusion of ensuing Annual General Meeting till the conclusion of Fifth Annual General Meeting to be held in the year 2026. The Members in its Extra-ordinary General meeting held on 10-11-2021 approved appointment as Statutory Auditors.

#### **Auditors Report**

The Company has received the Auditors Report duly signed by M/s N C Raj & Associates, 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 2021-22 and has completed the audit of the cost record of the Company. The Cost Audit Report does not contain any qualification, reservation or adverse remark.

The Board pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), 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, 2023 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. MANK and Associates, Company Secretary Firm, (having FCS No. 10248 and CP No. 19684) to conduct Secretarial Audit of the Company for the Financial Year 2022-2023.

#### **Secretarial Audit Report**

The Secretarial Auditor M/s MANK and Associates, Company Secretaries, appointed for the year 2021-22 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. N N A & Co, Chartered Accountants, New Delhi, who was appointed as Internal Auditor of the Company for the Financial Year 2021-22 expired on 31st March, 2022.

Your Directors on the recommendation of the Audit Committee have approved their appointment in the Board Meeting dated 30th May, 2022, for the financial year 2022-23.

#### **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**

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). The final listing approval of further issue under Preferential Issue of 18,30,000 equity shares was granted by Exchanges on October 18, 2021 and the above equity shares of the Company are listed on the Exchanges from October 18, 2021 as per the details given below.

Sr. No.	Security Description	Symbol	Series	No. of securities	Distinctive Numbers	Lock - in upto date
1.	Equity shares of Rs. 10/- each allotted on conversion of warrants issued on preferential basis	KOHINOOR / 512559	EQ	1830000	35241531 to 37071530	31 - Oct - 2024

\* The above Equity Shares shall be admitted to dealings once the suspension on equity shares of the Company is revoked

#### **Forfeiture**

During the year under review, for the remaining 39,84,000 Convertible Warrants into Equity Shares, the company has neither received any request for conversion of Share warrants into Equity Shares, nor have received any balance sums payable on such conversion option being exercised by any of the Share Warrant holder within 18 month of issue of such warrants. Therefore as per SEBI (ICDR) Regulations, 2009, the consideration therefore paid by such Warrant Holders at the time of issuance of share warrants stand forfeited.

#### **Board Meetings**

The Board is headed by an executive Chairman. As on 31st March 2022, the Board of Directors consisted of Six Directors, including Chairman, Joint Managing Directors, Woman Director, Independent Director and others.

Seven (7) Board Meetings were held during the year 2021-22, i.e. on 20th July 2021, 12th August 2021, 13th September 2021, 14th October 2021, 12th November 2021, 14th February, 2022 and 24th March, 2022 and the gap between two meetings did exceed 120 days as per relaxation granted under the Ministry of Corporate Affairs (MCA) vide its General Circular No. 11/2020 dated 24th March, 2020.





Further the Mr. Vijay Burman, Independent Directors, ceased to be director of the company due to sudden demise on 10.06.2021 and the necessary intimation is submitted to the exchange and form has been filed in this regard.

#### **Audit Committee Meetings**

During the year under review, the Audit Committee met Five (5) times i.e. on 20th July, 2021, 12th August, 2021, 12th November, 2021, 14th February, 2022 and 24th March, 2022 and the gap between two meetings did exceed 120 days as per relaxation granted under the Ministry of Corporate Affairs (MCA) vide its General Circular No. 11/2020 dated 24th March, 2020. The minutes of the meetings of the Audit Committee are noted by the Board.

Further the Mr. Vijay Burman, Independent Directors, ceased to be director of the company due to sudden demise on 10.06.2021 and the necessary intimation is submitted to the exchange and form has been filed in this regard.

#### **Nomination and Remuneration Committee**

During the year under review, the Nomination and Remuneration Committee met Three (3) times i.e. on 20th July, 2021, 12th August, 2021 and 24th March, 2022. The minutes of the meetings of the Nomination and Remuneration Committee are noted by the Board.

Further the Mr. Vijay Burman, Independent Directors, ceased to be director of the company due to sudden demise on 10.06.2021 and the necessary intimation is submitted to the exchange and form has been filed in this regard.

#### **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**

During the Financial Year 2021-22 the Company went through some litigations in taxation, banking and rice business. Brief of the litigations is mentioned below:

Contingent and Other particulars:-

Following appeals are lying pending for hearing before the CIT(A), New Delhi/ Income Tax Appellate Tribunal, New Delhi / Hon'ble Delhi High Court against the tax demand raised in impugned Income Tax Assessment Orders as per details given below :-

AY	Tax	Interest	Total
2002-03 to 2008-09	2,98,02,984	1,05,99,772	4,04,02,756
2010-11	23,31,25,126	13,47,86,187	36,79,11,313
2011-12	8,35,76,737	7,80,20,413	16,15,97,150
2012-13	12,74,97,842	10,19,98,998	22,94,96,840
2013-14	4,06,82,760	2,64,38,560	6,71,21,320
2014-15	7,98,04,661	4,53,84,536	12,51,89,197
2016-17	2,75,78,339	1,29,05,465	4,04,83,804
<b>Total</b>			<b>1,03,22,02,380</b>

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.

An appeal has been filed with CIT(A) on 11-08-2021 against an order passed towards addition of Rs. 79156582/- against transfer pricing adjustment in respect on A.Y 2017-2018 although there is no liability on the company since no demand has been raised by the department, but, this has impacted in the reduction of losses



by the above amount.

An appeal has been filed with CIT(A) on 07-12-2021 against an order passed towards addition of Rs. 286054453/- against transfer pricing adjustment in respect on A.Y 2018-2019 although there is no liability on the company since no demand has been raised by the department, but, this has impacted in the reduction of losses by the above amount.

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.

Following appeals are also lying pending before the Appellate Authorities/Tribunal, Haryana as mentioned in column.4 against the impugned VAT Assessment Orders/Revision Order passed by the assessing authorities as mentioned in column. 3 of the table given below :-

Particulars	Demand raised (Rs.)	Assessing Authority	Appellate Authority
(Col.1)	(Col.2)	(Col.3)	(Col.4)
Sales Tax Murthal - AY 2008-09	7,32,34,793	Revision-Faridabad	Tribunal-Chandigarh
Sales Tax - Murthal - AY 2009-10	7,71,901	Revision-Faridabad	Tribunal-Chandigarh
<b>Total</b>	<b>7,40,06,694</b>		

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

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.4,50,41,414/- towards the cess imposed by the State Govt. on exports. The company has challenged the validity of imposition of cess on export in its appeal as the same is not permissible under article 286 of the Constitution of India. Further demand has been raised for Rs. 5,41,073/- after completing the Sales Tax assessment for AY 2011-12 against which appeal has been filed.

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

provision in the books of accounts have been made.

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.

VAT-Delhi had raised the demand of 7,26,93,315/- against pending 'F' forms in respect of years 2015-2016 & 2016-2017. Pending F forms were related to six quarter out of the above, for five quarter all F forms were submitted and an order dated 16-08-2022 has been received, nullifying the demands of these quarter. For quarter one for the year 2016-2017 F forms are pending there a demand of Rs. 22,62,888/- has been raised by VAT-Delhi. Appeal against the said order has been filed with VAT-Delhi.

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 and in the month of February 2020 to September 2020. The Company has replied to said notices and negotiating with different workable options. 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 has also approached Banks with suitable resolution plan for their consideration, which the consortium has sanctioned.

The Company has received Ex-parte Interim Order dated 25.06.2020 from Debt Recovery Tribunal-III, Delhi restraining the Company from transferring/ alienating or otherwise dealing with, or disposing off or encumbering or creating any third party interest with respect of the hypothecated assets/immovable properties of the Company until further orders. Further the Company has received summon under sub-section (4) of Section 19 of the Act, read with sub-rule (2A) of rule 5 of the Debt Recovery Tribunal (Procedure) Rules, 1993 in the aforesaid matter of ICICI Bank Limited V. Kohinoor Foods Limited and ORS to file written statement and to appear before Registrar on 26/09/2020. The Company is contesting the matter and filed its reply to IA and also filed reply to OA before DRT-III, Delhi vide IA No. 926/2020 and OA No. 276/2020, wherein the DRT has provided the next date of hearing on 31/08/2022.

The Company has received a Notice through speed post from DRT-II, New Delhi. The Lead Bank has filed an OA No. 300 of



2022 before DRT 2 Delhi against the Company under section 19(4) of the Act. The matter is listed before the registrar for completing of pleading on 03/08/2022. The Company is in process of filing suitable reply of the aforesaid notice with the respective Hon'ble courts/ Authorities/ offices in due course

The Jt. Managing Director, Mr. Satnam Arora of the Company, has received a summon/notice from the Directorate of Enforcement, Central Regional Office, Government of India, Chandigarh/New Delhi, to appear before them along with various document. The Director/authorized representative of the company is in process to appear and submit relevant documents before the authorities/ offices / department in due course.

A notice had been received from Central Bureau of Investigation, New Delhi in the name of The Director, Kohinoor Foods Limited to produce documents/information in person before them, pertaining to business transaction with two specified entities/party(ies) during the period 2013 to 2016. The Director/authorized representative of the Company Submitted relevant documents before the authorities/ offices / department in due course.

The Company has submitted its improved One Time Settlement (OTS) proposal with the Consortium Banks and the same is sanctioned by the Lead Bank and was presented at their respective consortium meeting. The promoters of the Company deposited the interest of the Sanctioned O.T.S. and requested another 90 days' time to meet the requirements of the O.T.S., which is at present under consideration with the Consortium Lenders.

The Company has received Legal Notice from the Punjab National Bank, Hong Kong in regard to outstanding indebtedness due amount of US\$ 6,074,243.81 (inclusive of interest up to date) payable within 14 days from the date of the letter. The matter is being taken up PNB Dubai and the Company has replied the Bank within the stipulated time and submitted its OTS proposal and has deposited the upfront amount USD 89,433.4/- towards One Time Settlement (OTS) Proposal and requested to process the Company OTS Proposal and forward the same to their Board/Head Office for approval, which is at present in consideration..

The Company has received an Arbitration Award by the Hon'ble Arbitral Tribunal comprising of the sole arbitrator Mr. S G Shah Former Judge, High Court of Ahmedabad for its debtors the company has not received any amount, from the parties, on due date as Award. The Company has withdrawn the execution

petitio

n of the award before the High Court, New Delhi in regard to recovery of the amount as per Award.

The Lead Bankers, Oriental Bank of Commerce (Now Punjab National Bank) 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.

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.

M/s. Regal Kitchen Foods Limited filed an arbitration petition towards alleged outstanding, against which company is in process of filing its counter claim towards the financial losses. The Company has booked income towards the financial losses of Rs. 387 Lakhs, which is to be recoverable from M/s. Regal Kitchen Foods Limited. Case is filed in District and Session court Faridabad. The Company is in process of contesting and taking all suitable legal recourses in relation to the above matter in the other hon'ble High Courts, District Court, Quasi Court of competent jurisdiction.

All other litigations are mentioned in the note on Contingent Liability in the Balance Sheet for the financial year 2021-22.

#### **Contract and Arrangements with Related Parties**

In terms of Section 188 of the Act read with rules framed thereunder and Regulation 23 of the Listing Regulations, your Company has in place Related Party Transactions Policy for dealing with related party transactions. The policy may be accessed under the Corporate Governance section on the website of the Company at: <http://kohinoorfoods.in/pdf/Policy-on-Related-Party-Transactions.pdf>. All the related party transactions that were entered and executed during the year under review were on arm's length basis and in the ordinary course of business and within permissible framework of Section 188 of the Act and Rules made thereunder read with Regulation 23 of Listing Regulations. There were no materially significant related party transactions made by the Company during the year that would have required the approval of the shareholders. The details of the transactions with the related parties are provided in the accompanying financial statements. There were no related party





transaction made during the year that are required to be disclosed in the Form AOC-2.

**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, 2022, 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, 2022, 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, 2022 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. Mrs. Mani Chandra Bhandari (Chairperson)
2. Mr. Satnam Arora
3. Mr. Gurnam Arora
4. Mr. Vijay Burman (*cessation due to sudden demise on 10.06.2021*)

As the Average net Profit/(Loss) of the Company for last three financial years prior to 2021-22 comes to average net loss and therefore the Company is not statutorily required to spent 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 except as disclosed in the Annual Report.
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 2020-2011 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**  
**DIN: 00010667**

Sd/-  
**Gurnam Arora**  
**Jt. Managing Director**  
**DIN: 00010731**

Place : Faridabad

Date : August 31, 2022



## 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, 2022, 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 / Whole-time Director, Joint Managing Directors, Woman Director, Independent Directors.

As on 31st March, 2022, 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.

None of the Directors had relationship inter-se, except Mr. Jugal Kishore Arora, Mr. Satnam Arora and Mr. Gurnam Arora, being related to each other as brothers.

The Board Members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize themselves with the Company's procedures and practices. Directors are periodically advised about the changes effected in Corporate Laws, Listing Regulations with regard to their roles, rights and responsibilities as Director of the Company.

The familiarisation programme along with details of the same imparted to the Independent Directors are available on the website of the Company [https:// www.kohinnorfoods.in](https://www.kohinnorfoods.in)

The Board of Directors of the Company comprises highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

While all the Board members possess the skills identified, their area of core expertise is given below:



Nature of Skills/Expertise							
Name of the Directors	Corporate Leadership	Industry Experience	Financial Acumen	Diversity	Governance	Technology	Risk Management
Shri Jugal Kishore Arora	√	√	√	√	√	√	√
Shri Satnam Arora	√	√	√	√	√	√	√
Shri Gurnam Arora	√	√	√	√	√	√	√
Shri Vijay Burman	√	√	√	√	√	√	√
Shri Sunil Sharma	√	√	√	√	√	√	√
Shri Yash Pal Mahajan	√	√	√	√	√	√	√
Smt. Mani Chandra Bhandari	√	√	√	√	√	√	√

\* Cessation of Shri Vijay Burman due to sudden demise on 10-06-2022.

Seven (7) Board meetings were held during the Financial Year 2021-2022 and the gap between two meetings did exceed 120 days as per relaxation granted under the Ministry of Corporate Affairs (MCA) vide its General Circular No. 11/2020 dated 24th March, 2020. The dates, on which the Board meetings were held, are 20th July 2021, 12th August 2021, 13th September 2021, 14th October 2021, 12th November 2021, 14th February, 2022 and 24th March, 2022.

Further the Mr. Vijay Burman, Independent Directors, ceased to be director of the company due to sudden demise on 10-06-2021 and the necessary intimation is submitted to the exchange and 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, 2022, and at the last Annual General Meeting, and the number of other Directorship and Chairmanship/ Membership of Committees held by them, are given below:



Name of the Director	No. of Board Meetings attended during tenure	Whether attended the last AGM	No. of other Directorships*	Committee position of other Companies**		No. of Equity Shares held
				Chairman	Member	
Executive(Promoter)						
Mr. Jugal Kishore Arora (Whole-time Director, designated as Chairman)	4	No	1	Nil	Nil	6,653,484
Mr. Satnam Arora (Joint Managing Director)	7	No	3	Nil	2	5,988,923
Mr. Gurnam Arora (Joint Managing Director)	7	Yes	2	Nil	Nil	6,708,889
Non - Executive and Independent						
Mr. Vijay Burman (Cessation due to sad demise on 10/06/2021)	0	No	Nil	Nil	Nil	Nil
Mr. Sunil Sharma	7	Yes	Nil	Nil	Nil	Nil
Mr. Yash Pal Mahajan	7	Yes	Nil	Nil	Nil	Nil
Mrs. Mani Chandra Bhandari	7	Yes	Nil	Nil	Nil	Nil

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

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



**INFORMATION AS REQUIRED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015, RELATING TO DIRECTORS 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., 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, 2022

**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.

He holds 5,988,923 (16.16%) Equity Shares of the Company in his own name as on 31st March, 2022.

**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 three decades 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 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, 2022.





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

He is a Science Graduate with over four decades 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, 2022.

Further the Mr. Vijay Burman, Independent Directors, ceased to be director of the company due to sudden demise on 10.06.2021 and the necessary intimation is submitted to the exchange and form has been filed in this regard.

**Mr. Sunil Sharma (DIN – 08699033) Independent Director of the Company.**

He is a Commerce Graduate with over four decades experience in Hospitality Industry and had served various senior position with organization such as Sudhir Power Limited, Antara Senior Living, Max Healthcare Limited, Sudhir Gensets, Limited, Country Inn and Suits, Satnam Overseas and also having sufficient expertise in Strategic Operational Business, Finance, Operations and People Management. Because of his vast operational exposure, he has been appointed as an Independent Director of the Company.

He started his carrier in the year 1976 to 1989 as department head at various position in Saudi Arabia, Egypt and Washington DC and thereafter also served various region in India with senior position as General Manager / Project Specialist.

He is the member of Audit Committee, Nomination and Remuneration Committee of the Kohinoor Foods Limited.

He does not hold any share of the Company in his name as on 31st March, 2022.

**Mr. Yash Pal Mahajan (DIN – 08699040) Independent Director of the Company.**

He is a Marine Engineer and an entrepreneur with over four decades experience in Hospitality Industry and had served various senior position in India and abroad such as The OBEROI and Shipping Corporation of India and also having sufficient expertise in Management, Engineering Maintenance, Project Management and Operations. Because of his vast exposure, he has been appointed as an Independent Director of the Company.

He started his carrier in the year 1972 to 1976 as Engineer on Ship with the Shipping Corporation of India and had also served as Chief Engineer / Director Engineer with The OBEROI from 1976 to 2008 in Saudi Arabia, Middle East and India and thereafter from 2008 to till date he is an Engineering Consultant and an Entrepreneur as a Partner with a Partnership Firm 'Surya Electro Control' having works at Punjab and Himachal Pradesh.

He is the member of Audit Committee, Nomination and Remuneration Committee of the Kohinoor Foods Limited.

He does not hold any share of the Company in his name as on 31st March, 2022.

**Mrs. Mani Chandra Bhandari (DIN – 00387585) Independent Director of the Company.**

She is a Science Graduate and an entrepreneur with rich experience of around four decades in running export organization and experience in Garments Industry and also having sufficient expertise in Management, Designing and Order Procurement. Because of her vast exposure, she has been appointed as an Independent Director of the Company.

She is a Director of Chandramani Private Limited and Chandermani Exports Private Limited.



She is a Chairperson of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Kohinoor Foods Limited w.e.f. 20/07/2021.

She does not hold any share of the Company in his name as on 31st March, 2022.

## 1. 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:

### 1) 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. Sunil Sharma, Mr. Yash Pal Mahajan and Mrs. Mani Chandra Bhandari are 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 30th December, 2021 to answer member queries.

- \* Due to sudden demise of Mr. Vijay Burman on 10.06.2021, the Board in its meeting held on July 20, 2021 reconstituted the composition of the Audit Committee with following persons: Mrs. Mani Chandra Bhandari (Chairperson), Mr. Sunil Sharma (Member) and Mr. Yash Pal Mahajan (Member).

As on March 31, 2022, 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.

During the year under review, the Audit Committee met Five (5) times i.e. on 20th July, 2021, 12th August, 2021, 12th November, 2021, 14th February, 2022 and 24th March, 2022 and the maximum time gap between any two consecutive meetings has exceed 120 Days as per relaxation granted under the Ministry of Corporate Affairs (MCA) vide its General Circular No. 11/2020 dated 24th March, 2020.

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	Ex Chairman	Nil
Mr. Sunil Sharma	Member	5
Mr. Yash Pal Mahajan	Member	5
Mrs. Mani Chandra Bhandari	Chairperson	5



- *Due to sudden demise of Mr. Vijay Burman on 10.06.2021, the Board in its meeting held on July 20, 2021 reconstituted the composition of the Audit Committee with following persons: Mrs. Mani Chandra Bhandari (Chairperson), Mr. Sunil Sharma (Member) and Mr. Yash Pal Mahajan (Member).*

### **Scope of the Audit Committee**

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

The scope of the Audit Committee is as follows:

### **Powers of Audit Committee**

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

### **Terms of Reference**

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, adequate and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fee;
- Approving payment to Statutory Auditors for any other services rendered by them;

Reviewing, with the management, the Annual Financial Statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions
  - (g) Qualifications in the draft audit report, if any.
- Reviewing, with the management, the Quarterly Financial Statements before submission to the Board for approval;
  - Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue, if any, and making appropriate recommendations to the Board to take up steps in this matter;
  - Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the company with related parties;
  - Scrutiny of inter-corporate loans and investments;



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

**ii) Stakeholder Relationship Committee**

- 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 01.04.2021 to 31.03.2022, 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	Ex-Chairman
Mrs. Mani Chandra Bhandari	Chairperson
Mr. Gurnam Gupta	Member
Mr. Satnam Arora	Member

*Due to sudden demise of Mr. Vijay Burman on 10.06.2021, the Board in its meeting held on July 20, 2021 reconstituted the composition of the Stakeholder Relationship Committee with following persons: Mrs. Mani Chandra Bhandari (Chairperson), Mr. Gurnam Arora (Member) and Mr. Satnam Arora (Member).*

**Other details**

- a) Name of the Non-Executive Director heading the Committee: Mrs. Mani Chandra Bhandari
- b) Name and Designation of the Compliance Officer: Mr. Deepak Kaushal, Company Secretary & Manager (Legal)
- c) Number of Shareholders Complaints: The Company has received one complaints during the year and no complaint was pending at the beginning of the year.
- d) Numbers not resolved to the satisfaction of shareholders: All the complaints have been resolved to the satisfaction of the complainants during the year.
- e) Number of pending complaints as on 31st March, 2022: None

**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 Three (3) times i.e. on 20th July, 2021, 12th August, 2021 and 24th March, 2022.

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>
Mr. Vijay Burman	Ex-Chairman
Mrs. Mani Chandra Bhandari	Chairperson
Mr. Sunil Sharma	Member
Mr. Yash Pal Mahajan	Member

Due to sudden demise of Mr. Vijay Burman on 10.06.2021, the Board in its meeting held on July 20, 2021 reconstituted the composition of the Nomination and Remuneration Committee with following persons: Mrs. Mani Chandra



Bhandari (Chairperson), Mr. Sunil Sharma (Member) and Mr. Yash Pal Mahajan (Member).

### Term of reference

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

- ☀ formulating criteria for determining qualifications, positive attributes and independence of Directors and recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- ☀ formulating criteria for evaluation of performance of independent Directors and the Board;
- ☀ devising a policy on diversity of the Board;
- ☀ identifying and recommending individuals who are qualified to become Directors, and who may be appointed as Senior Management in accordance with the criteria laid down;
- ☀ recommending appropriate training program for new Directors, Key Managerial Personnel and Senior Management and periodically reviewing the same;
- ☀ evaluating the performance of the Directors based on the evaluation criteria and furnishing the Board with the necessary report for further evaluation;
- ☀ recommending to the Board a Policy, relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management, and while formulating such Policy ensuring that:
  - (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, of the quality required to run the Company successfully;
  - (ii) the relationship of remuneration to performance is clear and meets the appropriate performance benchmarks; and 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 2021-22:

Name of Directors	Salary	Perquisites	Sitting Fee	Total
<b>Executive Director-Promoters</b>				
Mr. Jugal Kishore Arora (Whole time Director, designated as Chairman)	-	Nil	-	-
Mr. Satnam Arora (Joint Managing Director)	-	Nil	-	-
Mr. Gurnam Arora (Joint Managing Director)	-	Nil	-	-
<b>Non-Executive and Non- Independent</b>				
Mr. Vijay Burman (Cession due to sad demise on 10/06/2021)	-	-	-	-
Mr. Sunil Sharma	-	-	175,000	175,000
Mr. Yash Pal Mahajan	-	-	175,000	175,000
Mrs. Mani Chandra Bhandari	-	-	175,000	175,000
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>525,000</b>	<b>525,000</b>

### Remuneration to Executive Directors for 2021-2022

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 31st Annual General Meeting of the Company held on 30th December, 2020 for the period of three years subject to the approval of the Central Government. However, the Executive Directors have forgone their remuneration for remaining months from April 2021 to March 2022.

### 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 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:

Mr. Vijay Burman	Ex-Chairman
Mrs. Mani Chandra Bhandari	Chairperson
Mr. Gurnam Gupta	Member
Mr. Satnam Arora	Member

*Due to sudden demise of Mr. Vijay Burman on 10.06.2021, the Board in its meeting held on July 20, 2021 reconstituted the composition of the Corporate Social Responsibility Committee with following persons: Mrs. Mani Chandra Bhandari (Chairperson), Mr. Satnam Arora (Member) and Mr. Gurnam Arora (Member).*

As the Average net Profit/(Loss) of the Company for last three financial years prior to 2021-22 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)

#### 4. 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 the Independent Directors was held on 14th February 2022, without the participation of the Non-Independent Directors and members of the 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 2021-22.

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

### **Compliance 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 31st, 2022 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, during the year under review.

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)

During the year ended 31st March, 2022, no matter has been received under Whistle Blower Policy of the Company and no personnel has been denied access to the Chairman of the Audit Committee of the Company.

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

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

Information on subsidiary companies is forming part of the Board's Report. The company has material subsidiary in accordance with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Audit Committee reviews the financial statements and investments made by the unlisted subsidiary companies. The minutes of the proceedings of the Board meetings of the unlisted subsidiary Companies are placed before the Board of Directors. Policy for determining 'material' subsidiaries was adopted by Board of Directors and this policy is uploaded on the website of the Company at: <http://kohinoorfoods.in/pdf/Policy-for-deciding-material-subsiadiary.pdf>

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.

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 AI Dhara Kohinoor LLC and AI Dhara Kohinoor Industries LLC. AI-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 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.

The Company had obtained approval from its members vide postal ballot meeting held on 10.01.2021 and the Board in its meeting held on 30.03.2021 approved a strategic disinvestment in its Wholly Owned foreign Subsidiary, M/s Indo European Foods Limited (UK), situated outside India to M/s. Herba Foods S.L.U.

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 2021-22**

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 Financial Services Pvt. Ltd.

The work related to de-materialization/ re-materialization is handled by Skyline Financial Services Pvt. Ltd. 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 2021-22 was 1978 shares versus 1065 shares during 2020-21.

### Means of communication

Information like quarterly / half yearly / annual financial results of the Company that have been made available from time to time, to the press and are hosted on the Company's website at [www.kohinoorfoods.in](http://www.kohinoorfoods.in) and have also been submitted to the stock exchanges to enable them to put them on their websites and communicate to the shareholders. The quarterly / half-yearly / annual financial results are generally published in English and Hindi language newspapers. Moreover, a report on Management Discussion and Analysis has been given elsewhere in this report. The Company electronically files all reports / information including quarterly results, shareholding pattern and corporate governance report and so on, at BSE website at [www.listing.bseindia.com](http://www.listing.bseindia.com) and at NSE website at [www.connect2nse.com](http://www.connect2nse.com).

## 5. General Body Meetings

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

Year Ended	Date of GM	Time	Venue	Special Resolutions Passed
2019	30-09-2019	11:00 A.M.	Magpie Tourist Complex (a unit of Haryana Tourism Corporation Limited), Main Mathura Road, Sector-16A, Faridabad, Haryana – 121002.	0
2020	30-12-2020	11:00 A.M.	through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility Deemed Venue: for the 31st AGM shall be the Registered Office of the Company	4
2021	30-12-2021	11:00 A.M.	through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility Deemed Venue: for the 31st AGM shall be the Registered Office of the Company	0
2021	10-11-2021	03:00 P.M.	through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility Deemed Venue: for the 1st EGM shall be the Registered Office of the Company	0



**b) Details of Special Resolution passed through Postal Ballot during Financial Year 2021-22:**

Description (Nature of Resolution)	Date of Notice	Date of Dispatch of Postal Ballot Forms to Members	The remote e-voting period:	Date of passing resolution
Approval to sell off factory of the Company on Slump Sale basis	24-03-2022	30-03-2022	Commences from 9.00 a.m. (IST) Thursday, March 31 2022 and ends at 5.00 p.m. (IST) on Friday, April 29 2022	29-04-2022
Approval to sell off Registered Office of the Company on Slump Sale basis	24-03-2022	30-03-2022	Commences from 9.00 a.m. (IST) Thursday, March 31 2022 and ends at 5.00 p.m. (IST) on Friday, April 29 2022	29-04-2022
Approval to Sell the Plant and Machinery of Factory situated at 50-51, Milestone, G.T. Karnal Road, Murthal, Sonapat, Haryana-131027	24-03-2022	30-03-2022	Commences from 9.00 a.m. (IST) Thursday, March 31 2022 and ends at 5.00 p.m. (IST) on Friday, April 29 2022	29-04-2022

The Company had appointed Mr. Manish Kumar (Membership No. FCS 10248) of M/s Mank and Associates, Practicing Company Secretaries, as the Scrutinizer to conduct the Postal Ballot through remote e-voting process in a fair and transparent manner.

Procedure followed in above postal ballot is as under – The notices containing the proposed resolutions and explanatory statement were sent to the shareholders by email in accordance with MCA General Circular No.14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020. The e-voting period was for 30 days from dispatch of notice. The Scrutinizer submitted the report to the Company. The voting results were announced within 48 hours of end of the e-voting period. For e-voting, the company is having agreement with National Securities Depository Limited (NSDL) for providing e-voting facility to its shareholders. Under this facility, shareholders are provided an electronic platform to participate and vote on the resolutions to be passed through Postal Ballot. As on the date of this report, no business is proposed to be conducted through postal ballot.

**6. Disclosures**

**a) Material significant Related Party Transactions & potential conflict with the interest of the company at large**

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) Commodity price risk or foreign exchange risk and hedging risk.**

The details for the same have been provided in the notes to the financial statements.

**c) Compliances made by the Company**

During the year, the Company was subject to non-compliance and penalties, imposed by Stock Exchanges w.r.t. regulation 33 of SEBI (LODR) Regulations, 2015:





During the year, the Company was subject to non-compliance and penalties, imposed by Stock Exchanges w.r.t. regulation 108 of SEBI ICDR Regulations 2018 and regulation 33 of SEBI (LODR) Regulations, 2015:

Regulation Name/ SEBI Circular number	Stock Exchange	Amount (Rs.)	Status
Regulation 108(2) SEBI (ICDR) Regulations, 2009 (delay in approaching exchange for listing of securities for FY 2018)	NSE/BSE	40000/ 20000	Paid
Regulation 33 (December 2014)	BSE	371420	Paid

During the year, the Company was subject to non-compliance and the following are the details of actions taken against the listed entity / its promoters / directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Regulation	Stock Exchange	Amount (Rs.)	Status
Suspension of Trading	NSE/BSE	150,000 / 525,000	Application / Documents submitted to the Exchanges to accept Revocation of Suspension of Trading, on 21/05/2021 and the Suspension of Trading has been revoked with effect from 06/04/2022 vide Circular ref. No. 0368/2022 Dated 29/03/2022

However the Company was subject to the non-compliance and penalties imposed by Stock Exchanges w.r.t. regulation 17, 18, 19, 33 & 34 of SEBI (LODR) Regulations, 2015 & regulation 108(2) of SEBI (ICDR) Regulations, 2009 during the last three years.

Regulation	Stock Exchange	Amount (Rs.)	Status
Regulation 33 SEBI (LODR) Regulations, 2015 (delay in submission of Financial Result for Q2 FY 2019-20)	NSE/BSE	5,000/-	Paid
Regulation 34 (delay in submission of Annual Report to Exchange)	NSE/BSE	36,000 / 38,000	Paid
Regulation 17 SEBI (LODR) Regulations, 2015 (composition of Board, optimum combination on executive and non- executive director and woman director for Q2, Q3 & Q4 FY 2019-20)	NSE/BSE	Q2 170,000 Q3 460,000 Q4 21,5000	Paid
Regulation 18 SEBI (LODR) Regulations, 2015 (composition of Audit Committee for Q2, Q3 & Q4 FY 2019-20)	NSE/BSE	Q2 40,000 Q3 184,000 Q4 86,000	Paid
Regulation 19 SEBI (LODR) Regulations, 2015 (composition of Nomination and Remuneration Committee for Q2, Q3 & Q4 FY 2019-20)	NSE/BSE	Q2 68,000 Q3 184,000 Q4 86,000	Paid /waiver received
Regulation 14 SEBI (LODR) Regulations, 2015 (Annual Listing Fee FY 2019-20)	NSE/BSE	342200/ 295000	Paid
Regulation 33 SEBI (LODR) Regulations, 2015 (delay in submission of Financial Result for Q4 FY 2020-21)	NSE/BSE	130,000	Paid



d) 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.

e) **Compliance with mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, as on March 31, 2022.

f) **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.

g) **Official News Releases**

The Company's website also displays official news releases.

h) **Presentations made to Institutional Investors or to the Analysts**

No presentation was made to institutional investors or to the analysts by the Company.

i) **Trading of Shares of the Company**

During the year under review, the shares of the Company suspended from trading w.e.f. October 21, 2020 due to penal reason. The Company have paid all the dues to the stock exchanges and already applied for revocation of suspension of Trading of Securities of the Company. The Suspension of Trading has been revoked with effect from 06/04/2022 vide Circular ref. No. 0368/2022 Dated 29/03/2022.

j) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad

During the year under review, there is no change in the rating and it stand to be D Rating.

k) **Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs/ADRs/ Warrants or any other convertible instruments, during the year under review. However, the Company has issue 58,14,000 Convertible Warrants into Equity Shares to Promoters on Preferential basis on 04th October 2018, out of the above the Promoters opted to exercise the option of 18,30,000 Convertible Warrants into Equity Shares. For the remaining 39,84,000 Convertible Warrants into Equity Shares, the company has neither received any request for conversion of Share warrants into Equity Shares, nor have received any balance sums payable on such conversion option being exercised by any of the Share Warrant holder. Therefore as per SEBI (ICDR) Regulations, 2009, the consideration therefore paid by such Warrant Holders at the time of issuance of share warrants stand forfeited. The final listing approval of further issue under Preferential Issue of 18,30,000 equity shares was granted by Exchanges on October 18, 2021 and the above equity shares of the Company are listed on the Exchanges from October 18, 2021 as per the details given below.

Sr. No.	Security Description	Symbol	Series	No. of securities	Distinctive Numbers	Lock-in upto date
1.	Equity shares of Rs. 10/- each allotted on conversion of warrants issued on preferential basis	KOHINOOR / 512559	EQ	1830000	35241531 to 37071530	31-Oct-2024

\* The above Equity Shares shall be admitted to dealings once the suspension on equity shares of the Company is revoked



**l) Foreign Exchange Risk and hedging activities :**

The details for the same have been provided in the notes to the financial statements.

**m) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under regulation 31(7A)**

Not Applicable

**n) Certification by Practicing Company Secretary**

Mr. Manish Kumar - Practicing Company Secretary has issued a certificate under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this section.

**o) Acceptance of recommendations made by the Committees**

During the financial year 2021-22, the Board has accepted all the recommendations of its Committees.

**p) Total Fees paid to Statutory Auditors**

The details of total fees paid by the Company to the statutory auditors are as under:-

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
As Statutory Auditor	10,60,000	10,60,673
For Taxation matters	2,50,000	2,25,000
Reimbursement of Expenses	-	-
For Other Matters	214,300	1,62,025
<b>Total</b>	<b>15,24,300</b>	<b>14,47,698</b>

**q) Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

number of complaints filed during the financial year 2021-22	0
number of complaints disposed of during the financial year 2021-22	0
number of complaints pending as on end of the financial year	0

**r) Material developments in Human Resources / Industrial Relations front, including number of people employed**

For your company, our people are our strongest asset. The Company invests in building best-in-class teams, led by exceptional professionals. Over the years, the Company has nurtured meritocratic, empowering and caring culture that encourages excellence. Your Company encourages the development of talent by providing its people with opportunities to sharpen their capabilities, encouraging innovation, lateral thinking, and developing multiple skills. Through this approach, your company prepares people for future leadership roles. During the year under review total number of permanent employees are 98 as compared to last year 75 as 23 employees joined the organizations.

**s) Disclosure of Accounting Treatment**

Your Company 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. Your Company financial statements for the year ended March 31, 2022 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.



t) Details of significant changes in key financial ratios, along with detailed explanations

RATIO				
SN	PARTICULARS	2021-22	2020-21	DETAILED REASON
1	Debtors Turnover	4.33	0.95	↑ due to increase in turnover with lower average Debtors because of recoveries and settlement of old balances
2	Inventory Turnover	15.32	7.23	↑ due to increase in turnover with lower average inventory
3	Interest Coverage Ratio	-6.86	-9.66	The ratio is negative due to losses
4	Current Ratio	0.06	0.15	↓ There is slight variation in current ratio because of deposit of upfront OTS money and reduction in current liabilities.
5	Debt Equity Ratio	-1.38	-1.47	The ratio is negative due to erosion of net worth because of losses
6	Operating Profit Margin (%)	-4.82%	-28.25%	↑ due to reduction in operative losses and increase in turnover
7	Net Profit Margin (%)	-6.46%	-13.49%	↑ due to increase in turnover
8	Return on Net Worth (%)	NA	NA	-

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.

**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, 2022
Time	:	11:30 A.M.
Mode	:	Through Video conferencing ("VC")/ Other Audio Visual Means ("OAVM")
Financial Calendar	:	1 <sup>st</sup> April to 31 <sup>st</sup> March
Date of Book Closure	:	24.09.2022 to 30.09.2022 (both days inclusive)
Dividend Payment Date	:	No dividend has been recommended for the financial year 2021-22
CIN	:	L52110HR1989PLC070351 (w.e.f. 16th 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 2022-2023 has been paid by the Company to BSE & NSE.

**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**

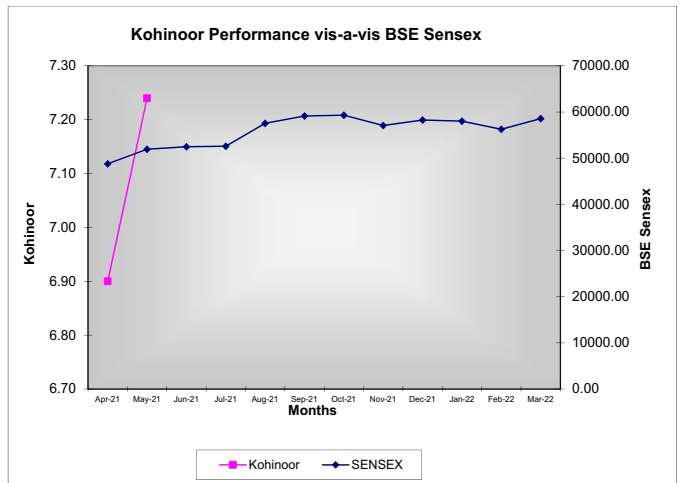
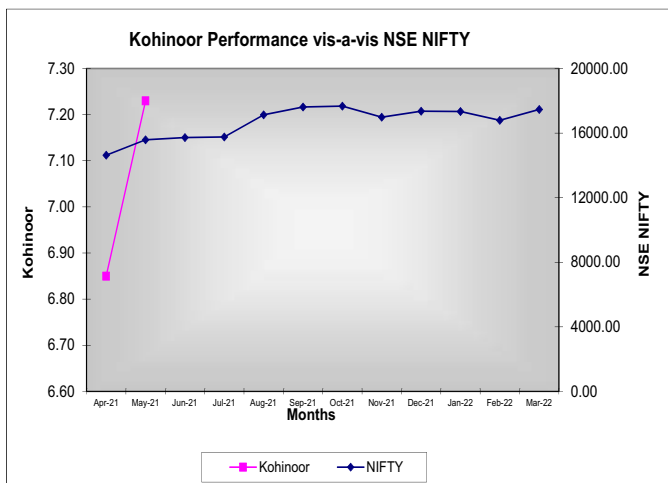
Monthly High and Low quotations of Shares traded at The National Stock Exchange of India Ltd. (NSE) and BSE Ltd.

Month/ Year	N.S.E		B.S.E	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
<b>April 2021</b>	7.45	6.25	7.30	6.50
<b>May 2021</b>	7.45	7.00	7.55	6.93
<b>June 2021</b>	-	-	-	-
<b>July 2021</b>	-	-	-	-
<b>August 2021</b>	-	-	-	-
<b>September 2021</b>	-	-	-	-
<b>October 2021</b>	-	-	-	-
<b>November 2021</b>	-	-	-	-
<b>December 2021</b>	-	-	-	-
<b>January 2022</b>	-	-	-	-
<b>February 2022</b>	-	-	-	-
<b>March 2022</b>	-	-	-	-

The shares of the Company suspended from trading w.e.f. October 21, 2020 due to penal reason. The Company have paid all the dues to the stock exchanges and applied for revocation of suspension of Trading of Securities of the Company. The Suspension of Trading has been revoked with effect from 06/04/2022 vide Circular ref. No. 0368/2022 Dated 29/03/2022.

**S&P CNX Nifty/Sensex vis-à-vis Kohinoor Foods**

Relative Price Movements April 2021 – March 2022 (Base price as on 1st April 2021)





## 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 31st March, 2022.

**Distribution of Shareholding as on 31st March, 2022, as per SEBI (LODR) Regulations, 2015.**

Share Nominal Value (Rs.)		Share Holders		Total Shares	
		No.	% age	Total	% of Total
1	5,000	23812	88.13	2872326.00	7.78
5001	10,000	1717	6.35	1417571.00	38.51
10001	20,000	780	2.89	1198596.00	3.24
20001	30,000	273	1.01	702751.00	1.92
30001	40,000	114	0.42	407956.00	1.08
40001	50,000	103	0.38	486442.00	1.30
50001	1,00,000	133	0.49	973695.00	2.63
1,00,000	Above	87	0.32	29012193.00	78.19
<b>Total</b>		<b>27019</b>	<b>100.00</b>	<b>37071530.00</b>	<b>100.00</b>

### Category of Shareholders as on 31<sup>st</sup> March 2022

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	10000	0.03
Financial Institutions/Banks	1420	0.01
Insurance Companies	117081	0.31
Foreign Institutional Investors	0	0.00
Foreign Companies	7048306	19.01
Domestic Companies/Bodies Corporate	356398	0.96

Category	No. of Shares of Rs. 10 each	Percentage (%) of Total
Non-resident Individual	259158	0.70
Others	0	0.00
Individual Shareholders	8652504	23.33
HUF	379883	1.02
Clearing Member/House	35	0.00
Trusts	1500	0.00
Firms	20305	0.05
<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 2022. (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)	3,27,43,264	88.32	12,441	46.05
Central Depository Services (India) Ltd. (CDSL)	39,03,534	10.53	9,498	35.15
Physical Form	4,24,732	1.15	5,080	18.80
<b>Total</b>	<b>3,70,71,530</b>	<b>100.00</b>	<b>27,019</b>	<b>100.00</b>



During the year 2018-19, 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). The final listing approval of further issue under Preferential Issue of 18,30,000 equity shares was granted by Exchanges on October 18, 2021 and the above equity shares of the Company are listed on the Exchanges from October 18, 2021 as per the details given below

Sr. No.	Security Description	Symbol	Series	No. of securities	Distinctive Numbers	Lock-in upto date
1.	Equity shares of Rs. 10/- each allotted on conversion of warrants issued on preferential basis	KOHINOOR / 512559	EQ	1830000	35241531 to 37071530	31-Oct-2024

\* The above Equity Shares shall be admitted to dealings once the suspension on equity shares of the Company is revoked

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.

For the remaining 39,84,000 Convertible Warrants into Equity Shares, your company has neither received any request for conversion of Share warrants into Equity Shares, nor have received any balance sums payable on such conversion option being exercised by any of the Share Warrant holder. Therefore as per SEBI (ICDR) Regulations, 2009, the consideration therefore paid by such Warrant Holders at the time of issuance of share warrants stand forfeited in April 2020.

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 31st March, 2022 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, 2021-2022, the total dematerialized equity shares of the Company is 3,66,46,798 Equity Shares forming 98.85% of the total listed share capital of the Company.





## 17. Promoters Shareholding

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

## 18. Un-Paid Dividend of Shareholders

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

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. The Company had, already accordingly, transferred the unpaid and unclaimed dividend amount pertaining to Final Dividend, to the IEPF.

Pursuant to the provisions of Section 205 A(5) and 205 C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends (remaining unpaid/ unclaimed for a period of 7 (Seven) years from the due date), to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 29, 2014, on the website of the Company ([www.kohinoorfoods.in](http://www.kohinoorfoods.in)), and also on the website of the Ministry of Corporate Affairs.

Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account.

## 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.

Pursuant to Section 101 and 136 of the Act read with Companies (Management and Administration) Rules, 2014, Companies (Accounts) Rules, 2014 and circulars issued by Ministry of Corporate Affairs in view of continuing COVID-19 pandemic, the Company can send Notice of Annual General Meeting, financial statements and other communication in electronic forms. Your Company is sending the Annual Report including the Notice of Annual General Meeting, audited financial statements, (both standalone and consolidated), Directors Report along with their annexures etc. for the Financial Year 2021-22 in the electronic mode to the shareholders who have registered their email ids with the Company and/or their respective Depository Participants (Dps).

The Annual Report containing audited financial statements (both standalone and consolidated), Directors Report along with their annexures etc. and other important information for the Financial Year 2021-22 is available in downloadable form on company's website at [www.kohinoorfoods.in](http://www.kohinoorfoods.in).

## 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 31st March 2022.

**For and on Behalf of the Board**

Sd/-

**Satnam Arora**  
**Jt. Managing Director**  
**DIN: 00010667**

Sd/-

**Gurnam Arora**  
**Jt. Managing Director**  
**DIN: 00010731**

Place : Faridabad

Date : August 31, 2022



### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members  
**Kohinoor Foods Limited**

We have examined the compliance of conditions of Corporate Governance by the Kohinoor Foods Ltd. (the Company) for the year ended 31st March, 2022 as per regulations 17 to 27, clause (b) to (i) of sub-regulations 2 of Regulations 46 and paragraph C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information, based on the records, documents, books, and other information furnished and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as per regulations 17 to 27, clause (b) to (i) of sub-regulations 2 of Regulations 46 and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable.

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

Place: New Delhi  
Date: 30/08/2022

**For N C Raj and Associates**  
CHARTERED ACCOUNTANTS  
FRN :002249N  
Sd/-  
**Sanjay Garg**  
Partner  
Membership No. 088636  
UDIN: 22088636AQHYGK9208



### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

**Kohinoor Foods Limited**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kohinoor Foods Limited (CIN L52110HR1989PLC070351) having registered office at Pinnacle Business Tower, 10th Floor, Surajkund, Shooting Range Faridabad Haryana – 121 001 (India), (herein after referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its directors /officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs and any such other statutory authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Noida, Uttar Pradesh, India

Date: 09/08/2022

**For MANK & ASSOCIATES**

Company Secretaries

(UCN.S2017DE554100)

Sd/-

**CS Manish Kumar**

FCS No:10248; CP No: 19684

PR: 1257/2021

ICSI-UDIN: F010248D000769677





### CEO AND CFO CERTIFICATION

Compliance Certificate under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 for the financial year ended 31st March 2022

To,  
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 Chasu Arora, 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 2021-22 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/-

Sd/-

Date : 31/08/2022

Satnam Arora

Chasu Arora

Place : Faridabad

Jt. Managing Director

(CFO)



**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31st March, 2022**

*[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 Range, 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 31st March, 2022

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 31st March, 2022 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 31st March, 2022 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 (Buy back 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.

Place: Noida, Uttar Pradesh, India  
Date: 08/08/2022

**For MANK & ASSOCIATES**

Company Secretaries  
(UCN.S2017DE554100)  
Sd/-

**(CS Manish Kumar)**

**Company Secretary in Practice**

FCS No: 10248; CP No: 19684

PR: 1257/2021

ICSI-UDIN: F010248D000759623

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: Noida, Uttar Pradesh, India  
Date: 08/08/2022

**For MANK & ASSOCIATES**

Company Secretaries  
(UCN.S2017DE554100)  
Sd/-

**(CS Manish Kumar)**

Company Secretary in Practice  
FCS No: 10248; CP No: 19684  
PR: 1257/2021  
ICSI-UDIN: F010248D000759623





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

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming Part of the Directors' Report for the year ended 31st March, 2022.

#### 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 optimum consumption of power and fuel and the expenses for the current year stood to Rs. 191 Lakh.

#### 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 to launch new range product variants 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 RTE Segment. During the year, The R & D expenditure, for the current year stood to Rs. 9.59 lakh.

##### ii) Future plan of action

Steps are continuously being taken to promote the branded sales in overseas market. The company is exciting product launches and expanding & streamlining the distribution network 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. 9,58,946/-
c) Total	:	Rs. 9,58,946/-

Total R&D expenditure is 0.10% 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 Rs. 6019 Lakh as against Foreign Exchange Outgo of Rs. 17.13 Lakh during the year under review.

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

Due to liquidity problem and banking restrictions, the exports were badly affected, during the year. However, the Company has strong Global Network and expect the exports to revive soon.

#### FOR AND ON BEHALF OF THE BOARD

Date : 31st August, 2022

Place : Faridabad

Sd/-

Satnam Arora

Jt. Managing Director

DIN: 00010667

Sd/-

Gurnam Arora

Jt. Managing Director

DIN: 00010731



**ANNEXURE C**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31st March, 2022  
 [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	Kohinoor Foods Limited
iv) Category / Sub-Category of the Company	Public (Listed) Company
v) Address of the Registered/Corporate office and contact details:	Pinnacle Business Tower, 10th Floor, Shooting Range Road, Surajkund, Faridabad, Haryana- 121001 Phone: +91-129-424-2222, Fax: +91-129-424-2233 Email: <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:-

SN	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Rice and Food	1061 & 1075	75.26% & 24.74%

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

SN	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Kohinoor Foods USA INC, 40, Northfield Avenue Edison, NJ 08837	NA	Subsidiary	100%	
2	Sachdeva Brothers Pvt. Ltd. 201, Vipps Centre, Masjid Moth, Greater Kailash-II, New Delhi-110 048	U15311DL1986PTC222606	Subsidiary	100%	
3	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	20121140	0	20121140	54.28	20121140	0	20121140	54.28	0
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	0.28	104100	0	104100	0.28	0
<b>Sub-total (A) (1):-</b>	<b>20225240</b>		<b>20225240</b>	<b>54.56</b>	<b>20225240</b>	<b>0</b>	<b>20225240</b>	<b>54.56</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (2) :-</b>									
<b>Total shareholding of Promoter (A) = (A)(1)+(A)( 2)</b>	<b>20225240</b>	<b>0</b>	<b>20225240</b>	<b>54.56</b>	<b>20225240</b>	<b>0</b>	<b>20225240</b>	<b>54.56</b>	<b>0</b>
<b>B. Public Share holding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	1420	0	1420	0	1420	0	1420	0	0
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	117081	0	117081	0.32	117081	0	117081	0.32	0
g) FIs	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 (FPI)	10000	0	10000	0.03	10000	0	10000	0.03	0
<b>Sub-total (B)(1):-</b>	<b>128501</b>	<b>0</b>	<b>128501</b>	<b>0.35</b>	<b>128501</b>	<b>0</b>	<b>128501</b>	<b>0.35</b>	<b>0</b>
<b>2. Non Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	322842	34376	357218	0.96	322022	34376	356398	0.96	0
ii) Overseas	0	0	0	0	0	0	0	0	0



<b>b) Individuals</b>	0	0	0	0	0	0	0	0	0
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	7504514	392334	7896848	21.3	7510574	390356	7900930	21.3	0
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	753377	0	753377	2.03	751274	0	751274	2.03	0
<b>c) Other specify</b>									
N.R.I.(Rept & Non-Rept)	263367	0	263367	0.71	259158	0	259158	0.70	-0.01
Public Trusts	0	0	0	0	0	0	0	0	0
Corporate Bodies- OCB	7048306	0	7048306	19.01	7048306	0	7048306	19.01	0
Intermediary/Other Depository A/c	0	0	0	0	0	0	0	0	0
Hindu Undivided Family	378353	0	378353	1.03	379883	0	379883	1.03	0
Clearing Members/House	20320	0	20320	0.05	1500	0	1500	0.00	-0.05
Qualified Foreign Investor- Individual	0	0	0	0	0	0	0	0	0
Qualified Foreign Investor- Corporate	0	0	0	0	0	0	0	0	0
NBFC's Registered with RBI	0	0	0	0	0	0	0	0	0
Trust	0	0	0	0	35	0	35	0.00	0
Firms	0	0	0	0	20305	0	20305	0.06	0.06
Others	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>16291079</b>	<b>426710</b>	<b>16717789</b>	<b>45.09</b>	<b>16293057</b>	<b>424732</b>	<b>16717789</b>	<b>45.09</b>	<b>0</b>
<b>Total Public Shareholding(B)=(B)(1)+ (B)(2)</b>	<b>16419580</b>	<b>426710</b>	<b>16846290</b>	<b>45.44</b>	<b>16421558</b>	<b>424732</b>	<b>16846290</b>	<b>45.44</b>	<b>0.0</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>36643755</b>	<b>427775</b>	<b>37071530</b>	<b>100.00</b>	<b>36646798</b>	<b>424732</b>	<b>37071530</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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	6708889	18.1	-	6708889	18.1	-	0
2	Jugal Kishore Arora	6653484	17.95	-	6653484	17.95	-	0
3	Satnam Arora	5988923	16.16	-	5988923	16.16	-	0
4	Rani Arora	746009	2.01	-	746009	2.01	-	0
5	Nitin Arora	21000	0.06	-	21000	0.06	-	0
6	Madhu Arora	1869	0	-	1869	0	-	0
7	Meena Rani Arora	966	0	-	966	0	-	0
8	Satnam Haegens Ltd.	104100	0.28	-	104100	0.28	-	0
	<b>Total</b>	<b>20225240</b>	<b>54.56</b>	<b>-</b>	<b>20225240</b>	<b>54.56</b>	<b>-</b>	<b>0</b>

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





SN		Shareholding at the beginning of the year		Cumulative Shareholding	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares the
1	<b>Gurnam Arora</b>				
	At the beginning of the year	6708889	18.1	6708889	18.1
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	<b>6708889</b>	<b>18.1</b>	<b>6708889</b>	<b>18.1</b>
2	<b>Satnam Arora</b>				
	At the beginning of the year	5988923	16.16	5988923	16.16
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	<b>5988923</b>	<b>16.16</b>	<b>5988923</b>	<b>16.16</b>
3	<b>Jugal Kishore Arora</b>				
	At the beginning of the year	6653484	17.95	6653484	17.95
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	<b>6653484</b>	<b>17.95</b>	<b>6653484</b>	<b>17.95</b>

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

S. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative	
		No. of Shares at the beginning (01-04-2021)	% of total shares of the Company				No. of Shares during the year (31-03-2022)	% of total shares of the company
1	Al Dahra International Investments LLC	7048306	19.01	-	-	-	7048306	19.01
2	United India Insurance Company Limited	117081	0.32	-	-	-	117081	0.32
3	Dilip Kumar Khandelwal	88000	0.24	-	-	-	88000	0.24
4	Neha Jain	70125	0.19	-	-	-	70125	0.19
5	Ramakant R Kasat	0	0.00	04.02.2022	35000	Purchase	60069	0.16
				11.02.2022	69	Purchase		
				01.04.2022	25000	Purchase		
6	Maple Credits Pvt. Ltd	50000	0.13	-	-	-	50000	0.13
7	Ashok Kumar Lahiri	50000	0.13	-	-	-	50000	0.13
8	Mamta Mundra	42917	0.12	-	-	-	42917	0.12



9	K. S. Bhambra	40000	0.11	-	-	-	40000	0.11
10	Surajkanwari Ramniwas Kasat	40000	0.11	-	-	-	40000	0.11

\*The increase in percentage of Share is due to purchase of shares from open market.

**Shareholding of Directors and Key Managerial Personnel:**

SN	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative	
		No. of Shares at the beginning (01-04-21) /end of the year (31-03- 2022)	% of total shares of the Company				No. of Shares	% of total shares of the company
<b>Directors</b>								
1	Jugal Kishore Arora (Chairman)	6653484	17.95	01.04.2021	-	-	6653484	17.95
		6653484	17.95	31.03.2022	-	-	6653484	17.95
2	Satnam Arora (Jt. M.D)	5988923	16.16	01.04.2021	-	-	5988923	16.16
		5988923	16.16	31.03.2022	-	-	5988923	16.16
3	Gurnam Arora (Jt. M.D)	6708889	18.1	01.04.2021	-	-	6708889	18.1
		6708889	18.1	31.03.2022	-	-	6708889	18.1
4	Vijay Burman (Non-Executive & Independent Director) (Cessation due to sad demise on 10/06/2021)	-	-	01.04.2021	-	-	-	-
		-	-	31.03.2022	-	-	-	-
5	Sunil Sharma (Non-Executive & Independent Director)	-	-	01.04.2021	-	-	-	-
		-	-	31.03.2022	-	-	-	-
6	Yash Pal Mahajan (Non-Executive & Independent Director)	-	-	01.04.2021	-	-	-	-
		-	-	31.03.2022	-	-	-	-
7	Mani Chandra Bhandari (Non-Executive & Independent Director)	-	-	01.04.2021	-	-	-	-
		-	-	31.03.2022	-	-	-	-
<b>Key Managerial Personnel</b>								
	Kamal Deep Chawla (CFO) (Resigned w.e.f., 29/03/2022)	-	-	01.04.2021	-	-	-	-
		-	-	31.03.2022	-	-	-	-
	Chashu Arora (CFO) (Appointed w.e.f., 30/03/2022)	-	-	01.04.2021	-	-	-	-
		-	-	31.03.2022	-	-	-	-
	Deepak Kaushal (CS & Compliance Officer) (Appointed w.e.f., 14/08/2019)	-	-	01.04.2021	-	-	-	-
		-	-	31.03.2022	-	-	-	-

**V. INDEBTEDNESS**



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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	6,88,08,64,088	43,52,52,642	-	7,31,61,16,730
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>6,88,08,64,088</b>	<b>43,52,52,642</b>	<b>-</b>	<b>7,31,61,16,730</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	-	23,15,45,821	-	23,15,45,821
· Reduction	-44,74,12,425	-	-	-44,74,12,425
<b>Net Change</b>	<b>-44,74,12,425</b>	<b>23,15,45,821</b>	<b>-</b>	<b>-21,58,66,604</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	6,43,34,51,663	66,67,98,463	-	7,10,02,50,126
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due*	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>6,43,34,51,663</b>	<b>66,67,98,463</b>	<b>-</b>	<b>7,10,02,50,126</b>

\* The amount includes Rs. 36,30,93,484/- payable to PNB Dubai. The company had issued a corporate guarantee in favor of PNB Hongkong(now PNB-Dubai) for loan granted by PNB Hongkong (now PNB-Dubai) to its wholly own subsidiary Kohinoor Foods USA Inc. PNB Hongkong (now PNB-Dubai) has invoked the corporate guarantee on default made by Kohinoor Foods USA Inc. The company has recognised the loss of Rs. 36,30,93,484/- (previous year Rs. 36,05,41,796/- on account of this liability).

\*\* The company has not provided interest to the extent of Rs. 105,88,34,888/- for current year (Rs.97,42,09,804/- for previous year) and Rs. 340,78,90,784/- up to 31-03-2022 (previous year Rs. 234,90,55,896/-) on bank loans which were 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:**

SN	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Jugal Kishore Arora	Mr. Satnam Arora	Mr. Gurnam Arora	
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(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	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b> Ceiling as per the Act	-	-	-	-

- The Executive Directors have forgone their remuneration for the months from April 01, 2021 to March 31, 2022.

**B. Remuneration to other directors:**

Particulars of Remuneration	Name of Directors				Total Amount
	Mr. Vijay Burman *	Mr. Sunil Sharma	Mr. Yash Pal Mahajan	Mrs. Mani Chandra Bhandari	
1. Independent Directors					
· Fee for attending board / committee meetings	-	175,000	175,000	175,000	525,000
· Commission	-	-	-	-	-
· Others, please specify	-	-	-	-	-
Total (1)	-	175,000	175,000	175,000	525,000
2. Other Non-Executive Directors	-	-	-	-	-
· Fee for attending board / committee meetings	-	-	-	-	-
· Commission	-	-	-	-	-
· Others, please specify	-	-	-	-	-
Total (2)	-	-	-	-	-
Total (B)=(1+2)	-	175,000	175,000	175,000	525,000
Total Managerial Remuneration	-	175,000	175,000	175,000	525,000
Overall Ceiling as per the Act					

\* (Cessation due to sad demise on 10/06/2021)

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



SN	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	-	11,46,452	30,70,087	42,16,579
(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>	-	11,46,452	30,70,087	42,16,579

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

During the year, the Company was subject to non-compliance and penalties, imposed by Stock Exchanges w.r.t. regulation 108 of SEBI ICDR Regulations 2018 and regulation 33 of SEBI (LODR) Regulations, 2015:

Regulation Name/ SEBI Circular number	Stock Exchange	Amount (Rs.)	Status
Regulation 108(2) SEBI (ICDR) Regulations, 2009 (delay in approaching exchange for listing of securities for FY 2018)	NSE/BSE	40000/ 20000	Paid
Regulation 33 (December 2014)\	BSE	371420	Paid

During the year, the Company was subject to non-compliance and the following are the details of actions taken against the listed entity / its promoters / directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Regulation	Stock Exchange	Amount (Rs.)	Status
Suspension of Trading	NSE/BSE	150,000 / 525,000	Application / Documents submitted to the Exchanges to accept Revocation of Suspension of Trading, on 21/05/2021 and the Suspension of Trading has been revoked with effect from 06/04/2022 vide Circular ref. No. 0368/2022 Dated 29/03/2022





## 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:

SN	Name of Director/KMP	Designation	Ratio of remuneration of each director to median remuneration of Employees	Percentage increase in remuneration during FY 2021-22
1	Mr. Jugal Kishore Arora	Chairman	-	0.00%
2	Mr. Satnam Arora	Jt. Managing Director	-	0.00%
3	Mr. Gurnam Arora	Jt. Managing Director	-	0.00%
4	Mr. Kamal Deep Chawla*	Chief Financial Officer	10.04	0.00%
5	Mr. Chashu Arora	Chief Financial Officer	0.02	0.00%
6	Mr. Deepak Kaushal	Company Secretary	3.76	0.00%
3)	Percentage increase in the median remuneration of employees in the financial year.			-21.40%
4)	Number of permanent employee on the roll of Company as at March 31, 2022			98
5)	Explanation on the relationship between average increase in remuneration and company Performance.			There was no increase in employee's remuneration during the year.
				<b>(Rs. in Million)</b>
6)	Comparison of remuneration of Key managerial Remuneration against the performance of the company		Total Turnover	985.65
			Total Remuneration to KMP	4.22
			Total Remuneration of KMP as % to total revenue	0.43%
7) i	Variation in market capitalization of the company as at March 31, 2022		Market capitalization decreased from Rs. 25.95 million as on 31st March 2021 to Rs. 27.43 million as on 31st March 2022	
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

SN	Name of KMPs	Remuneration in FY 2021-22 (Rs. in Million)	Remuneration as % of revenue median remuneration of Employees
1	Mr. Jugal Kishore Arora	0	0.00%
2	Mr. Satnam Arora	0	0.00%
3	Mr. Gurnam Arora	0	0.00%
4	Mr. Kamal Deep Chawla	3.06	0.31%
5	Mr. Chashu Arora	0.01	0.00%
6	Mr. Deepak Kaushal	1.15	0.12%
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.



## Independent Auditors' Report

### TO THE MEMBERS OF KOHINOOR FOODS LIMITED

#### Qualified Opinion.

We have audited the accompanying Standalone financial statements of Kohinoor Foods Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31st, 2022, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Cash Flow Statement and the standalone 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 standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31st, 2022, and its standalone profit/loss including other comprehensive income, its standalone cash flows and the changes in equity for the year ended on that date.

#### Basis for Qualified opinion

1. In reference to Note No. 41 in the statement discloses the management's assessment of the company's ability to continue as going concern. The management's assessment of going concern is based on the OTS by the lead bank PNB and the interest shown by prospective investors in the company. However, in view of default in re-payment of borrowings, continuous losses, negative cash flows and negative net worth 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. There may arise a need to adjust the realizable value of assets and liabilities in the event of failure of assumption as to going concern.
2. As stated in Note No.27 of Standalone Audited Financial Results, Loss of the company is understated by Rs.10,588 lakhs (approx.) due to non-provisioning of interest on bank loans for the period from 01/04/2021 to 31/03/2022 and Rs.34,079 lakhs (approx.) from the date on which the account of the company was classified as NPA to the period covered under audit, due to non-provisioning of interest on bank loans after the accounts of the company were classified as NPA. Further no provision has been made towards penal interest, any other penalty etc. as may be charged by lenders. In the absence of complete statement of account from the bank, the above amount has been arrived as per calculation made by the company. With the limited information the aggregate amount un-provided in books of account of the company is not ascertainable with accuracy.

#### Emphasis of Matters

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

- (1) The company has not made Provision for the demand raised by various authorities (Such as Income Tax, Vat etc.) as the matters are pending before various appellate forums. We are unable to comment upon possible impact of non-provision in the standalone financial statement for the year ended 31st March 2022.
- (2) We draw attention to Note No. 16 of the statement of the company, that the lead consortium bank Punjab National Bank "erstwhile known as Oriental Bank of Commerce" has 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 06th Oct 2022.
- (3) With reference to Note no. 16 against amount payable to Bank, management has raised certain disputes towards overcharging of Interest. As on date company has paid INR 40.09 crores to banks in the no-lien account, the said amount has been netted off in the total outstanding of Loan repayable on Demand from Banks.
- (4) In reference to Note No.47, balances of some debtors and creditors are subject to their confirmations.
- (5) In reference to Note no. 30 during the period company has taken the Net impact of Creditors/Debtors balance written off amounting to INR 21.93 Lacs.
- (6) In reference to Note no. 38(viii), the amount of cases filed against the company, includes INR 117 lakhs in respect of M/s.



Regal Kitchen Foods Limited who has filed a petition towards alleged outstanding, against which company is in process of filing its counter claim towards the financial losses. Furthermore, Company has booked income towards the financial losses of Rs. 387 Lakhs, which is to be recoverable from M/s. Regal Kitchen Foods Limited. Case is filed in District and Session court Faridabad and the Hon'ble court has provided the next date of hearing on 09th September 2022.

- (7) Note no. 16 of the Balance Sheet stating that the company has received Ex-parte Interim Order dated 25-06-2020 from Debt Recovery Tribunal-III, Delhi in the matter of ICICI Bank Vs. Kohinoor Foods Limited restraining the company from transferring/ alienating or otherwise dealing with, or disposing off or encumbering or creating any third-party interest with respect of the hypothecated assets/immovable properties of Company until further orders. In response, the company is contesting the matter and has filed its reply before DRT-III, Delhi, wherein DRT had fixed the next date of hearing on 31st August 2022.
- (8) In reference to Note no. 49 of the Balance Sheet which explains the management's assessment of impairment of assets due to COVID 19 pandemic situations. As per the assessment of the management, the recoverable amount of assets is higher than its carrying value and hence no impairment of assets needs to be recorded in the financial statements.
- (9) In reference to note no. 28 to the standalone Ind AS financial statement which explain management's assessment of impairment of assets due to Covid-19 pandemic situation. As per assessment of the management, the recoverable amount of assets is higher than its carrying value and hence no impairment of assets need to be recorded in the financial statement, except in previous year company recognize the Impairment loss due to sale of its U.K. based Subsidiary, but professional fees with Legal consultancy firm is adjusted out of the remittance due to company in the current year itself by Mills & Reeve (U.K. based Law Firm) amounted to Rs. 185 lacs (with foreign exchange impact on the amount held by the law firm as a security against possible claims in U.K.) is taken into Impairment loss in current year Profit and Loss Account.

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 matter" 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.

Thus 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 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;
  - 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, 2022, 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 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 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 31 and 36 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: 30/5/2022**

**FOR M/S N.C. RAJ & ASSOCIATES**  
(CHARTERED ACCOUNTANTS)  
FRN NO.: 002249N  
Sd/-  
(CA. Sanjay Garg)  
Partner  
Membership No. 088636  
UDIN: 22088636AJWTHP1542





**Annexure-A to the Auditor's report (Referred to in our report of even date)**

The Annexure referred to in Independent Auditor's Report to the members of the company on the standalone financial statement for the year ended 31st March, 2022, we report that:

1. a) The Company has maintained the proper records showing full particulars, including the quantitative details and situation of Fixed Assets.
  - b) As explained to us, the company have the Programme of physical verification of its Fixed Assets by which all its fixed assets are verified at reasonable interval. However, we were not provided 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.
2. a) As explained to us, the management at regular intervals during the year have physically verified inventories. In our opinion the frequency of verification is reasonable. However, we were not provided any physical verification report.
  - b) In our opinion and on the basis of our examination of the records, the company is generally maintaining proper records of its stocks. No discrepancy has been noticed on verification as such.
3. The Company has not granted any Loans, secured or Unsecured, to companies, firms, other parties covered in the register maintained under section 189 of the Act during the year ended 31st March, 2022. Thus, paragraph 3(iii) (a) and iii(b) of the Order is not applicable.
4. 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 Companies Act, 2013 in respect of grant of Loans, making investments and providing the guarantees and securities.
5. According to information and explanation given to us and on the basis of examination of records, we understand that the company has received advance from customer for supply of goods which has been outstanding for more than three hundred and sixty-five days and fall under the definition of deposit u/s 73 to 76 read with rule framed thereunder. However, the company has not complied with regulation u/s 73 to 76 and rule framed thereunder.
6. According to the information and explanations 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 the detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is not regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, Wealth Tax, Service Tax, Goods and Service Tax (GST), State Insurance, VAT, PF, ESI, Customs Duty, Excise Duty, Cess and other statutory dues to the appropriate authority. However, the arrears of the outstanding statutory dues as on the last day of the financial year are due for a period of less than six months from the date they become payable.
  - (b) According to the information and explanations given to us, there are dues of Income Tax, Sales Tax, VAT, Customs, Excise which has not been deposited with the appropriate authorities on account of disputes refer to Note no. 38(C)(i) of financial statement.
8. On the basis of Audit procedures and as per the information gathered and explanations received, we are of the opinion that the company has defaulted in the repayment of loans or borrowing to bank and financial institutions. The total amount due to the consortium led by Punjab National Bank is INR 64,334 Lakhs.
9. The Company did not raise moneys by way of initial public offer or further public offer. However, company has not raised any term loan during the year under Audit.
10. According to the information and explanations given to us during the course of our audit, no frauds on the company by its officer or by the Company have been noticed or reported during the year.
11. In our opinion and according to the information and explanation given to us, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.



12. In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
13. In our opinion and according to the information and explanation given to us the Company's transactions with its related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in financial statements etc. as required by the applicable Ind AS 24. (Kindly refer note no. 33 of financial statements).
14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanation given to us, during the year, the Company has not entered into any non-cash transaction with its directors or persons connected with him and hence reporting under the provisions of section 192 of Companies Act, 2013. The provisions of Clause 3(xv) of paragraph 3 of the Order are not applicable to the company.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**Place: New Delhi**

**Date: 30/5/2022**

**FOR M/S N.C. RAJ & ASSOCIATES**

(CHARTERED ACCOUNTANTS)

FRN NO.: 002249N

Sd/-

(CA. Sanjay Garg)

Partner

Membership No. 088636

UDIN: 22088636AJWTHP1542



**Annexure – B to the Auditors' Report**  
**Report on the Internal Financial Controls under Clause**  
**(of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”))**

In conjunction with our audit of the standalone financial statements of the Company as of and for the year ended 31st March, 2022, we have audited the internal financial controls over financial reporting of Kohinoor Food Limited.

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

The respective Board of Directors of the 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 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 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**

We draw our 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 31st March, 2022.

1. The Company 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.

This 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.

#### **Qualified 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, 2022, 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, 2022 standalone financial statements of the group and these material weaknesses does not affect our opinion on the standalone financial statements of the company.

**Place: New Delhi**

**Date: 30/5/2022**

**FOR M/S N.C. RAJ & ASSOCIATES**

(CHARTERED ACCOUNTANTS)

FRN NO.: 002249N

Sd/-

(CA. Sanjay Garg)

Partner

Membership No. 088636

UDIN: 22088636AJWTHP1542



**STANDALONE BALANCE SHEET AS AT 31<sup>st</sup> MAR 2022.**

(Rs. in Lacs)

PARTICULARS	NOTE	As at 31-March-2022	As at 31-March-2021
<b>A. ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	16,512.62	17,254.97
Capital Work in Progress	3	-	2.51
Other Non Current Assets	4	353.89	70.20
Deferred Tax Asset (Net)	5	230.91	310.72
<b>Total</b>		<b>17,097.42</b>	<b>17,638.40</b>
<b>Current Assets</b>			
Inventories	6	708.98	541.69
<b>Financial Assets</b>			
Investments	7	11.26	4,527.64
Trade Receivables	8	1,126.24	3,299.24
Cash and Cash Equivalents	9	142.93	69.01
Other Financial Assets	10	5.52	2.87
Other Current Assets	11	2,439.45	2,022.63
<b>Total</b>		<b>4,434.38</b>	<b>10,463.07</b>
<b>TOTAL ASSETS</b>		<b>21,531.80</b>	<b>28,101.46</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	3,707.15	3,707.15
Other equity	13	(55,042.26)	(54,423.25)
<b>Total</b>		<b>(51,335.11)</b>	<b>(50,716.10)</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	14	295.11	328.34
Provisions	15	87.42	101.32
<b>Total</b>		<b>382.53</b>	<b>429.65</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	70,707.39	72,832.83
Trade Payables	17	832.68	2,335.77
Other Financial Liabilities	18	423.94	1,137.32
Other Current Liabilities	19	498.80	2,066.05
Provisions	20	21.56	15.92
<b>Total</b>		<b>72,484.37</b>	<b>78,387.91</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>21,531.80</b>	<b>28,101.46</b>

The Accompanying Notes form an integral part of the Financial Statements

As per our Report of even date attached

for and on behalf of the Board of Directors

**for N C Raj And Associate**  
**CHARTERED ACCOUNTANTS**  
 FRN : 002249N

**Sd/-**  
**SANJAY GARG**  
**PARTNER**  
 Membership No: 088636

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

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

Faridabad  
 30-May-2022

**Sd/-**  
**Chashu Arora**  
**C.F.O**

**Sd/-**  
**Deepak Kaushal**  
**Company Secretary**





(Rs. in Lacs)

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MAR 2022**

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-Mar-2022	FOR THE YEAR ENDED 31-Mar-2021
<b>INCOME</b>			
Revenue from Operations	21	9,856.55	4,019.20
Other Income	22	491.80	416.10
Total Income		10,348.34	4,435.30
<b>EXPENSES</b>			
Cost of Material Consumed	23	5,642.39	1,075.24
Purchases of Stock-in-Trade	24	799.77	705.12
Changes in Inventories of Finished Goods, WIP and Stock in Trade	25	68.61	7.38
Employee Benefits Expenses	26	594.43	547.40
Finance Costs	27	67.27	110.63
Depreciation and Amortisation Expenses	3	772.59	904.35
Impairment of Assets	28	184.90	441.54
Other Expenses	29	2,747.03	1,822.55
Total Expenses		10,876.99	5,614.22
<b>Profit Before Exceptional items and Tax</b>		(528.64)	(1,178.93)
Exceptional Items	30	21.94	(852.85)
<b>Profit Before Tax</b>		(550.58)	(326.07)
Tax Expenses			
Deferred Tax		79.81	188.62
<b>Profit/(Loss) for the year</b>		(630.38)	(514.70)
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit plans		9.88	4.72
Fair value of Investments through OCI		1.50	-
<b>Income tax relating to Items that will not be reclassified to profit or loss</b>		-	-
<b>Other Comprehensive Income for the year</b>		11.37	4.72
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		(619.01)	(509.98)
<b>EARNING PER EQUITY SHARE (Face value of ` 10 each)</b>			
<b>Basic (In Rs.)</b>	35	(1.67)	(1.38)
<b>Diluted (In Rs.)</b>	35	(1.67)	(1.38)

The Accompanying Notes form an integral part of the Financial Statements

In terms of our separate report of even date attached

for **N C Raj And Associate**  
**CHARTERED ACCOUNTANTS**  
 FRN : 002249N

Sd/-  
**SANJAY GARG**  
 PARTNER  
 Membership No: 088636

Faridabad  
 30-May-2022

for and on behalf of the Board of Directors

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

Sd/-  
**Chashu Arora**  
 C.F.O

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

Sd/-  
**Deepak Kaushal**  
 Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022**

(Rs. In Lacs)

PARTICULARS	FOR THE YEAR ENDED 31-March-2022	FOR THE YEAR ENDED 31-March-2021
<b>A. Cash Flow From Operating Activities</b>		
Net Profit before tax	(550.58)	(326.07)
Adjustments for :		
Depreciation and Amortisation Expenses	772.59	904.35
Finance cost	67.27	110.63
Interest income	(0.66)	(0.24)
(Profit)/Loss on Sale/Deletion of Fixed Assets	(0.49)	13.43
Income from Key Man Insurance Policy	(47.58)	(45.12)
Impairment loss on Investment in Subsidiary	184.90	441.54
Bad Debts/Provision for Bad Debts	21.94	-
<b>Operating profit before working capital changes</b>	<b>447.38</b>	<b>1098.52</b>
Adjustments for		
Decrease/(Increase ) in Inventories	(167.29)	(36.53)
Decrease/(Increase ) in Trade Receivables	2,151.06	1336.23
Decrease/(Increase ) in other Receivables	(703.16)	(794.69)
Increase/(Decrease) in Trade payables	(1,503.09)	(1000.62)
Increase/(Decrease) in other payables	(2,279.03)	(239.61)
<b>Cash generated from operations</b>	<b>(2,054.13)</b>	<b>363.30</b>
<b>Net Cash from operating activities</b>	<b>(2,054.13)</b>	<b>363.30</b>
<b>B. Cash Flow from Investing Activities</b>		
Sale of property, plant and equipment's	(27.23)	9.19
Sale of Investments	4,332.98	-
Interest Received	0.66	0.24
Income from Key Man Insurance Policy	47.58	45.12
<b>Net cash from Investment activities</b>	<b>4,353.98</b>	<b>54.55</b>
<b>C. Cash Flow from Financing Activities</b>		
Increase/( Decrease) in short term borrowings	(2,125.44)	(266.28)
Increase/( Decrease) in Long term borrowings	(33.22)	(13.93)
Interest paid	(67.27)	(110.63)
<b>Net cash flow from financing activities</b>	<b>(2,225.94)</b>	<b>(390.85)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>73.92</b>	<b>27.01</b>
- Cash & Cash equivalent at beginning of the year	69.01	42.00
- Cash & Cash equivalent at end of the year	142.93	69.01
	<b>73.92</b>	<b>27.01</b>

In terms of our separate report of even date attached

for and on behalf of the Board of Directors

**for N C Raj And Associate**  
**CHARTERED ACCOUNTANTS**  
 FRN : 002249N

Sd/-  
**SANJAY GARG**  
 PARTNER  
 Membership No: 088636

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

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

Faridabad  
 30-May-2022

Sd/-  
**Chashu Arora**  
 C.F.O

Sd/-  
**Deepak Kaushal**  
 Company Secretary



**STATEMENT OF CHANGES IN EQUITY**

(Rs. in Lacs)

PARTICULARS	No. of Shares	Amount
<b>A. Equity Share Capital</b>		
Balance as at 1st April, 2020	37,071,530	3,707.15
Change in equity share capital during the year	-	-
Balance as at 31st March, 2021	37,071,530	3,707.15
Change in equity share capital during the year	-	-
Balance as at 31st March, 2022	37,071,530	3,707.15
<b>B. Other Equity</b>		

Particulars	Capital Reserve	Securities Premium Account	Retained earnings	Revaluation Surplus	Share Warrants Application Money	Total
<b>Balance as at 1st April, 2020</b>	742.76	15,757.23	(87,055.40)	15,885.19	756.96	(53,913.27)
Profit for the year			(514.70)			(514.70)
Other Comprehensive Income for the Year			4.72			4.72
<b>Total Comprehensive Income for the year</b>	-	-	(509.98)	-	-	(509.98)
Forfeiture of Share Warrant Application Money during the year	756.96				(756.96)	
Dividends						
Transferred to General Reserve						
<b>Balance as at 31st March, 2021</b>	1,499.72	15,757.23	(87,565.38)	15,885.19	-	(54,423.25)
Profit for the year			(630.38)			(630.38)
Other Comprehensive Income for the Year			11.37			11.37
<b>Total Comprehensive Income for the year</b>	-	-	(619.01)	-	-	(619.01)
Dividends						-
Transferred to General Reserve						-
<b>Balance as at 31st March, 2022</b>	1,499.72	15,757.23	(88,184.39)	15,885.19	-	(55,042.26)

Annexure to our Report of Date

**for N C Raj And Associate**  
**CHARTERED ACCOUNTANTS**  
 FRN : 002249N

for and on behalf of the Board of Directors

**Sd/-**  
**SANJAY GARG**  
**PARTNER**  
 Membership No: 088636

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

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

Faridabad  
 30-May-2022

**Sd/-**  
**Chashu Arora**  
**C.F.O**

**Sd/-**  
**Deepak Kaushal**  
**Company Secretary**



## NOTES FORMING PART OF THE STANDALONE 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 are popular worldwide.

The company has two 100% wholly owned subsidiaries – Sachdeva Brothers Private Limited, in India 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.

#### (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 amortized cost



A financial asset is measured at amortized 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 recognized 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 recognized 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 recognized in the Statement of Profit and Loss in the period when they arise.

**(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 recognized 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 realizable 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 recognized 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 recognized in the statement of profit and loss as incurred. Development expenditure is capitalized 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 amortized 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. Realized gains and losses on settlement of foreign currency transactions are recognized 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) 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 capitalized 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 recognized 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 utilized.



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

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease.

**(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 recognized 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 recognized 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 authorization 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)							Total
	Particulars	Freehold Land	Building	Plant & Machinery	Furniture & Fixtures	Office Equipment & Computers	Vehicles	
<b>Gross Block</b>								
Balance as at March 31, 2021	10,546.72	11,384.68	10,929.54	335.74	590.15	875.58	2.50	34,664.90
Additions	-	1.97	10.55	2.25	9.49	5.99	-	30.24
Deletions	-	-	-	-	-	9.60	-	9.60
<b>Balance as at March 31, 2022</b>	<b>10,546.72</b>	<b>11,386.65</b>	<b>10,940.08</b>	<b>337.99</b>	<b>599.64</b>	<b>871.96</b>	<b>2.50</b>	<b>34,685.54</b>
<b>Accumulated Depreciation</b>								
Balance as at March 31, 2021	-	5,870.86	9,828.07	306.37	580.27	821.86	2.50	17,409.93
Additions	-	516.70	225.41	8.53	7.22	14.72	-	772.59
Deletions/Adjustments	-	-	-	-	-	9.59	-	9.59
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>6,387.57</b>	<b>10,053.48</b>	<b>314.90</b>	<b>587.49</b>	<b>826.98</b>	<b>2.50</b>	<b>18,172.92</b>
<b>NET BLOCK</b>								
Balance as at March 31, 2021	10,546.72	5,513.81	1,101.46	29.37	9.87	53.72	-	17,254.97
Balance as at March 31, 2022	10,546.72	4,999.08	886.60	23.09	12.15	44.98	-	16,512.62

**Note**

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. 158,85,19/- lacs to revaluation surplus under other Equity.

**CAPITAL WORK IN PROGRESS**

Particulars	Amount
<b>Net Book Value</b>	
Balance as at March 31, 2021	2.51
Balance as at March 31, 2022	NIL



As at	31- March-2022	(Rs. In Lacs) 31-March-2021
<b>4. Other Non-Current Assets</b>		
Security Deposit	71.38	70.20
Others	282.51	-
	<u>353.89</u>	<u>70.20</u>
<b>5. Deferred Tax Asset (Net)</b>		
Disallowance under Income tax act, 1961	31.48	54.46
Related to fixed assets	199.43	256.26
	<u>230.91</u>	<u>310.72</u>
<b>6. Inventories</b>		
(As taken, valued and certified by the Management)		
Raw Material	88.31	90.60
Work in Progress	79.36	137.20
Finished Goods	318.19	56.83
Stores and Spares	-	12.23
Packing Materials	223.13	244.83
	<u>708.98</u>	<u>541.69</u>
a) Inventories are valued at the lower of cost and net reliable value.		
b) Finished goods includes the Stock in transit.		
<b>7. Current Investments</b>		
<b>Investment in Unquoted Equity Instruments</b>		
Indo European Foods Ltd. U.K *	-	4,185.78
5,183,534 shares of GBP 1 each fully paid up		
Less :- Impairment Loss on Investment	-	398.53
	<u>-</u>	<u>3,787.25</u>
<b>Investment in Unquoted Preference Shares</b>		
Indo European Foods Ltd. U.K *	-	773.64
1,000,000 shares of GBP 1 each fully paid up		
Less :- Impairment Loss on Investment	-	43.01
	<u>-</u>	<u>730.63</u>
<b>Other Investment</b>		
<b>Investment in Un-quoted Fund</b>	11.26	9.76
Balanced Plan Fund- Canara-HSBC-OBC *		
(56496.16 Unit of Balanced Plus Fund issued under Canara-HSBC-OBC, Life Insurance Platinum Plus Plan		
	<u>11.26</u>	<u>4,527.64</u>
<b>8. Trade Receivables</b>		
(Unsecured, Considered Good)		
Outstanding for a period exceeding six months	117.37	424.67
Others	1,008.88	2,874.57
	<u>1,126.24</u>	<u>3,299.24</u>
a) Trade receivables include the following amount due from related parties		
<b>Subsidiary Companies</b>		
Indo European Foods Ltd	-	684.46
	<u>-</u>	<u>684.46</u>
<b>9. Cash and Cash Equivalents</b>		
Balances with Banks in Current Accounts	79.31	29.40
Cash in Hand	61.13	37.11
Fixed deposits as Margin Money with Banks	2.49	2.49
	<u>142.93</u>	<u>69.01</u>
<b>10. Other Financial Assets (Current)</b>		
Staff Advance	2.61	0.22
Interest accrued on bank deposits	2.29	2.04
Advance to Related Party	0.61	0.60
	<u>5.52</u>	<u>2.87</u>
<b>11. Other Current Assets</b>		
(Unsecured, Considered good)		
Tax paid is against pending Appeal	1,320.41	1,307.91
Advance Tax	6.81	12.49
Advance against Purchases	33.70	39.85
MAT Credit Entitlement	464.87	464.87
Pre-paid Expenses	13.10	9.30
Others	600.56	188.20
	<u>2,439.45</u>	<u>2,022.63</u>







As at	31- March-2022	(Rs. In Lacs) 31- March-2021
<b>Nature and Purpose of Reserves</b>		
<b>i. Capital Reserve</b>		
Capital Reserve had been created consequent to forfeiture of Application Money on Share Warrants.		
<b>ii. Securities Premium Account</b>		
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.		
<b>iii. Revaluation Surplus</b>		
Revaluation surplus was created on revaluation of Land & Building as on 01-04-2016.		
<b>iv. Share Warrants Application Money</b>		
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 F.Y 2018-19 in to equity share @ Rs. 76/- per share and 39,84,000 (Previous Year 39,84,000) share warrants are outstanding. 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.		
<b>Terms attached to these share warrants are given below:-</b>		
a)	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.	
b)	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.	
c)	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.	
d)	The said warrants by itself do not give to the Warrant holder any rights of the Shareholders or Debenture holders of the Company.	
<b>14 Borrowings (Non-Current)</b>		
<b>Unsecured Loans</b>		
Loan from Other Parties	295.11	328.34
	<u>295.11</u>	<u>328.34</u>
<b>15 Provisions (Non-Current)</b>		
Provision for Employee Benefit		
Provision for Gratuity	87.42	101.32
	<u>87.42</u>	<u>101.32</u>
<b>16 Borrowings (Current)</b>		
<b>Secured</b>		
Loan repayable on Demand from Banks*	64,334.52	68,808.64
<b>Unsecured</b>		
Loan from Directors**	6,372.87	4,024.19
	<u>70,707.39</u>	<u>72,832.83</u>

\*The amount includes Rs. 36,30,93,484/- payable to PNB Dubai. The company had issued a corporate guarantee in favor of PNB Hongkong (now PNB-Dubai) for loan granted by PNB Hongkong (now PNB-Dubai) to its wholly own subsidiary Kohinoor Foods USA Inc. PNB Hongkong (now PNB-Dubai) has invoked the corporate guarantee on default made by Kohinoor Foods USA Inc. The company has recognised the loss of Rs. 36,30,93,484/- (previous year Rs. 36,05,41,796/- on account of this liability).

\*\*Loan from Directors are interest free.

- a) Against amount payable to Bank, management has raised certain disputes towards overcharging of Interest etc.
- b) 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).
- c) The balances are subject to confirmation and reconciliation.
- d) Default in Repayment of Loan**

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, the Company has given reply of said notices within the stipulated time.

The lead banker, Punjab National Bank 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.

The company has not provided interest to the extent of Rs. 10,588.35 Lacs for current year (Rs.9742.10 Lacs for previous year) and Rs. 34,078.91 Lacs up to 31-03-2022 (previous year Rs. 23,490.56 Lacs) on bank loans which were classified as non-performing assets during the year from the date they were declared NPA.



As at	31- March-2022	(Rs. In Lacs) 31-March-2021
<b>Event after the Balance Sheet Date</b>		
<p>The company has received Ex-parte Interim Order dated 25-06-2020 from Debt Recovery Tribunal-III, Delhi in the matter of ICICI Bank Vs. Kohinoor Foods Limited restraining the company from transferring/ alienating or otherwise dealing with, or disposing off or encumbering or creating any third party interest with respect of the hypothecated assets/immovable properties of Company until further orders. The company is in process of filing suitable reply of the aforesaid notice and taking necessary action.</p>		
<b>17. Trade Payable</b>		
Due to Micro, Small and Medium Enterprises	-	-
Due to Others	832.68	2,335.77
	<u>832.68</u>	<u>2,335.77</u>
<p>Company has not classified the trade payables, due to MSME, since the vendors have not submitted any document related to msme certification.</p>		
<b>18. Other Financial Liabilities (Current)</b>		
Current maturities of long-term debt	25.16	15.86
Employees Benefits Payable	60.06	113.50
Other Payables	338.72	1,007.96
	<u>423.94</u>	<u>1,137.32</u>
<b>19. Other Current Liabilities</b>		
Advance received from customers	426.96	1,895.44
Statutory Liabilities	15.83	121.83
Other Liabilities	56.01	48.78
	<u>498.80</u>	<u>2,066.05</u>
<b>20. Provisions (Current)</b>		
Provision for gratuity	21.56	15.92
	<u>21.56</u>	<u>15.92</u>
<b>21. Revenues From Operations</b>		
Sales of Products	9,577.99	3,781.84
Other Operating Revenues	278.56	237.36
	<u>9,856.55</u>	<u>4,019.20</u>
<b>a) Sales of Products</b>		
Rice	7,208.66	733.40
Foods	2,369.33	3,048.44
	<u>9,577.99</u>	<u>3,781.84</u>
<b>b) Other Operating Revenues</b>		
Sale of Scrap	66.97	11.40
Income from Rice Processing	192.80	223.93
Duty Drawback/ Sale of Licenses	18.78	2.03
	<u>278.56</u>	<u>237.36</u>
<b>22. Other Income</b>		
Income from Key Man Insurance Policy	47.58	45.12
Interest Income	0.66	0.24
Commission Income	-	160.22
Miscellaneous Income	56.05	0.24
Profit on Sale of Assets	0.49	-
Claim against Business Loss	387.01	-
Foreign Exchange Gain	-	210.28
	<u>491.80</u>	<u>416.10</u>



For the year ended	31- March-2022	(Rs. In Lacs) 31-March-2021
<b>23 Cost of Material Consumed</b>		
Opening Stock	123.19	84.55
Add: Purchases	5,912.22	1,081.29
Less Closing Stock	393.03	90.60
	<u><b>5,642.39</b></u>	<u><b>1,075.24</b></u>
<b>24. Purchase of Traded Goods</b>		
Non-Basmati Rice	731.83	705.12
ITC Reversal on Exempt Item	67.94	-
	<u><b>799.77</b></u>	<u><b>705.12</b></u>
<b>25. Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade</b>		
Opening Inventories	161.44	201.42
Closing Inventories	92.83	194.03
	<u><b>68.61</b></u>	<u><b>7.38</b></u>
<b>26. Employee Benefit Expenses</b>		
Staff Salaries	520.26	471.78
Gratuity	21.75	23.47
Bonus	10.39	10.09
Staff Welfare	21.51	21.71
Employer's Contribution to P.F.& ESI	20.53	20.35
	<u><b>594.43</b></u>	<u><b>547.40</b></u>
<b>27. Finance Cost</b>		
Interest Expense*	37.08	108.16
Bank Charges	6.39	2.48
Borrowing Cost	23.80	-
	<u><b>67.27</b></u>	<u><b>110.63</b></u>
*The company has not provided interest during current year to the extent of Rs. 10588.35 Lacs (previous year Rs.9742.10 Lacs) on bank loans which were classified as non-performing assets during the year from the date they were declared NPA.		
<b>28. Impairment of Assets</b>		
Impairment of investment in subsidiaries	184.90	441.54
	<u><b>184.90</b></u>	<u><b>441.54</b></u>
The company has recognised the impairment loss in respect of professional fees charged and adjusted by the legal firm Mills and Reeve (U.K. based law firm) amounted to INR 184.90 lacs including the Foreign exchange impact on the amount held by the law firm as a security against the possible claims in UK.		
<b>29 Other Expenses</b>		
a) <b>Manufacturing Expenses</b>		
Loading and Unloading Charges	33.04	60.12
Packing Materials Consumed	867.94	790.44
Wages	140.84	187.86
Processing Charges	40.11	-
Repair to Machinery	72.54	32.08
Power & Fuel	190.67	280.16
Brokerage & Commission	0.35	-
	<u><b>1,345.49</b></u>	<u><b>1,350.66</b></u>



For the year ended	31- March-2022	(Rs. In Lacs) 31-March-2021
<b>b) Administrative Expenses</b>		
Payment to Auditors		
-Statutory Audit Fee	10.60	10.61
-Tax Audit Fee	2.50	2.25
-Other Matters	2.14	1.62
Postage, Telegram and Telephone	15.37	9.65
General Expenses <sup>^</sup>	101.38	84.88
Legal and Professional Charges	62.80	45.00
Electricity Expenses	9.17	8.48
Rates and Taxes	44.49	17.96
Other Taxes Paid	1.24	131.71
Vehicle Maintenance	23.86	17.10
Printing and Stationery	5.92	2.02
Fumigation Expenses	18.79	7.76
Insurance Charges	18.70	16.48
Conveyance	5.74	6.57
Membership & Subscription	3.87	1.67
Traveling Expenses (Directors)	0.27	2.53
Traveling Expenses (Others)	29.96	2.66
Research & Development	9.59	2.48
Staff Recruitment Expenses	2.17	-
Loss on Sale of Assets	-	13.42
Deletion of Obsolete Fixed Assets	-	0.02
Repair to Building	72.12	34.88
Repair Others	31.01	25.88
Foreign Exchange Loss	112.69	-
	<b>584.36</b>	<b>445.60</b>
<b>c) Selling &amp; Distribution Expenses</b>		
Advertisement and Publicity	1.41	1.03
Business Promotion	31.76	0.06
Rebate & Discount	6.57	24.33
Ocean Freight	436.21	-
Expenses Against Export	24.77	0.06
Brokerage & Commission on Sales	10.25	-
Clearing and Forwarding	306.20	0.82
	<b>817.18</b>	<b>26.29</b>
	<b>2,747.03</b>	<b>1,822.55</b>
<b>30 Exceptional Items</b>		
Bad Debts/ Balance Written off	21.94	-
Provision for Doubtful Debts	-	(852.85)
	<b>21.94</b>	<b>(852.85)</b>

\*Exceptional items include write off of certain debts after adjusting the net effect of balances written back during the current year.



(Rs. In Lacs)

**For the year ended** **31 March 2022** **31 March 2021**

**31 Disclosures under IND AS-19 "Employees Benefits" :**

**a) Defined Contribution Plans:**

Amount of Rs. 20.53 Lacs (previous year Rs. 20.35 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. 26.

**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 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 2022	For the year ended 31 March 2021
1	Present value of obligation at the beginning of the year	174.55	207.97
2	Interest cost	11.69	13.95
3	Past service cost	-	-
4	Currents service cost	10.08	9.70
5	Liability Transferred Out	-	-
6	Benefits paid	(65.32)	(52.35)
7	Actuarial (gain)/loss on obligation	(9.91)	(4.72)
8	Present value of obligation at the end of the year	121.09	174.55

**ii Change in plan assets**

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
1	Fair value of plan assets at the beginning of the period	0.40	2.69
2	Actual return on plan assets	(0.01)	0.18
3	Employer Contributions	66.00	-
4	Benefits paid	(65.32)	(2.47)
5	Fair value of plan assets at the end of the year	1.07	0.40

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

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
1	Expected Interest Income	0.03	0.18
2	Actuarial income on Plan Asset	(0.01)	0.18
3	Actuarial gain/(Loss) for the year on Assets	0.03	(0.00)

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

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
1	Present value of the obligation at the end	121.09	174.55
2	Fair value of plan assets	1.07	0.40
3	Unfunded liability/provision in Balance Sheet	(120.03)	(174.15)





v The amounts recognized in the Income Statements

(Rs. In Lacs)

	Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021
1	Total Service Cost	10.08		9.70
2	Net Interest Cost	11.67		13.77
3	Expenses recognized in the Income statement	21.75		23.47

vi Other Comprehensive Income (OCI)

	Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021
1	Net cumulative unrecognized actuarial gain/(loss) opening	-		-
2	Actual gain/(Loss) for the year on PBO	9.91		4.72
3	Actual gain/(Loss) for the year on Asset	(0.03)		(0.00)
4	Unrecognized actuarial gain/(loss) for the year	9.88		4.72

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.

	Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021
1	Discount rate	7.15%		6.70%
2	Expected rate of return on plan assets	8.00%		8.00%
3	Salary growth rate	5.00%		5.00%

B. **Demographic Assumption**

1	Retirement Age:	58 Years
2	Mortality table :	Indian Assured life maturity (2012-14)

**32 Disclosures under INDAS-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 INDAS-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.,
- ii) Joint Ventures
  - Rich Rice Raisers Factory LLC.- Dubai



- iii) 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. Sumit Arora         | Son of Mr. Satnam Arora        |
| Mr. Ankush Arora        | Son of Mr.Gurnam Arora         |
| Mr. Nishant Arora       | Son of Mr.Gurnam Arora         |
- iv) Enterprise over which key managerial personnel exercise significant influence
- Satnam Overseas (Exports) - Partnership Firm of Promoter/Directors
  - Adonis No.1 Beauty Clinic LLP
  - Satnam International Pvt. Ltd.
  - Satnam Haegens Ltd.
  - Adhiraj Buildcon LLP
  - QVC Foods Private Limited
  - 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	Key Management Personnel and their Relatives	Enterprises over which Key Management Personnel exercise significant influence
<b>Transactions during the year</b>			
Sale of products	-		306.03 (908.15)
Purchase of products	-		3.90 (22.45)
Advance Received	-		14.21 (-)
Loan from Directors		2,924.14 (180.21)	
Repayment of Director's Loan		575.46 (139.49)	
Expenses incurred on behalf of the related party	0.01 (0.60)		
<b>Balances outstanding at the year end:-</b>			
Loan from Directors		6,372.87 (4,024.19)	
Trade Receivables	-		-
	(1,346.66)		-
Trade Payables	-		
	-		
Advance From Customers			14.21
Loans/Advances	0.61 (0.60)		-

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



**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 2022 and 31 March 2021. No lease rentals were paid for operating lease during current year .
- 34.2 There were no finance lease agreements in force and no future lease rent commitments as on 31 March 2022 and 31 March 2021. No lease rentals were paid towards finance lease during current year.

**35 Earning Per Share (EPS)**

(Rs. In Lacs)

	Particulars	31 March 2022	31 March 2021
i)	Total Comprehensive Income for the year attributable to Equity Shareholders	(619.01)	(509.98)
ii)	Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	37,071,530	37,071,530
iii)	Weighted Average Potential Equity Shares	-	-
iv)	Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	37,071,530	37,071,530
v)	Basic Earning Per Share	(1.67)	(1.38)
vi)	Diluted Earning Per Share	(1.67)	(1.38)
vii)	Face Value per Equity Share	10	10

**Calculation Weighted Average number of Equity Shares**

	For the year ended	31 March 2022	31 March 2021
	Nos. of Days	365	365
	Nos. of Shares	37,071,530	37,071,530
	total nos. of days	365	365
	Weighted Average number of shares	37,071,530	37,071,530

**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 2021	Created during the year	Withdrawals	Closing balance as at 31- March-2022
	Gratuity	117.24	11.87	20.14	108.98
		117.24	11.87	20.14	108.98



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

(Rs. In Lacs)

For the Year Ended	31-March-2022	31-March-2021
<b>CIF Value of Imports</b>		
- Capital Goods	10.23	-
- Raw Material Purchase	137.67	273.86
- Packaging Material	269.93	630.20
	417.83	904.06
<b>Expenditure in Foreign Currency (On accrual basis)</b>		
- Traveling	4.59	1.04
- Legal & Professional charges	3.00	-
- Postage & Telegram	0.11	-
- Commission on Export Sales	7.70	-
- Expenses against Export	1.73	-
	17.13	1.04
<b>Earning in Foreign Exchange</b>		
- FOB Value of Export of Goods	6,019.27	1.83

**38. Contingent Liabilities not provided for**

(Rs. In Lacs)

Particulars	31-March-2022	31-March-2021
<b>A Claims against the company, not acknowledged as debt</b>		
<b>I Income Tax</b>		
ii Income Tax	10,322.02	10,322.02
iii Sales Tax - Delhi	122.00	122.00
iv VAT-Haryana	740.07	740.07
v Excise & Taxation Department, Punjab	455.82	455.82
vi Excise Duty	42.91	42.91
vii Service Tax	9.12	9.12
viii Uttar Haryana Bijli Vitran Nigam	-	8.17
ix Legal Cases against the Company	963.94	963.94
x VAT - Delhi	22.63	-
<b>B Bank Guarantees</b>	19.75	19.75
<b>C Surety Bonds issued to Govt. Agencies under EPCG/Adv License scheme</b>	2,082.34	2,082.34

**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

AY	Tax	Interest	Total
2002-03 to 2008-09	298.03	106.00	404.03
2010-11	2,331.25	1,347.86	3,679.11
2011-12	835.77	780.20	1,615.97
2012-13	1,274.98	1,019.99	2,294.97
2013-14	406.83	264.39	671.21
2014-15	798.05	453.85	1,251.89
2016-17	275.78	129.05	404.84
<b>TOTAL</b>			<b>10,322.02</b>



- a) 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.
- b) An appeal has been filed with CIT(A) on 11-08-2021 against an order passed towards addition of Rs. 791.57 lacs against transfer pricing adjustment in respect of A.Y 2017-2018 although there is no liability on the company since no demand has been raised by the department, but, this has impacted in the reduction of losses by the above amount.
- c) An appeal has been filed with CIT(A) on 07-12-2021 against an order passed towards addition of Rs. 2,860.54 lacs against transfer pricing adjustment in respect of A.Y 2018-2019 although there is no liability on the company since no demand has been raised by the department, but, this has impacted in the reduction of losses by the above amount.
- 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.)	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 - AY 2009-10	7.72	Revision-Faridabad	Tribunal-Chandigarh
<b>Total</b>	<b>740.07</b>		

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 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 VAT-Delhi had raised the demand of Rs. 726.93 lacs against pending 'F' forms in respect of years 2015-2016 & 2016-2017. Pending F forms were related to six quarter out of the above, for five quarter all F forms were submitted and an order dated 16-08-2022 has been received, nullifying the demands of these quarter. For quarter one for the year 2016-2017 F forms are pending there a demand of Rs. 22.63 lacs has been raised by VAT-Delhi. Appeal against the said order has been filed with VAT-Delhi.

**viii 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.

- ix M/s. Regal Kitchen Foods Limited filed an arbitration petition towards alleged outstanding, against which company is in process of filing its counter claim towards the financial losses. The Company has booked income towards the financial losses of Rs. 387 Lakhs, which is to be recoverable from M/s. Regal Kitchen Foods Limited. Case is filed in District and Session court Faridabad.

**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.

- 41 As per the assessment of Management the company continues to be going concern. This assessment is based on One Time Settlement by lead Bank and the interest shown by prospective investors in the company.





42. Disclosures as Required by Indian Accounting Standard (Ind As) 113: Fair Value Measurement:  
 Fair value measurement of Financial Instruments

As at 31.03.2022

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	-				0			11.26
Other financial assets					11.26			1,126.24
<b>Current Financial Assets</b>								142.93
Investments								5.52
Trade receivables	1,126.24							
Cash and cash equivalents	142.93							
Other financial assets	5.52							
	<b>1,274.68</b>	-	-	-	<b>11.26</b>	-	-	<b>1,285.95</b>
<b>Financial Liabilities</b>								
<b>Non Current Financial Liabilities</b>								
Borrowings	295.11							295.11
<b>Current Financial Liabilities</b>								
Borrowings	70,707.39							70,707.39
Trade Payables	832.68							832.68
Other Financial Liabilities	423.94							423.94
	<b>72,259.12</b>	-	-	-	-	-	-	<b>72,259.12</b>

As at 31.03.2021

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	0				0			
Other financial assets								
<b>Current Financial Assets</b>								
Investments								
Trade receivables	3,299.24				9.76			4,527.64
Cash and cash equivalents	69.01							3,299.24
Other financial assets	2.87							69.01
	<b>3,371.11</b>	-	-	-	<b>9.76</b>	-	-	<b>7,898.75</b>
<b>Financial Liabilities</b>								
<b>Non Current Financial Liabilities</b>								
Borrowings	328.34							328.34
<b>Current Financial Liabilities</b>								
Borrowings	72,832.83							72,832.83
Trade Payables	2,335.77							2,335.77
Other Financial Liabilities	1,137.32							1,137.32
	<b>76,634.27</b>	-	-	-	-	-	-	<b>76,634.27</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 counter party 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 significant 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

(In Rs. Lacs)

31-Mar-2022	Carrying amount	Less than 1 year	1-2 years	2-5 years
Borrowings	70,707.39	70,707.39	-	-
Trade Payables	832.68	832.68		
Other Financial Liabilities	423.94	423.94		
	<b>71,964.01</b>	<b>71,964.01</b>	-	-

(In Rs. Lacs)

31-Mar-2021	Carrying amount	Less than 1 year	1-2 Years	2-5 years
Borrowings	74,422.17	72,593.84	-	1,828.34
Trade Payables	2,235.77	2,235.77		
Other Financial Liabilities	1,137.32	1,137.32		
	<b>77,895.27</b>	<b>76,066.93</b>	-	<b>1,828.34</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	2021-2022		2020-2021	
		Foreign	In Rupees Lacs	Foreign	In Rupees Lacs
Export Receivable	USD	979,125	743.16	-	-
	GBP	-	-	677,969	684.46
Advances received from customers for export	USD	68,807	52.23	2,001,457	1,464.39
Creditors	GBP	-	-	86,828	87.66



- b) There are no outstanding forward contracts as on 31 March 2022.
- c) Outstanding forward exchange contracts entered by the company for the purpose of hedging its foreign currency exposures.

There were no outstanding forward exchange contract entered by the company as on 31.03.2022 and 31.03.2021

**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, 2022, the Company has short term borrowings of 64,334.52 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.

**49 Impact of Covid-19**

The outbreak of Covid 19 has severally impacted business globally including India. The company had some short term impact on operation and recoverability of amount due from Debtors due to Covid 19 and the lockdown imposed by the government. However, it will not have significant long term impact on the operation of the company. The management has made assessment of impairment of assets due to covid 19 pandemic situation. As per assessment of the management, the recoverable amount of assets is higher than its carrying value and hence no impairment of assets need to be recorded in the financial statements.

The above notes form part of the financial statements

In terms of our separate report of even date attached

**for N C Raj And Associate**  
**CHARTERED ACCOUNTANTS**  
 FRN : 002249N

**for and on behalf of the Board of Directors**

**Sd/-**  
**SANJAY GARG**  
**PARTNER**  
 Membership No: 088636

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

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

Faridabad  
 30-May-2022

**Sd/-**  
**Chashu Arora**  
**C.F.O**

**Sd/-**  
**Deepak Kaushal**  
**Company Secretary**



**ANNEXURE TO THE BALANCE SHEET AS AT 31st MARCH, 2022**

**Form AOC - 1**

(Pursuant to first provision to sub section (3) of section 129 read with rule 5 of Companies (Account) Rules, 2014)  
Statement containing silent features of the financial statement of subsidiaries / associate companies / joint ventures

**Part "A" : Subsidiaries**

01 Name of subsidiaries Company	<b>Sachdeva Brothers Pvt Ltd.</b>	<b>Kohinoor Foods USA. Inc.</b>
02 Reporting period for the subsidiary concerned	31-03-2022	31-03-2022
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
ii) Exchange Rate	N.A.	75.9004
04 Share Capital	15.84	6,451.53
05 Reserves & Surplus	(16.72)	(6,221.17)
06 Total Assets	0.00	3.69
07 Total liabilities	0.00	3.69
08 Investment	0.00	0.00
09 Turnover		
10 Profit / Loss Before Tax	(0.07)	(1.41)
11 Provision for Tax	0.00	0.00
12 Profit / Loss after Tax	(0.07)	(1.41)
13 Proposed Dividend including Dividend declared during the year.	-	-
14 % of shareholding	100%	100%

In terms of our separate report of even date attached

**for N C Raj And Associate**  
**CHARTERED ACCOUNTANTS**  
FRN : 002249N

**Sd/-**  
**SANJAY GARG**  
**PARTNER**

Membership No: 088636

Faridabad  
30-May-2022

**Sd/-**  
**SATNAM ARORA**  
**Jt. Mg. Director**

DIN NO. 00010667

**Sd/-**  
**Chashu Arora**  
**C.F.O**

**for and on behalf of the Board of Directors**

**Sd/-**  
**GURNAM ARORA**  
**Jt. Mg. Director**

DIN NO. 00010731

**Sd/-**  
**Deepak Kaushal**  
**Company Secretary**





## Independent Auditors' Report

### TO THE MEMBERS OF KOHINOOR FOODS LIMITED

#### Qualified Opinion.

We have audited the accompanying Consolidated financial statements of Kohinoor Foods Limited ("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 31st, 2022, 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 for 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 31st, 2022, and its consolidated profit/loss including other comprehensive income, its consolidated cash flows and the changes in equity for the year ended on that date.

This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 110 "Consolidated Financial Statements" ("Ind AS 110"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our audit.

We conducted our audit of the Statement in accordance with the Standard on The Auditor's Report on Financial Statements (SA) 700 "The Auditor's Report on Financial Statements Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. An audit of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other audit procedures. An audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

1. The Statement includes the results of the following entities:

Name of subsidiaries	Country
(i) Kohinoor Food USA Inc.	(USA)
(ii) Sachdeva Brothers Private Limited	(India)

We did not receive the Audited Financial statements of above subsidiaries for the period ended 31st March, 2022. Although there is no significant impact of the financial statements of the subsidiary companies on the Consolidated Balance Sheet as at 31st Mar, 2022.

#### Basis for Qualified opinion

- In reference to Note No. 41, the Balance Sheet discloses the management's assessment of the company's ability to continue as going concern. The management's assessment of going concern is based on the OTS by the lead bank PNB and the interest shown by prospective investors in the company. However, in view of default in re-payment of borrowings, continuous losses, negative cash flows and negative net worth 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. There may arise a need to adjust the realizable value of assets and liabilities in the event of failure of assumption as to going concern.
- As stated in Note No.27 of Consolidated Audited Balance Sheet, Loss of the company is understated by Rs.10,588 lakhs (approx.) due to non-provisioning of interest on bank loans for the period from 01/04/2021 to 31/03/2022 and Rs.34,079 lakhs (approx.) from the date on which the account of the company was classified as NPA to the period covered under audit, due to non-provisioning of interest on bank loans after the accounts of the company were classified as NPA. Further no provision has been made towards penal interest, any other penalty etc. as may be charged by lenders. In the absence of complete statement of account from the bank, the above amount has been arrived as per calculation made by the company. With the limited information the aggregate amount un-provided in books of account of the company is not ascertainable with accuracy.

#### Emphasis of Matters

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

- The company has not made Provision for the demand raised by various authorities (Such as Income Tax, Vat etc.) as the matters are pending before various appellate forums. We are unable to comment upon possible impact of non-provision in the consolidated financial statement for the year ended 31st March 2022.



- (2) We draw attention to Note No. 16 of the Consolidated Balance Sheet of the company, that the lead consortium bank Punjab National Bank "erstwhile known as Oriental Bank of Commerce" has 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 06th Oct 2022.
- (3) With reference to Note no. 16 against amount payable to Bank, management has raised certain disputes towards overcharging of Interest. As on date company has paid INR 40.09 crores to banks in the no-lien account, the said amount has been netted off in the total outstanding of Loan repayable on Demand from Banks.
- (4) In reference to Note No.47, balances of some debtors and creditors are subject to their confirmations.
- (5) In reference to Note no. 30 during the period company has taken the Net impact of Creditors/Debtors balance written off amounting to INR 21.93 Lacs.
- (6) In reference to Note no. 38(viii), the amount of cases filed against the company, includes INR 117 lakhs in respect of M/s. Regal Kitchen Foods Limited who has filed a petition towards alleged outstanding, against which company is in process of filing its counter claim towards the financial losses. Furthermore, Company has booked income towards the financial losses of Rs. 387 Lakhs, which is to be recoverable from M/s. Regal Kitchen Foods Limited. Case is filed in District and Session court Faridabad and the Hon'ble court has provided the next date of hearing on 09th September 2022.
- (7) Note no. 16 of the Balance Sheet stating that the company has received Ex-parte Interim Order dated 25-06-2020 from Debt Recovery Tribunal-III, Delhi in the matter of ICICI Bank Vs. Kohinoor Foods Limited restraining the company from transferring/ alienating or otherwise dealing with, or disposing off or encumbering or creating any third-party interest with respect of the hypothecated assets/immovable properties of Company until further orders. In response, the company is contesting the matter and has filed its reply before DRT-III, Delhi, wherein DRT had fixed the next date of hearing on 31st August 2022.
- (8) In reference to Note no. 49 of the Balance Sheet which explains the management's assessment of impairment of assets due to COVID 19 pandemic situations. As per the assessment of the management, the recoverable amount of assets is higher than its carrying value and hence no impairment of assets needs to be recorded in the financial statements.
- (9) In reference to note no. 28 to the consolidated Ind AS financial statement which explain management's assessment of impairment of assets due to Covid-19 pandemic situation. As per assessment of the management, the recoverable amount of assets is higher than its carrying value and hence no impairment of assets need to be recorded in the financial statement, except in previous year company recognize the Impairment loss due to sale of its U.K. based Subsidiary, but professional fees with Legal consultancy firm is adjusted out of the remittance due to company in the current year itself by Mills & Reeve (U.K. based Law Firm) amounted to Rs. 185 lacs (with foreign exchange impact on the amount held by the law firm as a security against possible claims in U.K.) is taken into Impairment loss in current year Profit and Loss Account.

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 matter" paragraph are by their nature are key audit matters.

#### **Responsibility of Management's and Those Charged with Governance for the Consolidated 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 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 (IndAS) 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 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 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" paragraph, in our opinion, the aforesaid consolidated 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, 2022, 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 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 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 31 and 36 to the financial statements;

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: 30/5/2022**

**FOR M/S.N.C. RAJ & ASSOCIATES**

(CHARTERED ACCOUNTANTS)

FRN NO.: 002249N

Sd/-

(CA. Sanjay Garg)

Partner

Membership No. 088636

UDIN: 22088636AJWTHP1542



**Annexure-A to the Auditor's report (Referred to in our report of even date)**

The Annexure referred to in Independent Auditor's Report to the members of the company on the consolidated financial statement for the year ended 31st March, 2022, we report that:

1. a) The Company has maintained the proper records showing full particulars, including the quantitative details and situation of Fixed Assets.
  - a) As explained to us, the company have the Programme of physical verification of its Fixed Assets by which all its fixed assets are verified at reasonable interval. However, we were not provided 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.
2. i) As explained to us, the management at regular intervals during the year have physically verified inventories. In our opinion the frequency of verification is reasonable. However, we were not provided any physical verification report.
  - ii) In our opinion and on the basis of our examination of the records, the company is generally maintaining proper records of its stocks. No discrepancy has been noticed on verification as such.
3. The Company has not granted any Loans, secured or Unsecured, to companies, firms, other parties covered in the register maintained under section 189 of the Act during the year ended 31st March, 2022. Thus, paragraph 3(iii) (a) and iii(b) of the Order is not applicable.
4. 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 Companies Act, 2013 in respect of grant of Loans, making investments and providing the guarantees and securities.
5. According to information and explanation given to us and on the basis of examination of records, we understand that the company has received advance from customer for supply of goods which has been outstanding for more than three hundred and sixty-five days and fall under the definition of deposit u/s 73 to 76 read with rule framed thereunder. However, the company has not complied with regulation u/s 73 to 76 and rule framed thereunder.
6. According to the information and explanations 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 the detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is not regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, Wealth Tax, Service Tax, Goods and Service Tax (GST), State Insurance, VAT, PF, ESI, Customs Duty, Excise Duty, Cess and other statutory dues to the appropriate authority. However, the arrears of the outstanding statutory dues as on the last day of the financial year are due for a period of less than six months from the date they become payable.
  - (b) According to the information and explanations given to us, there are dues of Income Tax, Sales Tax, VAT, Customs, Excise which not been deposited with the appropriate authorities on account of disputes kindly refer to Note no. 38(C)(i) of financial statement.
8. On the basis of Audit procedures and as per the information gathered and explanations received, we are of the opinion that the company has defaulted in the repayment of loans or borrowing to bank and financial institutions. The total amount due to the consortium led by Punjab National Bank is INR 64,334 Lakhs.
9. The Company did not raise moneys by way of initial public offer or further public offer. However, company has not raised any term loan during the year under Audit.
10. According to the information and explanations given to us during the course of our audit, no frauds on the company by its officer or by the Company have been noticed or reported during the year.
11. In our opinion and according to the information and explanation given to us, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.



12. In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
13. In our opinion and according to the information and explanation given to us the Company's transactions with its related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in financial statements etc. as required by the applicable Ind AS 24. (Kindly refer note no. 33 of financial statements).
14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanation given to us, during the year, the Company has not entered into any non-cash transaction with its directors or persons connected with him and hence reporting under the provisions of section 192 of Companies Act, 2013. The provisions of Clause 3(xv) of paragraph 3 of the Order are not applicable to the company.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**Place: New Delhi**

**Date: 30/5/2022**

**FOR M/S N.C. RAJ & ASSOCIATES**

(CHARTERED ACCOUNTANTS)

FRN NO.: 002249N

Sd/-

(CA. Sanjay Garg)

Partner

Membership No. 088636

UDIN: 22088636AJWTHP1542





**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”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2022, 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 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 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 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**

We draw our 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 31st March, 2022.

1. The Company 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.

This 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.

### **Qualified 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, 2022, 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, 2022 consolidated financial statements of the group and these material weaknesses does not affect our opinion on the consolidated financial statements of the company.

**Place: New Delhi**

**Date: 30/5/2022**

**FOR M/S N.C. RAJ & ASSOCIATES**

(CHARTERED ACCOUNTANTS)

FRN NO.: 002249N

Sd/-

(CA. Sanjay Garg)

Partner

Membership No. 088636

UDIN: 22088636AJWTHP1542



**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MAR 2022**

(Rs. in Lacs)

PARTICULARS	NOTE	As at 31-Mar-2022	As at 31-Mar-2021
<b>A. ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	16,512.62	17,879.77
Capital Work in Progress	3	-	2.51
Financial Assets			
Other Non Current Assets	4	353.89	70.20
Deferred Tax Asset (Net)	5	230.91	457.03
<b>Total</b>		17,097.42	18,409.52
<b>Current Assets</b>			
Inventories	6	708.98	3,742.59
Financial Assets			
Investments	7	11.26	9.76
Trade Receivables	8	1,126.24	8,436.12
Cash and Cash Equivalents	9	143.29	153.05
Other Financial Assets	10	5.52	2.26
Other Current Assets	11	2,442.77	4,816.04
<b>Total</b>		4,438.07	17,159.82
<b>TOTAL ASSETS</b>		21,535.48	35,569.34
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	3,707.15	3,707.15
Other equity	13	(55,045.25)	(54,631.94)
<b>Total</b>		(51,338.09)	(50,924.79)
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Financial Liabilities	14	295.11	370.40
Borrowings	15	87.42	101.32
Provisions		382.53	471.72
<b>Total</b>			
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	16	70,707.42	78,942.80
Trade Payables	17	832.68	3,172.75
Other Financial Liabilities	18	424.78	1,221.63
Other Current Liabilities	19	503.84	2,668.58
Provisions	20	22.32	16.66
<b>Total</b>		72,491.05	86,022.41
<b>TOTAL EQUITY AND LIABILITIES</b>		21,535.48	35,569.34

The Accompanying Notes form an integral part of the Financial Statements

As per our report of even date attached.

for and on behalf of the Board of Directors

**for N C Raj And Associate**  
**CHARTERED ACCOUNTANTS**  
 FRN : 002249N

Sd/-  
**SANJAY GARG**  
 PARTNER

Membership No: 088636

Faridabad  
 30-May-2022

Sd/-  
**SATNAM ARORA**  
 Jt. Mg. Director

DIN NO. 00010667

Sd/-  
**Chashu Arora**  
 C.F.O

Sd/-  
**GURNAM ARORA**  
 Jt. Mg. Director

DIN NO. 00010731

Sd/-  
**Deepak Kaushal**  
 Company Secretary



CONSOLIDATED STATEMENTS OF PROFIT AND LOSS FOR THE YEAR ENDED 31 <sup>st</sup> MAR 2022		(Rs. in Lacs)	
PARTICULARS	NOTE	FOR THE YEAR ENDED 31-Mar-2022	FOR THE YEAR ENDED 31-Mar-2021
<b>INCOME</b>			
Revenue from Operations	21	9,856.55	26,569.20
Other Income	22	491.80	418.80
Total Income		<u>10,348.34</u>	<u>26,988.01</u>
<b>EXPENSES</b>			
Cost of Material Consumed	23	5,642.39	17,955.42
Purchases of Stock-in-Trade	24	799.77	705.12
Changes in Inventories of Finished Goods, WIP and Stock in Trade	25	68.61	7.38
Employee Benefits Expenses	26	594.43	1,778.70
Finance Costs	27	67.50	477.44
Depreciation and Amortisation Expenses	3	772.59	1,011.79
Impairment of Assets	28	184.90	130.79
Other Expenses	29	2,748.28	3,327.57
Total Expenses		<u>10,878.46</u>	<u>25,394.21</u>
<b>Profit Before Exceptional items and Tax</b>		<u>(530.12)</u>	<u>1,593.79</u>
Exceptional Items	30	21.94	(877.34)
Profit Before Tax		<u>(552.06)</u>	<u>2,471.13</u>
Tax Expenses			
Current Tax			
Income Tax for Prior Years			
Deferred Tax		79.81	48.14
<b>Profit/(Loss) for the year</b>		<u>(631.86)</u>	<u>2,422.99</u>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
<i>Remeasurements of defined benefit plans</i>		9.88	4.72
Fair value of Investments through OCI		1.50	-
<b>Income tax relating to Items that will not be reclassified to profit or loss</b>			
<b>Other Comprehensive Income for the year</b>		11.37	4.72
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(620.49)</u>	<u>2,426.71</u>
<b>EARNING PER EQUITY SHARE (Face value of ` 10 each)</b>			
<b>Basic (In Rs.)</b>	<b>34</b>	<b>(1.67)</b>	<b>6.55</b>
<b>Diluted (In Rs.)</b>	<b>34</b>	<b>(1.67)</b>	<b>6.55</b>
The Accompanying Notes form an integral part of the Financial Statements			

In terms of our separate report of even date attached

for **N C Raj And Associate**  
**CHARTERED ACCOUNTANTS**  
 FRN : 002249N

**Sd/-**  
**SANJAY GARG**  
**PARTNER**  
 Membership No: 088636

Faridabad  
 30-May-2022

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

**Sd/-**  
**Chashu Arora**  
**C.F.O**

for and on behalf of the Board of Directors

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

**Sd/-**  
**Deepak Kaushal**  
**Company Secretary**



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022**

(Rs. in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-Mar-2022	FOR THE YEAR ENDED 31-Mar-2021
<b>A. Cash Flow From Operating Activities</b>			
Net Profit before tax		(552.06)	2,471.13
Adjustments for :			
Depreciation and Amortisation Expenses		772.59	1,011.79
Finance cost		67.50	477.44
Interest income		(0.66)	(2.77)
(Profit)/Loss on Sale/Deletion of Fixed Assets		(0.49)	13.43
Income from Key Man Insurance Policy		(47.58)	(45.12)
Impairment loss on Investment in Subsidiary		184.90	130.79
Invocation of Corporate Gurantee		-	(877.34)
Bad Debts/Provision for Bad Debts		21.94	-
<b>Operating profit before working capital changes</b>		<b>446.13</b>	<b>3,179.35</b>
Adjustments for			
Decrease/(Increase ) in Inventories		3,033.61	(1,236.73)
Decrease/(Increase ) in Trade Receivables		7,287.94	1,560.66
Decrease/(Increase ) in other Receivables		2,086.33	(1,902.76)
Increase/(Decrease) in Trade payables		(2,340.06)	(1,635.30)
Increase/(Decrease) in other payables		(2,959.96)	(164.75)
Un realized Foreign Exchange Gain/Loss		353.50	37.06
<b>Cash generated from operations</b>		<b>7,907.49</b>	<b>(162.48)</b>
<b>Net Cash from operating activities</b>		<b>7,907.49</b>	<b>(162.48)</b>
<b>B. Cash Flow from Investing Activities</b>			
Purchase of property, plant and equipment's		-	(49.42)
Sale of property, plant and equipment's		597.57	-
Sale of Investments		(184.90)	-
Interest Received		0.66	2.77
Income from Key Man Insurance Policy		47.58	45.12
<b>Net cash from Investment activities</b>		<b>460.91</b>	<b>(1.53)</b>
<b>C. Cash Flow from Financing Activities</b>			
Receipts against issue of Share Capital/Share Warrants			
Increase/( Decrease) in short term borrowings		(8,235.37)	453.50
Increase/( Decrease) in Long term borrowings		(75.29)	(89.20)
Interest paid		(67.50)	(477.44)
<b>Net cash flow from financing activities</b>		<b>(8,378.16)</b>	<b>(113.14)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(9.76)</b>	<b>(277.15)</b>
- Cash & Cash equivalent at beginning of the year		153.05	430.20
- Cash & Cash equivalent at end of the year		143.29	153.05
		(9.76)	(277.15)

In terms of our separate report of even date attached

for and on behalf of the Board of Directors

for **N C Raj And Associate**  
**CHARTERED ACCOUNTANTS**  
 FRN : 002249N

Sd/-  
**SANJAY GARG**  
**PARTNER**  
 Membership No: 088636

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

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

Faridabad  
 30-May-2022

Sd/-  
**Chashu Arora**  
**C.F.O**

Sd/-  
**Deepak Kaushal**  
**Company Secretary**





**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(Rs. in Lacs)

PARTICULARS	No. Shares	Amount
<b>A. Equity Share Capital</b>		
Balance as at 1st April, 2020	<u>37,071,530</u>	<u>3,707.15</u>
Change in equity share capital during the year	-	-
Balance as at 31st March, 2021	<u>37,071,530</u>	<u>3,707.15</u>
Change in equity share capital during the year	-	-
Balance as at 31st March, 2022	<u>37,071,530</u>	<u>3,707.15</u>

**B. Other Equity**

Particulars	Capital Reserve	Securities Premium Account	Retained earnings	Revaluation Surplus	Share Warrants Application Money	Foreign Currency Translation Reserve	Total
<b>Balance as at 1st April, 2020</b>	760.25	15,757.23	(88,606.50)	15,885.19	756.96	(1,655.67)	(55,446.88)
Profit for the year			2,422.99				2,422.99
Other Comprehensive Income for the Year			4.72				4.72
<b>Total Comprehensive Income for the year</b>	-	-	2,427.71	-	-		2,427.71
Exchange differences on foreign currency Translation of Foreign Operations						42.89	42.89
Forfeiture of Share Warrant Application Money during the year	756.96				(756.96)		-
Dividends							
Transferred to General Reserve							
<b>Balance as at 31st March, 2021</b>	1,517.21	15,757.23	(86,178.79)	15,885.19	-	(1,612.77)	(52,976.28)
Profit for the year			(631.86)				(631.86)
Other Comprehensive Income for the Year			11.37				11.37
<b>Total Comprehensive Income for the year</b>	-	-	(620.49)	-	-	-	(620.49)
Exchange differences on foreign currency Translation of Foreign Operations	-					207.18	207.18
<b>Balance as at 31st March, 2022</b>	1,517.21	15,757.23	(86,799.28)	15,885.19	-	(1,405.59)	(55,045.25)

Annexure to our Report of Date

**for N C Raj And Associate**  
**CHARTERED ACCOUNTANTS**  
 FRN : 002249N

for and on behalf of the Board of Directors

**Sd/-**  
**SANJAY GARG**  
**PARTNER**  
 Membership No: 088636

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

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

Faridabad  
 30-May-2022

**Sd/-**  
**Chashu Arora**  
**C.F.O**

**Sd/-**  
**Deepak Kaushal**  
**Company Secretary**



## 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

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.

### 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:

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

**(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.

**(l) 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.

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**

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease.

**(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. CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT**

Particulars	(Rs. In Lacs)							Total
	Freehold Land	Building	Plant & Machinery	Furniture & Fixtures	Office Equipment & Computers	Vehicles	Wooden Crates	
<b>Gross Block</b>								
Balance as at March 31, 2021	10,546.72	11,384.68	10,929.54	335.74	590.15	875.58	2.50	34,664.90
Additions	-	1.97	10.55	2.25	9.49	5.99	-	30.24
Deletions	-	-	-	-	-	9.60	-	9.60
Balance as at March 31, 2022	10,546.72	11,386.65	10,940.08	337.99	599.64	871.96	2.50	34,685.54
<b>Accumulated Depreciation</b>								
Balance as at March 31, 2021	-	5,870.86	9,828.07	306.37	580.27	821.86	2.50	17,409.93
Additions	-	516.70	225.41	8.53	7.22	14.72	-	772.59
Deletions/Adjustments	-	-	-	-	-	9.59	-	9.59
Balance as at March 31, 2022	-	6,387.57	10,053.48	314.90	587.49	826.98	2.50	18,172.92
<b>NET BLOCK</b>								
Balance as at March 31, 2021	10,546.72	5,513.81	1,101.46	29.37	9.87	53.72	-	17,254.97
Balance as at March 31, 2022	10,546.72	4,999.08	886.60	23.09	12.15	44.98	-	16,512.62

**Note**

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. 158,85.19/- lacs to revaluation surplus under other Equity.

**CAPITAL WORK IN PROGRESS**

Particulars	Amount
<b>Net Book Value</b>	
Balance as at March 31, 2021	2.51
Balance as at March 31, 2022	NIL



	(Rs. In Lacs)	
As at	31-March-2022	31-March-2021
<b>4. Other Non-Current Assets</b>		
Security Deposit	71.38	70.20
Others	282.51	-
	<b>353.89</b>	<b>70.20</b>
<b>5. Deferred Tax Assets (Net)</b>		
Disallowance under Income tax act, 1961	31.48	54.46
Related to fixed assets	199.43	256.26
Related to business loss	-	146.32
	<b>230.91</b>	<b>457.03</b>
<b>6. Inventories</b>		
(As taken, valued and certified by the Management)		
Raw Material	88.31	495.71
Work in Progress	79.36	137.20
Finished Goods	318.19	2,852.62
Stores and Spares	-	12.23
Packing Materials	223.13	244.83
	<b>708.98</b>	<b>3,742.59</b>
a) Inventories are valued at the lower of cost and net reliable value.		
b) Finished goods includes the Stock in transit		
<b>7. Current Investments</b>		
<b>Investment in Unquoted Equity Instruments</b>		
Other Investment		
<b>Investment in Un-quoted Fund</b>		
Balanced Plan Fund- Canara-HSBC-OBC*	11.26	9.76
(56496.16 Unit of Balanced Plus Fund issued under Canara-HSBC- OBC, Life Insurance Platinum Plus Plan)		
	<b>11.26</b>	<b>9.76</b>
<b>8. Trade Receivables</b>		
(Unsecured, Considered Good)		
Outstanding for a period exceeding six months	1,008.88	2,190.12
Others	117.37	6,246.00
	<b>1,126.24</b>	<b>8,436.12</b>
<b>9. Cash and Cash Equivalents</b>		
Balances with Banks in Current Accounts	79.68	113.15
Cash in Hand	61.13	37.41
Fixed deposits as Margin Money with Banks	2.49	2.49
	<b>143.29</b>	<b>153.05</b>
<b>10. Other Financial Assets (Current)</b>		
Staff Advance	2.61	0.22
Interest accrued on bank deposits	2.29	2.04
Advance to Related Party	0.61	-
	<b>5.52</b>	<b>2.26</b>



	(Rs. In Lacs)	
As at	31-March-2022	31-March-2021
<b>11 Other Current Assets</b>		
(Unsecured, Considered good)		
Tax paid in Advance against Appeal	1,320.41	1,307.91
Advance Tax	6.81	12.49
Advance against Purchases	33.70	39.85
MAT Credit Entitlement	464.87	464.87
Pre-paid Expenses	13.10	1,212.58
Deposit with Banks against OTS*	-	1,261.01
Others	603.88	517.32
	<b>2,442.77</b>	<b>4,816.04</b>

**12. EQUITY SHARE CAPITAL**

**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 37,071,530)

3,707.15

3,707.15

Equity Shares of Rs. 10/- each fully paid-up

**3,707.15**

**3,707.15**

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

Number of Equity Shares at the beginning of the year

37,071,530

37,071,530

Number of Equity Shares issued during the year\*

—

—

Number of Equity Shares at the end of the year

37,071,530

37,071,530

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

As at	31-Mar-2022		31-Mar-2021	
	No. of Shares	Shareholding	No. of Shares	Shareholding
(1) Jugal Kishore Arora	6,653,484	17.95%	6,653,484	17.95%
(2) Satnam Arora	5,988,923	16.16%	5,988,923	16.16%
(3) Gurnam Arora	6,708,889	18.10%	6,708,889	18.10%
(4) AL Dahra International Investments LLC	7,048,306	19.01%	7,048,306	19.01%

**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.



	(Rs. In Lacs)	
As at	31-March-2022	31-March-2021
<b>13. OTHER EQUITY</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	1,517.21	760.25
Add :- Forfeiture of Share warrant application money during the year	-	756.96
Closing Balance	1,517.21	1,517.21
<b>Securities Premium Account</b>	15,757.23	15,757.23
<b>Revaluation Surplus</b>	15,885.19	15,885.19
<b>Retained Earnings</b>		
As per last Balance Sheet	(86,178.79)	(88,606.50)
Profit/(Loss) during the year	(631.86)	2,422.99
Other Comprehensive Income	11.37	4.72
	(86,799.28)	(86,178.79)
<b>Freign Currency Translation Reserve</b>		
As per last Balance Sheet	(1,612.77)	(1,655.67)
Add :- Exchange fluctation during the year	207.18	42.89
	(1,405.59)	(1,612.77)
	(55,045.25)	(54,631.94)

**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.

**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 F.Y 2018-19 in to equity share @ Rs. 76/- per share and 39,84,000 (Previous Year 39,84,000) share warrants are outstanding.

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.

**Event after the Balance sheet date**

As the Warrant holder(s) did 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, the consideration paid upon each of the said 39,84,000 outstanding Warrants, amounting to Rs. 756.96 Lacs has been forfeited in April 2020 and all the rights attached to the said warrants have lapsed automatically.

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

- a) 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.
- b) 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.
- c) 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.
- d) The said warrants by itself do not give to the Warrant holder any rights of the Shareholders or Debenture holders of the Company.





As at	31-March-2022	31-March-2021
<b>(Rs. In Lacs)</b>		
<b>14. Borrowings (Non-Current)</b>		
<b>Secured Loans</b>		
Long Term maturity of Finance Lease obligations	-	42.07
	-	42.07
<b>Unsecured Loans</b>		
Loan from Other Parties	295.11	328.34
	295.11	370.40
<b>15. Provisions (Non-Current)</b>		
Provision for Gratuity	87.42	101.32
	87.42	101.32
<b>16. Borrowings (Current)</b>		
<b>Secured</b>		
Loan repayable on Demand from Banks*	64,334.52	74,918.57
<b>Unsecured</b>		
Loan from Directors**	6,372.91	4,024.23
	70,707.42	78,942.80

\*The amount includes Rs. 3,630.93 Lacs payable to PNB Dubai. The company had issued a corporate guarantee in favor of PNB Hongkong (now PNB-Dubai) for loan granted by PNB Hongkong (now PNB-Dubai) to its wholly own subsidiary Kohinoor Foods USA Inc. PNB Hongkong (now PNB-Dubai) has invoked the corporate guarantee on default made by Kohinoor Foods USA Inc. The company has recognised the loss of Rs. 3,630.93 Lacs (previous year Rs. 3,605.42 Lacs on account of this liability).

\*\*Loan from Directors are interest free.

- a) Against amount payable to Bank, management has raised certain disputes towards overcharging of Interest etc.
- b) 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).
- c) The balances are subject to confirmation and reconciliation.
- d) **Default in Repayment of Loan**

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, the Company has given reply of said notices within the stipulated time.

The lead banker, Punjab National Bank 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.

The company has not provided interest to the extent of Rs. 10,588.35 Lacs for current year (Rs.9742.10 Lacs\ for previous year) and Rs. 340,78,91 Lacs up to 31-03-2022 (previous year Rs. 234,90.56 Lacs) on bank loans which were classified as non-performing assets during the year from the date they were declared NPA.

#### **Event after the Balance Sheet Date**

The company has received Ex-parte Interim Order dated 25-06-2020 from Debt Recovery Tribunal-III, Delhi in the matter of ICICI Bank Vs. Kohinoor Foods Limited restraining the company from transferring/ alienating or otherwise dealing with, or disposing off or encumbering or creating any third party interest with respect of the hypothecated assets/immovable properties of Company until further orders. The company is in process of filing suitable reply of the aforesaid notice and taking necessary action.



As at	31-March-2022	31-March-2021
	<b>(Rs. In Lacs)</b>	
<b>17 Trade Payable</b>		
Due to Micro, Small and Medium Enterprises		
Due to Others	832.68	3,172.75
	<u>832.68</u>	<u>3,172.75</u>
Company has not classified the trade payables due to msme, since the vendors have not submitted any document related to msme certification.		
<b>18 Other Financial Liabilities (Current)</b>		
Current maturities of long-term debt	25.16	15.86
Current maturities of finance lease obligations	-	84.13
Employees Benefits Payable	60.06	113.50
Other Payables	339.56	1,008.14
	<u>424.78</u>	<u>1,221.63</u>
<b>19 Other Current Liabilities</b>		
Advance received from customers	426.96	1,895.44
Statutory Liabilities	15.83	195.44
Other Liabilities	61.05	577.70
	<u>503.84</u>	<u>2,668.58</u>
<b>20 Provisions (Current)</b>		
Provision for gratuity	21.56	15.92
Income Tax	0.76	0.73
	<u>22.32</u>	<u>16.66</u>
<b>21 Revenues From Operations</b>		
Sales of Products	9,577.99	26,331.84
Other Operating Revenues	278.56	237.36
	<u>9,856.55</u>	<u>26,569.20</u>
<b>a) Sales of Products</b>		
Rice	7,208.66	21,693.34
Foods	2,369.33	4,638.50
	<u>9,577.99</u>	<u>26,331.84</u>
<b>b) Other Operating Revenues</b>		
Sale of Scrap	66.97	11.40
Income from Rice Processing	192.80	223.93
Duty Drawback/ Sale of Licenses	18.78	2.03
	<u>278.56</u>	<u>237.36</u>
<b>22 Other Income</b>		
Income from Key man Insurance Policy	47.58	45.12
Interest Income	0.66	0.24
Commission Income	-	160.22
Miscellaneous Income	56.05	2.77
Profit on Sale of Assets	0.49	-
Claim against Business Loss	387.01	-
Foreign Exchange Gain	-	210.45
	<u>491.80</u>	<u>418.80</u>



	(Rs. In Lacs)	
For the year ended	31-March-2022	31-March-2021
<b>23 Cost of Material Consumed</b>		
Opening Stock	123.19	2,026.56
Add: Purchases	5,912.22	19,220.36
Less Closing Stock	393.03	3,291.50
	5,642.39	17,955.42
<b>24 Purchase of Traded Goods</b>		
Non-Basmati Rice	731.83	705.12
ITC Reversal on Exempt Item	67.94	-
	799.77	705.12
<b>25 Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade</b>		
Opening Inventories	161.44	201.42
Closing Inventories	92.83	194.03
	68.61	7.38
<b>26 Employee Benefit Expenses</b>		
Staff Salaries	520.26	1,240.67
Director's Remuneration	-	268.56
Gratuity	21.75	23.47
Bonus	10.39	10.09
Staff Welfare	21.51	101.04
Employer's Contribution to P.F.& ESI	20.53	134.87
	594.43	1,778.70
<b>27 Finance Cost</b>		
Interest Expense*	37.08	406.22
Bank Charges	6.61	71.21
Borrowing Cost	23.80	-
	67.50	477.44
<b>28 Impairment of Assets</b>		
Impairment of investment in subsidiaries	184.90	130.79
	184.90	130.79
<p>The company has recognised the impairment loss in respect of professional fees charged and adjusted by the legal firm Mills and Reeve (U.K. based law firm) amounted to INR 184.90 Lacs including the Foreign exchange impact on the amount held by the law firm as a security against the possible claims in U.K.</p>		
<b>29 Other Expenses</b>		
<b>a) Manufacturing Expenses</b>		
Loading and Unloading Charges	33.04	60.12
Packing Materials Consumed	867.94	790.44
Wages	140.84	187.86
Processing Charges	40.11	-
Repair to Machinery	72.54	32.08
Power & Fuel	190.67	280.16
Brokerage & Commission	0.35	-
	1,345.49	1,350.66



	(Rs. In Lacs)	
For the year ended	31-March-2022	31-March-2021
<b>b) Administrative Expenses</b>		
Payment to Auditors		
-Statutory Audit Fee	10.66	38.60
-Tax Audit Fee	2.50	-
-Other Matters	2.14	-
Postage, Telegram and Telephone	15.37	40.74
General Expenses	101.38	96.75
Legal and Professional Charges	62.80	162.69
Electricity Expenses	9.17	147.64
Rates and Taxes	44.49	196.60
Other Taxes Paid	1.24	131.71
Vehicle Maintenance	23.86	19.67
Printing and Stationery	5.92	36.36
Fumigation Expenses	18.79	7.76
Insurance Charges	18.70	99.44
Conveyance	5.74	38.92
Membership & Subscription	3.87	1.67
Traveling Expenses (Directors)	0.27	2.53
Traveling Expenses (Others)	29.96	11.83
Research & Development	9.59	14.92
Rent	1.18	453.96
Staff Recruitment Expenses	2.17	-
Loss on Sale of Assets	-	13.42
Deletion of Obsolete Fixed Assets	-	0.02
Repairs to Building	72.12	47.84
Repairs to Others	31.01	147.19
Hire of Equipments	-	87.27
Foreign Exchange Loss	112.69	-
	<b>585.61</b>	<b>1,797.54</b>
<b>c) Selling &amp; Distribution Expenses</b>		
Advertisement and Publicity	1.41	-
Business Promotion	31.76	4.27
Rebate & Discount	6.57	24.33
Ocean Freight	436.21	-
Expenses Against Export	24.77	0.06
Brokerage & Commission on Sales	10.25	-
Clearing and Forwarding	306.20	12.47
	817.18	41.12
	2,748.28	3,189.32
<b>30. Exceptional Items</b>		
Bad Debts/ Balance Written off *	21.94	-
Provision for Doubtful Debts	-	(877.34)
	<b>21.94</b>	<b>(877.34)</b>

\*Exceptional items include write off of certain debts after adjusting the net effect of balances written back during the current year.



	(Rs. In Lacs)	
For the year ended	31-March-2022	31-March-2021
<b>31. Segment Information required as per IND AS 108</b>		
<b>(a) Information about products and services</b>		
Rice	7,208.66	21,693.34
Foods	2,369.33	4,638.50
	9,577.99	26,331.84
<b>(a) Information about geographical area</b>		
Asia	5,488.66	3,781.84
Americas	2,056.49	-
Europe	98.58	22,550.00
Africa	222.21	-
Middle East	1,712.05	-
	9,577.99	26,331.84
<b>Non Current Assets</b>		
<b>Property , plant and Equipment Located in</b>		
India	16,512.62	17,257.48
United Kingdom	-	624.80
	16,512.62	17,882.28

**32. Disclosures under IND AS-24 on "Related Party Disclosures" :**

**List of related parties**

- i) Joint Ventures
  - Rich Rice Raisers Factory LLC.- Dubai
- ii) Key Managerial Personnel and their relatives
 

Mr. Jugal Kishore Arora	Chairman
Mr. Satnam Arora	Jt.Mg.Director
Mr. Gurnam Arora	Jt.Mg.Director
Mr. Nitin Arora	Son of Mr. Jugal Kishore Arora
Mr. Amit Arora	Son of Mr. Satnam Arora
Mr. Sumit 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
- iii) Enterprise over which key managerial personnel exercise significant influence
  - Satnam Overseas (Exports) - Partnership Firm of Promoter/Directors
  - Adonis No.1 Beauty Clinic LLP
  - Satnam International Pvt. Ltd.
  - Satnam Haegens Ltd.
  - Adhiraj Buildcon LLP
  - QVC Foods Private Limited
  - Special Rice and Foods Private Limited
  - Sunny General Trading



The following transactions were carried out with related parties in the ordinary course of Business during the year\*

(Rs. In Lacs)

	Key Management Personnel and their Relatives	Enterprises over which Key Management Personnel exercise significant influence
<b>Transactions during the year</b>		
Sale of products		306.03 (908.15)
Purchase of products	-	3.90 (22.45)
Remuneration	-	
	(268.56)	
Advance Received	-	14.21
	-	-
Loan from Directors	2,924.14 (180.21)	
Repayment of Director's Loan	575.46 (139.49)	
<b>Balances outstanding at the year end:-</b>		
Loan from Directors	6,372.87 (4,024.19)	
Trade Receivables		- (65.23)
Advance From Customers	-	14.21
	-	-

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

**33 Disclosures under INDAS-17 on "Leases" :**

There were no operating lease agreements in force and no future lease rent commitments as on 31 March 2022 and 31 March 2021. No lease rentals were paid for operating lease during current year .





**34 Earning Per Share (EPS)**

(Rs. In Lacs)

For the Year Ended		31-March-2022	31-March-2021
i)	Total Comprehensive Income for the year attributable to Equity Shareholders	(620.49)	2,427.71
ii)	Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	37,071,530	37,071,530
iii)	Weighted Average Potential Equity Shares	-	-
iv)	Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	37,071,530	37,071,530
v)	Basic Earning Per Share	(1.67)	6.55
vi)	Diluted Earning Per Share	(1.67)	6.55
vii)	Face Value per Equity Share	10	10

**Calculation Weighted Average number of Equity Shares**

For the Year Ended	31-March-2022	31-March-2021
Nos. of Days	365	365
Nos. of Shares	37,071,530	37,071,530
Total nos. of day	365	365
Weighted Average number of shares	37,071,530	37,071,530

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

Provision relating to	Opening balance as at 1 April 2021	Created during the year	Withdrawals	Closing Balance as at 31 March 2022
Gratuity	117.24	11.87	20.14	108.98
	117.24	11.87	20.14	108.98



Particulars	(Rs. In Lacs)	
	31-March-2022	31-March-2021
<b>36 Contingent Liabilities not provided for</b>		
<b>A Claims against the company , not acknowledged as debt</b>		
i Income Tax	10,322.02	10,322.02
ii Sales Tax - Delhi	122.00	122.00
iii VAT-Haryana	740.07	740.07
iv Excise & Taxation Department, Punjab	455.82	455.82
v Excise Duty	42.91	42.91
vi Service Tax	9.12	9.12
vii Uttar Haryana Bijli Vitran Nigam	-	8.17
viii Legal Cases against the Company	963.94	963.94
ix Vat-Delhi	22.63	-
<b>B Bank Guarantees</b>	19.75	19.75
<b>C Surety Bonds issued to Govt. Agencies under EPCG/Adv License scheme</b>	2,082.34	2,082.34

**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
2010-11	2,331.25	1,347.86	3,679.11
2011-12	835.77	780.20	1,615.97
2012-13	1,274.98	1,019.99	2,294.97
2013-14	406.83	264.39	671.21
2014-15	798.05	453.84	1,251.89
2016-17	275.78	129.06	404.84
<b>Total</b>			<b>10,322.02</b>

- a) 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.
- b) An appeal has been filed with CIT(A) on 11-08-2021 against an order passed towards addition of Rs. 791.57 Lacs against transfer pricing adjustment in respect on A.Y 2017-2018 although there is no liability on the company since no demand has been raised by the department, but, this has impacted in the reduction of losses by the above amount.
- c) An appeal has been filed with CIT(A) on 07-12-2021 against an order passed towards addition of Rs. 2,860.54 Lacs against transfer pricing adjustment in respect on A.Y 2018-2019 although there is no liability on the company since no demand has been raised by the department, but, this has impacted in the reduction of losses by the above amount.



- 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 coloumn.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 (Col.1)	Demand raised (Rs.) (Col.2)	Assessing Authority (Col.3)	Appellate Authority (Col.4)
Sales Tax Murthal - AY 2008-09	732.35	Revision-Faridabad	Tribunal-Chandigarh
Sales Tax - Murthal - AY 2009-10	7.72	Revision-Faridabad	Tribunal-Chandigarh
Sales Tax - Murthal - AY 2012-13	740.07		

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. 42.90 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 VAT-Delhi had raised the demand of 726.93 Lacs against pending 'F' forms in respect of years 2015-2016 & 2016-2017. Pending F forms were related to six quarter out of the above, for five quarter all F forms were submitted and an order dated 16-08-2022 has been received, nullifying the demands of these quarter. For quarter one for the year 2016-2017 F forms are pending there a demand of Rs. 22.63 Lacs has been raised by VAT-Delhi. Appeal against the said order has been filed with VAT-Delhi.

**viii 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. 1088.00 Lacs 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.

- ix M/s. Regal Kitchen Foods Limited filed an arbitration petition towards alleged outstanding, against which company is in process of filing its counter claim towards the financial losses. The Company has booked income towards the financial losses of Rs. 387 Lakhs, which is to be recoverable from M/s. Regal Kitchen Foods Limited. Case is filed in District and Session court Faridabad.

**37 Commitments**

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

- 38 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.



**39 Disclosures as Required by Indian Accounting Standard (Ind As) 113: Fair Value Measurement:**  
**Fair value measurement of Financial Instruments**  
**As at 31.03.2022**

(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					0		0	0
Other financial assets	-							-
<b>Current Financial Assets</b>								
Investments					11.26			11.26
Trade receivables	1,126.24							1,126.24
Cash and cash equivalents	143.29							143.29
Other financial assets	5.52							5.52
	<b>1,275.05</b>	-	-	-	<b>11.26</b>	-	-	<b>1,286.31</b>
<b>Financial Liabilities</b>								
<b>Non Current Financial Liabilities</b>								
Borrowings	295.11							295.11
<b>Current Financial Liabilities</b>								
Borrowings	70,707.42							70,707.42
Trade Payables	832.68							832.68
Other Financial Liabilities	424.78							424.78
	<b>72,260.01</b>	-	-	-	-	-	-	<b>72,260.01</b>

**As at 31.03.2021**

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								
Other financial assets	-							-
<b>Current Financial Assets</b>								
Investments					9.76			9.76
Trade receivables	8,436.12							8,436.12
Cash and cash equivalents	153.05							153.05
Other financial assets	2.26							2.26
	<b>8,591.43</b>	-	-	-	<b>9.76</b>	-	-	<b>8,601.20</b>
<b>Financial Liabilities</b>								
<b>Non Current Financial Liabilities</b>								
Borrowings	1,870.44							1,870.44
<b>Current Financial Liabilities</b>								
Borrowings	77,442.76							77,442.76
Trade Payables	3,172.75							3,172.75
Other Financial Liabilities	1,221.63							1,221.63
	<b>83,707.58</b>	-	-	-	-	-	-	<b>83,707.58</b>



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

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

**42 Impact of Covid-19**

The outbreak of Covid 19 has severally impacted business globally including India. The company had some short term impact on operation and recoverability of amount due from Debtors due to Covid 19 and the lockdown imposed by the government. However, it will not have significant long term impact on the operation of the company. The management has made assessment of impairment of assets due to covid 19 pandemic situation. As per assessment of the management, the recoverable amount of assets is higher than its carrying value and hence no impairment of assets need to be recorded in the financial statements.

The above notes form part of the financial statements

In terms of our separate report of even date attached

for and on behalf of the Board of Directors

for N C Raj And Associate  
CHARTERED ACCOUNTANTS  
FRN : 002249N

Sd/-  
**SANJAY GARG**  
PARTNER

Membership No: 088636

Faridabad  
30-May-2022

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

Sd/-  
**Chashu Arora**  
C.F.O

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

Sd/-  
**Deepak Kaushal**  
Company Secretary



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Phone: +91-129-424-2222, Fax: +91-129-424-2233, Email: [info@kohinoorfoods.in](mailto:info@kohinoorfoods.in)  
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