

# Kohinoor Foods Ltd.

08<sup>th</sup> December, 2020

**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 2019-20**

Please find enclosed herewith a copy of Notice convening 31<sup>st</sup> Annual General Meeting of the Company, through Video Conferencing/Other Audio Visual Means (“VC/OAVM”) facility, on Wednesday, the 30<sup>th</sup> December, 2020, along with Annual Report of our Company for the Financial Year 2019-20.

The above is for your reference and records, please.

Thanking You

Yours faithfully,

For Kohinoor Foods Limited

(Deepak Kausal)

Company Secretary & Manager (Legal)

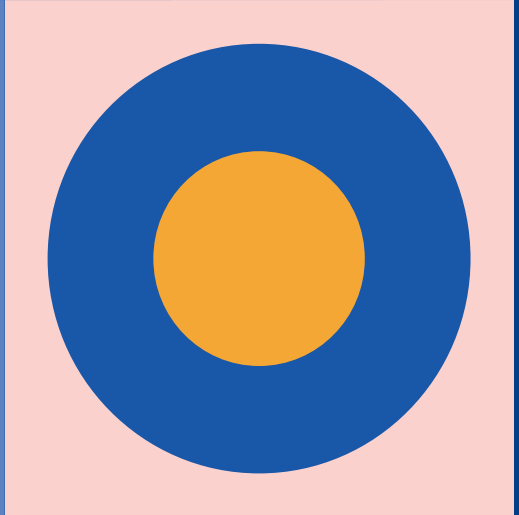
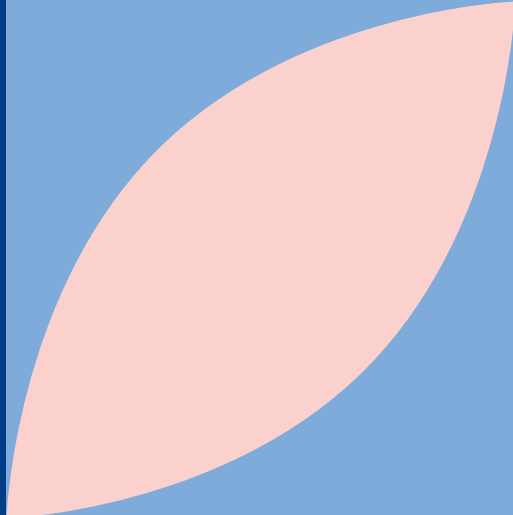
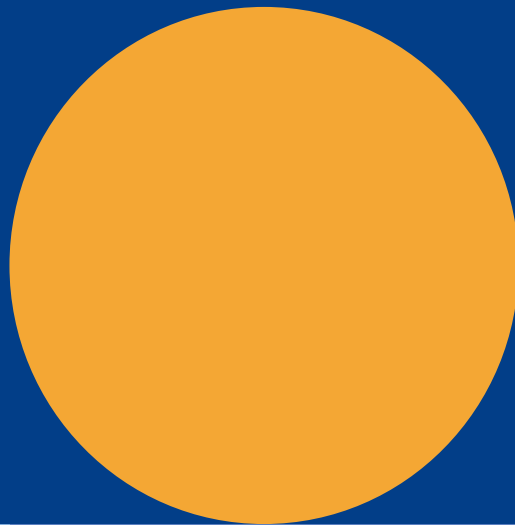
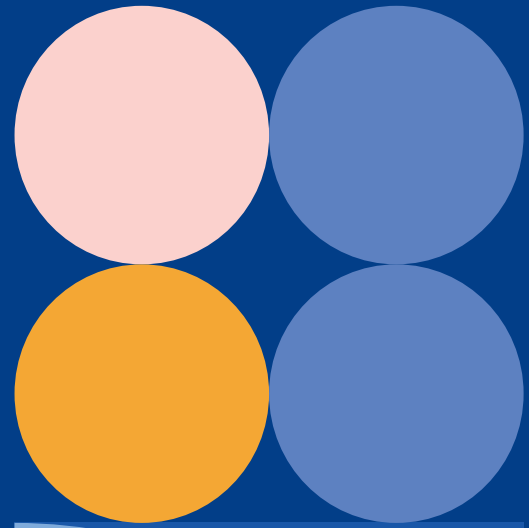
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**Kohinoor Foods Ltd.**

# ANNUAL REPORT

**20<sup>19</sup><sub>20</sub>**







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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>Board of Directors</b>	: Chairman Mr. Jugal Kishore Arora : Jt. Managing Director Mr. Satnam Arora : Jt. Managing Director Mr. Gurnam Arora : Jt. Managing Director Mr. Vijay Burman : Non-Executive Independent Director Mr. Yash Pal Mahajan : Non-Executive Independent Director (Appointed w.e.f. 13.02.2020) Mr. Sunil Sharma : Non-Executive Independent Director (Appointed w.e.f. 13.02.2020) Ms. Mani Chandra Bhandari : Non-Executive Independent Director (Appointed w.e.f. 13.02.2020) Mr. S.C. Gupta : Non-Executive Independent Director (Resigned w.e.f. 28.02.2019) Ms. Madhu Vij : Non-Executive Independent Director (Resigned w.e.f. 11.06.2019)
<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>CFO</b>	: Mr. Kamal Deep Chawla
<b>Wholly Owned Subsidiary Companies</b>	: Indo European Foods Limited Kohinoor Congress House, 6th Floor, Suite 2, 14 Lyon Road, Harrow, Middlesex, Post Code: HA2 2 EN, United Kingdom : Kohinoor Foods USA INC. 285, Durham AVE STE # 01 South Plainfield, NJ 07080 : Sachdeva Brothers Private Limited Old No.- 25, New-33, G/F JMD Koninoor Galleria Masjid Moth, G.K-II, New Delhi - 110048	<b>Company Secretary</b>	: Mr. Deepak Kaushal (Appointed w.e.f. 14.08.2019) Mr. Ankit Sharma (Appointed w.e.f. 13.06.2019 & Resigned w.e.f. 10.07.2019)
<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>Auditors</b>	: M/s. Rajender Kumar Singal & Associates LLP Chartered Accountants
<b>Listing of Equity Shares</b>	: National Stock Exchange of India Ltd. (NSE) BSE Ltd. (BSE)	<b>Cost Auditors</b>	: M/s. Cheena and Associates Cost Accountants
<b>Depositories</b>	: National Securities Depository Ltd. (NSDL) : Central Depository Services (India) Ltd. (CDSL)	<b>Bankers</b>	: Punjab National Bank (erstwhile Oriental Bank of Commerce) : State Bank of India : Indian Bank (erstwhile Allahabad Bank)
<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		: 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 2019–20.

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

India is among the top five rice-producing nations which include China, Indonesia, Bangladesh and Vietnam in the list. India produces above 23% of overall global rice production. Indian rice market is primarily dominated by unorganized sector because of the presence of several local players and the easy availability of rice through small retail stores. The rice production is projected to register a CAGR of 2.7% during the forecast period, 2020-2025.

As you know, the paddy industry has grappled with multiple issues during the year. The mounting trade tensions, muted global growth and enhanced regulatory norms have fundamentally changed the contours of the business environment in which we operate. Next came the onset of the COVID-19 pandemic in the final quarter of the year, which has ushered in a new reality for industries across the world, where your company is struggling its own battle for revival of financial crises as the Banks have already declared your Company NPA.

The current scenario is expected to continue in the near term and exporters are likely to continue facing financial stress in the near term. Weak sales growth and decline in profitability, along with inventory losses, are expected to be the key trends in the financials of basmati rice players in 2019-20. This is expected to further weaken the leverage profile of industry players.

Any improvement in the situation is likely only from the next basmati paddy harvest season, that is, the second half of 2020-21. In the meantime, supply of basmati paddy is expected to witness some moderation as farmers are likely to shift away from basmati, given the non-remunerative prices in the last two crop cycles. Moreover, demand is also expected to witness some improvement, going forward.... Challenges were further exacerbated in the final quarter of the year by the country's strict lockdown measures in response to the pandemic.

Against this volatile macro backdrop, your Company is charting out a disciplined

path towards a robust and resilient future. I would like to first address the current year's performance, followed by various transformative initiatives being undertaken.

Your Company achieved a total consolidated turn-over of INR 2,158 Million (Mn.) as against INR 6,026Mn. of last year, the lower turnover is on account of erratic global rice market conditions, pandemic and cash crunch faced by the Company. The consolidated rice business value stood at INR 1,839 Mn. as against INR 5,420 Mn. of last year.

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

Nevertheless, last year had been challenging one because of financial constraint, ongoing economic pressure and current 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.

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

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

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

As we look ahead over the next two years, we anticipate a tremendous deal of transformation stemming from COVID-19. Consumer behavior will change in numerous ways, experiences to prioritising health and taste and its purchasing decisions. Greater scrutiny will be placed on building environmental sustainability and climate resilience into the very core of business models. The management believes that with resolution of the on going liquidity problems KFL will be well placed to meet the demand opportunities that will arise from these important and fundamental shifts.

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, 2020 and the audited financial statements and notes for the year ended March 31, 2019. This report contains forward looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, market position, expenditures, and financial results, are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

#### Company – In General

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

Your Directors have pleasure in presenting the 31st Annual Report and the Audited Annual Accounts of the Company for the Financial Year ended 31st March, 2020.

#### Financial Overview

The financial highlights for the year ending 31st March, 2020 are as under:

Particulars	FY'20	FY'19
<b>Total Turnover</b>	<b>322.74</b>	<b>4065.84</b>
Profit/(Loss) Before Interest, Depreciation and Tax (PBITD)	(112.36)	(1716.58)
Profit/(Loss) Before Tax	(2188.57)	(2913.88)
Less: Tax Expense	69.15	941.86
Profit/(Loss) After Tax	(2257.73)	(3855.75)
Total Comprehensive income for the year	(2256.52)	(3854.58)

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 your 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 2019-20, the contribution made by Rice to the Company's business is INR 116.56 million as against INR 3802.80 million in previous year while the Food Business stood at INR 198.48 million as against INR 193.91 million in the last financial year.

The year saw an increase of 2.36% in food business in domestic sales in value terms in comparison to last year sales. Export market was down due to political instability in countries such as Iraq & Syria including the current pandemic Covid-19 and the financial constraint faced by the company.

#### Covid-19 Pandemic

The existence of Corona Virus was confirmed in the early 2020, and since then the virus has spread across the world necessitating the World Health Organization (WHO) to declare it a global pandemic. This pandemic has caused disruption to company businesses and its economic activity across the world.

The accounts of the Company have been declared NPA in 2018 by the banks and a petition was filed before the Hon'ble NCLT, Chandigarh by the lead Bankers. As per RBI guidelines, the option of moratorium and other benefits could not be availed by the Company being declared as NPA by Banks.

The Company is in process to have its OTS proposal considered with

the bank. However the same was not accepted on few grounds. Meanwhile, as per the Direction of the Government, Company's Lead Bank Oriental Bank of Commerce Merged with PNB and the Company has already placed its request to reconsider its improved OTS Proposal with consortium Bank. Your company is placing its extreme effort in having its proposal accepted and implemented in order to restart its business and will soon improve its operations.

The pandemic and nationwide lockdown, has impacted the industries across the country and the world. This had impact on the operating performance of Q4FY20 of the Company due to the following factors:

1. The Company and its factories is located at the hot spot city.
2. The Company offshore subsidiaries (in U.S. and U.K.) were under lockdown due to Global pandemic Covid 19.
3. The movement of staff was restricted due to intrastate movement.

With the Covid-19 pandemic and Government announcing lockdown measures, all our places of business including manufacturing plants, corporate office, Overseas Subsidiaries and warehouses were shutdown. Sales have impacted in the march and the Q1FY2020-21. However our factory could start its operation in the June 2020. With the lockdown in the later part of March 2020 and loss of production, sales for the month of March to May was significantly impacted. This had an overall impact on the Q4FY20 and Q1FY21 performance of the company. Though there was no production and sales during the period of lockdown, the Company had to bear the fixed overheads, additional cost towards precaution and prevention related to health and safety of the employees attending plant/offices. The company is trying to get some relief/discounts for some payments outstanding and is in process of negotiation with its customers. The company is facing difficulties in receipt of payment from its customers in the current scenario which has impacted the liquidity position of the Company. However, During the year, the company through its constant effort has managed to reach its global consumers through its wholly owned subsidiary Indo European Foods Limited.

The company is strictly following guidelines provided by Government for operating the manufacturing facilities. A SOP was prepared for start of operations and precautions related to Health and safety of employees attending plants / office. Work from home has been generally encouraged wherever feasible. The company's manufacturing facilities were restored during the June 2020 with limited manpower as per approvals received for the respective locations.

Basis the Ministry of Home Affairs Order (40-3/2020- DM-I(A)) dated April 15, 2020 & April 16, 2020 and various State Government orders and after carefully studying the provisions thereof in this regard, offices were opened in a graded manner with effect from June 1, 2020 in Green and Orange zones with minimum staff.

On opening of the offices in the Green and Orange zones it has been ensured that adequate safety measures as prescribed by various government circulars / advisories (which include social distancing, wearing of face cover / masks and regular sanitization) were put in place.

Further, offices have been opened ensuring minimum attendance as specified by respective state authorities. Appropriate guidelines have been issued to the employees in this context.

Following measures are taken at all the plants since re-opening and smooth functioning:

- Enhanced IT security and increased capacity of IT systems. Preparations were made to ensure that IT systems were in place much before the start of lockdown.
- Postponed all meetings/events of large gatherings and issued advisory for travel (both personal and business)
- Circulated precautionary Dos & Don'ts on personal hygiene
- All the employees were given training on the safe practices such as social distancing, usage of masks, personal hygiene, etc.
- All employees are temperature screened and provided masks while entering the premises. Provided hand wash stations at entrance. Disinfection of all the vehicles entering the premises.
- Disinfection of all touch points frequently and the premises between the shifts.
- Seating at workstations re-organized to ensure social distancing.
- Social distancing maintained in production lines, office areas and canteen.
- Mandated all staff to install Arogya Setu App.
- Self-declaration Obtained from all employees

### Subsidiaries / Joint Venture

#### U.K. Operations

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

IEFL Sales show marginal decreases from last year i.e GBP 20.28 Million in comparison of last year GBP 21.80 Million. Due to improved margins and effective cost control. IEFL earned a total profit of GBP 0.65 Million in comparison of last year loss of GBP 1.06 Million. This operation continues to focus on profitable growth both



in Rice and processed food range of products.

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

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

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

### USA Operations

Kohinoor Foods USA Inc. was incorporated in year 2000 in the state of New Jersey, USA, as a wholly owned subsidiary of Kohinoor Foods Limited (KFL), India, to cater to the markets of US & Canada. The brand 'Kohinoor' is well known in USA for its quality rice and food items.

However during the current year this company did not carry any business as their was no export sales for KFL India to US & Canada.

### Food Business

During the year 2019-20, in processed & packaged food products the company did the business of around INR 198 million as against INR 194 million in the previous year. The food factory has continued its operation effectively inspite of liquidity probleme 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

The ready-to-eat market in India is expected to expand at a compound annual growth rate (CAGR) of ~16.24% (based on value) during the 2019-2024 period, to generate a revenue of INR ~68.47 billion by 2024. Revenue in the Ready-to-Eat Meals segment amounts to US\$ 38,886m in 2020. The market is expected to grow annually by 5.9% (CAGR 2020-2025). In global comparison, most revenue is generated in China (US\$142,264m in 2020). In relation to total population figures, per person revenues of US\$28.18 are generated in 2020. The average per capita consumption stands at 8.7 kg in 2020. Anticipated growth in the market can be attributed to rising urbanization, increasing disposable income of middle-class population and changing taste preferences of Indian consumers. Ready meals took off in India following the hectic lifestyle of the young working population. The even more convenient ready-to-eat products rose in popularity since they can be consumed without cooking, seemingly suited for

busy millennial. Moreover, growing demand for quick food and presence of freshness and high nutritional value in these foods is further aiding growth of India ready-to-eat food market. Demand for ready-to-eat food products is recording high growth in metros where a lot of working people don't get enough time to cook proper meals. Additionally, longer shelf life and easy availability of ready-to-eat food products is further pushing their demand across the country. The most popular ready-to-eat items include preparations of paneer, chana masala, rajma masala, pavbhaji, etc. Rise in demand for ready-to-eat food products has created the interest among many companies to enter this space which is likely to contribute to the growth of the market in the coming years. Furthermore, innovation in products offerings, sustainable packaging, and preference of single serving frozen products, aggressive marketing & promotional strategies would steer growth in the market during forecast period.

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

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

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

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

It is found that 76 percent of parents in big cities, mostly both working with children under the age of five, are serving easy-to-

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

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

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

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

Consumers are increasingly realizing that major RTE foods are loaded with preservatives for a longer shelf life. Increasing health awareness, particularly in the young generation, is hindering the growth of this market. Still a large Indian population is price sensitive and therefore the price factor of RTE food makes them affordable only to select economic classes of the society. Hence it becomes all the more essential for new players in this field to marry convenience with health benefits to ensure convenience food does not mean compromising on quality. The key is to provide RTE food options focused on Indian taste for everyday consumption, which are not harmful in the long run.

This is the challenge taken up specifically by food tech start-ups who want to be considered as serious players and are getting into the game after years of R&D. With state of the art technology in packaging and processing to ensure the end product is not just a

world class product that can eventually be on the shelves in countries across the globe but a product that is a strong contender in being a game changer.

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

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

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

### **Basmati Rice**

Basmati rice, considered the finest variety of rice, is grown only once a year in the Indo-Gangetic plain. It is a kharif crop sowed in May-June and harvested in October-November. Basmati rice can only be cultivated in India and Pakistan, which makes them the sole supplier of basmati in the world. India accounts for over 70% of the world's basmati rice production. Rice is one of the most crucial food crops in the world and a staple diet for nearly half the global population. Over 90% of the global rice output and consumption is centered in Asia, wherein the world's largest rice producers, China and India, are also the world's largest rice consumers. High domestic consumption and restrictive trade policies of several countries for rice have restricted international trade of rice to only 6-7% of the production. Food security objectives and the need to provide income support to domestic producers are the main

reasons cited by countries to restrict rice imports. Among the several varieties of rice, basmati rice is considered the most superior in terms of product characteristics and therefore the most premium. The Indian rice industry consists of both basmati rice and non-basmati rice; however this note covers only the basmati rice industry in India.

India is among the top five rice-producing nations which include China, Indonesia, Bangladesh and Vietnam in the list. India produces above 23% of overall global rice production. Indian rice market is primarily dominated by unorganized sector because of the presence of several local players and the easy availability of rice through small retail stores which are also called as Kirana stores. The rice production is projected to register a CAGR of 2.7% during the forecast period, 2020-2025.

The organized industry has started making a mark in the last couple of years as the targeting Tier 1 and 2 cities where the urbanization have increased. The report consists of a various segment of the rice market in India like basmati, packed and further segmented into its types. There is a complete trade analysis with current market trends. This will help with a market share of top-performing companies present in the competition.

India's rice production, as well as the consumption, has increased over the years and also there is an involvement of many top companies which have evolved the organized rice industry. Along with the production, India is also the top rice exporting nation that nearly exports 25% of global rice export. Overall India's rice export is dominated by basmati rice as India being the highest producer of basmati rice globally. Iran and Saudi Arabia are the largest importer of basmati rice from India and contribute the highest value share in India's overall basmati rice export.

Indian domestic rice market has grown at the CAGR of above 4% from in the last five years. Domestically in India's rice market non-basmati rice holds the more significant portion as compare to basmati rice as the production of basmati rice is limited to only several states but is considered in the premium segment of rice. The unorganized dominated market is now shifting towards an organized market which is growing nearly at a CAGR of 12% consumer awareness, and increasing urbanization are playing an essential role in developing the packed rice market in India. Packed rice market in India is highly dominated by basmati rice and with the new health rice segments like brown rice and organic rice whose demand have increased in recent years.

During the last two decades, evolved varieties of basmati rice have been adopted by the industry, especially PUSA 1121, which has led to a significant improvement in yield and hence the overall production of basmati rice in the country. Moreover, this variety has

significantly replaced the traditional varieties of basmati rice. Today PUSA 1121 accounts for most of basmati rice production and exports. Apart from PUSA 1121, a new variety PUSA 1509 has been approved, which has better yield, low input requirements and better disease resistance; however its acceptance by the industry is yet to be established.

The global basmati rice market is being aided by the rising export demand for rice, globally. Basmati rice accounts for 2.1% of the total rice production. In 2019, the global production of rice reached almost 497.76 million metric tons.

The Asia Pacific is the leading producer of rice, globally. The region accounts for almost 90% of the global production. China is the leading rice producer, followed by India. However, basmati rice, specifically, is primarily grown in India and Pakistan. India is the largest producer of basmati rice, accounting for over 70% of its output in the global basmati rice market. In 2018, its production attained almost 5.03 million tons. The country is also the leading exporter of basmati rice. The country's export of the basmati variety of the paddy crop to reach a peak at INR 30,000 crore in FY2019. The strengthening exports is a combined result of an increasing demand from Iran and the rise in prices that have been taking place over the last three years. Haryana, Punjab, Himachal Pradesh, Uttarakhand, Uttar Pradesh, Jammu and Kashmir, and Delhi are the major basmati rice producing states in India. In Pakistan, the Punjab province is the largest producer of the paddy crop.

The Middle East and Africa is a significant consumer of basmati rice, which accounts for 37.5% of their total consumption of the paddy crop. GCC countries are the major importers of the basmati variety of the paddy crop. The steady increase in imports from Saudi Arabia and Iran is driving the rise of Indian exports of basmati rice. Iran was followed by Saudi Arabia and the United Arab Emirates as the other significant importing countries of the basmati variety from India. Algeria, Somalia, and Kenya are the major importing countries in Africa. Europe and the US are also significant consumers of the basmati variety.

The global basmati rice market is being aided by the superior quality, taste, and aroma of the product, which are driving the consumer preference for the product. The basmati variety forms an integral part of the Middle Eastern cooking. It is used to cook lavish dishes which contain layers of rice, meats, and dried fruits. It also forms a part of the staple diet of many cultures, thus, further aiding the industry growth. The increasing export demand from the Middle Eastern countries is also propelling the global basmati rice market forward. The US and Europe, too, are significant importing countries.

The rising population is also acting as a catalyst for the growth of the global basmati rice market. The increasing disposable income in the major consuming nations is driving the market growth. The rising disposable income is leading to increased consumption of premium products and, thus, is providing further impetus for the global basmati rice market growth as basmati rice is perceived as a premium variety. With the increasing health consciousness among the consumers, the basmati variety is being increasingly preferred due to being rich in nutritional value and having a lower fat content.

The current scenario is expected to continue in the near term and exporters are likely to continue facing financial stress in the near term. Weak sales growth and decline in profitability, along with inventory losses, are expected to be the key trends in the financials (to be reported) of basmati rice players in 2019-20. This is expected to further weaken the leverage profile of industry players. Any improvement in the situation is likely only from the next basmati paddy harvest season, that is, the second half of 2020-21. In the meantime, supply of basmati paddy is expected to witness some moderation as farmers are likely to shift away from basmati, given the non-remunerative prices in the last two crop cycles. Moreover, demand is also expected to witness some improvement, going forward.

### Risks & Concerns

The Banks have classified the Company's Accounts as Non Performing Asset and served Notice under section 13(2) of The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, in the month of July 2018 to March 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 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 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 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 2019-20.

### Re-Appointment / Resignation of Directors

In accordance with the provisions of the Companies Act, 2013, Mr. Satnam Arora (holding DIN – 00010667), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Your Directors recommend this resolution for approval of the members.

The Re-Appointment and Remunerations of Mr. Jugal Kishore Arora (DIN 00010704), Mr. Satnam Arora (DIN 00010667) and Mr. Gurnam Arora (DIN - 00010731) had been approved by the Shareholders in the 28th Annual General Meeting of the Company held on 25th September, 2017 for the period of three years subject to the approval of the Central Government. Further the Company had obtained approval from the Central Government in this regard. Now the Company wants to renew the appointment and remuneration payable to these Managerial Personnel on the same term and condition as approved by the shareholder in their Annual General Meeting held on 25th September, 2017 for further period of three years starting from 1st October, 2020 in the forthcoming Annual General Meeting, subject to the overall limit as approved by the Central Government.

Your Directors recommend this resolution for approval of the members.

The Board of Directors of the Company at its meeting held on February 13, 2020 has appointed Mrs. Mani Chandra Bhandari (DIN 00387585) Mr. Sunil Sharma (DIN 08699033) and Mr. Yash Pal Mahajan (DIN 08699040) as an Additional Director who shall hold office of the Company till the date of the ensuing Annual General meeting.

The Company has received consent in writing to act as directors in Form DIR 2 and intimation in Form DIR 8 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that they are not disqualified under sub section (2) of section 164 of the Companies Act, 2013. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail the services as Independent Directors. Accordingly, the Board recommends the resolution Nos. 3, 4 & 5, in relation to appointment of Mr. Sunil Sharma (DIN 08699033), Mr. Yash Pal Mahajan (DIN 08699040) AND Mrs. Mani Chandra Bhandari (DIN 00387585) as Independent Directors, for the approval by the shareholders of the Company.

During the year the Company has received resignation of Mr. S.C. Gupta, Independent Director and Ms. Madhu Vij, Independent Director of the Company from Board and Committees of Kohinoor Foods Limited w.e.f. 28th May, 2019 and 11th June, 2019

respectively. The Board has accepted the resignation and necessary form has been filed with Registrar of Companies NCT of Delhi and Haryana.

### Appointment / Resignation of Company Secretary

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

During the year Mr. Deepak Kumar Kaushal, has been appointed by the Board of Directors as Company Secretary and Manager (Legal) of the Company w.e.f. 14th August, 2019.

### 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 for the Current Year.

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, 2020 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 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, Felix stowe, Suffolk, IP11 2BW.

Total Turnover of IEFL during FY'20, was £ 20,289,026 and profit after tax was £ 653,122.

### **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. The annual listing fee for the Financial Year 2020-21 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**

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

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

### **Auditors Report**

The Company has received the Auditors Report duly signed by M/s Rajender Kumar Singal & Associates LLP, Chartered Accountants, New Delhi, and took note on the same. Further as mentioned in the Auditors Report, attention is drawn (Emphasis of Matters) to notes to the Financial Statements, the same has not been reproduced for the sake of brevity as the remarks given by the Auditors are self-explanatory, however the Board has discussed the same in details as had been provided in the notes to the Financial Statements.

### **Cost Auditors**

The Cost Auditor M/s Cheena and Associates appointed as Cost Accountants of the Company for the year 2019-20 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, 2020 and remuneration to be paid subject to rectification by shareholders.

### **Secretarial Audit**

The terms of M/s Vinod Aggarwal and Associates, Company Secretaries, New Delhi, who was appointed as the Secretarial Auditor of the Company for the Financial Year 2019-20 expired on 31st March, 2020. 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 2020-2021.

### **Secretarial Audit Report**

The Secretarial Auditor M/s Vinod Aggarwal and Associates, Company Secretaries, appointed for the year 2019-20 and has completed the secretarial audit of the Company. The Secretarial Audit Report as received from the Practicing Company Secretary is annexed to the Annual Report as Form No.-MR-3. As per the Secretarial Audit Report the Company has complied with all the applicable acts, laws, rules and regulations and does not contain any qualification, reservation or adverse remark.

### **Internal Auditor**

The terms of M/s SPMG & Co., Chartered Accountants, New Delhi, who was appointed as Internal Auditor of the Company for the Financial Year 2019-20 expired on 31st March, 2020. M/s. NNA & Co., was appointed as Internal Auditor for the Financial Year 2020-21.

Your Directors on the recommendation of the Audit Committee have approved their appointment in the Board Meeting dated 28th August, 2020, for the financial year 2020-21.

### **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). However BSE has closed the application and approval from NSE is yet to be received. The paid up Share Capital of the Company is amounting to Rs. 370,715,300/- comprising of 37,071,530 equity shares of Rs. 10/- each.

### **Forfeiture**

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 months 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 2020, the Board of Directors consisted of Seven Directors, including Chairman, Joint Managing Directors, Woman Director, Independent Director and others.

Six (6) Board Meetings were held during the year 2019-20, i.e. on 29th May, 2019, 13th June, 2019, 14th August, 2019 (adjourned on 16th August, 2019), 04th September, 2019, 14th November, 2019 and 13th February, 2020, and the gap between two meetings did not exceed 120 days.

### **Audit Committee Meetings**

During the year under review, the Audit Committee met Two (2) times i.e. on 29th May, 2019 and 13th February, 2020 and the maximum time gap between any two consecutive meetings exceeds 120 Days. The minutes of the meetings of the Audit Committee are noted by the Board. During the year, under review, the composition of the Audit Committee was not complete for two consecutive quarters, in accordance with the provisions of the Act, due to resignation of Mr. S. C. Gupta on 28th May, 2019 and Ms. Madhu Vij on 11th June, 2019, however the Audit Committee

has been reconstituted on 13th February, 2020.

### **Nomination and Remuneration Committee**

During the year under review, the Nomination and Remuneration Committee met One (1) times i.e. on 13th February, 2020. The minutes of the meetings of the Nomination and Remuneration Committee are noted by the Board. During the year, under review, the composition of the Nomination and Remuneration Committee was not complete for two consecutive quarters, in accordance with the provisions of the Act, due to resignation of Mr. S. C. Gupta on 28th May, 2019 and Ms. Madhu Vij on 11th June, 2019, however the Nomination and Remuneration Committee has been reconstituted on 13th February, 2020.

### **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**

The Board of Trustee of the port of Mumbai has filed a money suit



for recovery of Rs. 9.64 Cr. towards alleged outstanding demurrage charges against which the Company has filed its counter claim of Rs. 10.88 Cr. towards the financial losses, interest on the investment, refund of the license fees, refund of the demurrage charges, compensation and damages etc. The matter is still pending.

An appeal before the Sales Tax Commissioner – Appeals, New Delhi is lying pending in respect of Sales Tax Demand of Rs. 1,22,00,000/- on sale of REP Licenses made in earlier years.

An appeal is lying pending before the Dy. Excise & Taxation Commissioner-Appeal, Punjab against the Order received from Excise and Taxation Deptt., Punjab in respect of Year 2009-10 and 2010-11 demanding a sum of Rs.4,50,41,414/- towards the cess imposed by the State Govt. on exports.

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

An appeal before the Customs, Excise & Service Tax Appellate Tribunal, New Delhi has dismissed the the order of Commissioner of Central Excise (Appeals), Delhi -III in respect of additional excise duty of Rs. 42,90,580/- demanded by the Excise department in connection of dispute over classification of goods - food product produced at Bahalgarh Factory- as per the Central Tariff Act. The Hon'ble CETSTAT vide its order dated 28/05/2019 has dismissed the aforesaid demand accordingly, entire pre-deposit of Rs 19.07L (Approx.) has become due to the company.

During the financial year 2016-17, the company has received an order from Hon'ble Central Excise and Service Tax Appellate Tribunal, New Delh (CETSTAT) against the order passed by Commissioner of Service Tax (Adjudication), New Delhi demanding a service tax of Rs.2,59,25,214/-. The Hon'ble CETSTAT vide its order dated 16/02/2017 has granted major relief of Rs.2,50,12,963/- against the aforesaid demand.

The Company has received Notices from the Banks under section 13(2) of The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, in the month of July, 2018 to May, 2019 and in the month of February

2020 to September 2020. The Company has replied/in process to reply the notices received from the Bank within 60 days from the date of notices. The Oriental Bank of Commerce and Punjab National Bank have served notice of Wilful Defaulter. The Company/Directors have replied to the said notices. The Company has also approached Banks with suitable resolution plan for their consideration.

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 in process of filing suitable reply of the aforesaid summon/notices with the respective Hon'ble court/ authorizes / 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, New Delhi, to appear before them along with various document, pertaining to export of pulses during the period Jan 2006 to Dec 2007. The Director/authorized representative of the company is in process to appear and submit relevant documents before the authorities/ offices / department in due course.

The Company has submitted an offer of One Time Settlement (OTS) to the Banks. The Banks have not accepted the proposal of the Company stating "the settlement proposal has been declined by competent authority and hence the same has been disposed off.". Further, the Company has requested to the Bank to reconsider the settlement proposal along with the elaborated One Time Settlement proposal (OTS). On Company request to the Banks to relook into the One Time Settlement (OTS) proposal of the Company the Company has submitted the improved One Time Settlement (OTS) proposal with the Banks, which is at present in consideration.

The Company has received Legal Notice from the Punjab National Bank, Hong Kong in regard to outstanding indebtedness due payable within 14 days from the date of the letter. The Company has replied the Bank within the stipulated time and submitted its OTS proposal and has deposited the up front amount of USD 7000/- 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 Arbitration Awards by the Hon'ble Arbitral Tribunal comprising of the sole arbitrator Mr. S G Shah Former Judge, High Court of Ahmedabad for its debtors and the Company has not received any amount, from the parties, on due date as per Award. The company is in process of taking suitable action in regard to recovery of 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.

M/s. Norton Rose Fulbright LLP. has filed petition under Section 9 of Insolvency and Bankruptcy Code, 2016, before the Honbl'e court of NCLT, Chandigarh Bench, which is not yet admitted.

M/s. Uma Polymers Limited has filed petition under Section 9 of Insolvency and Bankruptcy Code, 2016, before the Honbl'e court of NCLT, Chandigarh Bench, which is not yet admitted.

M/s. International Cargo Terminal and Infrastructure Pvt. Ltd. has filed petition under Section 9 of Insolvency and Bankruptcy Code, 2016, before the Honbl'e court of NCLT, Chandigarh Bench, which is not yet admitted.

M/s. International Cargo Terminal and Rail Infrastructure Pvt. Ltd. has filed petition under Section 9 of Insolvency and Bankruptcy Code, 2016, before the Honbl'e court of NCLT, Chandigarh Bench, which is not yet admitted.

M/s. JPS Plastics Pvt. Ltd. has filed petition under Section 9 of Insolvency and Bankruptcy Code, 2016, before the Honbl'e court of NCLT, Chandigarh Bench, which is not yet admitted.

All other litigations are mentioned in the note on Contingent Liability in the Balance Sheet for the financial year 2018-19.

### **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, 2020, 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, 2020, 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, 2020 and of the profit and loss of the Company for the year ended on that date;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a 'going concern' basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **Awards & Recognitions**

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

### **Corporate Social Responsibility**

As per provisions under Section 135 of the Companies Act, 2013, all companies having net worth of Rs. 500 crores or more, or turnover of Rs.1,000 crores or more or a net profit of Rs. 5 crores or more during any financial year are required to constitute a Corporate Social Responsibility (CSR) Committee of Board of Directors comprising three or more directors, at least one of whom

should be an Independent Director and such Company shall spend 2% of the average net profits of the Company made during the three immediately preceding financial years.

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

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

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

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

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

1. Mr. Vijay Burman (Chairman)
2. Mr. Satnam Arora
3. Mr. Gurnam Arora
4. Mr. Satish Chand Gupta (Resigned w.e.f. 28th May, 2019)

As the Average net Profit/(Loss) of the Company for last three financial years prior to 2019-20 comes to average net loss and therefore the Company is not statutorily required to spend amount as prescribed for CSR expenditure.

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

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

Kohinoor Foods also believes that a Company is as good as the people who work for it - their combined talents; skills, knowledge, experience and passion make a company what it is.

Hence, Company's continuous goal is to inspire and motivate its people to hone their talents, increase their knowledge & skills and achieve extraordinary results at their workplace. In this endeavor we have offered subsidized meals to our employees at a very nominal cost.

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

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

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

The Company has zero tolerance towards sexual harassment at the workplace. The Company has in place a Sexual Harassment Policy in compliance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Sexual Harassment Committee has been set up to redress complaints received regarding sexual harassment.

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

### **Declaration by Independent Directors**

The Company has received necessary declarations from all the

Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015.

### Board Evaluation

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

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

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

### Training of Independent Directors

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

Further, the Company issues a formal letter of appointment to Independent Directors outlining their roles, responsibilities, functions and duties as an Independent Director. The format of the letter of appointment is available on the Company's website at the link: [www.kohinoorfoods.in/investor](http://www.kohinoorfoods.in/investor)

### General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on

these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
  2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
  3. Issue of shares (including sweat equity shares) to employee of the Company under any scheme.
  4. Issue of Employees Stock Option to employee of the Company under any scheme.
  5. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
  6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future except as disclosed in the Annual Report.
1. Business Responsibility Report as per Regulation 34 (2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, describing the initiatives taken by them from an environmental, social and governance perspective is not applicable to the Company, for the financial year 2018-2019 as per the SEBI Circular SEBI/LAD-NRO/GN/2015-16/27 dated 22nd December, 2015 and Frequently Asked Questions issued by SEBI on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated 29th January, 2016.

### Acknowledgment

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

For and on Behalf of the Board

Sd/-

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

Place : Faridabad  
Date : September 28, 2020

Sd/-

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

## 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, 2020, 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 Seven Directors, including Chairman / Whole-time Director, Joint Managing Directors, Woman Director, Independent Directors.

As on 31st March, 2020, 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	√	√	√	√	√	√	√

Six (6) Board meetings were held during the Financial Year 2019-2020 and the gap between two meetings did not exceed 120 days. The dates, on which the Board meetings were held, are 29th May, 2019, 13th June, 2019, 14th August, 2019 (adjourned on 16th August, 2019), 04th September, 2019, 14th November, 2019 and 13th February, 2020.

Further the following Directors has also given their resignation from the directorship of the Company after the end of the financial year 2019-2020.

Mr. S. C. Gupta and Ms. Madhu Vij, Independent Directors of the company has resigned from the Board and Committees of Kohinoor Foods Limited w.e.f. 28th May, 2019 and 11th June, 2019 respectively due to their personal reason and the Company has also obtained and submitted to the exchange a confirmation that there are no material reason other than those provided and necessary form has been filed in this regard.

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

The names and categories of the Directors on the Board, along with their attendance at the Board Meetings held during the year ended 31st March, 2020, and at the last Annual General Meeting, and the number of other Directorship and Chairmanship/ Membership of Committees held by them, are given below:

Name of the Director	No. of Board Meetings attended during tenure	Whether attended the last AGM	No. of other Directorships*	Committee position of other Companies**		No. of Equity Shares held
				Chairman	Member	
<b>Executive (Promoter)</b>						
Mr. Jugal Kishore Arora (Whole-time Director, designated as Chairman)	4	No	1	Nil	Nil	6,653,484
Mr. Satnam Arora (Joint Managing Director)	6	Yes	2	Nil	2	5,988,923
Mr. Gurnam Arora (Joint Managing Director)	6	No	2	Nil	Nil	6,708,889
<b>Non - Executive and Independent</b>						
Mr. Vijay Burman	6	Yes	Nil	Nil	Nil	Nil
Mr. S C Gupta (Resigned w.e.f. 28 <sup>th</sup> May, 2019)	Nil	No	4	1	4	Nil
Ms. MadhuVij (Resigned w.e.f. 11 <sup>th</sup> June, 2019)	1	No	4	Nil	Nil	Nil
Mr. Sunil Sharma (Appointed w.e.f., 13 <sup>th</sup> February, 2020)	1	No	Nil	Nil	Nil	Nil
Mr. Yash Pal Mahajan (Appointed w.e.f., 13 <sup>th</sup> February, 2020)	1	No	Nil	Nil	Nil	Nil
Mrs. Mani Chandra Bhandari (Appointed w.e.f., 13 <sup>th</sup> February, 2020)	1	No	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., Indo European Foods Ltd. UK, Kohinoor Foods USA Inc. and some of the Pvt. Ltd. Companies.

He holds 6,653,484 (17.95%) Equity Shares of the Company in his own name as on 31st March, 2020.

### **Mr. Satnam Arora (DIN – 00010667) Jt. Managing Director of the Company.**

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

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

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

He holds 5,988,923 (16.16%) Equity Shares of the Company in his own name as on 31st March, 2020.

### **Mr. Gurnam Arora (DIN – 00010731) Jt. Managing Director of the Company.**

He is having vast experience and skills and has been instrumental in providing a new strategic focus to the rice industry from a commodity driven business to a branded category. After completion of Graduation degree, he joined the family business of rice trading. Over the years, Mr. Gurnam Arora learnt the intricacies of the business and demonstrated his strategic approach & acumen by successfully marketing & promoting Company's products in national & international markets. Amongst other career milestones, he has played a key role in introducing convenient packaging options and many more value additions for the consumers. He has over thirty three years of experience in rice industry.

Mr. Gurnam Arora has been looking after Domestic Marketing, Purchase, Administration, HR, Quality Control and day to day Corporate Affairs of the Company. Mr. Gurnam Arora's broad vision helped the Company to increase its value. He was the President of All India Rice Exporters Association and a member of the Basmati Development Fund, APEDA and Ministry of Commerce and also associated with various industry associations like FICCI, ASSOCHAM etc.

He is a Director of Satnam Haegens Ltd., Sachdeva Brothers Pvt. Ltd. and Indo European Foods Ltd. UK and some of the Pvt. Ltd. Companies.

He holds 6,708,889 (18.1%) Equity Shares of the Company in his own name as on 31st March, 2020.

**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, 2020.

**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, 2020.

**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 OBERAI 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, 2020.

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

She does not hold any share of the Company in his name as on 31st March, 2020.

### 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:

#### i) Audit Committee

The Company has an Audit Committee which deals in matters relating to financial reporting and internal controls. All the members are financially literate. Mr. Vijay Burman, who has the expertise in the accounting and financial management is the Chairman of the Audit Committee. Mr. 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 September, 2019 to answer member queries.

As on March 31, 2020, 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 Two (2) times i.e. on 29th May, 2019, and 13th February, 2020, and the maximum time gap between any two consecutive meetings has exceed 120 Days.

(Due to resignation of Mr. S. C. Gupta on 28th May, 2019 and Ms. MadhuVij on 11th June, 2019, the Audit Committee composition was not complete in accordance with the provisions of the Act. However, as on February 13, 2020 the Audit Committee composition is duly complete in accordance with the provisions of the Act as the company on appointment of Mr. Sunil Sharma, Mr. Yash Pal Mahajan and Mrs. Mani Chandra Bhandari w.e.f., 13th February, 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	Chairman	2
Mr. Satnam Arora	Member	1
Ms. MadhuVij (Resigned w.e.f. 11th June, 2019)	Member	1
Mr. Satish Chandra Gupta (Resigned w.e.f. 28th May, 2019)	Member	1
Mr. Sunil Sharma (Appointed w.e.f. 13th February, 2020)	Member	1
Mr. Yash Pal Mahajan (Appointed w.e.f. 13th February, 2020)	Member	1
Mrs. Mani Chandra Bhandari (Appointed w.e.f. 13th February, 2020)	Member	1

- The Board in its meeting held on February 13, 2020 reconstituted the composition of the Audit Committee with following persons: Mr. Vijay Burman (Chairman), Mr. Sunil Sharma (Member), Mr. Yash Pal Mahajan (Member) and Mrs. Mani Chandra Bhandari (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 (formerly termed as Investor's Grievance and Share Transfer Committee)

- The Company Secretary, being the Compliance Officer is entrusted with the responsibility to specifically look into the Redressal of shareholders and investors complaints and report the same to Stakeholder Relationship Committee.
- The Functioning and terms of reference of Stakeholder Relationship Committee includes:
  - To specifically look into the Redressal of investors' grievances pertaining to transfer/ transmission of shares, dividends, de-materialization/ re-materialization, replacement of lost/ stolen/ mutilated share certificates;
  - To consider the matters relating to transfer, transmission and transposition of shares, sub-division and consolidation of shares, replacement of lost/ stolen and mutilated share certificates and review of requests for de-materialization/ re-materialization of share.
- Other related issues and to strengthen investors' relations.

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

The Company received a total of 0 complaints from investors during the year 01.04.2019 to 31.03.2020, 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:

Name	Position
Mr. Vijay Burman	Chairman
Mr. Gurnam Gupta	Member
Mr. Satnam Arora	Member
Mr. Satish Chand Gupta (Resigned w.e.f.28th May, 2019)	Ex-Chairman

#### Other details

- a) Name of the Non-Executive Director heading the Committee: Mr. Vijay Burman
- b) Name and Designation of the Compliance Officer: Mr. Deepak Kaushal, Company Secretary & Manager (Legal)
- c) Number of Shareholders Complaints: The Company has received no 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.

Number of pending complaints as on 31st March, 2020: 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 One (1) times i.e. on 13th February, 2020.

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

Name	Position
Mr. Vijay Burman	Chairman
Mr. Satish Chandra Gupta (Resigned w.e.f. 28th May, 2019)	Member
Ms. Madhu Vij (Resigned w.e.f. 11th June, 2019)	Member
Mr. Sunil Sharma (Appointed w.e.f., 13th February, 2020)	Member
Mr. Yash Pal Mahajan (Appointed w.e.f., 13th February, 2020)	Member
Mrs. Mani Chandra Bhandari (Appointed w.e.f., 13th February, 2020)	Member

- Due to resignation of Mr. S. C. Gupta on 28th May, 2019 and Ms. MadhuVij on 11th June, 2019, the Nomination and Remuneration Committee composition was not complete in accordance with the provisions of the Act. However, as on February 13, 2020 the Audit Committee composition is duly complete in accordance with the provisions of the Act as the company on appointment of Mr. Sunil Sharma, Mr. Yash Pal Mahajan and Mrs. Mani Chandra Bhandari w.e.f., 13th February, 2020).
- The Board in its meeting held on February 13, 2020 reconstituted the composition of the Nomination and Remuneration Committee with following persons: Mr. Vijay Burman (Chairman), Mr. Sunil Sharma (Member), Mr. Yash Pal Mahajan (Member) and Mrs. Mani Chandra Bhandari (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 2018-19:

Name of Directors	Salary	Perquisites	Sitting Fee	Total
<b>Executive Director-Promoters</b>				
Mr. Jugal Kishore Arora (Whole time Director, designated as Chairman)	–	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	–	–	150,000	150,000
Mr. Satish Chandra Gupta (Resigned w.e.f., 22nd June, 2018)	–	–	–	–
Ms. MadhuVij (Resigned w.e.f., 22nd June, 2018)	–	–	50,000	50,000
Mr. Sunil Sharma (Appointed w.e.f., 13th February, 2020)	–	–	25,000	25,000
Mr. Yash Pal Mahajan (Appointed w.e.f., 13th February, 2020)	–	–	25,000	25,000
Mrs. Mani Chandra Bhandari (Appointed w.e.f., 13th February, 2020)	–	–	25,000	25,000
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>275,000</b>	<b>275,000</b>

### Remuneration to Executive Directors for 2019-2020

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

Further the Re-Appointment and Remunerations of Mr. Jugal Kishore Arora (DIN 00010704), Mr. Satnam Arora (DIN 00010667) and Mr. Gurnam Arora (DIN - 00010731) had been approved by the Shareholders in the 28th Annual General Meeting of the Company held on 25th September, 2017 for the period of three years subject to the approval of the Central Government. In this regard the Company had already made application to the Central Government for approval. However, the Executive Directors have forgone their remuneration for remaining months from April 2019 to March 2020.

### Non-Executive Directors' Compensation

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

### Maximum tenure of Independent Directors

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

### Formal letter of appointment to Independent Directors

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



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

During the year under review, there were no pecuniary transactions with any Non-Executive Director of the Company.

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

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

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

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

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

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

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

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

1. Mr. Vijay Burman
2. Mr. Satnam Arora
3. Mr. Gurnam Arora
4. Mr. Satish Chand Gupta (Resigned w.e.f. 28th May, 2019)

As the Average net Profit/(Loss) of the Company for last three financial years prior to 2019-20 comes to average net loss and therefore the company is not statutorily required to spend amount as prescribed for CSR expenditure.

Although the Company is not statutorily required to expend 2% of the average net profit (INR) of the last three financial years, being average net loss. The CSR Policy may be accessed on the Company's website at the link: [www.kohinoorfoods.in/investor](http://www.kohinoorfoods.in/investor)

### **Independent Directors' Meeting**

A meeting of the Independent Directors was planned in the month of March, 2020, but due to Covid-19 pandemic and lock down in the country, it could not take place. The Ministry of Corporate Affairs (MCA) vide its General Circular No. 11/2020 dated 24th March, 2020, has given relaxation for holding the meeting of Independent Directors during the financial year 2019-20.

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 30th June, 2020, 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 2019-20.

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

### **Compliances regarding Insider Trading**

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

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

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

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

Compliance Report of Kohinoor Foods Limited as on March 31st, 2020 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, 2020, 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 two Wholly Owned foreign Subsidiaries, namely M/s Kohinoor Foods USA, Inc. (USA) and Indo European Foods Limited (UK), situated outside India and one Indian Wholly Owned Subsidiary in the name of Sachdeva Brothers Pvt. Ltd.

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-subsiary.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.

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 2019-20**

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

### **Financial calendar**

Audited annual results for year ending 31st March by May

Mailing of Annual Reports by August/September

Annual General Meeting by September

Un-audited first quarter Financial Results by August

Un-audited second quarter Financial Results by November

Un-audited third quarter Financial Results by February

### Share Transfer Agent

The Company has appointed M/s Skyline Financial Services Pvt. Ltd. as its Share Transfer Agent and for processing of share transfer/de-materialization/ re-materialization. All physical transfers, transmission, transposition, issue of duplicate share certificate(s), issue of demand drafts in lieu of dividend warrants etc. as well as requests for de-materialization / re-materialization are being processed in periodical cycles at Skyline.

The work related to de-materialization/ re-materialization is handled by Skyline through connectivity with NSDL and CDSL.

### Share Transfer System

Share transfers received by the Share Transfer Agent/Company are registered within 15 days from the date of receipt, provided the documents are complete in all respects. Total number of shares transferred from physical category to dematerialized form during 2019-20 was 7363 shares versus 27388 shares during 2018-19.

### 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.kohinnorfoods.in](http://www.kohinnorfoods.in) and have also been submitted to the stock exchanges to enable them to put them on their web sites 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).

## 4. General Body Meetings

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

Year Ended	Date of AGM	Time	Venue	Special Resolutions Passed
2017	25-09-2017	11:00 A.M.	Magpie Tourist Complex (a unit of Haryana Tourism Corporation Limited), Main Mathura Road, Sector-16A, Faridabad, Haryana – 121002.	6
2018	28-09-2018	11:00 A.M.	Magpie Tourist Complex (a unit of Haryana Tourism Corporation Limited), Main Mathura Road, Sector-16A, Faridabad, Haryana – 121002.	1
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

### Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

No special resolution was passed through postal ballot last year.

### Special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

### 5. 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. 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 17, 18, 19, 33 & 34, of SEBI (LODR) Regulations, 2015; However the Company was not subject to any non-compliance and no penalties or strictures have been imposed by SEBI or any other Statutory Authority, on any matters relating to Capital Market during the last three years.

Regulation	Stock Exchange	Amount (Rs.)	Status
Regulation 33 (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 / 36,000	Paid & Waiver granted
Regulation 17 (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 for Q2 and also requested for waiver for the all quarters
Regulation 18 (Composition of Audit Committee for Q2, Q3 & Q4 FY 2019-20)	NSE/BSE	Q2 40,000 Q3 184,000 Q4 86,000	Paid for Q2 and also requested for waiver for the all quarters
Regulation 19 (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 for Q2 and also requested for waiver for the all quarters
Regulation 33 (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, 2020.

#### 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 are not suspended from trading.

**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.

**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. Vinod Aggarwal - Practising 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 2019-20, 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:-

(Amount in Rs.)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
As Statutory Auditor	11,05,584	20,20,331
For Taxation matters	2,25,000	4,50,000
Reimbursement of Expenses	-	-
For Other Matters	2,37,445	2,52,324
<b>Total</b>	<b>15,68,029</b>	<b>27,22,655</b>

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

number of complaints filed during the financial year 2019-20	0
number of complaints disposed of during the financial year 2019-20	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 a 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 its people for future leadership roles. During the year under review total number of permanent employees are 122 as

compared to last year 144. Five new appointment were made however 27 employees left 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, 2020 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				
S. No.	PARTICULARS	2020	2019	DETAILED REASON
1	Debtors Turnover	0.24	2.71	↓ because of very low turnover due to liquidity problem & the Bank account became NPA
2	Inventory Turnover	4.12	1.68	↑ due to disposal of inventory during the year and low label of closing inventory
3	Interest Coverage Ratio	(7.79)	(8.04)	-
4	Current Ratio	0.10	0.33	↓ due to losses in operation & liquidity problem faced by the company as the Bank Account became NPA
5	Debt Equity Ratio	(1.49)	(2.53)	due to erosion of net worth because of losses
6	Operating Profit Margin (%)	-70.05%	-46.20%	because of losses in operations due to low volume of sale and liquidity problem
7	Net Profit Margin (%)	-716.25%	-96.44%	because of losses in operations due to low volume of sale and liquidity problem
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> December, 2020
Time	:	11:00 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	:	23.12.2020 to 29.12.2020 (both days inclusive)
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 2020-2021 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

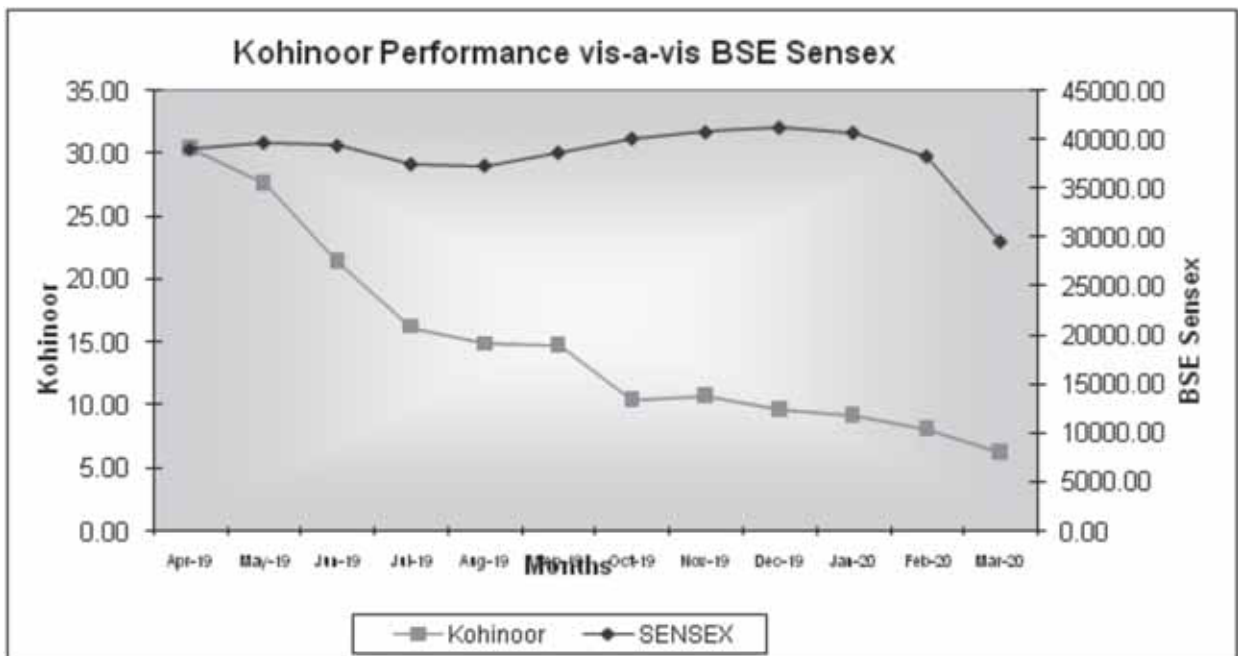
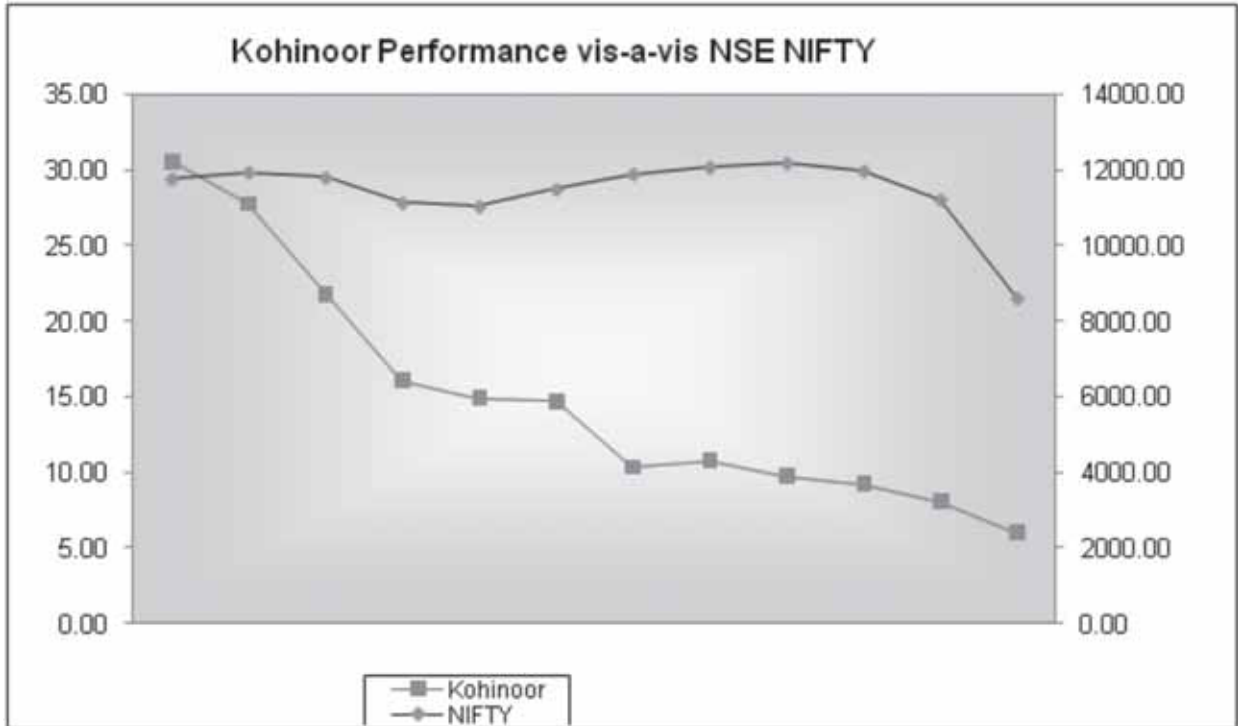


## STOCK MARKET DATA

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.)
April 2019	32.10	29.00	31.90	28.90
May 2019	30.25	25.25	30.00	25.25
June 2019	28.40	15.10	27.75	15.10
July 2019	17.70	14.40	17.70	14.75
August 2019	16.55	13.25	16.50	13.20
September 2019	16.30	13.10	16.45	13.00
October 2019	13.30	7.40	13.45	7.40
November 2019	12.50	9.05	12.80	8.70
December 2019	11.15	8.30	10.99	8.29
January 2020	9.90	8.65	9.84	8.62
February 2020	9.10	7.00	9.00	7.13
March 2020	7.35	4.65	7.69	4.75

**S&P CNX Nifty/Sensex vis-à-vis Kohinoor Foods**  
**Relative Price Movements April 2019 – March 2020 (Base price as on 1st April 2019)**



### 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, 2020.

Distribution of Shareholding as on 31st March, 2020, as per SEBI (LODR) Regulations, 2015.

SHARE NOMINAL VALUE (RS.)		SHARE HOLDERS		TOTAL SHARES	
		No.	% age	Total	% of Total
1	5,000	23456	87.88	29605810	7.99
5001	10,000	1729	6.48	14223800	3.84
10001	20,000	798	2.99	12179600	3.29
20001	30,000	279	1.05	7210330	1.94
30001	40,000	121	0.45	4308380	1.16
40001	50,000	95	0.36	4465170	1.2
50001	1,00,000	127	0.48	9346720	2.52
1,00,000	Above	85	0.32	289375490	78.06
	<b>Total</b>	<b>26690</b>	<b>100</b>	<b>370715300</b>	<b>100</b>

### Category of Shareholders as on 31st March 2020

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	121741	0.33
Insurance Companies	0	0.00
Foreign Institutional Investors	0	0.00
Foreign Companies	7048306	19.01
Domestic Companies/Bodies Corporate	418710	1.13

Category	No. of Shares of Rs. 10 each	Percentage (%) of Total
Non-resident Individual	255535	0.69
Others	1280	0.00
Individual Shareholders	8557947	23.08
HUF	381658	1.03
Clearing Member/House	51113	0.14
<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 31st March 2020. (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)	3,10,04,104	87.98	13,201	47.14
Central Depository Services (India) Ltd. (CDSL)	38,09,651	10.81	9,700	34.64
Physical Form	4,27,775	1.21	5,105	18.23
<b>Total</b>	<b>3,52,41,530</b>	<b>100.00</b>	<b>28,006</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). However BSE has closed the application and approval from NSE is yet to be received. The paid up Share Capital of the Company is amounting to Rs. 370,715,300/- comprising of 37,071,530 equity shares of Rs. 10/- each.

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, 2020 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, 2019-2020, the total dematerialized equity shares of the Company is 36,643,755 Equity Shares forming 98.85% of the total share capital of the Company.

### 17. Promoters Shareholding

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

### 18. Un-Paid Dividend of Shareholders

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

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 sustain ability 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 2019-20 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 2019-20 is available in downloadable form on company 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 2020.

### FOR AND ON BEHALF OF THE BOARD

Date : 28th September 2020

Place : Faridabad

Sd/-

Satnam Arora

Jt. Managing Director

DIN: 00010667

Sd/-

Gurnam Arora

Jt. Managing Director

DIN: 00010731

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Member,  
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, 2020 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 except the following:

*“There was delay in appointment of Independent directors including Woman Director and the composition of Audit Committee & Nomination and Remuneration Committee was not complete in accordance with the provisions of the Act & Listing Regulations, during the year under review. However, as on March, 31, 2020, the Company has appointed Independent Directors including Woman Director and the composition of the Board and Audit Committee & Nomination and Remuneration Committee is in compliance with the Act & Listing Regulations.”*

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.

For **Rajender Kumar Singal & Associates LLP**

CHARTERED ACCOUNTANTS

FRN : 016379N

Sd/-

Shashi Pal Rawat

Partner

Membership No. 413795

UDIN: 20413795AAAAAU4099

Place: New Delhi

Date: 23.11.2020

## 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 Faridabad Haryana – 121 001 (India), (hereinafter 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 2020 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.

For **Vinod Aggarwal & Associates**

Company Secretaries

Sd/-

Vinod Aggarwal, Prop.

FCS No.: 8007

CP No.: 8816

ICSI-UDIN: F008007B000793605

Place: New Delhi

Date: 03.12.2020



## 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 2020

The Board of Directors,  
Kohinoor Foods Limited

Dear Members of the Board,

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

- A. We have reviewed financial statements and the cash flow statement for the year 2019-20 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.

Place : Faridabad  
Date : 28.09.2020

Sd/-  
Satnam Arora  
Jt. Managing Director

Sd/-  
Kamal Deep Chawla  
(CFO)

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2020

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

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

We were appointed by the Board of Directors of M/s Kohinoor Foods Limited to conduct the Secretarial Audit of the Company for the financial year ended on 31st March, 2020.

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, 2020 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, 2020 according to the provisions of:

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

(h) The Securities and Exchange Board of India (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 except the following:

*"There was delay in appointment of Independent directors including Woman Director and the composition of Audit Committee & Nomination and Remuneration Committee was not complete in accordance with the provisions of the Act & Listing Regulations, during the year under review. However, as on March, 31, 2020, the Company has appointed Independent Directors including Woman Director and the composition of the Board and Audit Committee & Nomination and Remuneration Committee is in compliance with the Act & Listing Regulations."*

(b) Adequate notice of at least 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: New Delhi

Date: 28.09.2019

**For Vinod Aggarwal & Associates**

Company Secretaries

Sd/-

**Vinod Aggarwal, Prop.**

FCS No: 8007

CP No: 8816

ICSI-UDIN: F008007B000793605

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

## Annexure A

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

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

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

Place: New Delhi  
Date: 28.09.2020

**For Vinod Aggarwal & Associates**  
Company Secretaries  
Sd/-  
**Vinod Aggarwal, Prop.**  
FCS No: 8007  
CP No: 8816  
ICSI-UDIN: F008007B000793605

### 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, 2020.

#### A. Conservation of Energy

Improvement of methods of Energy Conservation and optimal utilization of Energy in all operations, continued to receive close attention. Company is always conscious to conserve energy through improved methods of operations and design. In this regard the Company has introduced energy saving features in the systems and monitors by which the user saves the power consumption to a considerable extent. The company's efforts towards energy conservation resulted in reduction in power and fuel expenses by 33.09% from Rs. 2.62 crores last year to Rs. 1.76 crores during the current year.

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

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

Research & Development has always been a focus area at Kohinoor Foods Ltd. during the year the Company has put special efforts in research and development. As the company had also started production in its new food factory at Sonepat, which has state of art R & D facility The R&D team of the Company has worked on a number of areas, more specifically in the areas of frozen foods. This has resulted in the Company being able to launch a range of products in the Kohinoor 'Ghee' and introduction of new range product variants e.g. Rice Bran Oil, Dry Fruits, Healthy grain, in both Ready to Eat & Ready to Cook segments. We expect to notch up good numbers in the next financial year through some exciting product launches and expanding & streamlining the distribution network. The company is also perusing R & D activities in the organic food product. During the year there is an increase of 5.21% in R & D expenditure by the company, amounting to Rs. 6.63 lakhs against the last year amount of Rs. 6.30 lakhs.

##### ii) Future plan of action

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

##### iii) Expenditure on R&D

a) Capital	:	Nil
b) Recurring	:	Rs. 6,63,335/-
c) Total	:	Rs. 6,63,335/-

Total R&D expenditure is 0.21% of Turnover.

#### C) Technology Absorption, Adaptation and Innovation

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

#### D) Foreign Exchange Earnings and Outgo

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

Foreign Exchange Earnings of the Company amounted to Rs. 1.83 Lacs as against Foreign Exchange Outgo of Rs. 580.45 Lacs 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 effected, during the year. However, the Company has strong Global Network and expect the exports to revive soon.

Date : 28th September, 2020

Place : Faridabad

Sd/-

Satnam Arora

Jt. Managing Director

DIN: 00010667

FOR AND ON BEHALF OF THE BOARD

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, 2020  
 [Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12  
 (1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i) CIN	L52110HR1989PLC070351
ii) Registration Date	26 <sup>th</sup> July, 1989
iii) Name of the Company	<b>Kohinoor Foods Limited</b>
iv) Category / Sub - Category of the Company	<b>Public (Listed) Company</b>
v) Address of the Registered/Corporate office and contact details:	Pinnacle Business Tower, 10th Floor, Shooting Range Road, Surajkund, Faridabad, Haryana- 121001 Phone: +91-129-424-2222, Fax:+91-129-424-2233 Email: info@kohinoorfoods.in Website: www.kohinoorfoods.in
vi) Whether listed company Yes / No	YES
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Skyline Financial Services Pvt. Ltd., Off: D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020, Ph. No. 011- 40450193 to 97

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S.NO	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1.	Rice and Food	2042 & 2180	37% & 63%

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

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

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

#### i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year			No. of Shares held at the end of the year				% Changing During Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
<b>A. Promoter</b>									
<b>(1) Indian</b>									
a) Individual / HUF	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>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>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Changing During Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
<b>(2) Foreign</b>									
a) NRIs –	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other.....	0	0	0	0	0	0	0	0	0
<b>Sub-Total</b>									
<b>(A) (2):-</b>									
<b>Total shareholding of Promoter</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>(A) = (A)(1)+(A)( 2)</b>									
<b>B. Public Share</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	187887	0	187887	0.51	121741	0	121741	0.33	-0.18
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
i) Others (specify)	60000	0	60000	0.16	10000	0	10000	0.03	-0.31
<b>Sub-total (B)(1):-</b>	<b>247887</b>	<b>0</b>	<b>247887</b>	<b>0.67</b>	<b>131741</b>	<b>0</b>	<b>131741</b>	<b>0.36</b>	<b>-0.31</b>
<b>2. Non Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	620098	34376	654474	1.77	384334	34376	418710	1.13	-0.64
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(I) Individual shareholders holding nominal share capital upto Rs. 1 lakh	6482724	383524	6866248	18.52	7593904	393399	7987303	21.55	3.03



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Changing During Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1080584	16200	1096784	2.96	570644	0	570644	1.54	-0.42
<b>c) Other specify</b>									
N.R.I. (Rept & Non-Rept)	263741	0	263741	0.71	255535	0	255535	0.69	-0.02
Public Trusts	0	0	0	0	0	0	0	0	0
Corporate Bodies-Intermediary/Other Depository A/c	70483	0	70483	19.0	70483	0	70483	19.0	0
Hindu Undivided Family	0	0	0	0	0	0	0	0	0
Clearing Members/House	414345	0	414345	1.12	381658	0	381658	1.03	-0.09
Qualified Foreign Investor-Individual	254505	0	254505	0.69	51113	0	51113	0.14	-0.55
Qualified Foreign Investor-Corporate	0	0	0	0	0	0	0	0	0
NBFC's Registered	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	1280	0	1280	0.00	0
<b>Sub-total (B)(2):-</b>	<b>16164303</b>	<b>434100</b>	<b>16598403</b>	<b>44.78</b>	<b>16286774</b>	<b>427775</b>	<b>16714549</b>	<b>45.09</b>	<b>0.31</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>16412190</b>	<b>434100</b>	<b>16846290</b>	<b>45.44</b>	<b>16418515</b>	<b>427775</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>36637430</b>	<b>434100</b>	<b>37071530</b>	<b>100.00</b>	<b>36643755</b>	<b>427775</b>	<b>37071530</b>	<b>100.00</b>	<b>0.00</b>

### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Gurnam Arora	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
	Total	20225240	54.56	-	20225240	54.56	-	0

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Gurnam Arora				
	At the beginning of the year	6708889	18.1	6708889	18.1
	Date wise Increase / Decrease in Promoters Share holding during the year	-		-	-
	specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	6708889	18.1	6708889	18.1
	Satnam Arora	No. of	% of total	No. of	% of total
	At the beginning of the year	5988923	16.16	5988923	16.16

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative	
		No. of Shares at the beginning (01-04-18)	% of total shares of the Company				No. of Shares	% of total shares of the company
1.	Al Dahra International Investments LLC	7048306	19.01	-	-	-	7048306	19.01
2.	United India Insurance Company Limited	117081	0.32	-	-	-	117081	0.32
3.	Dilip Kumar Khandelwal	88000	0.24	-	10555	-	88000	0.24
4.	Neha Jain	30000	0.08	07.06.2019 14.06.2019 20.09.2019 04.10.2019 13.12.2019	13706 16294 68587 30109 31647	Sale Sale Purchase Sale Purchase	70125	0.19
5.	Maple Credits Pvt. Ltd	0	0	27.03.2020 20.09.2019	50000 10000	Purchase Purchase	50000	0.13
6.	Ashok Kumar Lahiri	0	0	08.11.2019 08.11.2019 20.12.2019 03.01.2020 27.03.2020	10000 5000 5000 15000 3686	Purchase Purchase Purchase Purchase Purchase	48686	0.13
7.	Mamta Mundra	20000	0.05	04.10.2019 25.10.2019 28.02.2020	50 5000 17867	Purchase Purchase Purchase	42917	0.12
8.	Manjit Singh Komal	34999	0.09	06.09.2019 11.12.2019 22.11.2019 31.01.2020	1332 485 2369 835	Sale Purchase Purchase Purchase	40020	0.11
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.

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative	
		No. of shares at the beginning (01-04-18) /end of the year (31-03-2020)	% of total shares of the Company				No. of Shares	% of total shares of the company
1.	Jugal Kishore Arora (Chairman)	6653484	17.95	01.04.2019	-	-	6653484	17.95
		6653484	17.95	31.03.2020	-	-	6653484	17.95
2.	Satnam Arora (Jt.M.D)	5988923	16.16	01.04.2019	-	-	5988923	16.16
		5988923	16.16	31.03.2020	-	-	5988923	16.16
3.	Gurnam Arora (Jt.M.D)	6708889	18.1	01.04.2019	-	-	6708889	18.1
		6708889	18.1	31.03.2020	-	-	6708889	18.1
4.	Vijay Burman (Non-Executive & Independent Director)	-	-	01.04.2019	-	-	-	-
		-	-	31.03.2020	-	-	-	-
5.	Satish Chandra Gupta (Non-Executive & Independent Director) (Resigned w.e.f. 28/05/2019)	-	-	01.04.2019	-	-	-	-
		-	-	31.03.2020	-	-	-	-
6.	MadhuVij (Non-Executive (Non-Executive & Independent Director) (Resigned w.e.f. 11/06/2019)	-	-	01.04.2019	-	-	-	-
		-	-	31.03.2020	-	-	-	-
7.	Sunil Sharma (Non-Executive & Independent Director) (Appointed w.e.f. 13/02/2020)	-	-	01.04.2019	-	-	-	-
		-	-	31.03.2020	-	-	-	-
8.	Yash Pal Mahajan (Non-Executive & Independent Director) (Appointed w.e.f. 13/02/2020)	-	-	01.04.2019	-	-	-	-
		-	-	31.03.2020	-	-	-	-

9.	Mani Chandra Bhandari (Non-Executive & Independent Director) (Appointed w.e.f. 13/02/2020)	-	-	01.04.2019	-	-	-	-
		-	-	31.03.2020	-	-	-	-
<b>Key Managerial Personnel</b>								
	Kamal Deep Chawla (CFO)	-	-	01.04.2019	-	-	-	-
		-	-	31.03.2020	-	-	-	-
	Ankit Sharma (CS & Compliance Officer)(Appointed w.e.f. 13/06/2019 and resigned w.e.f. 10/07/2019)	-	-	01.04.2019	-	-	-	-
		-	-	31.03.2020	-	-	-	-
	Deepak Kaushal (CS & Compliance Officer) (Appointed w.e.f., 14/08/2019)	-	-	01.04.2019	-	-	-	-
		-	-	01.04.2019	-	-	-	-

### V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
I) Principal Amount	6,730,701,767	275,582,085	-	7,006,283,852
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>6,730,701,767</b>	<b>275,582,085</b>	<b>-</b>	<b>7,006,283,852</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	-	517,533,628	-	517,533,628
· Reduction	-44,395,705	-	-	-44,395,705
<b>Net Change</b>	<b>-44,395,705</b>	<b>517,533,628</b>	<b>-</b>	<b>473,137,923</b>
<b>Indebtedness at the end of the financial year</b>				
I) Principal Amount	6,686,306,062	793,115,713	-	7,479,421,775
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due*	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>6,686,306,062</b>	<b>793,115,713</b>	<b>-</b>	<b>7,479,421,775</b>

\* The company has not provided interest to the extent of Rs. 8296.18 Lacs for current years (Rs. 5452.28 Lacs for previous year) and Rs. 13748.46 Lacs up to 31-03-2020 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:

Sl. No.	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.	<b>Sweat Equity</b>	-	-	-	-
4.	<b>Commission - as % of profit - others, specify...</b>	-	-	-	-
5.	<b>Others, please specify</b>	-	-	-	-
	<b>Total (A)</b> <b>Ceiling as per the Act</b>	-	-	-	-

The Executive Directors have forgone their remuneration for the months from April 01, 2019 to March 31, 2020.

#### B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors						Total Amount
	Mr. Vijay Burman	Mr. S.C. Gupta*	Mrs. Madhu Vij	Mr. Sunil Sharma	Mr. Yas Pal Mahajan	Mrs. Mani Chandra Bhandari	
<b>1. Independent Directors</b>							
· Fee for attending board / committee meetings	150,000	-	50,000	25,000	25,000	25,000	275,000
· Commission -	-	-	-	-	-	-	-
· Others, please specify	-	-	-	-	-	-	-
<b>Total (1)</b>	<b>150,000</b>	<b>-</b>	<b>50,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>275,000</b>
<b>2. Other Non-Executive Directors</b>							
· Fee for attending board / committee meetings	-	-	-	-	-	-	-
· Commission -	-	-	-	-	-	-	-
· Others, please specify	-	-	-	-	-	-	-
<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (B)=(1+2)</b>	<b>150,000</b>	<b>-</b>	<b>50,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>275,000</b>
<b>Total Managerial Remuneration</b>	<b>150,000</b>	<b>-</b>	<b>50,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>275,000</b>
Overall Ceiling as per the Act							

\* (Mr. SC Gupta resigned w.e.f. 28/05/19)

\*\* (Ms. MadhuVij resigned w.e.f. 11/06/19)

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
<b>1.</b>	<b>Gross salary</b>				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	827,067	3,048,145	3,875,212
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
<b>2.</b>	<b>Stock Option</b>	-	-	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-	-	-
<b>4</b>	<b>Commission - as % of profit others, specify...</b>	-	-	-	-
<b>5</b>	<b>Others, please specify</b>	-	-	-	-
	<b>Total</b>	-	<b>827,067</b>	<b>3,048,145</b>	<b>3,875,212</b>

\* Mr. Ankit Sharma, was appointed as CS and Manager (Legal) w.e.f., 13th June, 2019 & resigned w.e.f., 10th July, 2019 & Mr. Deepak Kaushal was appointed as CS and Manager (Legal) w.e.f., 14th August, 2019.

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

There are no penalties/punishment/compounding of offences against Kohinoor Foods Limited and its Directors and Officers for the year ended on 31st March, 2020.

Regulation	Stock Exchange	Amount (Rs.)	Status
Regulation 33 (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 / 36,000	Paid & Waiver granted
Regulation 17 (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 for Q2 and also requested for waiver for the all quarters
Regulation 18 (Composition of Audit Committee for Q2, Q3 & Q4 FY 2019-20)	NSE/BSE	Q2 40,000 Q3 184,000 Q4 86,000	Paid for Q2 and also requested for waiver for the all quarters
Regulation 19 (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 for Q2 and also requested for waiver for the all quarters
Regulation 33 (delay in submission of Financial Result for Q4 FY 2020-21)	NSE/BSE	130,000	Paid



## ANNEXURE-D

Disclosures 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 to the median remuneration of employees of the Company and the Percentage increase in remuneration of Directors & KMPs in the Financial Year:

S. No.	Name of Director/KMP	Designation	Ratio of remuneration of each director to median remuneration of Employees	Percentage increase in remuneration during FY 2018-19
1	Mr. Jugal Kishore Arora	Chairman	-	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	12.03	0.00%
5	Mr. Ankit Sharma *	Company Secretary	0.29	0.00%
6	Mr. Deepak Kaushal **	Company Secretary	2.99	0.00%

3)	Percentage increase in the median remuneration of employees in the financial year	4.42%
4)	Number of permanent employee on the roll of Company as at March 31, 2020	122
5)	Explanation on the relationship between average increase in remuneration and company Performance.	There was no increase in employees remuneration during the year.

(Rs. in Million)

6)	Comparison of remuneration of Key managerial Remuneration against the performance of the company	Total Turnover	317.95
		Total Remuneration to KMP	3.88
		Total Remuneration of KMP as % to total revenue	1.22%
7) i	Variation in market capitalization of the company as at March 31, 2020	Market capitalization decreased from Rs. 1156.63 million as on 31 <sup>st</sup> March 2019 to Rs. 285.08 million as on 31 <sup>st</sup> March 2020	
ii	Price earning ratio of the Company	N/A	
iii	Percentage increase over/decrease in the market quotation of the shares of the company as compared to the rate at which the company come out with the last Public offer in the year	N/A	
8)	Average percentile increase already made in the salaries of the employee other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration	There was no increase in managerial remuneration and in the salaries of employees other than the managerial personnel.	

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

S. No.	Name of KMPs	Remuneration in FY 2019-20 (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	3.05	0.96%
5	Mr. Ankit Sharma *	0.07	0.00%
6	Mr. Deepak Kaushal **	0.76	0.24%
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.	

\* Mr. Ankit Sharma was appointed w.e.f., 13th June, 2019 & resigned w.e.f., 10th July, 2019.

\*\* Mr. Deepak Kaushal was appointed w.e.f., 14th August, 2019.

### Independent Auditors' Report

#### TO THE MEMBERS OF KOHINOOR FOODS LIMITED

#### Qualified Opinion.

We have audited the accompanying Standalone Ind AS financial statements of Kohinoor Foods Limited ("the Company"), which comprise the Balance Sheet as at March 31st, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects/possible effects of the matters described in paragraph under 'Basis for Qualified Opinion'**, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31st, 2020, and profit/loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Qualified opinion

1. In reference to Note No. 41 in the standalone financial 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 Resolution plan submitted to the Banks by company and the interest shown by prospective investors in the company. However, in view of default in repayment of borrowings, default in payment of undisputed statutory dues, one time settlement proposal declined by banker, significant decline of revenue, continuous losses, negative cash flows and negative net worth, resignation of KMP and senior management and due to financial constraints, material uncertainty exists about the company's ability to continue as going concern and the decision of the management of the company to prepare the accounts of the company on going concern basis. 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. Loss of the company is understated by ₹ 8296.18 lakhs (approx.) due to non-provisioning of interest on bank loans during the financial year 2019-20 (₹ 5452.28 lakhs (approx.) for the year ended March 31st 2019) and ₹ 13748.46 lakh (approx.) from the date on which the account of the company was classified as NPA to the period covered under audit. 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 not provided in books of account of the company is not ascertainable with accuracy.
3. In reference to note no. 30 to the statement related to bad debts, we have been informed by the management that the company has received arbitration awards from the Hon'ble Arbitral Tribunal comprising of sole arbitrator Justice S.G. Shah in respect of agents through whom sales were made to various debtors. On the basis of above award, the company has written-off the balances of some debtors amounting to ₹ 14572.27 lakhs. Besides this, the company has also written off ₹ 3020.55 lakh as bad debts due from domestic/ export debtors which were long outstanding and payment from which could not be realized.

Further as per informed by the management, "The debtors are facing financial difficulties due to present covid19 situation and they do not expect to realize more than 25% of the amount due". So, management made an ad hoc provision of ₹ 5316.36 lacs for bad and doubtful debts on remaining debtors.

The management of the company has provided balance confirmation of some debtors. However, as per explanation given by management, "The company has dispute with its debtors due to quality issue of rice". In light of these circumstances third-party confirmation directly from debtors are more reliable than evidence provided internally by the entity. In the absence of above third-party confirmation, goods return by debtors, dispute with debtors, write-off significant debtors as bad debts and very small recovery of amount from debtors till the date of audit, we are unable to comment on realizability of amount due from debtors and its possible effect on Standalone Financial statement of the company.

4. The management of company has provided some confirmation of accounts of creditors. In light of the present circumstances of the audit, audit evidence in the form of external confirmations received directly by the auditor from confirming parties may be more reliable than evidence generated internally by the entity. In the absence of above third-party confirmation directly from creditors, we are unable to comment on actual liability to creditors (including squared up accounts) and its possible effect on financial statement of the company.
5. In reference to revenue recognition, during the financial year there was sales return of ₹ 8205.96 lakhs due to inferior quality of rice. Due to the large quantity of sales return, it appears that the company has not satisfied its performance obligation by not transferring a promised goods and hence still retaining significant risk and reward associated with goods. Thus, it cannot be

identified at which point of time performance obligation is satisfied due to uncertainty about transfer of risk & reward, absence of customer specification, absence of acceptance of goods by customer and absence of sales return policy. Given these circumstances, revenue recognition by the company is not in line with Ind AS 115 for Revenue Recognition, Further customer's ability to pay the consideration deteriorates significantly, it indicate the significant changes in fact and circumstances, entity should re-assess the criteria for accounts for contract with customer, In such cases, it is not be probable that the economic benefits associated with the transaction will flow to the company until the consideration is received by its buyers and the uncertainty is removed we are unable to comment its impact on standalone financial statement.

6. During the period under audit, the company entered into sale and purchase transactions with the same parties and has recognised Revenue without negating the effect of re-purchase of goods from debtors and re-sale of goods to creditors. As per information and explanation given by management, each transaction is a separate transaction and not related to each other as quality of goods sold and purchased are different. However, we have not been provided any quality wise record of sale & purchase, and, hence in the absence of such record we are unable to comment whether such re-purchased goods from debtor is purchase or sales return and its impact on Standalone Financial statement.
7. The investment of the company in M/S. Indo European Food Limited a UK based subsidiary company is amount of ₹ 4959.42 Lacs. In reference to note no 2.2 of standalone financial statements of M/S. Indo European Food Limited a UK based subsidiary company read with auditor opinion on Materiality uncertainty related to going concern, which indicate that there are material uncertainties identified that may cast significant doubt on the company's ability to continue as a going concern hence we are unable to comment on its impact on carrying amount of investment.
8. An amount of ₹ 1346.65 lakh has been outstanding from its U.K. based subsidiary company, Indo-European Food Limited since long. It includes a stand by letter of credit amounting to ₹749.86 Lakh (GBP 7,98,837/-) invoked by OBC bank on the account of default made by Indo-European Food Limited. Due to material uncertainties identified that may cast significant doubt on the company's ability to continue as a going concern, we are unable to comment on realizability of such amount.
9. We were not provided with the balance confirmation and reconciliation, if any, of some bank accounts appearing in books of accounts of the company. In the absence of having aforementioned confirmation and reconciliation, the impact thereof is unascertainable, and therefore, is not being commented upon in this report.
10. Refer to note no. 16 to the statement of financial statement, corporate guarantee invoked by PNB bank Hongkong against loan given to one of its subsidiary company Kohinoor food USA Inc. The company has made provision against the above corporate guarantee for an amount of ₹ 3605.41 Lakhs (USD 47,83,816). However, in the absence of audited balance sheet of Kohinoor food USA Inc. and confirmation from PNB Bank Hongkong, we are unable to comment on extent of provision required and its consequential impact on financial statement.

### Emphasis of Matters

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

- (1) As stated in Note38 to the standalone financial statements, the company has not made Provision for the demand raised by various authorities as the matters are pending before various appellate forum. We are unable to comment upon possible impact in the standalone financial statement for the year ended 31st March 2020.
- (2) As stated in Note No 12 in the standalone financial statement, the company has allotted 18,30,000 equity shares on conversion of warrant into equity shares issued on preferential basis to its promoters. The company has filed application for listing of 18,30,000 equity shares to both the stock exchange (NSE & BSE). As per information provided by management such application is closed by BSE due to non-submission of documents by the company and due to which these shares are not yet dematerialised. The consequential effect the above, on the standalone financial statement is not ascertainable.
- (3) We draw attention to Note No. 16 of Standalone financial statement of the company, that the lead consortium bank "Oriental Bank of Commerce" have filed an application against company under section 7 of the Insolvency and Bankruptcy code, 2016 before National Company Law Tribunal (NCLT) Chandigarh bench and the matter is adjourned to next date 14th September 2020. Further, certain operational creditors M/S. Norton Rose Fulbright, M/S. Uma Polymers, International Cargo Terminal & Infrastructure (P) Ltd, International Cargo Terminal & Rail Infrastructure (P) Ltd and JPS Plastic have also filed an application against company under section 9 of the Insolvency and Bankruptcy code, 2016 before National Company Law Tribunal (NCLT) Chandigarh bench. The NCLT has fix the next date of hearing on 21st September 2020, 29th September 2020, 15th September 2020, 15th September 2020 and 01st September 2020 respectively.
- (4) In reference to note no. 28 to the standalone 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.

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.

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

### **Auditor's Responsibility**

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

### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub - section (11) of section 143 of the Act, we give in the Annexure A, a statement on the Matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit; except as stated in para under the head "Basis for Qualified Opinion".
  - b) Except for the effects/possible effects of the matters described in the "Basis for Qualified Opinion" paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The standalone financial statement dealt within the report are in agreement with the books of account and return;
  - 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, 2020, from being appointed as a director in terms of Section 164 (2) of the Act;

- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 38 to the financial statements;
- ii. Except as matter described under "basis for qualified opinion" and "Emphasis of matter" paragraph, the company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 15 and 20 to the financial statements;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**Place: New Delhi**

**Date: 28/08/2020**

**For RAJENDER KUMAR SINGAL & ASSOCIATES LLP**

(CHARTERED ACCOUNTANTS)

FRN NO.: 016379N

**Sd/-**

**Shashi Pal Rawat**

**Partner**

Membership No. 413795

ICAI UDIN No. 20413795AAAAAL3692

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2020, we report that:

- (i) (a) According to explanation given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to explanation given to us, fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification. However, we 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.
- (ii) According to information and explanation given to us physical verification of inventory has been conducted at reasonable intervals by the management. However, due to lockdown imposed because of covid19, the company could not carry the physical verification of stock at the end of financial year. The above said inventories are based upon the physical inventories taken as at 31-05-2020 by actual count and weight and adjusted for the movement after 31st march, 2020 till the date of physical verification. Further, according to information and explanation given to us no material discrepancy was noticed in such verification by management.
- (iii) According to information and explanation given to us the Company has not granted unsecured loans to company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to information and explanation given to us 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.
- (vi) To the best of our knowledge and explanation given to us, the cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act have been made and maintained by the company. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is not regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, Goods and service tax cess and other statutory dues to the appropriate authority. However, the arrears of outstanding statutory dues as on the last day of the financial year is concerned for the period of less than six months from the date, they become payable.
- (b) According to information and explanations given to us, the following dues of income tax, sales tax, service tax, duty of excise, and value added tax have not been deposited by the Company on account of disputes:

Nature of Dues	Amount (Rs. in Lacs)	Period to which the Amount relates	Forum where dispute is pending
Income Tax	346.70	2002-03 to 2008-09	High Court of Delhi
Income Tax	57.32	2002-03 to 2008-09	ITAT Delhi
Income Tax	3,679.11	2010-11	ITAT Delhi
Income Tax	1,615.97	2011-12	ITAT Delhi
Income Tax	2,294.97	2012-13	CIT (A)
Income Tax	671.21	2013-14	CIT (A)
Income Tax	1,251.89	2014-15	CIT (A)
Income Tax	404.83	2016-17	CIT (A)
Sales Tax-Delhi	122.00	1991-92 to 2000-01	Commissioner of Sales Tax (Delhi)
Excise & Taxation Department- Amritsar	455.82	2009-10 to 2011-12	Deputy Excise & Taxation Commission (Appeal)
Sales Tax-Haryana	732.35	2008-09	Tribunal, Chandigarh
Sales Tax-Haryana	27.08	2014-15	Jt. Excise and Taxation Commissioner (Appeals), Rohtak
Sales Tax-Haryana	25.56	2010-11	Jt. Excise and Taxation Commissioner (Appeals), Rohtak
Sales Tax-Haryana	28.51	2009-10	Tribunal, Chandigarh
Sales Tax-Haryana	46.39	2012-13	Jt. Excise and Taxation Commissioner (Appeals), Rohtak
Excise Duty	42.90	April 2005 to February 2006	Customs, Excise & Service Tax Appellate Tribunal, New Delhi
Service Tax	9.12	2004-05 to 2008-09	Service Tax Appellate Tribunal (New Delhi)

(viii) Based on our audit procedure and as per the information and explanation given to us, we are of the opinion that the company has defaulted in repayment of loan or borrowing to bank and financial institution. The lender wise default is as under:

SI No.	Name of Bank	Total default amount* (Rs in Lakh)	Maximum delay (in days)
1.	Allahabad bank	15,032.84	728
2.	Bank of India	7,562.68	729
3.	ICICI Bank	6,532.34	637
4.	IDBI Bank	4,875.21	709
5.	Oriental Bank of Commerce	25,654.12	733
6.	Punjab National Bank	4,292.62	754
7.	State Bank of India	2,967.44	730
8.	Sundaram Finance Limited	24.87	521
9.	Religare Finvest Limited	50.54	476

\*excluded amount of interest not provided in books of accounts



- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) however, the company has raised term loan during the year under audit.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us managerial remuneration paid or provided in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Ind accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records, during the year the company has not made preferential allotment/private placement of shares.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**Place: New Delhi**

**Date: 28/08/2020**

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

FRN NO.: 016379N

**Sd/-**

**Shashi Pal Rawat**

**Partner**

Membership No. 413795

ICAI UDIN No. 20413795AAAAAL3692

## Annexure – B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Kohinoor Foods Limited (“the Company”) as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

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

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

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

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

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

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

## Basis for Qualified Opinion

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

According to information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31st, 2020.

1. The Company's did not have an appropriate internal control system for
  - (a) Customer acceptance;
  - (b) Customer credit evaluation;
  - (c) Establishing customer credit limit for sales;
  - (d) Acceptance of goods by customers and transfer of risk & reward at the time of sales.

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 for qualified opinion, the Company has maintained, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, 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, 2020 standalone financial statements of the Company and these material weaknesses does not affect our opinion on the standalone financial statements of the Company.

Place: New Delhi

Date: 28/08/2020

For RAJENDER KUMAR SINGAL & ASSOCIATES LLP

(CHARTERED ACCOUNTANTS)

FRN NO.: 016379N

Sd/-

**Shashi Pal Rawat**

**Partner**

Membership No. 413795

ICAI UDIN No. 20413795AAAAAL3692

### BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2020

(Rs. In Lacs)

PARTICULARS	NOTE	As at 31-March-2020	As at 31-March-2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	18,184.45	19,267.82
Financial Assets			
Investments	4	4,969.18	4,969.18
Other Non Current Assets	5	89.62	89.67
Deferred Tax Assets (Net)	6	499.34	355.65
<b>Total</b>		<b>23,742.59</b>	<b>24,682.32</b>
<b>Current Assets</b>			
Inventories	7	505.15	1,024.36
Financial Assets			
Trade Receivables	8	4,635.47	21,195.30
Cash and Cash Equivalents	9	42.00	102.18
Other Financial Assets	10	1.81	2.05
Other Current Assets	11	2,470.59	2,807.28
<b>Total</b>		<b>7,655.02</b>	<b>25,131.16</b>
<b>TOTAL ASSETS</b>		<b>31,397.61</b>	<b>49,813.48</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	3,707.15	3,707.15
Other equity	13	(53,913.27)	(31,348.05)
<b>Total</b>		<b>(50,206.11)</b>	<b>(27,640.90)</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Financial Liabilities			
Borrowings	14	1,842.27	1,500.00
Provisions	15	133.85	160.06
<b>Total</b>		<b>1,976.12</b>	<b>1,660.06</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	16	72,860.11	68,480.92
Trade Payables	17	3,336.40	4,187.26
Other Financial Liabilities	18	1,521.54	1,441.61
Other Current Liabilities	19	1,896.81	1,668.02
Provisions	20	12.74	16.50
<b>Total</b>		<b>79,627.60</b>	<b>75,794.32</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>31,397.61</b>	<b>49,813.48</b>

The Accompanying Notes form an integral part of the Financial Statements

In terms of our report of even date attached

for and on behalf of the Board of Directors

For Rajender Kumar Singal & Associates LLP.

CHARTERED ACCOUNTANTS

FRN : 016379N

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

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

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

Faridabad  
28th-Aug.-2020

Sd/-  
KAMAL DEEP CHAWLA  
Chief Financial Officer

Sd/-  
DEEPAK KAUSHAL  
Company Secretary

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020 (Rs. In Lacs)

PARTICULARS	Note	FOR THE YEAR ENDED 31-March-2020	FOR THE YEAR ENDED 31-March-2019
<b>INCOME</b>			
Revenue from Operations	21	3,179.54	40,493.98
Other Income	22	47.86	164.41
Total Income		<u>3,227.40</u>	<u>40,658.38</u>
<b>EXPENSES</b>			
Cost of Material Consumed	23	2,061.90	49,771.03
Purchases of Stock-in-Trade	24	-	78.75
Changes in Inventories of Finished Goods, WIP and Stock in Trade	25	(74.00)	6.91
Employee Benefits Expenses	26	713.45	1,029.07
Finance Costs	27	283.14	2,297.50
Depreciation and Amortisation Expenses	3	1,083.28	1,296.95
Impairment of Assets	28	-	3,978.45
Other Expenses	29	1,649.64	2,960.04
Total Expenses		<u>5,717.40</u>	<u>61,418.70</u>
<b>Profit Before Exceptional items and Tax</b>		<b>(2,490.00)</b>	<b>(20,760.32)</b>
Exceptional Items	30	19,395.79	8,378.53
<b>Profit Before Tax</b>		<b>(21,885.79)</b>	<b>(29,138.84)</b>
Tax Expenses			
Current Tax		-	-
Income Tax for Prior Years		835.22	-
Deferred Tax		(143.69)	9,418.61
<b>Profit/(Loss) for the year</b>		<b>(22,577.32)</b>	<b>(38,557.45)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit plans		12.10	12.47
Fair value of Investments through OCI		-	-
<b>Income tax relating to Items that will not be reclassified to profit or loss</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive Income for the year</b>		<b>12.10</b>	<b>12.47</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(22,565.22)</b>	<b>(38,545.98)</b>
<b>EARNING PER EQUITY SHARE (Face value of `10 each)</b>			
<b>Basic (In Rs.)</b>	<b>35</b>	<b>(60.87)</b>	<b>(106.66)</b>
<b>Diluted (In Rs.)</b>	<b>35</b>	<b>(60.87)</b>	<b>(106.66)</b>

The Accompanying Notes form an integral part of the Financial Statements

In terms of our report of even date attached

for and on behalf of the Board of Directors

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

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

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

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

Faridabad  
28th-Aug.-2020

Sd/-  
KAMAL DEEP CHAWLA  
Chief Financial Officer

Sd/-  
DEEPAK KAUSHAL  
Company Secretary

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

(Rs. In Lacs)

PARTICULARS	FOR THE YEAR ENDED 31-March-2020	FOR THE YEAR ENDED 31-March-2019
<b>A. Cash Flow From Operating Activities</b>		
Net Profit before tax	(21,885.79)	(29,138.84)
Adjustments for :		
Depreciation and Amortisation Expenses	1,083.28	1,296.95
Finance cost	283.14	2,297.50
Interest income	(0.24)	(14.14)
(Profit)/Loss on Sale/Deletion of Fixed Assets	0.10	0.12
(Profit)/Loss on Sale of Shares	-	20.13
Income from Key Man Insurance Policy	(47.16)	(48.35)
Impairment loss on Investment in Subsidiary	-	3,978.45
Invocation of Corporate Gurantee	3,605.42	-
Bad Debts/Provision for Bad Debts	15,790.37	8,378.53
<b>Operating profit before working capital changes</b>	<b>(1,170.89)</b>	<b>(13,229.66)</b>
Adjustments for		
Decrease/(Increase ) in Inventories	519.20	45,398.59
Decrease/(Increase ) in Trade Receivables	769.46	(21,245.05)
Decrease/(Increase ) in other Receivables	336.98	1,370.75
Increase/(Decrease) in Trade payables	(850.86)	(9,022.50)
Increase/(Decrease) in other payables	290.85	(2,186.02)
<b>Cash generated from operations</b>	<b>(105.26)</b>	<b>1,086.12</b>
Income tax paid	(835.22)	-
<b>Net Cash from operating activities</b>	<b>(940.49)</b>	<b>1,086.12</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment's	-	(3.20)
Sale of property, plant and equipment's	-	0.30
Investments in Subsidiaries /Associates Companies	-	-
Sale of Investments	(0.00)	-
Interest Received	0.24	14.14
Income from Key Man Insurance Policy	47.16	48.35
<b>Net cash from Investment activities</b>	<b>47.40</b>	<b>59.59</b>
<b>C. Cash Flow from Financing Activities</b>		
Receipts against issue of Share Capital/Share Warrants	-	2,147.76
Increase/( Decrease) in short term borrowings	773.77	(1,662.76)
Increase/( Decrease) in Long term borrowings	342.27	(22.25)
Interest paid	(283.14)	(2,297.50)
<b>Net cash flow from financing activities</b>	<b>832.90</b>	<b>(1,834.76)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(60.18)</b>	<b>(689.05)</b>
- Cash & Cash equivalent at beginning of the year	102.18	791.23
- Cash & Cash equivalent at end of the year	42.00	102.18
	<b>(60.18)</b>	<b>(689.05)</b>

In terms of our separate report of even date attached

for and on behalf of the Board of Directors

**For Rajender Kumar Singal & Associates LLP.**

**CHARTERED ACCOUNTANTS**

FRN : 016379N

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

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

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

Faridabad  
28th-Aug.-2020

Sd/-  
**KAMAL DEEP CHAWLA**  
Chief Financial Officer

Sd/-  
**DEEPAK KAUSHAL**  
Company Secretary

### STATEMENT OF CHANGES IN EQUITY

(Rs. In Lacs)

PARTICULARS	No. Shares	Amount
<b>A. Equity Share Capital</b>		
Balance as at 1st April, 2018	35,241,530	3,524.15
Change in equity share capital during the year	1,830,000	183.00
Balance as at 31st March, 2019	37,071,530	3,707.15
Change in equity share capital during the year	-	-
Balance as at 31st March, 2020	37,071,530	3,707.15

### B. Other Equity

(Rs. In Lacs)

PARTICULARS	Capital Reserve	Securities Premium Account	Retained earnings	Revaluation Surplus	Share Warrants Application Money	Total
<b>Balance as at 1st April, 2018</b>	742.76	14,549.43	(25,945.20)	15,885.19	-	5,232.17
Profit for the year			(38,557.45)			(38,557.45)
Other Comprehensive Income for the Year			12.47			12.47
<b>Total Comprehensive Income for the year</b>	-	-	(38,544.98)	-	-	(38,544.98)
Security Premium on shares issued during the year					756.96	
Application Money on issue of Share Warrants		1,207.80				
Dividends						
Transferred to General Reserve						
<b>Balance as at 31st March, 2019</b>	742.76	15,757.23	(64,490.18)	15,885.19	756.96	(33,312.81)
Profit for the year			(22,577.32)			(22,577.32)
Other Comprehensive Income for the Year			12.10			12.10
	-	-	(22,565.22)	-	-	(22,565.22)
Security Premium on share issued during the year						-
Application Money on issue of Share Warrants						-
Dividends						-
Transferred to General Reserve						-
<b>Balance as at 31st March, 2020</b>	742.76	15,757.23	(87,055.40)	15,885.19	756.96	(53,913.27)

Annexure to our Report of Date

for and on behalf of the Board of Directors

For Rajender Kumar Singal & Associates LLP.

CHARTERED ACCOUNTANTS

FRN : 016379N

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

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Faridabad  
28th-Aug.-2020

Sd/-  
KAMAL DEEP CHAWLA  
Chief Financial Officer

Sd/-  
DEEPAK KAUSHAL  
Company Secretary

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 1. Company Information

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

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

### 2. Significant Accounting Policies

#### (a) Basis of Preparation

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

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

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

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

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

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

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

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

Intangible assets are stated at their cost of acquisition.



### (d) Depreciation

Depreciation on Property, Plant & Equipment is provided on written down value method, in terms of useful life of the Assets as prescribed in Schedule II to the Companies Act 2013. The depreciation rates which are different from the principal rates specified in Schedule-II are as follows: -

Tarpaulin	100% p.a.
Wooden & Plastic Crates	100% p.a.

### (e) Financial Instruments

#### (1) Financial Assets

##### Initial recognition and measurement

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

##### Subsequent measurement

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

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

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

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

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

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

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

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

#### Other Equity Investments

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

#### (2) Financial liabilities

### Initial recognition and measurement

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

### Subsequent measurement

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

### (3) Derivative financial instruments

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

### (f) Fair value measurement

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

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

### (g) Dividend to Equity Shareholders

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

### (h) Inventories

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

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

### (i) Cash and Cash Equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible into cash and which are

subject to an insignificant risk of changes in value.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### (o) Borrowing Costs

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

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

### (p) Income tax

#### Current Income Tax:

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961.

#### Deferred Tax:

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

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

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

#### Minimum Alternate Tax:

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

### (q) Leases

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 recognised nor disclosed in the Financial Statements.

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

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

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

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

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

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

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

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

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

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

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

### 3. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land	Building	Plant & Machinery	Furniture & Fixtures	Office Equipment & Computers	Vehicles	Wooden Crates	Total
<b>Gross Block</b>								
Balance as at March 31, 2019	10,546.72	11,383.75	10,924.73	336.24	629.79	1,185.82	168.15	35,175.19
Additions	-	-	-	-	-	-	-	-
Deletions	-	-	-	0.66	31.03	171.87	165.65	369.20
Balance as at March 31, 2020	10,546.72	11,383.75	10,924.73	335.58	598.76	1,013.95	2.50	34,805.99
<b>Accumulated Depreciation</b>								
Balance as at March 31, 2019	-	4,640.77	9,185.08	279.34	600.26	1,033.78	168.15	15,907.37
Depreciation for the Year	-	651.43	359.80	16.18	14.27	41.59	-	1,083.28
Deletions/Adjustments	-	-	-	0.64	30.96	171.86	165.65	369.11
Balance as at March 31, 2020	-	5,292.20	9,544.88	294.88	583.57	903.51	2.50	16,621.54
<b>NET BLOCK</b>								
Balance as at March 31, 2019	10,546.72	6,742.98	1,739.66	56.89	29.53	152.03	0.00	19,267.82
Balance as at March 31, 2020	10,546.72	6,091.55	1,379.86	40.69	15.19	110.44	0.00	18,184.45

#### Notes

- a) 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/- Lakhs to revaluation surplus under other Equity.
- b) Vehicles includes assets on lease with remaining period of lease of less than 12 months, which the Company has not separately shown as "Right of use Assets". The amount included in respect of such vehicles on lease are given below :-

<b>Gross Block</b>	
Balance as at March 31, 2019	193.28
Additions/Deletions	-
Balance as at March 31, 2020	193.28
<b>Accumulated Depreciation</b>	
Balance as at March 31, 2019	124.85
Depreciation for the Year	17.77
Deletions/Adjustments	-
Balance as at March 31, 2020	142.62
<b>NET BLOCK</b>	
Balance as at March 31, 2019	68.43
Balance as at March 31, 2020	50.67

As at	(Rs. In Lacs)	
	31- March-2020	31-March-2019
<b>4. Non-Current Investments</b>		
<b>Investment in Unquoted Equity Instruments</b>		
<b>Subsidiary Companies</b>		
Kohinoor Foods USA Inc.	1,608.68	1,608.68
56,000 (Previous year - 56,000) shares of USD 62.5 each fully paid up		
Less :- Impairment Loss on Investment	<u>(1,608.68)</u>	<u>(1,608.68)</u>
	-	-
Indo European Foods Ltd. U.K	4,185.78	4,185.78
5,183,534 (Previous year - 5,183,534) shares of GBP 1 each fully paid up		
Sachdeva Brothers Pvt. Ltd	71.34	71.34
15,835 (Previous year - 15,835) shares of Rs. 100 each fully paid up		
Less :- Impairment Loss on Investment	<u>(71.34)</u>	<u>(71.34)</u>
	-	-
<b>Other Companies</b>		
Rich Rice Raisers factory LLC.	9.42	9.42
75 (Previous year - 75) shares of AED 1000 each fully paid up		
Less :- Diminution in the Value of the Investment	<u>(9.42)</u>	<u>(9.42)</u>
	-	-
<b>Investment in Unquoted Preference Shares</b>		
<b>Subsidiary Companies</b>		
Kohinoor Foods USA Inc.	2,369.77	2,369.77
80,000 (Previous year - 80,000) shares of USD 62.5 each fully paid up		
Less :- Impairment Loss on Investment	<u>(2,369.77)</u>	<u>(2,369.77)</u>
	-	-
Indo European Foods Ltd. U.K	773.64	773.64
1,000,000 (Previous year - 1,000,000) shares of GBP 1 each fully paid up		
<b>Other Investment</b>		
Investment in Un-quoted Fund		
Balanced Plan Fund- Canara-HSBC-OBC	<u>9.76</u>	<u>9.76</u>
(56496.16, previous year -(56496.16) Units of		
Balanced Plus Fund issued under Canara-HSBC-OBC,		
Life Insurance Platinum Plus Plan	<u>4,969.18</u>	<u>4,969.18</u>
a) Aggregate amount of Quoted Investments	-	-
Aggregate amount of Un-quoted Investments	4,969.18	4,969.18
b) Investment in subsidiaries, associates and joint venture are carried at cost, subject to impairment loss if any. Other investments are carried at fair value through Other comprehensive income.		
c) The investment in wholly owned subsidiary, Kohinoor Foods USA Inc., incurring continuous losses and its net worth is fully eroded. The company has recognised an impairment loss of Rs.3978.45 Lacs during 2018-19 and consequently the value of investment was reduced to NIL as on 31 March 2019.		
<b>5 Other Non-Current Assets</b>		
(Unsecured, considered goods)		
Security Deposit	89.62	89.67
	<u>89.62</u>	<u>89.67</u>
<b>6 Deferred Tax Asset (Net)</b>		
Disallowance under Income tax act, 1961	64.89	60.46
Related to fixed assets	434.45	295.19
	<u>499.34</u>	<u>355.65</u>

As at	31- March-2020	(Rs. In Lacs) 31-March-2019
<b>7. Inventories</b>		
(As taken, valued and certified by the Management)		
Raw Material	84.55	49.12
Work in Progress	87.03	25.24
Finished Goods	114.38	541.37
Stores and Spares	12.66	14.93
Packing Materials	206.52	393.70
	<u>505.15</u>	<u>1,024.36</u>
a) Inventories are valued at the lower of cost and net reliable value.		
b) Finished goods includes the Stock in transit.		
<b>8. Trade Receivables</b>		
(Unsecured, Considered Good)		
Outstanding for a period exceeding six months	4,274.34	4,692.17
Others	361.13	16,503.13
	<u>4,635.47</u>	<u>21,195.30</u>
(Unsecured, Considered Doubtful)		
Outstanding for a period exceeding six months	5,316.36	8,502.05
Others	-	-
	<u>5,316.36</u>	<u>8,502.05</u>
Less :- Provision for Bad & Doubtful Debts	5,316.36	8,502.05
	<u>4,635.47</u>	<u>21,195.30</u>
a) Trade receivables include the following amount due from related parties		
<b>Subsidiary Companies</b>		
Indo European Foods Ltd	1,346.66	1,780.55
	<u>1,346.66</u>	<u>1,780.55</u>
<b>9. Cash and Cash Equivalents</b>		
Balances with Banks in Current Accounts	25.39	92.79
Cash in Hand	14.13	7.91
Fixed deposits as Margin Money with Banks	2.49	1.49
	<u>42.00</u>	<u>102.18</u>
<b>10. Other Financial Assets (Current)</b>		
Staff Advance	0.01	0.49
Interest accrued on bank deposits	1.80	1.56
	<u>1.81</u>	<u>2.05</u>
<b>11. Other Current Assets</b>		
(Unsecured, Considered good)		
Advance Tax	1,307.81	2,139.88
Advance against Purchases	14.11	83.71
MAT Credit Entitlement	464.87	464.87
Pre-paid Expenses	6.82	17.89
Deposit with Banks against OTS*	500.00	-
Others	176.96	100.92
	<u>2,470.59</u>	<u>2,807.28</u>

\* The company has deposited Rs. 500 Lakhs in Non-lien account with Oriental Bank of Commerce (Now merged with PNB) as upfront payment towards One Time Settlement proposal submitted by the company. The said proposal has been declined by the Competent Authority of the bank. The company has submitted a revised offer of One Time Settlement, which is under consideration of consortium of Banks.



As at	(Rs. In Lacs)	
	31- March-2020	31-March-2019
<b>12. Equity Share Capital</b>		
Authorised Share Capital 75,000,000 (Previous year 75,000,000) Equity shares of Rs. 10/- each	7,500	7,500
Issued, Subscribed And Paid-Up Capital 37,071,530 (Previous year 37,071,530) Equity Shares of Rs. 10/- each fully paid-up	3,707.15	3,707.15
	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	35,241,530
Number of Equity Shares issued during the year*	-	1,830,000
Number of Equity Shares at the end of the year	37,071,530	37,071,530

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

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

As at	31- March-2020		31-March-2019	
	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.

**13. Other Equity**

<b>Capital Reserve</b>	742.76	742.76
<b>Securities Premium Account</b>	15,757.23	15,757.23
<b>Revaluation Surplus</b>	15,885.19	15,885.19
<b>Share Warrants Application Money</b>	756.96	756.96

As at	31- March-2020	(Rs. In Lacs) 31-March-2019
<b>Retained Earnings</b>		
As per last Balance Sheet	(64,490.18)	(25,945.20)
Profit/(Loss) during the year	(22,577.32)	(38,557.45)
Other Comprehensive Income	12.10	12.47
	<u>(87,055.40)</u>	<u>(64,490.18)</u>
	<u>(53,913.27)</u>	<u>(31,348.05)</u>
<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>Event after the Balance sheet date</b>		
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.		
<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 lock-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 Directors*	1,500.00	1,500.00
Loan from Other Parties	342.27	-
	<u>1,842.27</u>	<u>1,500.00</u>
*Loan from Directors are interest free.		
<b>15. Provisions (Non-Current)</b>		
Provision for Employee Benefit		
Provision for Gratuity	133.85	160.06
	<u>133.85</u>	<u>160.06</u>
<b>16. Borrowings (Current)</b>		
<b>Secured</b>		
Loan repayable on Demand from Banks	66,771.23	67,225.10

As at	(Rs. In Lacs)	
	31- March-2020	31-March-2019
<b>Unsecured</b>		
Corporate Gurantee*	3,605.42	-
Loan from Directors	2,483.47	1,255.82
	<u>72,860.11</u>	<u>68,480.92</u>
a) Loan repayable on Demand from Banks are working capital loans secured by hypothecation of Inventory, book debts and other current assets of the company, both present and future and the first charge on fixed assets of the company (excluding of specific assets charged to Term lending Banks).		
b) The balances are subject to confirmation and reconciliation.		
c) <b>Default in Repayment of Loan</b>		
There are default in repayment of bank loans from March-2018 onwards.		
The Banks have classified the company's accounts as Non Performing asset and served recall Notice for entire amount of loans under section 13(2) of The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, the Company has given reply of said notices within the stipulated time.		
The lead banker, Oriental Bank of Commerce (now merged with PNB) 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. 8296.18 Lacs for current years (Rs. 5452.28 Lacs for previous year) and Rs. 13748.46 Lacs up to 31-03-2020 on bank loans which were classified as non-performing assets during the year from the date they were declared NPA.		
<b>Event after the Balance Sheet Date</b>		
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.		
* The company had issued a corporate guarantee in favor of PNB Hongkong for loan granted by PNB Hongkong to its wholly owned subsidiary, Kohinoor Foods USA Inc. PNB Hongkong has invoked the corporate guarantee on default made by Kohinoor Foods USA Inc. The company has recognised this liability and has also initiated process to settle this through an offer of one time settlement.		
<b>17. Trade Payable</b>		
Due to Micro, Small and Medium Enterprises	-	-
Due to Others	3,336.40	4,187.26
	<u>3,336.40</u>	<u>4,187.26</u>
<b>18. Other Financial Liabilities (Current)</b>		
Current maturities of long-term debt	66.96	50.54
Current maturities of finance lease obligations	24.87	31.37
Employees Benefits Payable	228.53	108.72
Other Payables	1,201.17	1,250.98
	<u>1,521.54</u>	<u>1,441.61</u>
<b>19. Other Current Liabilities</b>		
Advance received from customers	1,762.59	1,568.58
Statutory Liabilities	86.75	42.59
Other Liabilities	47.48	56.85
	<u>1,896.81</u>	<u>1,668.02</u>
<b>20. Provisions (Current)</b>		
Provision for gratuity	12.74	16.50
	<u>12.74</u>	<u>16.50</u>
<b>21. Revenues From Operations</b>		
Sales of Products	3,150.48	39,967.11
Other Operating Revenues	29.07	526.86
	<u>3,179.54</u>	<u>40,493.98</u>
a) <b>Sales of Products</b>		
Rice	1,165.63	38,028.00
Foods	1,984.84	1,939.12
	<u>3,150.48</u>	<u>39,967.11</u>

For the year ended	(Rs. In Lacs)	
	31- March-2020	31-March-2019
<b>b) Other Operating Revenues</b>		
Sale of Scrap	22.92	64.67
Income From Rice Processing	5.72	291.98
Duty Drawback/ Sale of Licenses	0.44	170.21
	<u>29.07</u>	<u>526.86</u>
<b>22. Other Income</b>		
Income from Key Man Insurance Policy	47.16	48.35
Interest Income	0.24	14.14
Miscellaneous Income	0.46	101.91
	<u>47.86</u>	<u>164.41</u>
<b>23. Cost of Material Consumed</b>		
Paddy	-	171.45
Rice	1,280.67	49,132.79
Raw Material for Foods	781.22	466.79
	<u>2,061.90</u>	<u>49,771.03</u>
<b>24. Purchase of Traded Goods</b>		
Foods	-	78.75
	<u>-</u>	<u>78.75</u>
<b>25. Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade</b>		
Opening Inventories	77.83	84.74
Closing Inventories	151.83	77.83
	<u>(74.00)</u>	<u>6.91</u>
<b>26. Employee Benefit Expenses</b>		
Staff Salaries	621.68	820.22
Director's Remuneration	-	71.94
Gratuity	27.43	38.25
Bonus	11.33	13.63
Staff Welfare	20.69	45.45
Employer's Contribution to P.F.& ESI	32.32	39.58
	<u>713.45</u>	<u>1,029.07</u>
<b>27. Finance Cost</b>		
Interest Expense*	23.04	2,040.30
Bank Charges	2.80	1.40
Borrowing Cost	257.29	255.81
	<u>283.14</u>	<u>2,297.50</u>

The company has not provided interest during current year to the extent of Rs. 8296.18 Lacs (previous year Rs.5452.28 Lacs) on bank loans which were classified as non-performing assets during the year from the date they were declared NPA.

### 28. Impairment of Assets

Impairment of investment in subsidiaries	-	3,978.45
	<u>-</u>	<u>3,978.45</u>

- a) The company has recognised the impairment loss in respect of Investment in its wholly owned subsidiary , "Kohinoor Foods USA Inc." in previous year.
- b) 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.

For the year ended	(Rs. In Lacs)	
	31- March-2020	31-March-2019
<b>29. Other Expenses</b>		
<b>a) Manufacturing Expenses</b>		
Loading and Unloading Charges	30.77	80.88
Packing Materials Consumed	819.74	947.61
Wages	134.88	122.15
Processing Charges	-	0.82
Repair to Machinery	25.65	17.64
Consumables & Stores Consumed	0.13	2.36
Power & Fuel	175.76	262.70
Brokerage & Commission	-	(0.17)
	1,186.93	1,433.99
<b>b) Administrative Expenses</b>		
Payment to Auditors *		
-Statutory Audit Fee	11.06	20.20
-Tax Audit Fee	2.25	4.50
-Other Matters	2.37	2.52
Postage, Telegram and Telephone	14.37	21.55
General Expenses^	71.46	98.96
Loss on Investment in Shares	-	20.13
Legal and Professional Charges	31.26	296.02
Electricity Expenses	8.22	10.58
Rates and Taxes	55.07	15.38
Other Taxes Paid	12.82	144.47
Charity and Donation	-	1.77
Vehicle Maintenance	8.30	47.31
Printing and Stationery	2.63	10.78
Fumigation Expenses	5.02	12.28
Insurance Charges	16.17	57.53
Conveyance	5.60	21.32
Membership & Subscription	3.75	7.34
Traveling Expenses (Directors)	9.84	12.10
Traveling Expenses (Others)	2.01	19.62
Research & Development	6.63	6.31
Staff Recruitment Expenses	0.77	-
Loss on Sale of Assets	-	0.12
Deletion of Obsolete Fixed Assets	0.10	-
Repairs to Building	48.10	56.81
Repairs to Others	13.49	18.21
Foreign Exchange Loss	76.55	512.84
	407.86	1,418.67
<b>c) Selling &amp; Distribution Expenses</b>		
Advertisement and Publicity	1.01	0.85
Business Promotion	0.26	15.41
Rebate & Discount	1.57	15.08
Ocean Freight	(0.28)	23.86
Expenses Against Export	2.89	6.77
Brokerage & Commission on Sales	-	0.72
Clearing and Forwarding	49.40	44.70
	54.86	107.38
	1,649.64	2,960.04
<b>30. Exceptional Items</b>		
Bad Debts/ Provision for Bad & Doubtful Debts*	15,790.37	8,378.53
Invocation of Corporate Guarantee**	3,605.42	-
	19,395.79	8,378.53

iv Balance Sheet and related analysis:-

(Rs. In Lacs)

	Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019
1	Present value of the obligation at the end	207.97		193.78
2	Fair value of plan assets	2.69		2.40
3	Unfunded liability/provision in Balance Sheet	(205.28)		(191.38)

v The amounts recognized in the Income Statements

(Rs. In Lacs)

	Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019
1	Total Service Cost	12.77		16.17
2	Net Interest Cost	14.66		22.07
3	Expenses recognized in the Income statement	27.43		38.25

vi Other Comprehensive Income (OCI)

(Rs. In Lacs)

	Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019
1	Net cumulative unrecognized actuarial gain/(loss) opening	-		-
2	Actual gain/(Loss) for the year on PBO	11.99		12.28
3	Actual gain/(Loss) for the year on Asset	0.11		0.18
4	Unrecognized actuarial gain/(loss) for the year	12.10		12.47

vii Principal actuarial assumptions at the balance sheet date are as follows:

A. Economic Assumptions

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

(Rs. In Lacs)

	Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019
1	Discount rate	6.71%		7.66%
2	Expected rate of return on plan assets	8.00%		8.00%
3	Salary growth rate	5.00%		7.00%

B. Demographic Assumption

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

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

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

\* The company had initiated arbitration process for recovery of amount due from some Debtors. The company has received order of Arbitration and based on Arbitration Award has written off an amount of Rs. 14572.27 Lacs in respect of these parties and has adjusted the provision already made during the previous year.

\*\* The company had issued a corporate guarantee in favor of PNB Hongkong for loan granted by PNB Hongkong to its wholly own subsidiary Kohinoor Foods USA Inc. PNB Hongkong has invoked the corporate guarantee on default made by Kohinoor Foods USA Inc. The company has recognised the loss of Rs. 3605.42 Lacs on account of this liability.

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

#### a) Defined Contribution Plans:

Amount of Rs.32.32 Lacs (previous year Rs.39.58 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 2020	For the year ended 31 March 2019
1	Present value of obligation at the beginning of the year	193.78	286.82
2	Interest cost	14.84	22.17
3	Past service cost	-	-
4	Currents service cost	12.77	16.17
5	Liability Transferred Out	-	-
6	Benefits paid	(1.43)	(119.10)
7	Actuarial (gain)/loss on obligation	(11.99)	(12.28)
8	Present value of obligation at the end of the year	207.97	193.78

##### ii Change in plan assets

(Rs. In Lacs)

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
1	Fair value of plan assets at the beginning of the period	2.40	1.25
2	Actual return on plan assets	0.29	0.28
3	Employer Contributions	-	98.97
4	Benefits paid	-	(98.11)
5	Fair value of plan assets at the end of the year	2.69	2.40

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

(Rs. In Lacs)

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
1	Expected Interest Income	0.18	0.10
2	Actuarial income on Plan Asset	0.29	0.28
3	Actuarial gain/(Loss) for the year on Assets	0.11	0.18

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

#### List of related parties

- i) Wholly Owned Subsidiaries of the Company
  - Sachdeva Brothers Pvt Ltd. India
  - Kohinoor Foods USA Inc.,
  - Indo European Foods Ltd, U.K
  
- ii) Joint Ventures
  - Rich Rice Raisers Factory LLC.- Dubai
  
- iv) Key Managerial Personnel and their relatives

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



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	- (344.30)	-	676.75 (51.50)
Purchase of products	-	-	26.57
Remuneration	-	-	-
Advance Received	- (4.88)	(106.85)	31.35
Receipt of Share Warrant Application Money	-	-	-
Allotment of Shares (including Share Premium)	-	(2147.76)	-
Loan from Directors	-	(1390.80)	-
Balance Written Off	-	1227.65	-
Balance Written Back	(4.80)	2228.21	-
Repayment of Director's Loan	(219.91)	-	-
Expenses incurred on behalf of the related party	- (0.48)	2416.29	-
<b>Balances outstanding at the year end:-</b>			
Loans/Advances	-	-	-
Loan from Directors	-	3983.47	-
Share Warrant Application money	-	(2755.82)	-
Trade Receivables	1,346.66 (1,780.55)	756.96 (756.96)	-
Advance From Customers	-	-	31.35
Corporate guarantee given by the Company	- (6,235.32)	-	-

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

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

The company has leases only for some vehicles. The Company has elected not to recognise Right of use Assets and lease liability for short term leases (Leases of remaining term of 12 months or less). All the outstanding leases as on 31-03-2020 are short term leases and such assets are included in Property, Plant & Equipments. Total cash outflow in respect of leases in the year amounts to Rs. 6.50 Lacs. The lease liabilities are secured by the related underlying assets. The company has recognised depreciation on vehicles on lease amounting to Rs. 17.77 Lacs during the F.Y 2019-2020.

The lease liabilities payable as on 31-03-2020, Rs. 24.87 Lacs is over due as the original lease period has expired during the year. The Company has defaulted in making lease payments and is in process of negotiating a settlement with the lessor.

### 35 Earning Per Share (EPS)

		(Rs. In Lacs)	
For the year ended		31-Mar-2020	31-Mar-2019
i)	Total Comprehensive Income for the year attributable to Equity Shareholders	(22,565)	(38,545)
ii)	Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	37,071,530	36,138,982
iii)	Weighted Average Potential Equity Shares	-	-
iv)	Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	37,071,530	36,138,982
v)	Basic Earning Per Share	(60.87)	(106.66)
vi)	Diluted Earning Per Share	(60.87)	(106.66)
vii)	Face Value per Equity Share	10	10

#### Calculation Weighted Average number of Equity Shares

For the year ended		31-Mar-2020	31-Mar-2019
	Nos. of Days	365	186
	Nos. of Shares	37,071,530	35,241,530
	Nos. of Days	-	179
	Nos. of Shares	-	370,71,530
	total nos. of days	365	365
	Weighted Average number of shares	37,071,530	36,138,982

### 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 2019	Created during the year	Withdrawals	Closing balance as at 31- March-2020
Gratuity	177	15	45	147
	177	15	45	147

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

For the Year Ended	31-March-2020	31-March-2019
<b>CIF Value of Imports</b>		
- Capital Goods	-	2.81
- Raw Material Purchase	176.30	-
- Packaging Material	401.39	301.75
	<u>577.69</u>	<u>304.56</u>
<b>Expenditure in Foreign Currency (On accrual basis)</b>		
- Traveling	2.76	1.45
- Business Promotion	-	0.96
- Legal & Professional Charges	-	0.02
	<u>2.76</u>	<u>2.43</u>
<b>Earning in Foreign Exchange</b>		
- FOB Value of Export of Goods	1.83	2,627.11

### 38. Contingent Liabilities not provided for

(Rs. In Lacs)

Particulars	31-March-2020	31-March-2019
<b>A Claims against the company, not acknowledged as debt</b>		
<b>I Income Tax</b>		
i Income Tax	10,322.02	10,825.07
ii Sales Tax - Delhi	122.00	122.00
iii VAT-Haryana	859.90	859.90
iv Excise & Taxation Department, Punjab	455.82	455.82
v Excise Duty	42.91	42.91
vi Service Tax	9.12	9.12
vii Legal Cases against the Company	963.94	963.94
<b>B Corporate Guarantee given by the Company.</b>	-	6,235.32
<b>C Bank Guarantees</b>	19.75	18.75
<b>D 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
2009-10	-	-	-
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
Total			10,322.02

- i As per the advice received from legal experts and on the basis of merit of the case, there is a high probability that the aforesaid impugned orders will be set aside and the demand will be deleted. Accordingly, management is of the view that no provision in respect of the above demands is required to be made in the books of accounts.
- ii An appeal before the Sales Tax Commissioner - Appeals, New Delhi is lying pending in respect of Sales Tax demand of Rs. 122.00 Lacs on sale of REP Licenses made in earlier years.
- iii Following appeals are also lying pending before the Appellate Authorities/Tribunal, Haryana as mentioned in column.4 against the impugned VAT Assessment Orders/Revision Order passed by the assessing authorities as mentioned in column. 3 of the table given below :-

Particulars	Demand raised (Rs.)	Assessing Authority	Appellate Authority
(Col.1)	(Col.2)	(Col.3)	(Col.4)
Sales Tax Murthal - AY 2008-09	732.35	Revision-Faridabad	Tribunal-Chandigarh
Sales Tax Murthal - Inspection 17.01.2014	25.56	ETO-Sonipat	JETC-Rohtak
Sales Tax - Murthal - Inspection 13.11.2014	27.09	ETO-Sonipat	JETC-Rohtak
Sales Tax - Murthal - AY 2009-10	28.51	Revision-Faridabad	Tribunal-Chandigarh
Sales Tax - Murthal - AY 2012-13	46.39	ETO-Sonipat	JETC-Rohtak
Total	859.90		

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

- iv Appeals are lying pending before the Dy. Excise & Taxation Commissioner-Appeal, Punjab against the Order received from Excise and Taxation Deptt., Punjab in respect of Year 2009-10 and 2010-11 demanding a sum of Rs.450.41 Lacs towards the cess imposed by the State Govt. on exports. The company has challenged the validity of imposition of cess on export in its appeal as the same is not permissible under article 286 of the Constitution of India. Further demand has been raised for Rs. 5.41 Lacs after completing the Sales Tax assessment for AY 2011-12 against which appeal has been filed.
- v II. An appeal before the Customs, Excise & Service Tax Appellate Tribunal, New Delhi is lying pending against the order of Commissioner of Central Excise (Appeals), Delhi -III in respect of additional excise duty of Rs. 42.90 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 **Legal Cases against the Company**

The Board of Trustee of the port of Mumbai has filed a money suit for recovery of Rs. 963.94 Lacs towards alleged outstanding demurrage charges against which the company has filed its counter claim of Rs. 10.88 Cr. towards the financial losses, interest on the investment, refund of the license fees, refund of the demurrage charges, compensation and damages etc. The matter is still pending.

viii Corporate guarantees given by the company are as per details given in Note 40.

### 39 Commitments

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

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

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

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

as at 31.03.2020\* NIL

as at 31.03.2019

Name of Beneficiary	Guarantee issued to	Amount in foreign	Amount in Lacs
1 Kohinoor Foods USA INC	Punjab National Bank, Hong Kong	9,000,000 USD	6,235.32
			6,235.32

\* The company had issued a corporate guarantee in favor of PNB Hongkong for loan granted by PNB Hongkong to its wholly owned subsidiary, Kohinoor Foods USA Inc. PNB Hongkong has invoked the corporate guarantee on default made by Kohinoor Foods USA Inc. The company has recognised this liability and has also initiated process to settle this through an offer of one time settlement.

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

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

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As at 31.03.2020

(Rs. In Lacs)

Fair value measurement at	Amortized Cost	FYTPL			FYTOCI			TOTAL
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
<b>Financial Assets</b>								
<b>Non Current Financial Assets</b>								
Investment					9.76		4,959	4,969
<b>Current Financial Assets</b>								
Trade receivables	4,635.47							4,635
Cash and cash equivalents	42.00							42
Other financial assets	1.81							2
	<b>4,679.28</b>	-		-	<b>9.76</b>		<b>4,959</b>	<b>9,648</b>
<b>Financial Liabilities</b>								
<b>Non Current Financial Liabilities</b>								
Borrowings	1,842.27							1,842
<b>Current Financial Liabilities</b>								
Borrowings	72,860.11							72,860
Trade Payables	3,336.40							3,336
Other Financial Liabilities	1,521.54							1,522
	<b>79,560.32</b>	-		-	-		-	<b>79,560</b>

As at 31.03.2020

(Rs. In Lacs)

Fair value measurement at	Amortized Cost	FYTPL			FYTOCI			TOTAL
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
<b>Financial Assets</b>								
<b>Non Current Financial Assets</b>								
Investment					9.76		4,959	4,969
<b>Current Financial Assets</b>								
Trade receivables	21,195.30							21,195
Cash and cash equivalents	102.18							102
Other financial assets	2.05							2
	<b>21,229.53</b>	-		-	<b>9.76</b>		<b>4,959</b>	<b>4,959</b>
<b>Financial Liabilities</b>								
<b>Non Current Financial Liabilities</b>								
Borrowings	1,500							1,500
<b>Current Financial Liabilities</b>								
Borrowings	68,480.92							68,481
Trade Payables	4,187.26							4,187
Other Financial Liabilities	1,441.61							1,442
	<b>75,609.80</b>	-		-	-		-	<b>75,610</b>

### 43. Financial Risk Management

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

- Credit Risk
- Liquidity Risk
- Market Risk

#### CREDIT RISK

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

#### CREDIT RISK MANAGEMENT

##### Trade receivable related credit risk

All trade receivable are reviewed and assessed for default on routine basis. Our historical experience of collecting receivables during recent year 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

	(Rs. In Lacs)			
31-Mar-2020	Carrying amount	Less than 1 year	1-2 Years	2-5 years
Borrowings	74,702.38	72,860.11	-	1,842.27
Trade Payables	3,336.40	3,336.40	-	-
Other Financial Liabilities	1,521.54	1,521.54	-	-
	<b>79,560.32</b>	<b>77,718.05</b>	-	<b>1,842.27</b>

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

### Market Risk

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

- Currency Risk
- Price Risk
- Interest Rate Risk

### Currency Risk

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

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

Particulars	Currency	As at 31-03-2020		As at 31-03-2019	
		Foreign	In Rupees Lacs	Foreign	In Rupees Lacs
Export Receivable	USD	96,309	72.58	320,534	222.07
	GBP	1,394,042	1,308.57	1,664,177	1,503.75
	AUD	52,399	24.25	486,035	238.96
Advances received from customers for export	USD	2,012,431	1,516.71	2,024,305	1,402.47
Creditors	USD	71,674	54.02	44,846	31.07
	GBP	217,071	203.76	217,071	196.15



- b) There were no outstanding forward exchange contract entered by the company as on 31.03.2020 and 31.03.2019.

### 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, 2020, the Company has short term borrowings of 66771.23 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 Rajender Kumar Singal & Associates LLP.**

**CHARTERED ACCOUNTANTS**

FRN : 016379N

Sd/-  
(SHASHI PAL RAWAT)  
PARTNER

Membership No: 413795

Faridabad  
28th-Aug.-2020

Sd/-  
SATNAM ARORA  
Jt. Mg. Director

DIN NO. 00010667

Sd/-  
KAMAL DEEP CHAWLA  
Chief Financial Officer

Sd/-  
GURNAM ARORA  
Jt. Mg. Director

DIN NO. 00010731

Sd/-  
DEEPAK KAUSHAL  
Company Secretary

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

### ANNEXURE TO THE BALANCE SHEET AS AT 31st MARCH, 2020

#### 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	Sachdeva Brothers Pvt Ltd.	Kohinoor Foods USA. Inc.	Indo European Foods Limited
02	Reporting period for the subsidiary concerned	31-03-2020	31-03-2020	31-03-2020
03	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries			
	i) Reporting Currency	INR	USD	GBP
	ii) Exchange Rate	N.A.	75.367	93.869
04	Share Capital	15.84	6,406.20	5,804.42
05	Reserves & Surplus	(15.99)	(5,597.33)	(3,796.31)
06	Total Assets	0.00	4.34	9,384.66
07	Total liabilities	0.00	4.34	9,384.66
08	Investment	0.00	0.00	0.00
09	Turnover	0.00	0.00	18,346.25
10	Profit / Loss Before Tax	(0.10)	3,602.40	604.26
11	Provision for Tax	0.00	0.00	0.00
12	Profit / Loss after Tax	(0.10)	3,602.40	604.26
13	Proposed Dividend including Dividend declared during the year.	-	-	-
14	% of shareholding	100%	100%	100%

In terms of our separate report of even date attached

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

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

Faridabad  
28th-Aug.-2020

for and on behalf of the Board of Directors

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

**Sd/-**  
**KAMAL DEEP CHAWLA**  
**Chief Financial Officer**

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

**Sd/-**  
**DEEPAK KAUSHAL**  
**Company Secretary**

### INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF KOHINOOR FOODS LIMITED

Report on the Audit of the Consolidated Financial Statement

#### Qualified Opinion.

We have audited the accompanying consolidated financial statements of Kohinoor Foods Limited ("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, 2020, 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, 2020, 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.

#### Basis for Qualified opinion

1. In reference to Note No. 38 in the consolidated financial 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 Resolution plan submitted to the Banks by company and the interest shown by prospective investors in the company. However, in view of default in repayment of borrowings, default in payment of undisputed statutory dues, one time settlement proposal declined by banker, significant decline of revenue, continuous losses, negative cash flows and negative net worth, resignation of KMP 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. Loss of the holding company is understated by Rs. 8296.18 lakhs (approx.) due to non-provisioning of interest on bank loans during the financial year 2019-20 (Rs. 5452.28 lakhs (approx.) for the year ended March 31st 2019) and Rs. 13748.46 lakh (approx.) from the date on which the account of the company was classified as NPA to the period covered under audit. 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 not provided in books of account of the company is not ascertainable with accuracy.
3. In reference to note no. 30 to the consolidated financial statement related to bad debts, we have been informed by the management of the holding company that the company has received arbitration awards from the Hon'ble Arbitral Tribunal comprising of sole arbitrator Justice S.G. Shah in respect of agents through whom sales were made to various debtors. On the basis of above award, the company has written-off the balances of some debtors amounting to Rs. 14572.27 lakhs. Besides this, the company has also written off Rs. 3020.55 lakh as bad debts due from domestic/ export debtors which were long outstanding and payment from which could not be realized.

Further as per informed by the management, "*The debtors are facing financial difficulties due to present covid19 situation and they do not expect to realize more than 25% of the amount due*". So, management made an ad hoc provision of ₹ 5316.36 lacs for bad and doubtful debts on remaining debtors.

The management of the company has provided balance confirmation of some debtors. However, as per explanation given by management, "The company has dispute with its debtors due to quality issue of rice". In light of these circumstances third-party confirmation directly from debtors are more reliable than evidence provided internally by the entity. In the absence of above third-party confirmation, goods return by debtors, dispute with debtors, write-off significant debtors as bad debts and very small recovery of amount from debtors till the date of audit, we are unable to comment on realizability of amount due from debtors and its possible effect on consolidated Financial statement of the company.

4. The management of holding company has provided some confirmation of accounts of creditors. In light of the present circumstances of the audit, audit evidence in the form of external confirmations received directly by the auditor from confirming parties may be more reliable than evidence provided internally by the entity. In the absence of above third-party confirmation

directly from creditors, we are unable to comment on actual liability to creditors (including squared up accounts) and its possible effect on financial statement of the company.

5. In reference to revenue recognition, during the financial year there was sales return of ₹ 8205.96 lakhs in the books of holding company due to inferior quality of rice. Due to the large quantity of sales return, it appears that the company has not satisfied its performance obligation by not transferring a promised goods and hence still retaining significant risk and reward associated with goods. Thus, it cannot be identified at which point of time performance obligation is satisfied due to uncertainty about transfer of risk & reward, absence of customer specification, absence of acceptance of goods by customer and absence of sales return policy. Given these circumstances, revenue recognition by the company is not in line with IndAS 115 for Revenue Recognition, Further customer's ability to pay the consideration deteriorates significantly, it indicate the significant changes in fact and circumstances, entity should re-assess the criteria for accounts for contract with customer, In such cases, it is not probable that the economic benefits associated with the transaction will flow to the company until the consideration is received by its buyers and the uncertainty is removed we are unable to comment its impact on consolidated financial statement.
6. During the period under audit, the holding company entered into sale and purchase transactions with the same parties and has recognized Revenue without negating the effect of re-purchase of goods from debtors and re-sale of goods to creditors. As per information and explanation given by management, each transaction is a separate transaction and not related to each other as quality of goods sold and purchased are different. However, we have not been provided any quality wise record of sale & purchase, and, hence in the absence of such record we are unable to comment whether such re-purchased goods from debtor is purchase or sales return and its impact on Consolidated Financial statement.
7. We have not been provided the audited financial statements/ financial information of USA based subsidiary company M/s Kohinoor Foods USA, Inc. and India based subsidiary company M/s. Sachdeva Brothers Private limited. The management of the holding company consolidated the above financial statements on the basis of unaudited financial statement of these subsidiaries we are unable to comment on adjustment that may have been required to these consolidated financial statements.
8. We were not provided with the balance confirmation and reconciliation, if any, of some bank accounts appearing in books of accounts of the company. In the absence of having aforementioned confirmation and reconciliation, the impact thereof is unascertainable, and therefore, is not being commented upon in this report.

### Emphasis of Matters

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

- (1) As stated in Note 36 to the consolidated financial statements, the holding company has not made Provision for the demand raised by various authorities as the matters are pending before various appellate forum. We are unable to comment upon possible impact of non-provision in the Consolidated financial statement for the year ended 31st March 2020.
- (2) As stated in Note No 12 to the consolidated financial statement, the holding company has allotted 18,30,000 equity shares on conversion of warrant into equity shares issued on preferential basis to its promoters. The company has filed application for listing of 18,30,000 equity shares to both the stock exchange (NSE & BSE). As per information provided by management, such application is closed by BSE due to non-submission of documents by the company and due to which these shares are not yet dematerialised. The consequential effect the above, on the consolidated financial statement is not ascertainable.
- (3) We draw attention to Note No. 16 of the consolidated financial statement of the holding company, that the lead consortium bank "Oriental Bank of Commerce" have filed an application against holding company under section 7 of the Insolvency and Bankruptcy Code, 2016 before National Company Law Tribunal (NCLT) Chandigarh bench and the matter is adjourned to next date 14th September 2020. Further, certain operational creditors M/s. Norton Rose Fulbright, M/s. Uma Polymers, International Cargo Terminal & Infrastructure (P) Ltd, International Cargo Terminal & Rail Infrastructure (P) Ltd and JPS Plastic have also filed an application against company under section 9 of the Insolvency and Bankruptcy Code, 2016 before National Company Law Tribunal (NCLT) Chandigarh bench. The NCLT has fix the next date of hearing on 21st September 2020, 29th September 2020, 15th September 2020, 15th September 2020 and 01st September 2020 respectively.
- (4) As per 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 it carrying value and hence no impairment of assets need to be recorded in the financial statements.

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 (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibility**

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

### **Other Matter**

- (1) We did not audit the annual financial statements of one (1) subsidiary M/s Indo European Food Ltd., whose financial statement/information (before eliminating intra-group balances and transactions) reflects total assets of ₹ 9384.66 Lacs as at 31 March 2020, total revenues of ₹ 18349.01 lacs, total net profit after tax of ₹ 604.26 lacs, , and cash inflows (net) of ₹ 88.87 lacs for the year ended on that date, as considered in the accompanying Statement. These annual financial statement / financial result has been audited by other auditor, whose audit reports have been furnished to us by the management of holding company, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the such subsidiary is based solely on the audit reports of such other auditor.
- (2) We did not audit the financial statements of two (2) subsidiaries, whose annual financial statements / financial information (before eliminating intra-group balances and transactions) reflect total assets of ₹ 4.33 lacs as at 31 March 2020, total revenues of ₹ 3605.41 lacs, total net profit after tax of ₹ 3602.40 lacs and net cash outflow of ₹ 5.02 lacs for the year ended on that date, as considered in the accompanying Statement. These annual financial statements/financial results are unaudited and have been furnished to us by the Holding Company's management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information.

### **Report on other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were 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, 2020, 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 36 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 15 and 20 to the financial statements;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : New Delhi  
Date : 28-8-2020

For **RAJENDER KUMAR SINGAL & ASSOCIATES LLP**  
(CHARTERED ACCOUNTANTS)  
FRN NO.: 016379N  
Sd/-  
**(SHASHI PAL RAWAT)**  
PARTNER  
Membership No. 413795  
ICAI UDIN No. 20413795AAAAAM5034

## Annexure – A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of Kohinoor Food Limited (hereinafter referred to as “the Holding Company”).

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company based on our audit.

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

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

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

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the

internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Basis of Qualified Opinion**

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, 2020.

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

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

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

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

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

### **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, 2020, 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 31st, 2020 consolidated financial statements of the group and these material weaknesses does not affect our opinion on the consolidated financial statements of the group.

Place : New Delhi

Date : 28-8-2020

For **RAJENDER KUMAR SINGAL & ASSOCIATES LLP**

(CHARTERED ACCOUNTANTS)

FRN NO.: 016379N

Sd/-

**(SHASHI PAL RAWAT)**

PARTNER

Membership No. 413795

ICAI UDIN No. 20413795AAAAAM5034



### CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020

(Rs. In Lacs)

PARTICULARS	NOTE	As at 31-March-2020	As at 31-March-2019
<b>A. ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	18,988.87	24,576.09
Financial Assets			
Investment	4	9.76	9.76
Other Non Current assets	5	89.62	89.67
Deferred tax assets (Net)	6	499.34	355.65
<b>TOTAL</b>		<b>19,587.59</b>	<b>25,031.17</b>
<b>Current Assets</b>			
Inventories	7	2,336.00	2,336.00
Financial assets			
Trade Receivables	8	9,119.44	21,179.37
Cash and Cash Equivalents	9	430.20	358.83
Other financial Assets	10	1.81	2.05
Other Current Assets	11	2,894.32	3,186.60
<b>TOTAL</b>		<b>14,951.62</b>	<b>27,062.85</b>
<b>TOTAL ASSETS</b>		<b>34,539.22</b>	<b>52,094.02</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	3,707.15	3,707.15
Other equity	13	(57,102.55)	(38,369.24)
<b>Total</b>		<b>(53,395.39)</b>	<b>(34,662.08)</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Financial Liabilities			
Borrowings	14	1,959.64	1,500.00
Provisions	15	133.85	160.06
<b>Total</b>		<b>2,093.49</b>	<b>1,660.06</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	16	76,989.26	74,821.22
Trade Payables	17	4,808.04	6,523.72
Other Financial Liabilities	18	1,600.63	1,447.95
Other Current Liabilities	19	2,430.44	2,286.65
Provisions	20	12.74	16.50
<b>Total</b>		<b>85,841.12</b>	<b>85,096.05</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>34,539.22</b>	<b>52,094.02</b>

The Accompanying Notes form an integral part of the Financial Statements

Annexure to our Report of Date

For Rajender Kumar Singal & Associates LLP.

CHARTERED ACCOUNTANTS

FRN : 016379N

Sd/-  
(SHASHI PAL RAWAT)  
PARTNER

Membership No: 413795

Faridabad  
28th-Aug.-2020

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

Sd/-  
KAMAL DEEP CHAWLA  
Chief Financial Officer

for and on behalf of the Board of Directors

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

Sd/-  
DEEPAK KAUSHAL  
Company Secretary

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020 (Rs. In Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-March-2020	FOR THE YEAR ENDED 31-March-2019
<b>INCOME</b>			
Revenue from Operations	21	21,525.79	60,083.61
Other Income	22	50.62	173.68
Total Income		<u>21,576.41</u>	<u>60,257.30</u>
<b>EXPENSES</b>			
Cost of Material Consumed	23	14,446.64	65,382.92
Purchases of Stock-in-Trade	24	—	78.75
Changes in Inventories of Finished Goods, WIP and Stock in Trade	25	(76.19)	6.91
Employee Benefits Expenses	26	1,934.97	2,543.75
Finance Costs	27	677.90	2,664.33
Depreciation and Amortisation Expenses	3	1,212.42	1,463.59
Impairment of Assets	28	—	3,978.45
Other Expenses	29	5,269.53	6,768.52
Total Expenses		<u>23,465.27</u>	<u>82,887.22</u>
<b>Profit Before Exceptional items and Tax</b>		<u>(1,888.86)</u>	<u>(22,629.92)</u>
Exceptional Items	30	15,790.37	8,571.36
<b>Profit Before Tax</b>		<u>(17,679.22)</u>	<u>(31,201.28)</u>
Tax Expenses			(93.10)
Current Tax			—
Income Tax for Prior Years		835.22	—
Deferred Tax		(143.69)	10,631.72
<b>Profit/(Loss) for the year</b>		<u>(18,370.75)</u>	<u>(41,739.90)</u>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit plans		12.10	12.47
Unrealised surplus on revaluation of Fixed Assets		—	771.38
<b>Income tax relating to Items that will not be reclassified to profit or loss</b>		<u>—</u>	<u>—</u>
<b>Other Comprehensive Income for the year</b>		<u>12.10</u>	<u>783.85</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(18,358.65)</u>	<u>(40,956.05)</u>
<b>EARNING PER EQUITY SHARE (Face value of ` 10 each)</b>			
Basic (In Rs.)	34	(49.52)	(113.33)
Diluted (In Rs.)	34	(49.52)	(113.33)
The Accompanying Notes form an integral part of the Financial Statements			

Annexure to our Report of Date

For Rajender Kumar Singal & Associates LLP.

CHARTERED ACCOUNTANTS

FRN : 016379N

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

Faridabad  
28th-Aug.-2020

for and on behalf of the Board of Directors

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

Sd/-  
KAMAL DEEP CHAWLA  
Chief Financial Officer

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

Sd/-  
DEEPAK KAUSHAL  
Company Secretary

### Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2020

(Rs. In Lacs)

PARTICULARS	FOR THE YEAR ENDED 31-March-2020	FOR THE YEAR ENDED 31-March-2019
<b>A. Cash Flow From Operating Activities</b>		
Net Profit before tax	(17,679.22)	(31,201.28)
Adjustments for :		
Depreciation and Amortisation Expenses	1,212.42	1,463.59
Finance cost	677.90	2,664.33
Interest income	(0.24)	(15.31)
(Profit)/Loss on Sale/Deletion of Fixed Assets	(15.42)	13.31
(Profit)/Loss on Sale of Shares	—	10.06
Income from Key Man Insurance Policy	(47.16)	(48.35)
Impairment loss on Investment in Subsidiary	—	3,978.45
Bad Debts/Provision for Bad Debts	15,790.37	
<b>Operating profit before working capital changes</b>	<b>(61.36)</b>	<b>(23,135.21)</b>
Adjustments for		
Decrease/(Increase ) in Inventories	(169.85)	52,617.12
Decrease/(Increase ) in Trade Receivables	(3,730.43)	(12,288.53)
Decrease/(Increase ) in other Receivables	292.57	1,240.85
Increase/(Decrease) in Trade payables	(1,715.67)	(10,376.05)
Increase/(Decrease) in other payables	278.59	(1,933.06)
Un realized Foreign Exchange Gain/Loss	(374.65)	(110.23)
<b>Cash generated from operations</b>	<b>(5,480.80)</b>	<b>6,014.88</b>
Income tax paid	(835.22)	93.10
<b>Net Cash from operating activities</b>	<b>(6,316.03)</b>	<b>6,107.99</b>
<b>B. Cash Flow from Investing Activities</b>		
Sale of property, plant and equipment's	4,390.22	782.17
Interest Received	0.24	15.31
Income from Key Man Insurance Policy	47.16	48.35
<b>Net cash from investment activities</b>	<b>4,437.62</b>	<b>845.83</b>
<b>C. Cash Flow from Financing Activities</b>		
Receipts against issue of Share Capital/Share Warrants	—	2,147.76
Increase/( Decrease) in short term borrowings	2,168.04	(7,138.50)
Increase/( Decrease) in Long term borrowings	459.64	(87.33)
Interest paid	(677.90)	(2,664.33)
<b>Net cash flow from financing activities</b>	<b>1,949.79</b>	<b>(7,742.40)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>71.38</b>	<b>(788.59)</b>
- Cash & Cash equivalent at beginning of the year	358.83	1,147.41
- Cash & Cash equivalent at end of the year	430.20	358.83
	<b>71.38</b>	<b>(788.59)</b>

Annexure to our Report of Date

for and on behalf of the Board of Directors

For Rajender Kumar Singal & Associates LLP.

CHARTERED ACCOUNTANTS

FRN : 016379N

Sd/-  
(SHASHI PAL RAWAT)  
PARTNER

Membership No: 413795

Faridabad  
28th-Aug.-2020

Sd/-  
SATNAM ARORA  
Jt. Mg. Director

DIN NO. 00010667

Sd/-  
KAMAL DEEP CHAWLA  
Chief Financial Officer

Sd/-  
GURNAM ARORA  
Jt. Mg. Director

DIN NO. 00010731

Sd/-  
DEEPAK KAUSHAL  
Company Secretary

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Rs. in Lakh)

PARTICULARS	No. Shares	Amount
<b>A. Equity Share Capital</b>		
Balance as at 1st April, 2018	35,241,530	3,524.15
Change in equity share capital during the year 2018-19	1,830,000	183.00
Balance as at 31st March, 2019	37,071,530	3,707.15
Change in equity share capital during the year 2019-20	-	-
Balance as at 31st March, 2020	37,071,530	3,707.15

### B. Other Equity

(Amount. In Rs)

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, 2018</b>	760.25	14,549.43	(30,437.52)	17,040.11	-	(5,233.22)	(3,320.94)
Profit for the year			(41,739.90)				(41,739.90)
Other Comprehensive Income for the Year			12.47				12.47
<b>Total Comprehensive Income for the year</b>	-	-	<b>(41,727.43)</b>	-	-	-	<b>(41,727.43)</b>
Exchange differences on foreign currency Translation of Foreign Operation						3,952.20	3,952.20
Unrealised gain on revaluation of Fixed Assets				762.18			762.18
Security Premium on shares issued during the year		1,207.80					1,207.80
Application Money on issue of Share Warrants					756.96		756.96
Dividends							
Transferred to General Reserve							
<b>Balance as at 31st March, 2019</b>	<b>760.25</b>	<b>15,757.23</b>	<b>(72,164.95)</b>	<b>17,802.29</b>	<b>756.96</b>	<b>(1,281.01)</b>	<b>(38,369.24)</b>
Profit for the year			(18,370.75)				(18,370.75)
Other Comprehensive Income for the Year			12.10				12.10
Transfer from Revaluation Surplus			1,917.10				1,917.10
	-	-	(16,441.55)	-	-	-	(16,441.55)
Exchange differences on foreign currency Translation of Foreign Operation						(374.65)	(374.65)
Transfer to Retained Earning				(1,917.10)			(1,917.10)
Security Premium on shares issued during the year							-
Application Money on issue of Share Warrants							-
Dividends							
Transferred to General Reserve							
<b>Balance as at 31st March, 2019</b>	<b>760.25</b>	<b>15,757.23</b>	<b>(88,606.50)</b>	<b>15,885.18</b>	<b>756.96</b>	<b>(1,655.66)</b>	<b>(57,102.54)</b>

Annexure to our Report of Date  
**For Rajender Kumar Singal & Associates LLP.**  
**CHARTERED ACCOUNTANTS**  
 FRN : 016379N

for and on behalf of the Board of Directors

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

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

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

Faridabad  
 28th-Aug.-2020

Sd/-  
**KAMAL DEEP CHAWLA**  
**Chief Financial Officer**

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 31st, 2018 were prepared by the company under Ind AS for the first time, with 01-04-2016 as date of transition.

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

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

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

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

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

#### 2. Significant Accounting Policies

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

The financial statements of the parent company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements".

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

- (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.

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

Depreciation is calculated as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that assets as follows:

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

### (e) Financial Instruments

#### (1) Financial Assets

##### Initial recognition and measurement

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

### **Subsequent measurement**

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

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

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

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

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

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

### **Other Equity Investments**

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

## **(2) Financial liabilities**

### **Initial recognition and measurement**

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

### **Subsequent measurement**

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

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

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

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

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

- i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

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

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

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

### **(h) Inventories**

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

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

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

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

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

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

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

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

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

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

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

### **(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.

(Rs. In Lacs)

### 3. CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land	Building	Plant & Machinery & Office Equipments	Furniture & Fixtures	Computers	Vehicles	Wooden Crates	Total
<b>Gross Block</b>								
Balance as at March 31, 2019	10,546.72	15,811.40	13,695.19	604.54	282.12	1,185.82	168.15	42,293.94
Additions	-	-	2.65	-	-	-	-	2.65
Deletions	-	4,599.58	13.09	0.66	17.94	171.87	165.65	4,968.78
Translation Reserve	-	171.93	86.78	10.42	7.29	-	-	276.42
Balance as at March 31, 2020	10,546.72	11,383.75	13,771.53	614.30	271.48	1,013.95	2.50	37,604.23
<b>Accumulated Depreciation</b>								
Balance as at March 31, 2019	-	4,640.77	11,245.13	497.79	132.23	1,033.78	168.15	17,717.85
Depreciation for the Year	-	667.54	464.25	27.28	11.76	41.59	-	1,212.42
Deletions/Adjustments	-	16.11	13.04	0.64	17.92	171.86	165.65	385.21
Translation Reserve	-	-	60.18	8.48	1.64	-	-	70.30
Balance as at March 31, 2020	-	5,292.20	11,756.53	532.91	127.71	903.51	2.50	18,615.35
<b>NET BLOCK</b>								
Balance as at March 31, 2019	10,546.72	11,170.63	2,450.06	106.75	149.88	152.04	0.00	24,576.09
Balance as at March 31, 2020	10,546.72	6,091.55	2,015.01	81.38	143.77	110.44	-	18,988.87

#### Notes

- On transition to IND AS as at April 1, 2016 the company has elected to measure all its property, plant and equipment at the previous GAAP carrying value except for the "Land and Building" for which it has opted revaluation model. The company has revalued its land and building as on 01-04-2016 and has transferred the difference between the revalued amount and the carrying value as per previous GAAP amounting to Rs. 15885.19 Lacs to revaluation surplus under other Equity.
- The net book value of assets held under finance leases or hire purchase contracts, included above are Rs. 672.15 Lacs (Previous year Rs. 68.43 Lacs).



As at	(Rs. In Lacs)	
	31-March-2020	31-March-2019
<b>4. Non-Current Investment</b>		
<b>Investment in Unquoted Equity Instruments</b>		
Rich Rice Raisers factory LLC.	9.42	9.42
75 (Previous year - 75) shares of AED 1000 each fully paid up		
Less :- Diminution in the Value of the Investment	(9.42)	(9.42)
	<hr/>	<hr/>
<b>Other Investment</b>		
<b>Investment in Un-quoted Fund</b>		
Balanced Plan Fund- Canara-HSBC-OBC	9.76	9.76
'(56496.16, previous year -(56496.16) Unit of		
Balanced Plus Fund issued under Canara-HSBC-OBC,		
Life Insurance Platinum Plus Plan		
	<hr/>	<hr/>
	<u>9.76</u>	<u>19.83</u>
	<hr/>	<hr/>
a) Aggregate amount of Quoted investments	—	—
Aggregate amount of Un-quoted Investments	9.76	9.76
b) Investment in associates and joint venture are carried at cost, subject to impairment loss if any. Other investments are carried at fair value through Other comprehensive income.		
<b>5. Other Non-Current Assets</b>		
(Unsecured, considered goods)		
Security Deposit	89.62	89.67
	<hr/>	<hr/>
	<u>89.62</u>	<u>89.67</u>
<b>6. Deferred Tax Assets (Net)</b>		
Disallowance under Income tax act, 1961	64.89	60.46
Related to fixed assets	434.45	295.19
	<hr/>	<hr/>
	<u>499.34</u>	<u>355.65</u>
<b>7. Inventories</b>		
(As taken, valued and certified by the Management)		
Raw Material	644.26	747.63
Work in Progress	87.03	25.24
Finished Goods	1,555.38	1,154.51
Stores and Spares	12.66	14.93
Packing Materials	206.52	393.70
	<hr/>	<hr/>
	<u>2,505.86</u>	<u>2,336.00</u>
a) Inventories are valued at the lower of cost and net reliable value.		
b) Finished goods includes the Stock in transit		

As at	(Rs. In Lacs)	
	31-March-2020	31-March-2019
<b>8 Trade Receivables</b>		
(Unsecured, Considered Good)		
Outstanding for a period exceeding six months	2,927.68	3,018.41
Others	6,191.76	18,160.96
	9,119.44	21,179.37
(Unsecured, Considered Doubtful)		
Outstanding for a period exceeding six months	5,331.61	8,502.05
Others	15.64	—
	5,347.25	8,502.05
Less :- Provision for Bad & Doubtful Debts	5,347.25	8,502.05
	9,119.44	21,179.37
<b>9 Cash and Cash Equivalents</b>		
Balances with Banks in Current Accounts	412.65	346.28
Cash in Hand	15.06	11.06
Fixed deposits as Margin Money with Banks	2.49	1.49
	430.20	358.83
<b>10 Other Financial Assets (Current)</b>		
Staff Advance	0.01	0.49
Interest accrued on bank deposits	1.80	1.56
	1.81	2.05
<b>11 Other Current Assets</b>		
(Unsecured, Considered good)		
Advance Tax	1,307.81	2,232.39
Advance against Purchases	14.11	83.71
MAT Credit Entitlement	464.87	464.87
Pre-paid Expenses	135.95	183.77
Deposit with Banks against OTS*	500.00	---
Others	471.57	221.85
	2,894.32	3,186.60

\* The parent company has deposited Rs. 500 Lacs in Non-lien account with Oriental Bank of Commerce (Now merged with PNB) as upfront payment towards One Time Settlement proposal submitted by the company. The said proposal has been declined by the Competent Authority of the bank. The company has submitted a revised offer of One Time Settlement, which is under consideration of consortium of Banks.

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020

(Rs. In Lacs)

As at	31-March-2020	31-March-2019
<b>12. EQUITY SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
75,000,000 (Previous year 75,000,000)	7,500.00	7,500.00
Equity shares of Rs. 10/- each		
<b>Issued, Subscribed And Paid-up Capital</b>		
37,071,530 (Previous year 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	37,071,530.00	35,241,530.00
Number of Equity Shares issued during the year*	—	1,830,000.00
Number of Equity Shares at the end of the year	37,071,530.00	37,071,530.00

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

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

As at	31-March-2020		31-March-2019	
	No. of Shares	Shareholding	No. of Shares	Shareholding
(1) Jugal Kishore Arora	6,653,484	0.18	6,653,484	0.18
(2) Satnam Arora	5,988,923	0.16	5,988,923	0.16
(3) Gurnam Arora	6,708,889	0.18	6,708,889	0.18
(4) AI Dahra International Investments LLC	7,048,306	0.19	7,048,306	0.19

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-2020	31-March-2019
<b>13. OTHER EQUITY</b>		
<b>Capital Reserve</b>	760.25	760.25
<b>Securities Premium Account</b>	15,757.23	15,757.23
<b>Revaluation Surplus</b>		
As per last Balance Sheet	17,802.29	17,040.11
Add :- During the year		762.18
Transfer to Retained Earning	1,917.10	—
<b>Closing Balance</b>	15,885.19	17,802.29
<b>Share Warrants Application Money</b>	756.96	756.96
<b>Retained Earnings</b>		
As per last Balance Sheet	(72,164.95)	(30,437.52)
Profit/(Loss) during the year	(18,370.75)	(41,739.90)
Transfer from Revaluation Surplus	1,917.10	—
Other Comprehensive Income	12.10	12.47
	(88,606.50)	(72,164.95)

As at	(Rs. In Lacs)	
	31-March-2020	31-March-2019
<b>Freign Currency Translation Reserve</b>		
As per last Balance Sheet	(1,281.01)	(5,233.22)
Add :- Exchange fluctation during the year	(374.65)	3,952.20
	<u>(1,655.67)</u>	<u>(1,281.01)</u>
	<u>(57,102.55)</u>	<u>(38,369.24)</u>

### Nature and Purpose of Reserves

#### i Capital Reserve

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

#### ii. Securities Premium Account

Securities Premium Account had been created consequent to issue of shares at premium. These reserves can be utilised in accordance with Section 52 of Companies Act, 2013.

#### iii Revaluation Surplus

Revaluation surplus of Rs. 15885.19 Lacs was created on revaluation of Land & Building as on 01-04-2016. Revaluation surplus of Rs. 1917.10 Lacs was transferred by the subsidiaries company Indo Europe Foods Ltd to retained earning during the year on sale of the assets.

#### 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 considration 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:-

- The warrant holder(s) shall have the option of applying for and being allotted equity shares of the Company of face value of Rs. 10/- each by paying the balance 75% of the consideration after adjusting the upfront payment made.
- In case the Warrant holder(s) do not apply for the conversion of the outstanding Warrants into equity shares of the Company within 18 months from the date of allotment of the said warrants, then the consideration paid upon each of the said outstanding Warrants shall be forfeited and all the rights attached to the said warranst shall lapse automatically.
- The Equity shares issued and allotted on conversion thereof shall be subject to lock-in for such period as prescribed under the SEBI(ICDR) Regulations.
- The said warrants by itself do not give to the Warrant holder any rights of the Shareholders or Debenture holders of the Company.

As at	(Rs. In Lacs)	
	31-March-2020	31-March-2019
<b>14 Borrowings (Non-Current)</b>		
<b>Secured Loans</b>		
Long Term maturity of Finance Lease obligations	117.34	—
	<u>117.34</u>	<u>—</u>
<b>Unsecured Loans</b>		
Loan from Directors*	1,500.04	1,500.00
Loan from Other Parties	342.27	—
	<u>1,959.64</u>	<u>1,500.00</u>
*Loan from Directors are interest free.		

As at	(Rs. In Lacs)	
	31-March-2020	31-March-2019
<b>15 Provisions (Non-Current)</b>		
Provision for Employee Benefit		
Provision for Gratuity	133.85	160.06
	<u>133.85</u>	<u>160.06</u>
<b>16 Borrowings (Current)</b>		
<b>Secured</b>		
Loan repayable on Demand from Banks	70,900.38	73,565.40
<b>Unsecured</b>		
Corporate Gurantee*	3,605.42	---
Loan from Directors	2,483.47	1,255.82
	<u>76,989.26</u>	<u>74,821.22</u>

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

b) The balances are subject to confirmation and reconciliation.

**c) 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, Oriental Bank of Commerce (now merged with PNB) 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.

Interest has not been provided during current year to the extent of Rs. 8497.35 Lacs (previous year Rs.5610.09 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 parent 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.

\* The parent company had issued a corporate guarantee in favor of PNB Hongkong for loan granted by PNB Hongkong to its wholly owned subsidiary, Kohinoor Foods USA Inc. PNB Hongkong has invoked the corporate guarantee on default made by Kohinoor Foods USA Inc. The company has recognised this liability and has also initiated process to settle this through an offer of one time settlement.

**17 Trade Payable**

Due to Micro, Small and Medium Enterprises	—	—
Due to Others	4,808.04	6,523.72
	<u>4,808.04</u>	<u>6,523.72</u>

The Ministry of Micro, Small and Medium Enterprises has issued an office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amount payable to such enterprises as at the year end has been made in the financial statements based on the information received and available with the Company.



(Rs. In Lacs)

As at	31-March-2020	31-March-2019
<b>18 Other Financial Liabilities (Current)</b>		
Current maturities of long-term debt	66.96	50.54
Current maturities of finance lease obligations	103.10	31.37
Employees Benefits Payable	228.53	108.72
Other Payables	1,202.04	1,257.32
	<u>1,600.63</u>	<u>1,447.95</u>
<b>19 Other Current Liabilities</b>		
Advance received from customers	1,762.59	1,568.58
Statutory Liabilities	211.76	154.60
Other Liabilities	456.09	563.47
	<u>2,430.44</u>	<u>2,286.65</u>
<b>20 Provisions (Current)</b>		
Provision for gratuity	12.74	16.50
	<u>12.74</u>	<u>16.50</u>
<b>21 Revenues From Operations</b>		
Sales of Products	21,496.72	59,556.75
Other Operating Revenues	29.07	526.86
	<u>21,525.79</u>	<u>60,083.61</u>
<b>a) Sales of Products</b>		
Rice	18,394.73	54,204.91
Foods	3,101.99	5,351.84
	<u>21,496.72</u>	<u>59,556.75</u>
<b>b) Other Operating Revenues</b>		
Sale of Scrap	22.92	64.67
Income from Rice Processing	5.72	291.98
Duty Drawback/ Sale of Licenses	0.44	170.21
	<u>29.07</u>	<u>526.86</u>
<b>22 Other Income</b>		
Income from Key man Insurance Policy	47.16	48.35
Interest Income	0.24	15.31
Miscellaneous Income	3.22	110.02
	<u>50.62</u>	<u>173.68</u>
<b>23 Cost of Material Consumed</b>		
Opening Stock	980.13	53,995.23
Add: Purchases	14,093.94	13,237.25
Less Closing Stock	627.42	1,849.55
	<u>14,446.64</u>	<u>65,382.92</u>
<b>24 Purchase of Traded Goods</b>		
Foods	—	78.75
	<u>—</u>	<u>78.75</u>
<b>25 Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade</b>		
Opening Inventories	134.33	84.74
Closing Inventories	210.53	77.83
	<u>(76.19)</u>	<u>6.91</u>

(Rs. In Lacs)

For the year ended	31-March-2020	31-March-2019
<b>26 Employee Benefit Expenses</b>		
Staff Salaries	1,571.61	1,872.79
Director's Remuneration	222.44	422.25
Gratuity	27.43	38.25
Bonus	11.33	13.63
Staff Welfare	69.84	85.74
Employer's Contribution to P.F.& ESI	32.32	111.09
	<u>1,934.97</u>	<u>2,543.75</u>
<b>27 Finance Cost</b>		
Interest Expense*	277.29	2,334.36
Bank Charges	143.32	74.16
Borrowing Cost	257.29	255.81
	<u>677.90</u>	<u>2,664.33</u>
Interest has not been provided during current year to the extent of Rs. 8497.35 Lacs (previous year Rs. 5610.09 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	—	3,978.45
	<u>—</u>	<u>3,978.45</u>
The company has recognised the impairment loss in respect of Investment in its wholly owned subsidiary , "Kohinoor Foods USA Inc." in previous year.		
<b>29 Other Expenses</b>		
<b>a) Manufacturing Expenses</b>		
Loading and Unloading Charges	30.77	952.56
Packing Materials Consumed	1,603.15	1,488.06
Wages	905.95	148.92
Processing Charges	—	0.82
Repair to Machinery	25.65	17.64
Consumables & Stores Consumed	0.13	2.36
Power & Fuel	175.76	287.49
Freight & Octroi	—	401.80
Brokerage & Commission	—	(0.17)
	<u>2,741.41</u>	<u>3,299.48</u>
<b>b) Administrative Expenses</b>		
Payment to Auditors		
-Statutory Audit Fee	41.11	54.71
-Tax Audit Fee	2.25	4.50
-Other Matters	2.37	2.52
Postage, Telegram and Telephone	46.24	62.13
General Expenses^	132.19	149.26
Loss on Investment in Shares	—	20.13
Legal and Professional Charges	279.31	340.68
Electricity Expenses	125.42	102.42
Rates and Taxes	225.00	422.80
Other Taxes Paid	12.82	144.47
Charity and Donation	—	1.81

(Rs. In Lacs)

For the year ended	31-March-2020	31-March-2019
Vehicle Maintenance	48.13	132.04
Printing and Stationery	16.84	22.45
Hire of Equipments	71.97	64.33
Fumigation Expenses	5.02	12.28
Insurance Charges	93.93	123.00
Conveyance	6.83	29.37
Membership & Subscription	3.75	7.34
Traveling Expenses (Directors)	13.75	16.83
Traveling Expenses (Others)	25.30	32.33
Research & Development	19.82	14.21
Rent	281.94	45.75
Staff Recruitment Expenses	2.35	---
Loss on Sale of Assets	(15.52)	13.31
Deletion of Obsolete Fixed Assets	0.10	---
Bad Debts/Provision for Doubtful Debts	48.20	---
Repairs to Building	48.10	56.81
Repairs to Others	135.24	165.62
Foreign Exchange Loss	78.99	513.24
	<u>1,751.44</u>	<u>2,554.37</u>
<b>c) Selling &amp; Distribution Expenses</b>		
Advertisement and Publicity	73.41	229.70
Business Promotion	3.26	29.43
Rebate & Discount	60.61	15.08
Ocean Freight	(0.28)	23.86
Expenses Against Export	2.89	6.77
Brokerage & Commission on Sales	—	0.72
Distribution Cost	398.76	—
Clearing and Forwarding	238.04	609.11
	<u>776.69</u>	<u>914.67</u>
	<u>5,269.53</u>	<u>6,768.52</u>
<b>30. Exceptional Items</b>		
Bad Debts/Provision for Doubtful Debts	15,790.37	8,571.36
	<u>15,790.37</u>	<u>8,571.36</u>

\* The company had initiated arbitration process for recovery of amount due from some Debtors. The company has received order of Arbitration and based on Arbitration Award has written off an amount of Rs. 14572.27 Lacs in respect of these parties and has adjusted the provision already made during the previous year.

(Rs. In Lacs)

For the year ended	31-March-2020	31-March-2019
<b>31 Disclosures under IND AS-108 on "Segment Reporting" :</b>		
<b>(a) Information about products and services</b>		
<b>Revenue from sale of Products</b>		
Rice	18,394.73	54,204.91
Foods	3,101.99	5,351.84
	<u>21,496.72</u>	<u>59,556.75</u>
<b>(a) Information about geographical areas</b>		
<b>Revenue by Geographical Area</b>		
ASIA	3,148.64	37,424.45
EUROPE	18,346.25	19,499.71
MIDDLE EAST	—	1,601.08
AUSTRALIA	—	824.75
AFRICA	1.83	—
NORTH AMERICA	—	206.76
	<u>21,496.72</u>	<u>59,556.75</u>
<b><u>Non Current Assets</u></b>		
Property, plant and Equipment Located in		
India	18,184.45	19,267.82
United Kingdom	804.43	5,308.27
USA	—	—
	<u>18,988.87</u>	<u>24,576.09</u>

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

#### List of related parties

- i) Joint Ventures of the Company
  - 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
Mr. Vijay Vaidyanathan	Director of Indo European Foods Ltd (till 21 November 2018)
- iii) Enterprise over which key managerial personnel exercise significant influence
  - Satnam Overseas (Exports) - Partnership Firm of Promoter directors
  - Adonis No.1 Beauty Clinic LLP
  - Incredible Foods Pvt. Ltd.
  - Satnam International Pvt. Ltd.
  - Satnam Haegens Ltd.

- Adhiraj Buildcon Pvt. Ltd.
- Booker Satnam Wholesale Pvt. Ltd.
- Little Munchkins LLP.
- QVC Foods Private Limited
- Gourmet Foods and Beverages Limited
- Sunny General Trading
- Special Rice & Foods Private Limited

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

(Rs. In Lacs)

	Key Managerial Personnel and their Relatives	Enterprises over which Key managerial Personnel exercise significant influence
<b>Transactions during the year</b>		
Sale of products		676.75 (51.50)
Purchase of products	—	26.57
Remuneration	222.44 (505.55)	
Advance Received	— —	31.35 —
Receipt of Share Warrant Application Money	— (2,147.76)	
Allotment of Shares (including Share Premium)	— (1,390.80)	
Loan from Directors	1,227.65 (2,228.21)	
Repayment of Director's Loan	— (2,416.29)	
<b>Balances outstanding at the year end:-</b>		
Loan from Directors	3,983.47 (2,755.82)	
Share Warrant Application money	756.96 (756.96)	
Advance From Customers	— —	31.35 —

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

(Rs. In Lacs)

As at

31-March-2020

31-March-2019

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

The parent company has leases only for some vehicles. The Company has elected not to recognise Right of use Assets and lease liability for short term leases (Leases of remaining term of 12 months or less). All the outstanding leases as on 31-03-2020 are short term leases and such assets are included in Property, Plant & Equipment's. Total cash outflow in respect of leases in the year amounts to Rs. 6.50 Lacs. The lease liabilities are secured by the related underlying assets. The company has recognised depreciation on vehicles on lease amounting to Rs. 17.77 Lacs during the year. The net book value of parent company's assets under finance lease is Rs. 50.67 Lacs (Previous year Rs. 68.43 Lacs).

The lease liabilities payable of parent company as on 31-03-2020, Rs. 24.87 Lacs is over due as the original lease period has expired during the year. The Company has defaulted in making lease payments and is in process of negotiating a settlement with the lessor.

The Subsidiary company Indo European Foods Limited has future minimum lease payments under non-cancellable operating leases as follows.

#### Obligations towards minimum lease payments:-

Amount payable not later than one year	484.20	230.67
Amount payable later than one year but not later than five years	1,753.14	—
Amount payable later than five years	5,945.75	0.08
	<u>8,183.10</u>	<u>230.75</u>

The Plant and machinery of subsidiary company IEFL are under finance lease during the current year. The net book value of such assets under finance lease included in Property , Plant and Equipments is Rs. 621.49 Lacs ( previous year , NIL).

### 34 Earning Per Share (EPS)

(Rs. In Lacs)

	For the Year Ended	31-March-2020	31-March-2019
i)	Total Comprehensive Income for the year attributable to Equity Shareholders	(18,358.65)	(40,956.05)
ii)	Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	37,071,530	36,138,982
iii)	Weighted Average Potential Equity Shares	—	—
iv)	Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	37,071,530	36,138,982
v)	Basic Earning Per Share	(49.52)	(113.33)
vi)	Diluted Earning Per Share	(49.52)	(113.33)
vii)	Face Value per Equity Share	10	10

#### Calculation Weighted Average number of Equity Shares

(Rs. In Lacs)

	For the Year Ended	31-March-2020	31-March-2019
	Nos. of Days	365	186
	Nos. of Shares	37,071,530	35,241,530
	Nos. of Days	-	179
	Nos. of Shares	-	37,071,530
	total nos. of days	365	365
	Weighted Average number of shares	37,071,530	36,138,982

(Rs. In Lacs)

As at 31-March-2020 31-March-2019

### 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 2019	Created during the year	Withdrawals	Clasing Balance as at 31 March 2020
Gratuity	176.56	15.33	45.30	146.59
	176.56	15.33	45.30	146.59

(Rs. In Lacs)

Particulars 31-March-2020 31-March-2019

### 36 Contingent Liabilities not provided for

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

i	Income Tax	10,322.02	10,825.07
ii	Sales Tax - Delhi	122.00	122.00
iii	VAT-Haryana	859.90	859.90
iv	Excise & Taxation Department, Punjab	455.82	455.82
v	Excise Duty	42.91	42.91
vi	Service Tax	9.12	9.12
vii	Legal Cases against the Company	963.94	963.94
B	Corporate Guarantee given by the Company.	-	6,235.32
C	Bank Guarantees	19.75	18.75
D	Surety Bonds issued to Govt. Agencies under EPCG/Adv License scheme	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	Tax	Total
2002-03 to 2008-09	298.03	106.00	404.03
2009-10	-	-	-
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	406.82	264.39	671.21
2014-15	798.05	453.85	1,251.89
2016-17	275.78	129.05	404.84
Total			10,322.04

As per the advice received from legal experts and on the basis of merit of the case, there is a high probability that the aforesaid impugned orders will be set aside and the demand will be deleted. Accordingly, management is of the view that no provision in respect of the above demands is required to be made in the books of accounts.

- ii An appeal before the Sales Tax Commissioner - Appeals, New Delhi is lying pending in respect of Sales Tax demand of Rs.122.00 Lacs on sale of REP Licenses made in earlier years.
- iii Following appeals are also lying pending before the Appellate Authorities/Tribunal, Haryana as mentioned in 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	Demand Raised (Rs.)	Assessing Authority	Appellate Authority
(Col.1)	(Col.2)	(Col.3)	(Col.4)
Sales Tax Murthal - AY 2008-09	732	Revision-Faridabad	Tribunal-Chandigarh
Sales Tax Murthal - Inspection 17.01.2014	26	ETO-Sonipat	JETC-Rohtak
Sales Tax - Murthal - Inspection 13.11.2014	27	ETO-Sonipat	JETC-Rohtak
Sales Tax - Murthal - AY 2009-10	29	Revision-Faridabad	Tribunal-Chandigarh
Sales Tax - Murthal - AY 2012-13	46	ETO-Sonipat	JETC-Rohtak
Total	860		

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. 5.41Lacs 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 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.

## 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.



39Disclosures as Required by Indian Accounting Standard (Ind As) 113: Fair Value Measurement:

Fair value measurement of Financial Instruments

(Rs. In Lacs)

Fair value measurement at	Amortized Cost	FYTPL			FYTOCI			TOTAL
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
<b>Financial Assets</b>								
<b>Non Current Financial Assets</b>								
Investment					9.76			9.76
<b>Current Financial Assets</b>								
Trade receivables	9,119.44							9,119.43
Cash and cash equivalents	430.20							430.20
Other financial assets	1.81							1.80
	<b>9,551.45</b>	-			<b>9.76</b>	-		<b>9,551.21</b>
<b>Financial Liabilities</b>								
<b>Non Current Financial Liabilities</b>								
Borrowings	1,959.64							1,959.64
<b>Current Financial Liabilities</b>								
Borrowings	76,989.26							76,989.26
Trade Payables	4,808.04							4,808.04
Other Financial Liabilities	1,600.63							1,600.63
	<b>85,357.58</b>	-	-	-	-	-	-	<b>85,357.58</b>

As at 31.03.2020

(Rs. In Lacs)

Fair value measurement at	Amortized Cost	FYTPL			FYTOCI			TOTAL
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
<b>Financial Assets</b>								
<b>Non Current Financial Assets</b>								
Investment					9.76			9.76
<b>Current Financial Assets</b>								
Trade receivables	21,195.30							21,179.37
Cash and cash equivalents	102.18							358.82
Other financial assets	2.05							2.05
	<b>21,229.53</b>	-			<b>9.76</b>	-		<b>21,550.01</b>
<b>Financial Liabilities</b>								
<b>Non Current Financial Liabilities</b>								
Borrowings	1,500							1,500
<b>Current Financial Liabilities</b>								
Borrowings	68,480.92							74,821.22
Trade Payables	4,187.26							6,523.72
Other Financial Liabilities	1,441.61							1,447.95
	<b>75,609.80</b>	-	-	-	-	-	-	<b>84,292.80</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 above notes form part of the financial statements

In terms of our separate report of even date attached

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for and on behalf of the Board of Directors

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

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

Faridabad  
28th-Aug.-2020

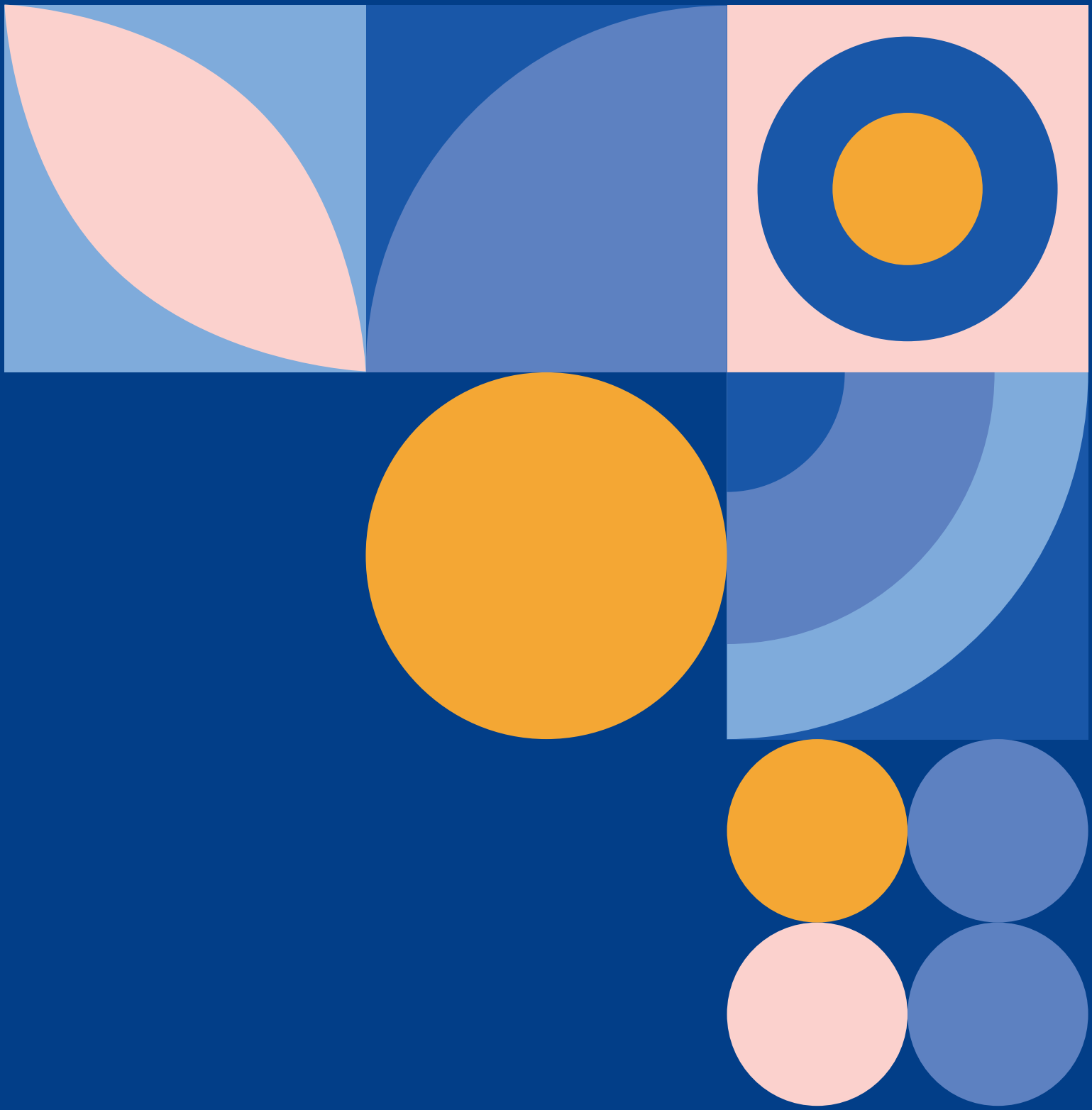
**Sd/-**  
**SATNAM ARORA**  
**Jt. Mg. Director**  
DIN NO. 00010667

**Sd/-**  
**KAMAL DEEP CHAWLA**  
**Chief Financial Officer**

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

**Sd/-**  
**DEEPAK KAUSHAL**  
**Company Secretary**





# Kohinoor Foods Ltd.

Registered Office : Pinnacle Business Tower, 10th Floor, Surajkund, Shooting Range Road,  
Faridabad, Haryana – 121001, Phone: +91-129-424-2222, Fax: +91-129-424-2233

CIN : L52110HR1989PLC070351

Email: [info@kohinoorfoods.in](mailto:info@kohinoorfoods.in), [www.kohinoorfoods.in](http://www.kohinoorfoods.in)



## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Thirty First Annual General Meeting ("AGM") of the Members of Kohinoor Foods Limited will be held on Monday, 30th November 2020 at 11:00a.m., Indian Standard time ("IST"), through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility, in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 20/2020, 14/2020 and 17/2020 dated 5th May, 2020, 8th April, 2020 and 13th April, 2020 respectively, to transact the following businesses:-

### Ordinary Business:

1. To receive, consider and adopt:
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2020 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, 2020 and the Report of the Auditors thereon.
2. To appoint a Director in place of Shri Satnam Arora (holding DIN: 00010667), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

### Special Business:

3. 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 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment (s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Mr. Sunil Sharma (DIN: 08699033), who was appointed as an Additional Director of the Company w.e.f., February 13, 2020, under Section 161 of the Companies Act, 2013, be and is hereby appointed as a Non-

Executive Independent Director of the Company not liable to retire by rotation, to hold office for a term up to five consecutive years commencing from February 13, 2020.

4. 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 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification (s) or re-enactment (s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Mr. Yash Pal Mahajan (DIN: 08699040), who was appointed as an Additional Director of the Company w.e.f., February 13, 2020, under Section 161 of the Companies Act, 2013, be and is hereby appointed as a Non-Executive Independent Director of the Company not liable to retire by rotation, to hold office for a term upto five consecutive years commencing from February 13, 2020.

5. 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 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Ms. Mani Chandra Bhandari (DIN: 00387525), who was appointed as an Additional Director of the Company w.e.f., February 13, 2020, under Section 161 of the Companies Act, 2013, be and is hereby appointed as a Non-Executive Independent Director of the Company not liable to retire by rotation, to hold office for a term upto five consecutive years commencing from February 13, 2020.

6. 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 2020-21, 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.”

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

**“RESOLVED THAT** pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, as amended from time to time, the Articles of Association of the Company and on the approval of the Nomination and Remuneration Committee and the Board of the Directors of the Company (“Board”) approval of the Members by way of special resolution be and is hereby accorded for continuation of directorship of Mrs. Mani Chandra Bhandari holding DIN: 00387525 as Non-Executive Independent Director, who has attained the age of 75 (Seventy Five) years for remaining tenure. Mrs. Mani Chandra Bhandari was appointed by the Board of Directors as Additional Director as Non-Executive Independent Director for a period of five years subject to the approval of the members in its meeting held on 13th February, 2020.

**RESOLVED FURTHER THAT** the Board be and is here by authorised to take all steps necessary to give effect to the aforesaid resolution, if necessary, also delegate all or any of the

powers herein conferred, to any Director(s) or Company Secretary or any other Officer(s) /Authorised Representative(s) of the Company to give effect to the aforesaid resolution(s).”

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

**“RESOLVED THAT** pursuant to provisions of Sections 196, 197,203 and any other applicable provisions of the Companies Act, 2013and the rules made there under (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and in continuation to the resolution passed at the Annual General Meeting of the Company held on 27.09.2012, 29.09.2015& 25.09.2017, consent of the Shareholders be and is hereby given to the re-appointment of Mr. Jugal Kishore Arora (DIN 00010704), Whole time Director designated as Chairman of the Company for the period of Three Years from 26 September, 2020.

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

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

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

subject however, to the approval of the Central Government, wherever required.”

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

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

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

**RESOLVED THAT** pursuant to provisions of Sections 196, 197,203 and any other applicable provisions of the Companies Act, 2013and the rules made there under (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and in continuation to the resolution passed at the Annual General Meeting of the Company held on 27.09.2012 29.09.2015 &27.09.2017, consent of the Shareholders be and is hereby given to the re-appointment of Mr. Satnam Arora (DIN 00010667), Jt. Managing Director of the Company for the period of Three Years from 26 September, 2020.

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

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Satnam Arora, the Company has no profits or profits are inadequate, the remuneration by way of

salary, allowances and perquisites payable to Mr. Satnam Arora, as aforesaid, shall be the minimum remuneration, subject however, to the approval of the Central Government, wherever required.

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

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

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

**RESOLVED THAT** pursuant to provisions of Sections 196, 197,203 and any other applicable provisions of the Companies Act, 2013and the rules made there under (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and in continuation to the resolution passed at the Annual General Meeting of the Company held on 27.09.2012 29.09.2015 &27.09.2017, consent of the Shareholders be and is hereby given to the re-appointment of Mr. Gurnam Arora ( DIN 00010731), Jt. Managing Director of the Company for the period of Three Years from 26 September, 2020.

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

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Gurnam Arora, the Company has no

profits or profits are inadequate, the remuneration by way of salary, allowances and perquisites payable to Mr. Gurnam Arora, as aforesaid, shall be the minimum remuneration, subject however, to the approval of the Central Government, wherever required.

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

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

**By Order of the Board**

**For Kohinoor Foods Limited**

**Sd/-**

Place: Faridabad

Deepak Kaushal

Date: 28.09.2019

Company Secretary

### 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 Nos. 3 to 10 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on 28th August, 2020 & 29th September, 2020 considered that the special business under Item Nos. 3 to 10, being considered unavoidable, be transacted at the 31st AGM of the Company.
2. General instructions for accessing and participating in the 31st 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 General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 31st AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 31st 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 31st AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members maybe appointed for the purpose of voting through remote e-Voting, for participation in the 31st AGM through VC/OAVM Facility and e-Voting during the 31st AGM.
  - c. In line with the MCA Circulars and SEBI Circular, the Notice of the 31st 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.nsdl.com](http://www.evoting.nsdl.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 31st AGM through VC/OAVM Facility and e-Voting during the 31st AGM.





- f. Members may join the 31st AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 10:30 a.m. IST i.e. 30 minutes before the time scheduled to start the 31st AGM and the Company may close the window for joining the VC/OAVM Facility 30 minutes after the scheduled time to start the 31st AGM.
- g. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of at least 1,000 Members on a 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 31st AGM without any restriction on account of first-come-first-served principle.
- h. Attendance of the Members participating in the 31st 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 31st AGM and facility for those Members participating in the 31st AGM to cast vote through e-Voting system during the 31st AGM.

3. Instructions for Members for Remote e-Voting are as under:-

- a. The remote e-Voting period will commence on 27th December 2020 (9:00 am IST) and end on 29th December 2020 (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 25th December 2020, 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.

- b. A person who is not a Member as on the cut-off date should treat this Notice of 31st AGM for information purpose only.
- c. The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 is mentioned below:**

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

- I. 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.
- II. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- III. A new screen will open. You will have to enter your User ID, your Password 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 ID as 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.

IV. 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***

V. Your password details are given below:

- i. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- ii. 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.

iii. How to retrieve your 'initial password'?

- a. 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. .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'.
- b. If your email ID is not registered, please follow steps mentioned below in process for those members whose emailids are not registered.

VI. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password click on:

- i. "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- ii. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

iii. 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.

iv. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

VII. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

VIII. Now, you will have to click on "Login" button.

IX. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

How to cast your vote electronically on NSDL e-Voting system?

- I. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- II. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- III. Select "EVEN" of the Company.
- IV. Now you are ready for e-Voting as the Voting page opens.
- V. 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 "Confirm" when prompted.
- VI. Upon confirmation, the message "Vote cast successfully" will be displayed.
- VII. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- VIII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

- d. 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.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Mr. Amit Vishal, Senior Manager or Ms Pallavi Mhatre Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [AmitV@nsdl.co.in](mailto:AmitV@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone nos. : +91-22-24994360 or +91-99202 64780 or +91-22-24994545 who will also address the grievances connected with the 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).

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).

4. Instructions for Members for participating in the 31st AGM through VC/OAVM are as under:
- Members will be able to attend the 31st AGM through VC/OAVM Facility through the NSDL e-Voting system at <https://www.evoting.nsdl.com> under shareholders login by using the remote e-Voting credentials and selecting the EVEN for the Company's 31st AGM. 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 of the 31st AGM to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.
  - Further, Members will be required to use Internet with a good speed to avoid any disturbance during the meeting.
  - 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.

- Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the 31st 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.
  - Members, who would like to ask questions during the 31st AGM with regard to the financial statements or any other matter to be placed at the 31st 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 31st AGM.
- Those Members who have registered themselves as a speaker shall be allowed to ask questions during the 31st AGM, depending upon the availability of time.
- Institutional Investors who are Members of the Company, are encouraged to attend and vote in the 31st AGM through VC/OAVM Facility.
5. Instructions for Members for e-Voting during the 31st AGM are as under:
- Members may follow the same procedure for e-Voting during the 31st AGM as mentioned above for remote e-Voting.
  - Only those Members, who will be present in the 31st AGM through VC/OAVM Facility and have not cast 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 31st AGM.
  - The Members who have cast their vote by remote e-Voting prior to the 31st AGM may also participate in the

31st AGM through VC/OAVM Facility but shall not be entitled to cast their vote again.

- d. The Helpline details of the person who may be contacted by the Member needing assistance with the use of technology, before orduring the 31st AGM shall be the same persons mentioned for remote e-Voting and reproduced hereunder for convenience:

I. Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [AmitV@nsdl.co.in](mailto:AmitV@nsdl.co.in) or at telephone number: +91-22-24994360 or +91-99202 64780

II. Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone number +91 22 2499 4545.

### 6. 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. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cutoff date of 25th December 2020.
- c. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 31st AGM by email and holds shares as on the cut-off date i.e. 25th December 2020, 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).

- d. 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.
- e. Mr. Manish Kumar, Company Secretary in Practice (Membership No.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.
- f. During the 31st AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 31st AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 31st 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 31st AGM.
- g. The Scrutinizer shall after the conclusion of e-Voting at the 31st 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 31st AGM, who shall then countersign and declare the result of the voting forthwith.
- h. 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.

7. 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 31st AGM and the Annual Report for the year 2020 including therein the Audited Financial Statements for year 2020, 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 31st AGM and the Annual Report for the year 2020 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).

8. The Notice of the 31st AGM and the Annual Report for the year 2020 including therein the Audited Financial Statements for the year 2020, 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 31st AGM will also be available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
9. The Register of Members and the Share Transfer books of the Company will remain closed from 23rd December 2020 to 29th December 2020, both days inclusive, in connection with the Annual General Meeting.
10. 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.

11. 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.
12. 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.
13. 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.
14. 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.

15. 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.
16. 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.
17. 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.
18. 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.
19. Members who wish to obtain any information on the Company or view the accounts for the Financial Year ended 31st March, 2019, may visit the Company's corporate website [www.kohinoorfoods.in](http://www.kohinoorfoods.in) or may request the Company for sending the Annual Report. The Members are requested to write their query(ies), if any, on the accounts and operations of the Company at least 07 days before the Annual General Meeting of the Company, to the Company Secretary at the Registered Office of the Company to keep the information ready at the meeting.
20. 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.
21. Electronic copy of all the documents referred to in the accompanying Notice of the 31st 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).
22. During the 31st 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>.
23. 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 31st AGM, forms integral part of the Notice of the 31st AGM. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.
24. In compliance with the said Circulars, the Company has also published a public notice by way of an advertisement made dated [o] in [o] and [o], both having a wide circulation in [o] 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, 4 & 5

The Board of Directors of the Company had appointed Mr. Sunil Sharma, Mr. Yash Pal Mahajan and Mrs. Mani Chandra Bhandari as an Additional Director of the Company with effect from 13th February, 2020. In accordance with the provisions of Section 161 of Companies Act, 2013, Mr. Sunil Sharma, Mr. Yash Pal Mahajan and Mrs. Mani Chandra Bhandari shall hold office up to the date of the forthcoming Annual General Meeting and are eligible to be appointed as an Independent Director for a term up to five years. The Company has received notice under Section 160 of the Companies Act, 2013 from Mr. Sunil Sharma, Mr. Yash Pal Mahajan and Mrs. Mani Chandra Bhandari signifying their candidature as an Independent Director of the Company.

A brief profile of Mr. Sunil Sharma, Mr. Yash Pal Mahajan and Mrs. Mani Chandra Bhandari, including nature of their expertise, is provided to this Annual Report. The Company has received a declaration of independence from Mr. Sunil Sharma, Mr. Yash Pal Mahajan and Mrs. Mani Chandra Bhandari. In the opinion of the Board, Mr. Sunil Sharma, Mr. Yash Pal Mahajan and Mrs. Mani Chandra Bhandari fulfill the conditions specified in the Companies Act, 2013 and the Equity Listing Agreement, for appointment as independent Director of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company [www.kohinoorfoods.in](http://www.kohinoorfoods.in)

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Sunil Sharma, Mr. Yash Pal Mahajan and Mrs. Mani Chandra Bhandari, are in any way, concerned or interested, financially or otherwise, in this resolution. The Board commends the Ordinary Resolution set out at Item no. 3, 4 & 5 for approval of the Members.

Item No. 6

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, 2021, 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. 6 of the notice for the ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2021.

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. 6 for approval of the Members.

Item No. 7

In pursuance to the provisions of the Companies Act, 2013 read with rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 SEBI (LODR), the Board of Directors at its meeting held on 13th February, 2020 appointed Mrs. Mani Chandra Bhandari (DIN No. 00387525) as an Additional Director of the Company, subject to the approval by the members at the General Meeting of the Company.

SEBI vide its notification dated 10 May, 2018 has amended the SEBI (LODR) and, inter-alia, has inserted new Regulation 17(1A) which mandates that no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of 75 (Seventy Five) years unless a Special Resolution is passed to that effect by the members of the Company.

As Mrs. Mani Chandra Bhandari has attained the age of 75 (Seventy Five) years, accordingly, in view of the above amendment in the SEBI Listing Regulations, it has become imperative for the Company to seek members approval by way of a special resolution, to continue his directorship as an Independent Director, in terms of provisions of the Act and the SEBI (LODR). Keeping in view that Mrs. Mani Chandra Bhandari

have rich and varied experience in the field of Export Industry, Management, Designing and Order Procurement and it would be in the interest of the Company to continue the directorship of Mrs. Mani Chandra Bhandari as a Non-Executive Independent Director.

Further, while evaluating the performance, the Nomination and Remuneration Committee of the Company and the Board has expressed their satisfaction on the same.

The Nomination and Remuneration Committee at its meeting held on 28th August, 2020 has considered and approved their continuation as an Independent Director till the expiry of their present tenure and has recommended the same for the consideration and approval of the Board of Directors of the company.

Mrs. Mani Chandra Bhandari fulfills the criteria of appointment as an independent Directors under section 149(6) of the Companies Act and Regulation 25 of the SEBI Listing Regulations and has provided requisite declarations. Also, the Board may recall that while evaluating their performance, the Nomination and Remuneration Committee of the Company and the Board has expressed the satisfaction on the same.

A brief profile of Mrs. Mani Chandra Bhandari is included as annexure to the Notice.

None of the Director or Key Managerial Personnel and their relatives, except Mrs. Mani Chandra Bhandari, is in any way, concerned or interested, financial or otherwise, in this resolution. The Board commends the Special Resolution set out at Item no. 7 for approval of the Members.

Item No. 8, 9 & 10

The Board of Directors in its Meeting held on 28th August, 2020, on the basis of recommendation by the Nomination and Remuneration Committee approved the reappointment of Mr. Jugal Kishore Arora, as Chairman, Mr. Satnam Arora and Mr. Gurnam Arora as Jt. Managing Directors of the company for next three years with effect from 26th September, 2020 to 25th September, 2023 and also to renew the remuneration of Mr. Jugal Kishore Arora, Whole Time Director, designated as 'Chairman', Mr. Satnam Arora and Mr. Gurnam Arora, designated as Jt. Managing Directors of the Company with effect from 1st October,

2020, as may be decided by the Committee and Board of Directors from time to time, subject to the overall limit approved by the Central Government.:-

### A. Basic Salary

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

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

### B. Perquisites and Benefits –:

- i) Medclaim facility for self & family.
- ii) Two cars with chauffeur
- iii) Facility of gas, electricity, generator, water and telephone at residence.
- iv) Security Personnel, Gardeners Salary at residence.
- v) Travel within India along with wife.
- vi) Travel outside India along with wife twice in a year.
- vii) Club Membership fees.
- viii) Repairs & Maintenance of house as per actual.
- ix) Any Other allowances if permitted by Board.

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

The total remuneration consisting of Salary, Perquisites and other benefits paid to the Chairman and Jt. Managing Directors



shall not exceed the limit stipulated in the Act and other applicable provisions except with the approval of Central Government.

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

None of the other Directors of the Company are, in any way, concerned or interested in the said resolution. Your Directors recommend these resolutions for approval of the members.

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

Profile of Directors retiring by rotation / seeking appointment / Re-appointment in the Annual General meeting to be held on November 30, 2020 pursuant to regulation 36 of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 and other applicable requirements:

Name of Director	Mr. Jugal Kishore Arora	Mr. Satnam Arora	Mr. Gurnam Arora
DIN No.	00010704	00010667	00010731
Date of Birth / Age	11th October, 1943/ 77 years	23rd January, 1949/ 71 years	26th March, 1950/ 70 years
Date of First Appointment	26th July, 1989	26th July, 1989	26th July, 1989
Expertise in specific General Functional area	Businessman	Businessman	Businessman
Qualification	Graduation	Masters in Economics	Graduation
Shareholding in the Company as on 31st March, 2020	60,43,484	53,78,923	60,98,889
No. of Board meetings attended during FY19-20	4	6	6
List of outside Directorships held (Public Limited and Subsidiary Companies)	1. Sachdeva Brothers Private Limited 2. Kohinoor Foods USA Inc. 3. Indo European Foods Ltd. UK	1. Indraprastha Medical Corps. Limited 2. Satnam Haegens Limited 3. Sachdeva Brothers Private Limited	1. Satnam Haegens Limited 2. Sachdeva Brothers Private Limited 3. Indo European Foods Ltd. UK

		Kohinoor Foods USA Inc.	
Chairman / Member of the Committee of the Board of Directors of the Company	Nil	1	Nil
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he / she is a Director			
a) Audit Committee	Nil	Indraprastha Medical Corporation Limited – Member	Nil
b) Stakeholders Committee	Nil	Indraprastha Medical Corporation Limited – Member	Nil

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

Name of Director	Mr. Sunil Sharma	Mr. Yash Pal Mahajan	Mrs. Mani Chandra Bhandari
DIN No.	08699033	08699040	00387525
Date of Birth / Age	30th April, 1956 / 64 years	04th May, 1949 / 71 years	18th September, 1945 / 75 years
Date of First Appointment	13th February, 2020	13th February, 2020	13th February, 2020
Expertise in specific General Functional area	Businessman	Businessman	Businessman
Qualification	Graduation	Marine Engineer	Graduation
Shareholding in the Company as on 31st March, 2020	-	-	-
No. of Board meetings attended during FY19-20	1	1	1
List of outside Directorships held (Public Limited and Subsidiary Companies)	-	-	-

Chairman / Member of the Committee of the Board of Directors of the Company	2	2	2
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he / she is a Director			
a) Audit Committee	-	-	-
b) Stakeholders Committee	-	-	-

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

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

### I. GENERAL INFORMATION-

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

### Financial Performance:-

Particulars	Quarter ended 30.06.2020 (Un-audited)	2019-20	2018-19	2017-18
Turnover	455	3150	39967	85836
Operating Profit	(207)	(2490)	(20760)	(6953)

Extra Ordinary	-	19396	8379	-
Profit before tax	(207)	(21886)	(29139)	(6953)
Profit after tax	(207)	(22577)	(38558)	(7097)

Foreign Investments or collaborations, if any –

Particulars	2019-20	2018-19	2017-18
Investment in Shares of subsidiary Companies	4959.42	4959.42	8937.87
Investment in Shares of Joint Venture Companies	-	-	-

### II. INFORMATION ABOUT THE APPOINTEES:-

Particular	Mr. Jugal Kishore Arora	Mr. Satnam Arora	Mr. Gurnam Arora
1. Background Details	Mr. Jugal Kishore Arora has been appointed as Whole Time Director	Is the Jt. Managing Director of the Company since inception.	Is the Jt. Managing Director of the Company since inception.
	designated as Chairman of the Company since inception.		
2. Past Remuneration (Rs. In Lakhs)	96	90	90
3. Recognition and Awards	-	-	-
4. Job profile and his suitability	Information given under the requirements of Regulation 36 of SEBI (LODR), 2015, annexed with the notice of AGM	Information given under the requirements of Regulation 36 of SEBI (LODR), 2015, annexed with the notice of AGM	Information given under the requirements of Regulation 36 of SEBI (LODR), 2015, annexed with the notice of AGM

5. Remuneration Proposed	As mentioned in the Explanatory Statement to Notice of AGM	As mentioned in the Explanatory Statement to Notice of AGM	As mentioned in the Explanatory Statement to Notice of AGM
6. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Apart from receiving managerial remuneration and 60,43,484 Equity Shares, he is brother of Mr. Satnam Arora and Mr. Gurnam Arora	Apart from receiving managerial remuneration and 53,78,923 Equity Shares, he is brother of Mr. Jugal Kishore Arora and Mr. Gurnam Arora	Apart from receiving managerial remuneration and 60,98,889 Equity Shares, he is brother of Mr. Jugal Kishore Arora and Mr. Satnam Arora.

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

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

### III. OTHER INFORMATION:

1. Reason of loss or inadequate profits	Low volume of sales due to liquidity problem and account being NPA, bad debts and impairment losses on investment.
2. Steps taken or proposed to be taken for improvements	Cost cutting Continuing operations on a low volume and more emphasis on job work requirement as working capital is less.
3. Expected increase in productivity and profits in measurable terms	The Board of Directors in its Meeting held on 28th August, 2020 had decided that where in any financial year during the currency of the tenure of Mr. Jugal Kishore Arora, Mr. Satnam Arora and Mr. Gurnam Arora, the Company has no profits or profits are inadequate, the remuneration by way of salary, allowances and perquisites, as detailed in Para II-5 above, respectively payable to them shall be the minimum remuneration, subject however to the approval of the Central Government, wherever required. The Company had lastly obtained the approval of the Central Government in this regard for a period of 2 years (from 1st Oct, 2015 to 25th Sep, 2017) vide letter dated 3rd August, 2016.  The Board of Directors in its Meeting had also decided to pay the same remuneration to them, subject to the limits as may be approved by the Central

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

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