

Taking the Indian flavours to the world

ANNUAL REPORT 2012 - 2013





Taking the Indian flavours
to the world

ANNUAL REPORT
2012-13



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Registered Office : 201, Vipps Centre, Masjid Moth
Greater Kailash II, New Delhi-110 048
Tel: +91-11-29220330

Corporate Office and Share Department Pinnacle Business Tower, 10 th Floor,
Surajkund, Faridabad, (Haryana)-121001
Tel: +91-11-424 2222 (30 Lines)
Fax: +91-11-424 2233
E-mail: info@kohinoorfoods.in
Web: www.kohinoorfoods.in

Works : • 50-51 Milestone, G.T. Road
Murthal, Dist. Sonapat (Haryana)

Wholly Owned Subsidiary Companies : Kohinoor Foods USA INC.
40, Northfield Avenue
Edison, NJ 08837

: Indo European Foods Limited
Kohinoor Congress House, 6th Floor,
Suite 2, 14 Lyon Road, Harrow, Middlesex,
Post Code: HA2 2 EN
United Kingdom

: Sachdeva Brothers Private Limited
Pinnacle Business Tower, 10 th Floor,
Surajkund, Faridabad, (Haryana)-121001

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

: Kohinoor Speciality Foods India Pvt. Ltd.
401, Vipps Centre, Masjid Moth
Greater Kailash-II, New Delhi-110048

Listing of Equity Shares
National Stock Exchange of India Ltd.
Bombay Stock Exchange Ltd.

Board of Directors

Mr Jugal Kishore Arora	Chairman
Mr Satnam Arora	Jt. Managing Director
Mr Gurnam Arora	Jt. Managing Director
Mr Vijay Burman	Non-Executive Director
Mr Anil Bhatia	Non-Executive Director (Resign w.e.f 14/08/2012)
Mr Vijay Parkash Aggarwal	Non-Executive Director (Resign w.e.f 13/02/2013)
Mr Sandeep Kohli	Non-Executive Director (Appointed w.e.f 14/08/2012)
Mr M.K. Trisal	Non-Executive Director (Appointed w.e.f 10/11/2012)
Mr S.C. Gupta	Non-Executive Director (Appointed w.e.f 14/08/2013)

Company Secretary & GM (Legal) Mr. Rama Kant

Auditors M/s Nath Ahuja
Chartered Accountants

Cost Auditors M/s H. Tara & Associates
Cost Accountants

Bankers
Oriental Bank of Commerce
State Bank of India
Punjab National Bank
Allahabad Bank
Standard Chartered Bank
Indusland Bank
HDFC Bank Limited
ICICI Bank Ltd.
IDBI Bank Ltd.
Bank of India
Axis Bank Ltd.
Yes Bank

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

Depositories
National Securities Depository Ltd. (NSDL)
Central Depository Services (INDIA) Ltd. (CDSL)



Chairman's Message



It gives me great satisfaction on the impressive performance of the Kohinoor Foods Limited this financial year, as your company has delivered promising results compared to the previous year. The company has recorded an increase in revenues of 'Basmati Rice' exports by 40% mainly due to our concerted effort on Kohinoor Brand in international markets. In the similar way our processed food business has grown by 22% in revenues owing to introduction of range of new product variants & market penetration. Our endeavour has been to make 'Kohinoor' as the most preferred Indian food brand globally- though it's an ambitious proposition, but our whole team is focussed passionately and the results are very positive & encouraging.

Your company's export sales value stood at Rs. 6,849 Million as against Rs. 5,618 million last financial year. Our domestic sales recorded a steady top-line (Revenues) at Rs. 4,026 Million.

Your company's growth in the Export markets was due to the major impetus & focussed approach in the Middle East markets coupled with various promotional activities undertaken in key markets. Our Rice business, that includes Private Label as well grew in almost all geographies that we are present

in e.g., Asia Pacific, UK, USA, Africa and Middle East. We have added new product categories in our processed food business portfolio viz, Pure Ghee, Instant Mixes, Indian Sweets, Namkeens, premium Biscuits & Cookies. The said new product categories were successfully launched in select markets of Middle East, Asia Pacific & the US. The response so far has been very exhilarating and in future we intend to drive these categories aggressively. We will continue to expand our product offering in both in Ambient & Frozen range to give wide choice to our customers and add value & excellence to our export Food business operations.

To further augment our presence in Middle East, the company intended to enter into a Joint Venture agreement with Al Dahra International Investment LLC to allot 20% equity shares of our company as preferential issue and also to jointly develop and manage brown to white rice facility in Abu Dhabi with a capacity of approx. 60,000 MTs per annum scalable to 1,00,000 MTs and also to build storage facility of approx. 30,000 MT.

With the vision of bringing authentic Indian flavours to people all over the world, we want your company Kohinoor Foods Ltd., to become one of the leading name, not only in the Rice, but the entire Food category globally. In this endeavour, we would keep developing products to the needs of our consumers and come close to achieve our vision. We will continue to follow our successful strategies and try every step to make our future brighter & better. We would focus on improving our portfolio, increasing efficiency, product innovation and spread our business in order to get close to our ultimate goal of having 'Kohinoor' as the most preferred Indian food brand globally.

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

With best wishes,
Sincerely

Sd/-
Jugal Kishore Arora
Chairman



(The Board of Directors & Other Senior Members of Kohinoor Foods Limited during its Board Meeting)



Notice

Notice is hereby given that the Twenty Fourth Annual General Meeting of Kohinoor Foods Limited will be held at 5 p.m. on Monday, the 30th September, 2013 at the Pearey Lal Bhawan Association, 2, Bahadurshah Zafar Marg, New Delhi-110002, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2013 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Vijay Burman who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sandeep Kohli, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office until the conclusion of next Annual General Meeting and to fix their remuneration and to pass the following resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 (1) and other applicable provisions, if any, of the Companies Act, 1956, M/s Rajender Kumar Singal & Associates, Chartered Accountants, New Delhi (Firm Registration No. 016379N), be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered, by addition of Article 181 in the Articles of Association as follow:

181. In the event of a conflict between the Articles 1 to 180 and this Article 181, subject to Applicable Law, the provisions of this Article 181 shall govern and prevail.

- i. **Definitions:** "Alternate Director" means a Director duly nominated by an existing Director in his/her place on the Board of the Company for the time being;

"Applicable Law" means all statutes, laws, regulations, ordinances, rules, judgments, notifications, rules of common laws, orders, decrees, bye-laws, government approvals, directives, guidelines, requirements or other governmental restrictions, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any government having jurisdiction over the matter in question, whether in effect as of the date of these Articles or thereafter;

"Board" means the board of directors of the Company;

"Business Day" means a day, except Sundays and public holidays, on which banks are generally open for business in India;

"Charter Documents" means this Articles of Association and the Memorandum of Association of the Company;

"Director" means a duly appointed director for the time being of the Company;

"Equity Securities" means, with respect to the Company, equity Shares, membership interests, partnership interests, registered capital, joint venture or other ownership interest (including the equity Shares) or any options, warrants, convertible preference shares, loans, appreciation rights or other securities that are directly or indirectly convertible into, or exercisable or "exchangeable for equity Shares (whether or not securities are

issued by the Company and whether or not then currently convertible, exercisable or exchangeable and whether with or without payment of additional consideration);

"Investor" means Al Dahra International Investments LLC, or any person to whom Al Dahra International Investments LLC has transferred its rights in relation to the Shares of the Company;

"Investor Director" means the nominee appointed as the director on the Board of the Company; and

"Promoters" means each of (i) Mr Jugal Kishore Arora; (ii) Mr Satnam Arora; (iii) Mr Gurnam Arora; (iv) Ms Rani Arora; (v) Mr Nitin Arora; (vi) Ms Madhu Arora; and (vii) Ms Meena Rani Arora.

- ii. **Number of Directors:** The Board shall consist of 8 (eight) directors of which 1 (one) shall be nominated by the Investor. As long as the Investor holds at least 20% (twenty percent) of the paid up share capital of the Company, the Investor shall have the right to nominate a Director on the Board.

- iii. **Removal/Resignation of Directors :** The Investor may require the removal of the Investor Director nominated by it and nominate another individual as a director in his/her place and the Promoters and the Company shall exercise their rights to ensure the appointment of the individual nominated as aforesaid. In the event of the resignation, retirement or vacation of office of the Investor Director, the Investor shall be entitled to nominate another director in place thereof and the Promoters shall exercise their rights to ensure the appointment of the individual nominated as aforesaid.

- iv. **Committees:** The Board may from time to time, constitute committees of the Board (consisting exclusively of directors) and may determine their functions, powers, authorities and responsibilities. The audit committee and the compensation/remuneration committee of the Board shall include at least 1 (one) Investor Director.

- v. **Meetings of the Board:** Notice: At least 15 (fifteen) Business Days' written notice shall be given to each of the Directors and their Alternate Directors in respect of each meeting of the Board, at the address notified from time to time by each Director. For Directors resident outside India, such notice shall be given by facsimile transmission and by e-mail with confirmation copy by courier and a copy of such notice shall also be served at the address within India specified by such Director in writing to the Company. Notice may be waived or a meeting may be called by giving shorter notice with the consent of the majority of the Directors.

Any Director shall be entitled to call a meeting of the Board with at least 15 (fifteen) Business Days' written notice to each member of the Board. An agenda specifying in reasonable detail, the matters to be discussed at the relevant meeting and accompanied by all necessary written information, including the date, time and agenda for such meeting, shall be given to each of the Directors and their Alternate Directors, however, the notice period mentioned above shall not apply in the case of an adjourned meeting of the Board as set out below, provided that such adjourned meeting of the Board does not consider any new matter not on the agenda of the original meeting of the Board.

- vi. **Quorum for Board meetings:** The quorum for meetings of the Board shall be as prescribed under Applicable Law, provided however that any meeting of the Board at which decisions relating to any transaction exceeding INR 25,00,00,000 (Indian Rupees Twenty Five Crores only) is considered, the quorum for such a meeting shall consist of at least 1 (one) Investor Director. A Director represented by his



Alternate Director shall be deemed to be present for the purpose of determining whether a quorum exists. If such quorum is not present within 1 (one) hour from the time appointed for the meeting, the meeting shall adjourn to the same place, same time and same day of the following week, at which meeting ("Adjourned Board Meeting") the Directors then present shall constitute a quorum and take decisions on any or all matters listed in the notice. The Investor may, in writing, waive the requirements of quorum specified in this clause for any meeting of the Board.

- vii. **Electronic participation:** The Directors shall have the option to participate in Board meetings by electronic means or any other means of contemporaneous communication, as may be permitted under the Applicable Law.
- viii. **Resolution by circulation:** Subject to the provisions of the Act, a written resolution circulated to all the Directors, whether in India or overseas, and signed by a majority of them as approved shall be as valid and effective as a resolution duly passed at a meeting of the Board called and held in accordance with these Articles (provided that it has been circulated in draft form, together with the relevant papers, if any, to all the Directors).
- ix. **Directors and Officers Insurance Policy:** The Company shall, at its own cost, procure Directors and Officers insurance policy cover for its Directors for INR 5,00,00,000 (Indian Rupees Five crore), which shall be renewed each year at the cost of the Company.
- x. **Further issue of Equity Securities:** Any future issue of Equity Securities by the Company shall be made pursuant to a unanimous approval of all the Directors on the Board at that time, at a meeting validly and duly held in accordance with the Charter Documents.
6. **To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.**
"RESOLVED That Mr. Maharaj Kishen Trisal, who was appointed as an Additional Director of the Company by the Board of Director pursuant to Section 260 and other relevant provision of the Companies Act, 1956, and Articles of Association of the Company, holds office upto to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.
7. **To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.**
"RESOLVED That Mr. Satish Chander Gupta, who was appointed as an Additional Director of the Company by the Board of Director pursuant to Section 260 and other relevant provision of the Companies Act, 1956, and Articles of Association of the Company, holds office upto to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

By Order of the Board
For Kohinoor Foods Limited

Sd/-
Rama Kant
Company Secretary and GM (Legal)

Place: New Delhi
Date: 06.09.2013

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the company. Proxies in order to be valid must be received by the company not less than 48 hours before the scheduled time of the meeting. A proxy form is attached.
2. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting, on their behalf.
3. The Register of Members and Transfer Books of the Company will remain close from 16th September, 2013 to 30th September, 2013 (both days inclusive) in connection with the Annual General Meeting.
4. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment/re-appointment at the meeting are annexed.
5. Members are requested to bring their copies of Annual Report to the Meeting.
6. Entry in the Meeting Hall shall be strictly restricted to Members/Valid Proxies only, carrying the Attendance Slip.
7. 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, etc. to their Depository Participant only and not to the company's registrar and share transfer agents, Skyline Financial Services Pvt. Ltd. Changes intimated to the Depository Participants will then be automatically reflect 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.
8. 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.
9. Shareholders desiring any information as in relation to Accounts should write to the Secretarial department at the Company's registered office at least seven days before the date of the meeting, so as to enable the management to keep the information ready.
10. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011, dated April 21 and April 29, 2011 respectively), has undertaken a "Green initiative in Corporate Governance" and allowed companies to share documents with its shareholders through an electronic mode. 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.
11. As required under Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1988 as amended, the unpaid/unclaimed dividend for the financial year ended upto 31st March, 2005 was transferred to the General Revenue Account of the Central Government. Members who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies NCT of Delhi and Haryana. In case any assistance is required, members may write to the Registrar and Share Transfer Agent of the Company.



Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unclaimed and/or unpaid for a period of seven years is to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

12. As required by Ministry of Company Affairs (MCA) vide their Notification No. G.S.R.352 dated 20th May, 2012 (E), the List of Un paid dividend Shareholders as on the date of last Annual General Meeting is now available at the MCA Portal as well as on the website of the Company www.kohinoorfoods.in.
13. Any document referred to in the accompanying Notice shall remain open for inspection at the registered office of the Company at 201, Vipps Centre, Masjid Moth, Greater Kailash-II, New Delhi- 110048 between 10.00 a.m. to 1.00 p.m. from Monday to Friday, excluding Holiday, prior to the Annual General Meeting.

INFORMATION REQUIRED TO BE FURNISHED IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

Mr. Vijay Burman and Mr. Sandeep Kohli, Directors of the company retire by rotation and are eligible for re-appointment at the Annual General Meeting. The brief particulars of the directors proposed to be re-appointed/appointed are as given below:

Mr. Vijay Burman

Age: 82 Year

Qualification: Graduate

Expertise: - Mr. Vijay Burman is a Science Graduate having rich and varied experience of over 42 years in the Textile Industry. He has extensively travelled abroad and had been instrumental in setting up various operations of the company. He is an Independent Director of the Company and also involved in the various committees.

Membership of Committees :		
Audit Committee	:	Chairman
Remuneration Committee	:	Chairman
Share Transfer/Investor	:	Member
Grievance Committee		
Shareholding in the Company	:	NIL
(As on 31st March, 2013)		

Mr. Sandeep Kohli

Age: 56 Years

Qualification: Post Graduate

Expertise: Mr. Sandeep Kohli is having Twenty five years of blue-chip, MNC management experience in India and parts of Asia and has an in-depth knowledge of finance, marketing, brand building and legal aspects of businesses. He has successfully launched KFC, Pizza Hut and A&W brands in the Indian sub-continent and Indian Ocean countries, also instrumental in successfully establishing and growing businesses in the services, hospitality and real estate industries, currently involved in various projects in the hospitality and services sector in an entrepreneurial and advisory capacity and also developed American Express card member, travellers cheques and travel business base in India and Taiwan.

Membership of Committees :

Share Transfer/Investor	:	Chairman
Grievance Committee		
Audit Committee	:	Member
Remuneration Committee	:	Member
Shareholding in the Company	:	NIL

(As on 31st March, 2013)

EXPLANATORY STATEMENTS (Pursuant to Section 173 of the Companies Act, 1956)

Item No. 5

As per the Agreements entered between the Company and Al Dahra International Investments LLC., it is proposed to alter the Articles of Association of the Company to give effect to the terms of the Agreements.

Your Directors recommend this resolution for approval of the members.

Item No. 6

Mr. M K Trisal was appointed as an additional director by the Board at its meeting held on 10th November, 2012. According to the provisions of Section 260 of the Companies Act, 1956, he holds that office upto the date of this Annual General Meeting. As required by section 257 of the Act, a notice has been received from a member signifying his intention to propose his appointment as a Director, along with a deposit of rupee five hundred. None of the Directors except Mr. M K Trisal is any way, concerned or interested in the said resolution.

Your Directors recommend this resolution for approval of the members.

Item No. 7

Mr. S. C. Gupta was appointed as an additional director by the Board at its meeting held on 14th August, 2013. According to the provisions of Section 260 of the Companies Act, 1956, he holds that office upto the date of this Annual General Meeting. As required by section 257 of the Act, a notice has been received from a member signifying his intention to propose his appointment as a Director, along with a deposit of rupee five hundred.

None of the Directors except Mr. S. C. Gupta is any way, concerned or interested in the said resolution.

Your Directors recommend this resolution for approval of the members.

By Order of the Board
For Kohinoor Foods Limited

Sd/-
Rama Kant
Company Secretary and GM (Legal)

Place: New Delhi
Date: 06.09.2013



DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

The following report should be read in conjunction with the audited financial statements and notes for the year ended March 31, 2013 and the audited financial statements and notes for the year ended March 31, 2012. This report contains forward looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the company's strategy for growth, market position, expenditures, and financial results, are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. The company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

Company – In General

Synonymous with the fine taste of India in its absolute authentic form, the sole objective of Kohinoor Foods Limited, since its inception, has been to make the world experience the true Indian flavour. Just some of the reasons why it offers an extensive range that caters to consumers' need in all parts of the world – a wide variety of Basmati Rice, Wheat Flour, Ready to Eat Curries & Meals, Readymade Gravies, Cooking Pastes, Chutney's, Spices and Seasonings to Frozen Breads, Snacks & Paneer (Indian Cottage Cheese). Today, the most powerful brand of the Company "Kohinoor" is a household name not only in India, but also in the countries like USA, UK, Canada, Australia, Middle East, Singapore, Japan, Mauritius & other European countries. As of now, the brand 'Kohinoor' is known in more than 60 countries worldwide.

Your Directors have pleasure in presenting the --- Annual Report and the Audited Annual Accounts of the Company for the financial year ended 31st March, 2013.

Financial Overview

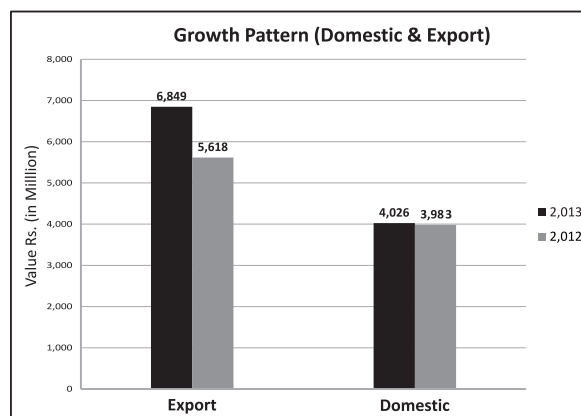
The year under review has been quite promising and challenging for the Company, with an Overall Turnover growth of 13% (approx) and the Export Sales grew by 22% (approx) vis-a-vis last year's performance. The financial highlights for the year ending 31st March, 2013 are as under:

Particulars	FY'13	FY'12
Total Turnover	10896.62	9,649.11
Profit Before Interest, Depreciation and Tax (PBIDT)	1164.63	240.22
Profit/(Loss) Before Exceptional and Extra-Ordinary Items	160.04	(761.15)
Exceptional and Extra Ordinary Items	0.00	2997.79
Profit Before Tax	160.04	2236.64
Less: Tax Expense	62.65	404.14
Profit after Tax	97.40	1832.50

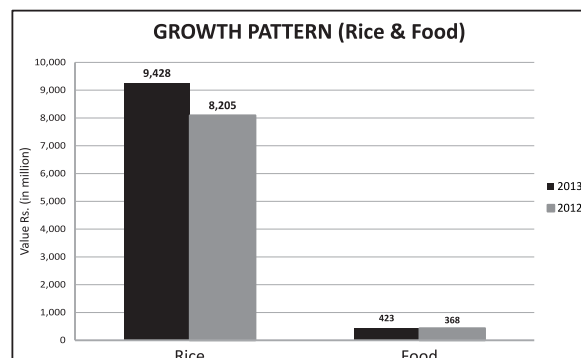
Figures in Rs. Million

Operations:

For the year under review, the company has exhibited positive growth in the Export market As shown below the Export Sales grew by 21.91% amounting to Rs. 6,849 million against Rs. 5,618 million in previous year while the Domestic Sales stood at Rs. 4,026 million as against Rs. 3,983 million in the previous year.



The contribution made by Rice to the Company's business was Rs. 9,428 millions as against Rs.8,205 millions in the previous year, while the Food Business contributed Rs. 423 million as against Rs. 368 million in the previous year.





This year the major contributors towards the company's growth were:

Focus on Middle East: The year saw increased growth of Basmati Rice sales that includes private label as well in the Middle East markets comprising of Iran, Bahrain, Iraq, Israel, Jordan, Kuwait, Lebanon, Syria & Yemen. The company embarked on major brand promotion campaign in Iraq especially, in Kurdistan (above the line activity) in the first quarter of the year that consists of Television, Print & Radio for its flagship brand Kohinoor. Tremendous consumer awareness was generated through successful media campaign and Kohinoor was able to distinguish itself from the other available brands and emerge as a respectable name for basmati rice in the Iraqi market. In Saudi Arabia, we have given Kohinoor a solid foundation and our products are present in all the leading supermarkets viz., Panda, Carrefour, Danube, Bin Dawood, Lulu, Nesto, Tammimi and Star Markets besides other Retail Chains. In Kuwait, Bahrain, Oman & Lebanon, the company undertook promotional programs and consistent initiative in these markets to drive long-term value to our customers.

New Clients added: In rice business, new clients were added some of them prestigious ones from countries like Benin, Cyprus, Germany, Iran, Israel, Italy, Jordan, Kuwait, Lebanon, Maldives, New Zealand, Poland, Reunion & Saudi Arabia.

New markets added: Some of the highlights of the company's export business comprised addition of new markets such as Benin, Tanzania, Ivory Coast, Algeria, & Ukraine. The company is focussed on spreading its foot prints across the globe and reaching out to new customers. Plan to identify and add new fast growing markets in the next financial year to increase our width of distribution in both Food & Rice products.

Growth across continents: Basmati rice business grew in almost all geographies globally that we are present in e.g., Asia Pacific, Middle East, Africa, United Kingdom & Europe.

Launch of New Products: In our endeavour to offer to new products to our consumers, your company launched Kohinoor Pure Ghee in the select markets of Zambia, Oman, Bahrain, USA, Hong Kong, Kuwait, Australia, New Zealand & Singapore to a positive response. In future this product is expected to contribute to the sales revenue of Food Business Division. In addition to the pure ghee, your company launched Instant Mixes, Namkeens (Indian Savouries), Indian Sweets in the select market globally. Besides we continue to focus on Ambient Range- Cooking Paste, Cooking Sauces & Ready to Eat to cater to the varying tastes and requirements of our consumers across the globe.

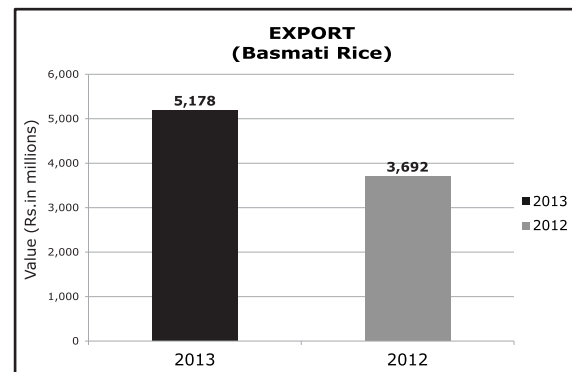
Subsidiaries: Exports of Basmati Rice to our wholly owned subsidiary in United Kingdom- Indo European Foods Limited have recorded an increase in revenue by 17%. We are available in major super markets across United Kingdom such as Booker

Cash & Carry, Tesco, Lidl, Sainsbury, Morrisons & Kerry Foods. Our export to USA subsidiary- Kohinoor Foods USA Inc has posted a decline in revenues due to various challenges being faced by Indian exporters. However, we are reaching close to their expectations but still not there yet, the issue has driven the import cost by almost 12-15% more.

EXPORT MARKETS

Export- Basmati Rice

This year, in the Export of Basmati Rice, the company did the business of around Rs. 5,178 million as against Rs. 3,692 million in the previous financial year. Though the company did business in more than 60 countries this year and recorded a growth of 40.26% in comparison to the last year business. Some of the countries which recorded significant growth in Basmati Rice exports were Australia, Reunion, Angola, Iran, Iraq, Jordan, Israel & United Kingdom.



Export-Food

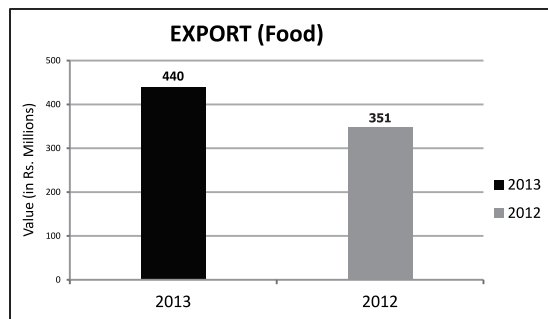
This year the export of food products of Kohinoor recorded a business of Rs. 440 millions as against Rs. 351 millions in the previous year. The Company maintained the last year achievements through the successful product launch of Kohinoor 'Ghee' and introduction of new range product variants e.g. Namkeens, Instant Mix & Indian Sweets. We expect to notch up good numbers in the next financial year through some exciting product launches and expanding & streamlining the distribution network.

In its commitment to bring authentic Indian Taste in its truest form, Kohinoor brings to the world yet another 100% authentic delicacy Kohinoor Pure Ghee, launched in the first quarter in the select markets of Australia, Hong Kong, Singapore & Bahrain. We further expanded our product bouquet with the successful launch of Kohinoor Namkeens & Instant Mixes in over 4 countries to give our consumers a wide choice. A total of 35 SKUs of Namkeens and Instant Mix were developed in just six months and we expect to garner the market share in times to come.



We intend to develop, new product categories and this pursuit our Research & Development team have stepped into the one of the biggest segment of the Food Business- "Biscuits & Cookies". We have in the pipeline 6 varieties of cookies and 8 varieties of biscuits (total of 22 SKUs) to be launched in the first quarter next financial year. Other than this Kohinoor Foods is also seriously eyeing other categories as well e.g., Pickles, Spices & Rice Bran Oil.

Kohinoor has always gained trust of International reputed retail chain stores for manufacturing their branded food products. We cater to the big retail giants like Coles & Woolworth (Australia), Tastic Brand (South Africa) for their customised requirements. In private label segment of the food business, we have added new prestigious client Brunei Halal.



U.K Operations:

"Kohinoor" - Finalist at 'Grocer SME Food & Drink Brand'

Indo European Foods Limited (IEFL), a 100% UK subsidiary of Kohinoor Foods Limited, added another feather to its cap with another year of achievement which saw Kohinoor Basmati rice becoming the Finalist of Grocer SME Food & Drink Brand of the year in 2013. This comes at a time when the UK market is at an all-time low in consumer confidence and premium brands are losing steam.

"Kohinoor" basmati – No. 1 in big bag category

Kohinoor was the #1* branded dry rice brand in big bags category in the UK Grocery Retail (*52 w/e 22 June 13 IRI value & vol. sales in SIG Grocery Outlets). This year, IEFL. was also the leading rice supplier in the big bags dry rice category (52 w/e 22 June 13 IRI value sales in SIG Grocery Outlets) with brands like Kohinoor, Trophy, Triple Diamond. Last year alone, Kohinoor added significant number of households to the brand achieving a tremendous penetration in the UK basmati market.

"Kohinoor" - Now listed at MORRISONS

Kohinoor Basmati is now available across all top 4 grocery retailer in UK with our flagship brand Kohinoor Platinum Basmati gaining new listing with Morrisons in February 2013

as well as having RH Amar, a leading fine foods distributor, on board, to distribute the smaller block packs in Impulse and Convenience Channels. Kohinoor is also making headway into the Foodservices channels with recruitment of various new foodservices accounts which will help to raise the profile of the brand among well-known chefs.

Christening of OLS - "Our Little Secret" – Value added gourmet food brand for the core fixture.

Apart from dry rice, Indo European Foods Limited has also now focussed its attention to enter the ever competitive core grocery fixture with introduction of a new brand "Our Little Secret" whose design and development was conceptualised in February 2013. The current product range comprises of Dine-In Kits, a complete meal solution offering consumers a premium restaurant experience in home, Pot Rice, a convenient quick two minute easy meal with less calories and Cooking Sauces, an exotic range of cooking sauces to cater to the growing trend of in-home ethnic meal consumption of the mainstream Brits. Several other New Product initiatives are further planned under the brand and four of the products under the brand have now secured final positions in Grocer New Product Awards 2013.

"Kohinoor" Launches new product lines for the World Foods & Ethnic market.

Whereas IEFL is trying to enter the core fixture grocery categories, it is also not losing focus on the ethnic grocery business. Several mouth-watering products are being planned for launch in the UK under the flagship Kohinoor brand including Kohinoor Premium Cookies, Kohinoor Instant Mixes and Kohinoor Savouries and Namkeens. These products will further help us to achieve deeper penetration in the competitive UK grocery retail landscape while elevating our status as a preferred supplier of World Foods with a wider range of products. Overall, this year IEFL had a satisfactory performance with roll out of new products and its existing products making headways into new accounts in major multiples, food services and the airline supply business

USA Operations:

Company has its wholly owned subsidiary based in New Jersey, Kohinoor Foods USA, Inc. that caters to the US and the Canada market. Through this subsidiary the Company has demonstrated its presence in both the Ethnic & the Mainstream segment of the business. Ethnic food in United States has traditionally meant Mexican and Chinese. The Indian foods and related food products are now being the hottest trend today. The modern day life and the rigors that tag along, leave most people with very little time for themselves. A need of healthy vegetarian food and growing awareness of the relationship between diet and health has driven consumer to look at food that has made the Indian convenience



food most popular in USA markets. The trend has been steadily evolving over the past decade.

We cater to over 3,000 ethnic stores across the US markets besides Kohinoor brand is widely available in the main stream supermarkets as well. Our success can be measured by the fact we are available in coveted retail chains like Target, Kroger, Wal-mart, Wegmans, Big Lots and many more and also in Canadian supermarkets such as Metro, Loblaw's, Wal-mart in Canada. In processed food category we have successfully launched this year new product variants such as Namkeens, Instant Mixes & Pure Ghee.

Dubai Operations

Rich Rice Raisers Factory LLC (RRR) was established as a joint venture Company in the financial year 2001 in Dubai to augment its marketing strengths in the middle-east region. RRR has a small rice processing facility in Dubai besides a full-fledged marketing office. RRR presently supplies Kohinoor range of basmati rice and other food products in mainstream stores like Lulu, Geant, Hyper Panda, KM Trading, Al Maya & Choithram Supermarkets. Kohinoor successfully launched frozen paneer in UAE and the response so far has been quite overwhelming, besides Kohinoor Foods also caters to the Iranian market from its Dubai base.

Overview - Food Processing Industry

The Indian market offers a huge potential for the food processing industry - more so because of the fact that it promotes two main growing factors of our Indian Economy - Industry & Agriculture. During the last one decade, India moved from a position of scarcity to surplus in Food. Given the trade in production of food commodities, the Food Processing Industry in India is on an assured track of growth and profitability. It is expected to attract phenomenal investment in capital, human, technological and financial areas. A reason why the Food Processing Industry sector in India has been accorded high priority by the Government of India, with a number of fiscal relief and incentives, to encourage commercialization and value addition. As per a study conducted by McKinsey and Confederation of Indian Industry (CII), the turnover of the total food market is approximately Rs.250,000 Crores, out of which value-added food products comprise Rs.80,000 Crores.

Basmati Rice

Like any other commodity business, Basmati Rice is a category which is little complex and widely unorganized. With an industry estimated consumption of around 1.5 million tonnes of Basmati Rice in India, this is one category which has grown significantly over the years and slated to grow further in times to come. Though majorly unorganized, but year on year this category is experiencing good number of conversions from unbranded to

branded packaged Basmati Rice in terms of consumptions in India. This is mainly due to introduction of branded and package basmati rice in many retail outlets. India's growing middle class has augmented the domestic demand of branded rice. Moreover, introduction of modern food retail formats has also propelled the packaged food market, facilitating the availability, visibility and accessibility of branded products. The domestic branded market in India is expected to grow at around 15%-20% as compared to 5% for unbranded rice. Eating rice is common habit in most of the Indian households and it is usually a part of one of the 3 meals cooked every day. Geographically, the consumption of Basmati is higher in the Northern & Western part of the country while culturally, its consumption is quite high in the Punjabi & Gujarati families. With the view of serving the best to their customers & employees, Basmati consumption is also higher in well recognized hotels & large institutions. The consumption of branded packaged Basmati Rice is also being driven by the modern retail that allows every consumer to select what they want.

Risks & Concerns

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

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

High working capital requirement: Basmati rice requires to be aged for 9-12 months before selling, leading to huge working capital requirements. This results in low ROCE for the industry. Combating this risk, efficient working capital management system has been set in place by the Company and cash flow is monitored on daily basis.

Intense competition from unorganized sector: Another characteristic of this industry is the presence of unorganized



sector offering basmati in loose unbranded form which intensifies competition. The Company is moving towards branded products and has invested significantly in building strong brands which helps differentiate their product.

Postal Ballot

A Notice dated 12th July, 2013 was circulated to the Shareholders seeking approval under section 81(1A) of the Companies Act, 1956 for allotment of 20% equity Shares to Al Dahra International Investment LLC, Abu Dhabi with such other term and condition as may be stipulated and also for consent under Section 293(1)(a) & 293(1)(d) of the Companies Act, 1956 by way of voting through postal ballot process in terms of Section 192A of the Companies Act, 1956 read with the rules made there under.

Mr. Vinod Aggarwal, Practicing Company Secretary was appointed as the Scrutinizer for conducting the postal ballot process.

In terms of the report dated 22nd August, 2013 submitted by Mr. Vinod Aggarwal, Scrutinizer, the Chairman declared that the consent of the Shareholders has been obtained with, requisite majority.

Dividend

Your Directors do not recommend any dividend for the financial year 2012-13.

Re-Appointment / Appointment / Resignation of Directors

In accordance with the provisions of the Companies Act, 1956, Mr. Vijay Burman and Mr. Sandeep Kohli, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Your Directors recommend their re-appointment.

Mr. Maharaj Kishen Trisal was appointed as an Additional Director by the Board at its meeting held on 10th November, 2012. According to the provisions of Section 260 of the Companies Act, 1956, he hold that office upto the date of this Annual General Meeting. As required by Section 257 of the Act, a notice has been received from a member signifying his intention to propose his appointment as a Director, along with a deposit of rupee five hundred.

Your Directors recommend this resolution for approval of the members.

Mr. Satish Chander Gupta was appointed as an Additional Director by the Board at its meeting held on 14th August, 2013. According to the provisions of Section 260 of the Companies Act, 1956, he hold that office upto the date of this Annual General Meeting. As required by Section 257 of the Act, a notice has been received from a member signifying his

intention to propose his appointment as a Director, along with a deposit of rupee five hundred.

Your Directors recommend this resolution for approval of the members.

Mr. Vijay Prakash Agarwal, Independent Director of the company has resigned from the post of Directorship w.e.f. 13th February, 2013, the board has accepted the same and appreciated his effort for providing great contribution to the company for past so many years.

Compliance with Section 212:

As required under the Listing Agreements with the stock exchanges, a Consolidated Financial Statement of the Company and all its subsidiaries is attached. The Consolidated Financial Statements have been prepared in accordance with the relevant Accounting Standards as prescribed under Section 211(3C) of the Companies Act, 1956 ("Act"). These financial statements disclose the assets, liabilities, income, expenses and other details of the Company, its subsidiaries and associate companies.

Pursuant to the provision of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the Subsidiary Companies with the Balance Sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2012 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiaries at the registered/Corporate office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the head office/registered offices of the said respective subsidiary companies. The Company shall furnish a copy of details of annual accounts of subsidiaries to any member on demand.

Internal Control System

Your Company has well established Internal Control Procedures across its various locations, commensurate with its size and nature of operations to ensure that financial and Operating Reporting Systems are reliable and that all material risks are evaluated. The Internal audit function is adequately resourced and reports independently to the Audit Committee of the Board. In the opinion of the management and the internal auditors, there exists adequate safeguard against fraud and negligence within the company.

Listing at Stock Exchange

The Equity Shares of the Company are listed with Bombay Stock Exchanges Ltd. and National Stock Exchange of India Ltd. The annual listing fee for the year 2013-14 has been paid to the Exchanges.



Corporate Governance

Your company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as stipulated by the Stock Exchanges. A separate report on Corporate Governance and its compliance by the company is attached as Annexure 'A' to this report. The Company has also taken Auditors Certificate on its Compliance and the same is attached with its Annual Report.

Auditors

The Board on the recommendation of the Audit Committee has considered the appointment of M/s Rajender Kumar Singal & Associates, Chartered Accountants, New Delhi (Firm Registration No. 016379N), as a Statutory Auditors of the Company at the ensuing Annual General Meeting.

The Board recommends the appointment of M/s Rajender Kumar Singal & Associates, Chartered Accountants, New Delhi, who have given their consent and a certificate to the effect that their appointment, if made, will be within the limit specified under Section 224(1B) of the Companies Act, 1956.

M/s. Nath Ahuja & Co., Statutory Auditors of the Company has resigned from the Company effective at the conclusion of forthcoming Annual General Meeting of the Company. The Board hereby record appreciation for the service rendered by them during their tenure.

Auditors Report

The Company has received the Auditors Report duly signed by M/s Nath Ahuja & Co., and took note on the same. Further as mentioned in the Auditors Report attention is drawn to Note No. 11(c) & 39(a)(i) to the financial statement, the board discussed the contention of the Auditor and is of the view that the losses incurred by the wholly owned subsidiary is not going to affect the company's investment in long run. Further as per advice received from legal experts and on the basis of merit of the case, there is a high probability that the income tax order will be set aside and the demand will be quashed. Accordingly, management is of the view that no provision in respect of the above demand is required to be made in the books of accounts.

Cost Auditors

The Cost Auditor M/s H. Tara & Associates, appointed as Cost Accountants of the Company for the year 2012-13, has completed the audit of the cost record of the company and will submit his report within 180 days from the close of Financial Year.

The Board has appointed M/s Cheena and Associates, Cost Accountants, as Cost Auditors of the Company as required under Section 233B of the Companies Act, 1956 for the Financial Year 2013-14 for conducting the audit of the Cost Records of the company.

Secretarial Audit Report

As a measure of good corporate governance practice, the Board of Directors of the company appointed M/s Vinod Aggarwal and Associates, Company Secretaries to conduct Secretarial Audit of the company. The Secretarial Audit Report as received from the Practicing Company Secretary, for the Financial Year ended March, 31, 2013 is annexed to the Annual Report. As per the Secretarial Audit Report the company has complied with all the applicable acts, laws, rules and regulations.

Fixed Deposits

Your company has not accepted any deposit from Public during the year under review.

Share Capital of the Company

In the last Annual General Meeting of the Company, the authorized share capital has been increased from Rs. 50 crores to 75 crores. The Company has paid the Stamp Duty and all the Statutory Compliances in this regard has been completed.

STATUS OF PENDING LITIGATIONS BEFORE VARIOUS COURT / AUTHORITIES

1. The Company has preferred an appeal before the Income Tax Appellate Tribunal, New Delhi against the impugned Income Tax Assessment Order in respect of Assessment years 2002-03 to 2008-09 in which additional income tax of Rs. 63.32 Cr (Pr. Yr. 64.04 Cr.) along with interest of Rs. 31.55 Cr. (Pr. Yr.- Rs.31.73 Cr.) has been demanded. As per the advice received from legal experts and on the basis of merit of the case, there is a high probability that the impugned order will be set aside and the demand will be deleted. Accordingly, management is of the view that no provision in respect of the above demand is required to be made in the books of accounts. However during the current financial year the company has deposited Rs. 6.00 Cr. "Under Protest" against the above pending demand.
2. The company has filed a suit for declaration, and mandatory injunction against the Reserve Bank of India and Punjab National Bank before the Hon'ble High Court, New Delhi for loss of Rs. 27.49 crores arising out of forex derivative transactions.
3. The company has filed a suit for declaration and mandatory injunction against the Reserve Bank of India and HDFC Bank before the Hon'ble High Court, New Delhi for loss of Rs. 39.50 crores (previous year 39.22 crores) arising out of forex derivative



transactions. An Application has also been filed by the HDFC Bank Ltd., before DRT Mumbai, for recovery of dues amounting to Rs. 8.69 crores (previous year Rs. 72.84 lakhs). Against the aforesaid order the company has filed an appeal with DRAT.

4. The Board of Trustee of the port of Mumbai has filed a money suit for recovery of Rs. 9.63 crores towards alleged outstanding demurrage charges against which the company has filed its counter claim of Rs. 10.88 crores towards the financial losses, interest on the investment, refund of the license fees, refund of the demurrage charges, compensation and damages etc.
5. There are few more cases which are pending before the various authorities and the same have been duly disclosed under Notes to the Account.

Information Regarding Conservation of Energy etc.

Information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 as amended from time to time is given in Annexure 'B' forming part of this report.

Information regarding Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the companies (Particulars of Employee) Rules 1975 the names and other particulars of Employees are given as under:

- i) Name of the Employees, Designation/Nature of Duties, Gross Remuneration, Qualification, Age, Total Experience (in years), employed part of the year and in receipt of remuneration of Rs. 60,00,000/- or more per annum are as under:
 - a) Shri Jugal Kishore Arora, Whole time Director designated as Chairman, Rs. 73,11,144/-, Graduate, 70 years, 27 years, 27th September, 2012 and he is the promoter of the company.
 - b) Shri Satnam Arora, designated as Joint Managing Director, Rs. 72,49,427/-, Post Graduate, 64 years, 27 years, 27th September, 2012 and he is the promoter of the company.
 - c) Shri Gurnam Arora, designated as Joint Managing Director, Rs. 77,80,398/-, Graduate, 63 years, 27 years, 27th September, 2012 and he is the promoter of the company.
- ii) Employed part of the year and in receipt of remuneration of Rs. 5,00,000/- or more per month during any part of the year under consideration.: Nil

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of Companies Act, the Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- b) appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis

Awards & Recognitions

Kohinoor Foods is no stranger to Awards & Recognitions. Since its inception, the company has been earning awards and recognition like consumer validated Super Brand Award (thrice in series), Reader's Digest Most Trusted Brand award (4 times in a row), Power Brand Award, Guinness Book of World Record (for making World's Largest Biryani), National award for Export Excellence, Brand Equity Award & many APEDA awards.



Corporate Social Responsibility

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

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



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

The company also considers it as its responsibility to support the community that we live in. Kohinoor Foods supports 'Maitri' an NGO working for widows on Vrindavan to make difference in their lives. It also supports 'Smt. Nagendram Nandi Nelayam Trust', the non-governmental organization working for animals, environment and education. We have supported the needy girl child's education at Him Jyoti School, Dehradun and have initiated for distribution of blankets and bed sheets during winters for under privileged & homeless people to help them with basic necessities of life on regular basis.

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

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

Acknowledgment

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. Your Directors also put on record their appreciation and thanks to the Authorities and millions of consumers who have reposed faith in the products of your company.

For and on Behalf of the Board

Sd/-

Jugal Kishore Arora
Chairman

New Delhi
September 6th, 2013



**ANNEXURE 'A' TO THE DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE**

1. CORPORATE GOVERNANCE PHILOSOPHY

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations with its stakeholders including shareholders, employees, lenders, and the Government. Adopting Corporate Governance as a work ethos, the Company ensures best performance by staff at all levels to maximize the operational efficiency and enhancing the stakeholders' value.

2. BOARD OF DIRECTORS

Composition of the Board

The Board of Directors has an optimal combination of Executive, Non-Executive and Independent Directors. The Board is headed by an executive Chairman. As on 31st March, 2013, the Board comprised six members. It consists of three Executive Directors and three Non-Executive Independent Directors. The Board members possess the requisite skills, experience and expertise to guide the Company.

Information Available to the Board

All requisite information as per Clause 49 of the Listing Agreement is placed before the Board during meetings. From time to time the Board invites members of the senior management to present reports on the Company's operations and internal control system. During the financial year ended 31st March, 2013, Six meetings of the Board of Directors of the Company were held and the gap between two Board Meetings did not exceed four months. The meetings were held on 15th May, 2012, 9th August, 2012, 14th August, 2012, 31st August, 2012, 10th November, 2012 and 13th February, 2013. The details of the Directors on the Board of your Company for the year 2012-13 are given below:

Directors attendance record and Directorship held.

Composition of the Board as on 31st March, 2013

Name of Director	Category	No. of Board Meetings Attended	Whether Attended last AGM	Directorship in Companies (Incl. KFL*)	Number of Committee memberships (including KFL*)	
					Member	Chairman
Mr. Jugal Kishore Arora	Chairman (WTD)	06	No	06	NIL	NIL
Mr. Satnam Arora	Jt Managing Director (WTD)	06	Yes	Yes	08	NIL
Mr. Gurnam Arora	Jt. Managing Director (WTD)	06	No	05	NIL	NIL
Mr. Anil Bhatia **	Independent Director/ Non-Executive	04	No	02	2	NIL
Mr. Vijay Burman	Independent Director/ Non-Executive	06	Yes	01	3	2
Mr. Vijay Parkash Agarwal ***	Independent Director/ Non-Executive	05	No	01	3	1
Mr. Sandeep Kholi ****	Independent Director/ Non-Executive	04	No	07	3	1
Mr. Maharaj Kishan Trisal *****	Independent Director/ Non-Executive	02	No	05	2	NIL



- * Kohinoor Foods Limited
- ** resigned on 14th August, 2012
- *** resigned on 13th February, 2013
- **** Appointed on 14th August, 2012
- ***** Appointed on 10th November, 2012

Code of Conduct for Board Members & Senior Management Team:

In Compliance with the provisions of Clause 49 of the Listing Agreement, the Board has laid down a Code of Conduct for all Board Members and Senior Management Team. A copy of the said Code of Conduct is available on the website of the Company.

All Board Members and Senior Management Team have affirmed compliance of Code of Conduct as on 31st March 2013. A declaration signed by Chairman is enclosed herewith.

INFORMATION REQUIRED AS PER CLAUSE 49 OF THE LISTING AGREEMENT RELATING TO DIRECTORS

Name	: Mr. Jugal Kishore Arora
Date of Birth	: 11th October, 1943
Qualification	: Graduate
Experience	: He is associated with the Organisation since its inception. 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, they have been largely responsible for the wide acceptance that the company's Basmati Brands enjoy all over the World today.
Directorship	: Satnam Int'l Pvt. Ltd., Satnam Haegens Ltd., Sachdeva Bros. Pvt. Ltd., Indo European Foods Ltd. UK, Adhiraj Buildcon Pvt. Ltd.
Number of Shares held in the Company as on 30.06.2013	: 54,73,433
Name	: Mr. Satnam Arora
Date of Birth	: 23rd January, 1949
Qualification	: Post Graduate
Experience	: 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 Finance, Taxation 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. Mr. Satnam Arora.
Directorship	: Satnam Int'l Pvt. Ltd., Satnam Haegens Ltd., Sachdeva Bros. Pvt. Ltd., Indraprastha Medical Corpn. Ltd., Sara Textiles Ltd., Kohinoor Foods USA, Inc., Booker Satnam Wholesale Pvt. Ltd.,
Number of Shares held in the Company as on 30.06.2013	: 47,37,260
Name	: Mr. Gurnam Arora
Date of Birth	: 26th March, 1950
Qualification	: Graduate
Experience	: He has over thirty three years of experience in rice industry. Mr. Gurnam Arora has been looking after Domestic Marketing, Purchase, Administration, HR, Quality Control and day to day Corporate Affairs of the Company. Mr. Gurnam Arora's broad vision helped the company to increase its value. The Sales in domestic market have increased manifolds in the past years.
Directorship	: Satnam Int'l Pvt. Ltd., Satnam Haegens Ltd., Sachdeva Bros. Pvt. Ltd., Indo European Foods Ltd. UK, Kohinoor Foods USA, Inc.
Number of Shares held in the Company as on 30.06.2013	: 54,56,774



INFORMATION REQUIRED AS PER CLAUSE 49 OF THE LISTING AGREEMENT RELATING TO DIRECTORS

Name	: Mr. Anil Bhatia (Resigned w.e.f 14.08.2012)
Date of Birth	: 10th April, 1949
Qualification	: Post Graduate
Experience	: He is a post graduate in English Literature with over 36 years experience in the Construction industry. He is an Independent Director of the company.
Directorship	: Indian Delco Pvt. Ltd
Number of Shares held in the Company as on 30.06.2013	: Nil
Name	: Mr. Vijay Burman
Date of Birth	: 9th April, 1932
Qualification	: Graduate
Experience	: Mr. Vijay Burman is a Science Graduate with over 40 years experience in Textile Industry. He is having vast Financial Experience an Independent Director of the company
Directorship	: Nil
Number of Shares held in the Company as on 30.06.2013	: Nil
Name	: Mr. Vijay Parkash Aggarwal (Resigned w.e.f 13.02.2013)
Date of Birth	: 26 February, 1948
Qualification	: Graduate
Experience	: Mr. V. P. Agarwal is a Science Graduate with over 38 years experience in his field i.e. Textile Industry. He is an Independent Director of the Company.
Directorship	: Nil
Number of Shares held in the Company as on 30.06.2013	: Nil
Name	: Mr. Sandeep Kohli (Appointed w.e.f 14.08.2012)
Date of Birth	: 4th February, 1957
Qualification	: BA (Hons), MBA (Marketing)
Experience	: Mr. Sandeep Kohli, is having 25 year of experience and currently involved in various projects in the hospitality and services sector in an entrepreneurial and advisory capacity. He is an Independent Director of the Company.
Directorship	: Technology Frontier (I) Pvt. Ltd., Mezbanan Hottlers Pvt. Ltd., Paloma Developers Pvt. Ltd. Great Indian Restaurant Co. Pvt. Ltd., Gamma Restaurants Pvt. Ltd. People Strong HR Services Pvt. Ltd.
Number of Shares held in the Company as on 30.06.2013	: Nil
Name	: Mr. M K Trisal (Appointed w.e.f 10.11.2012)
Date of Birth	: 26th November, 1953
Qualification	: Electrical Engineer from Thapar Institute of Engg. & Technology
Experience	: M K Trisal is presently working as President and Chief Executive Officer with Marathon Electric India Limited - An affiliate of Regal Beloit Corporation, USA. Marathon India is the combination of two Indian Companies GE Motors India Ltd & Alstom Industrial Products Ltd.
Directorship	: Marathon Electronic India Pvt. Ltd., Marathon Electric Motors India Ltd., Sudhir Genset Ltd., Sudhir Power Projects Ltd.
Number of Shares held in the Company as on 30.06.2013	: Nil



3. BOARD COMMITTEES

Presently, the Board has three committees viz. the Audit Committee, the Shareholders'/Investors' Grievance Committees and Share Transfer Committee and the Remuneration Committee.

i) Audit Committee

The Company has an Audit Committee which deals in matters relating to financial reporting and internal controls. The role and powers of the company's Audit Committee as stipulated by the Board are in accordance with the Listing Agreement(s) and Section 292 A of the Companies Act, 1956. All the members are independent and non-executive Directors and are financially literate. Mr. Vijay Burman, who has the expertise in the accounting and financial management is the Chairman of the Audit Committee. The other members of the Committee are Mr. Sandeep Kohli and Mr. M K Trisal who are Non-Executive and Independent Directors.

Mr. Satnam Arora, Jt. Managing Director and the person responsible for Finance and Accounting, Banking, Taxation and other departmental head were also present 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.

During the year under review, the Audit Committee met Five (5) times i.e. on 15th May, 2012, 9th August, 2012 14th August, 2012, 10th November, 2012 and 13th February, 2013 and attendance of the Members at the meetings was as follows:

Name	Position	Meetings Attended	
Mr. Vijay Burman	Chairman		5
Mr. Vijay Parkash Agarwal	Member		4
Mr. Anil Bhatia	Member		3
Mr. Sandeep Kholi	Member		2
Mr. M K Trisal	Member		0

ii) Investor's Grievance / Share Transfer Committee

The Investors Grievance/ Share Transfer Committee of the Company comprises of two Non-executive and Independent Directors. The Committee consists of three members, Mr. Sandeep Kohli, Mr. Vijay Burman and Mr. Satnam Arora and is chaired by Mr. Sandeep Kohli, an independent director. 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 Investors Grievance/ Share Transfer Committee.

The Functioning and terms of reference of Investors Grievance/ Share Transfer Committee includes:

- To specifically look into the redressal of investors' grievance pertaining to transfer/ transmission of shares, dividends, dematerialization/ rematerialisation, replacement of lost/ stolen/ mutilated share certificates;
- To consider the matters relating to transfer, transmission and transposition of shares, sub-division and consolidation of shares, replacement of lost/ stolen and mutilated share certificates and review of requests for dematerialization/ rematerialisation of shares
- Other related issues and to strengthen investors' relations.

The Company received a total of 25 Complaints from investors during the year 01.04.2012 to 31.03.2013, all of which were resolved within the stipulated period to the satisfaction of the Complainants. No requests for share transfers are pending except those that are disputed or sub-judice.

During the year, the Committee met 21 times and the attendance of the Members was as follows:

Name	Position	Meetings Attended	
Mr. Vijay Parkash Agarwal	Chairman		20
Mr. Satnam Arora	Member		21
Mr. Vijay Burman	Member		21
Mr. Sandeep Kholi	Member		1

iii) Remuneration Committee.

The remuneration committee meet once during the year 2012-13.



REMUNERATION OF EXECUTIVE DIRECTORS FOR 2012-2013

Name of Director	Salary (Rs.Lacs)	Other Perquisites (Rs.Lacs)	Service Contract Tenure
Mr.Jugal Kishore Arora	72	1.11	5 years, w.e.f 27.09.12
Mr.Satnam Arora	69	3.49	5 years, w.e.f 27.09.12
Mr.Gurnam Arora	69	8.86	5 years, w.e.f 27.09.12

In the Last Annual General Meeting the Company had increased the remuneration of Mr. Jugal Kishore Arora, Mr. Satnam Arora and Mr. Gurnam Arora and the approvals is still pending from the Central Government.

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
2010	22-7-2010	10:00 A.M.	Pearey Lal Bhawan Association, 2 Bahadur Shah Zafar Marg, New Delhi 110002	NIL
2011	27-9-2011	10:00 A.M.	Pearey Lal Bhawan Association, 2 Bahadur Shah Zafar Marg, New Delhi 110002	NIL
2012	27-9-2012	12:30 P.M.	Pearey Lal Bhawan Association, 2 Bahadur Shah Zafar Marg, New Delhi 110002	3

All the resolutions set out in the respective notices were passed by show of hands at the above AGMs.

5. Disclosures

a) Related Party Transactions

The Related Party Transactions of the company are disclosed in the notes to Accounts provided in the Balance Sheet as at 31st March 2013.

Pecuniary relationships or transactions with the Non-Executive Directors.

NONE

b) Compliances made by the Company

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

c) The Company has complied with the applicable mandatory requirements of Clause 49 of the Listing Agreement. There are certain Non-mandatory requirements which have also been unilaterally adopted by the Company.

d) Reconciliation of Share Capital Audit

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

6. Means of Communication

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

1. Financial Results:

The quarterly, half-yearly and annual results 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.



2. Website

The company's website www.kohinoorfoods.in contains a separate dedicated section 'Investor' where shareholders information is available. Annual Report of the Company, Notices of Postal Ballot, Board Meeting etc. are regularly updated on the website.

3. NSE Electronic Application Processing System (NEAPS):

NEAPS is also a web based application designed by NSE where corporates are required to upload the prescribed information on the website for viewing by the investors. The Company is electronically filing the Corporate Governance and Shareholding Pattern periodically as prescribed by NSE on NEAPS.

4. SEBI Complaints Redress System(SCORES)

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

7. SHAREHOLDER INFORMATION

Annual General Meeting

Date	: 30 th September, 2013
Time	: 5:00 P.M.
Venue	: Pearey Lal Bhawan Association, 2, Bahadur Shah Zafar Marg, New Delhi -110 002
Financial Calendar	: 1 st April to 31 st March
Date of Book Closure	: 16.09.2013 to 30.09.2013 (both days inclusive)
CIN	: L52110DL1989PLC037097

8. Listing on Stock Exchanges

The Equity Shares of the Company are listed with The Bombay Stock Exchanges Ltd. and National Stock Exchange of India Ltd.

9. Payment of Listing Fees

The annual listing fee for the year 2013-14 has been paid by the company to BSE and NSE, both the Stock Exchanges.

10. Payment of depository Fees

Annual Custody / Issuer fees for the year 2013-14 has been paid by the Company to NSDL and CDSL.

11. Trading symbol / Stock code

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

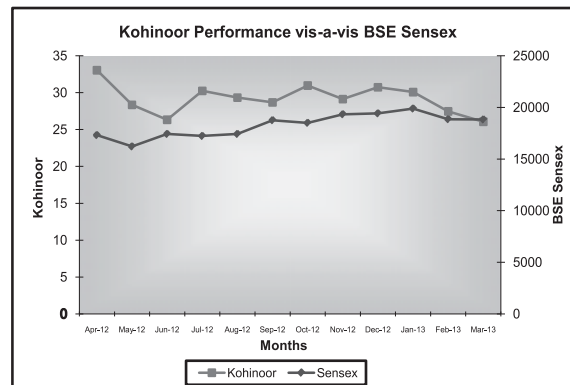
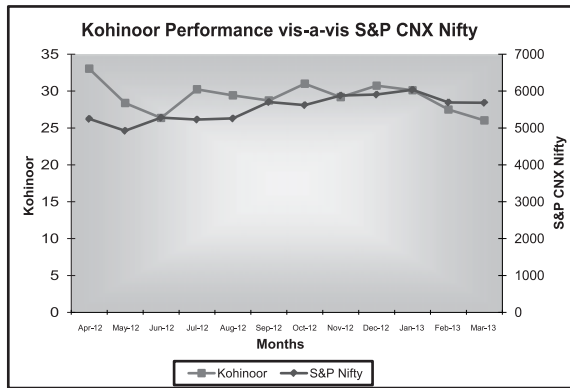


STOCK MARKET DATA

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

Month/Year	N.S.E		B.S.E	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
April 2012	31.85	34.60	38.00	31.05
May	26.25	31.75	32.75	25.35
June	25.55	27.25	28.90	25.05
July	27.40	32.15	33.30	25.75
August	27.00	30.80	31.50	26.20
September	27.10	30.55	33.60	26.10
October	28.60	33.30	34.85	28.50
November	27.85	30.45	32.00	27.70
December	29.25	33.85	34.55	28.85
January 2013	29.70	30.80	32.40	29.30
February	24.10	29.95	30.65	23.75
March	22.70	29.40	30.00	22.25

S&P CNX Nifty vis-à-vis Kohinoor Foods
Relative Price movements
April 2012 – March 2013
(Base price as on 1st April 2012)





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 returned 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 clause 47(c) of the Listing Agreement and files the same with Stock Exchanges.

13. Distribution of Shareholding and shareholding pattern as on 31st March, 2013.

Distribution of Shareholding As on 31st March, 2013

NO. OF SHARES		SHARE HOLDERS		TOTAL SHARES	
		No.	% age	Total	% of Total
01	500	31289	91.84	2748927	9.75
501	1,000	1522	4.47	1246917	4.42
1,001	2,000	642	1.88	989613	3.51
2,001	3,000	189	0.55	483383	1.71
3,001	4,000	98	0.29	352251	1.25
4,001	5,000	78	0.23	363720	1.29
5,001	10,000	128	0.38	941375	3.34
10,001	Above	124	0.36	21067038	74.72
Total		34070	100.00	28193224	100.00

Shareholding Pattern as on 31st March, 2013

Category	Number of Shares	Percentage (%)
Promoters	15039831	53.35
Mutual Funds & UTI	-	-
Banks, Financial Institution	172351	0.61
F.I.Is	17500	0.06
Corporate Bodies Public	4293256	15.23
Public	8427282	29.89
NRIs/OCBs	243004	0.86
Any Other	-	-
Total	28193224	100.00



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 clause 41 of the Listing Agreement. The Joint Managing Director has also given certificate on CEO and CFO Certification for the year ended 31 March 2013 and the same is attached with the Annual Report.

15. Compliance Certificate

The Joint Managing Director of the company give 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). As on 31st March, 2013, 2,76,85,000 Equity Shares of the Company forming 98.20% of the share capital of the Company, stand dematerialized.

17. Promoter Shareholding

In compliance of the SEBI circular No. Cir/ISD/3/2011 dated June 17, 2011, all the Shares of the Promoters is 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 shareholders as on date of last Annual General Meeting is now available on MCA Portal as well as on the Company's website www.kohinoorfoods.in.

19. Green Initiatives

During fiscal 2012, we started a sustainability initiative with the aim of going green and minimizing our impact on the environment. Members are requested to support this green initiative by registering/updating their e-mail address, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Skyline Financial Services Pvt. Ltd.

20. Plant Locations

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

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

201, Vipps Centre, Masjid Moth,

Greater Kailash-II, New Delhi 110 048

Or

The Company Secretary

Kohinoor Foods Limited

Pinnacle Business Tower, 10th Floor,

Surajkund, Faridabad, Haryana- 121001

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



Declaration as required under Clause 49 of the Listing Agreement

All Directors and senior management of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March 2013

FOR AND ON BEHALF OF THE BOARD

6th September, 2013
New Delhi

Sd/-
Jugal Kishore Arora
Chairman

SECRETARIAL AUDIT REPORT

To
The Board of Directors
Kohinoor Foods Limited
201, Vipps Center, Masjid Moth
Greater Kailash-II
New Delhi – 110 048

We have examined the registers, records and documents of Kohinoor Foods Limited (hereinafter referred to as “the Company”) for the financial year ended on March, 31, 2013 according to the provisions of:-

- The Companies Act, 1956 (“the Act”) and the Rules made under that Act;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
- The Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act to the extent applicable to Overseas Direct Investment (ODI).
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’);
 - ❖ The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ❖ The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - ❖ The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - ❖ The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made under that Act; and
 - ❖ The Equity Listing Agreements with The Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

1. Based on my limited examination and verification of the registers, records and documents as produced to me and according to the information and explanations given to me by the Company, I report that the Company has, in my opinion, complied with the provisions of the Act and the Rules made under the Act and the Memorandum and Articles of Association the Company, with regard to:
 - i. maintenance of various statutory registers and documents and making necessary entries therein;
 - ii. closure of the Register of Members;
 - iii. forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
 - iv. service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - v. notice of Board meetings and Committee meetings of Directors;
 - vi. the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
 - vii. the 23rd Annual General Meeting held on 27th September 2012;
 - viii. minutes of proceedings of General Meetings and of Board and its Committee Meetings;
 - ix. approvals of the Members, the Board of Directors, the Committees of Directors and government authorities, wherever required;
 - x. constitution of the Board of Directors / Committee(s) of directors and appointment, retirement and re-appointment of Directors including the Managing Directors and Whole time Director designated as Chairman;



- xi. payment of remuneration to the Directors including the Managing Director and Whole time Director designated as Chairman. Applications seeking approval under Schedule XIII of the Act for the payment of remuneration to the Whole time Directors of the Company are pending for approval with the Central Government.
 - xii. appointment of Auditors;
 - xiii. transfers and transmissions of the Company's shares, issue and delivery of duplicate certificates of shares;
 - xiv. transfer of amounts, as required under the Act to the Investor Education and Protection Fund;
 - xv. borrowing and registration, modification and satisfaction of charges wherever applicable;
 - xvi. investment of the Company's funds including inter-corporate loans;
 - xvii. giving guarantees in connection with loans taken by subsidiaries;
 - xviii. form of Balance Sheet and Profit & Loss Account as prescribed in the revised Schedule VI of the Act and as certified by the Statutory Auditors;
 - xix. Directors' Report;
 - xx. contracts, common seal, registered office and publication of name of the Company; and
 - xxi. generally, other applicable provisions of the Act and the Rules made under that Act.
2. I further report that;
- i. the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings / and directorships in other companies and interests in other entities;
 - ii. the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and the compliance with the code of Business Conduct & Ethics for Directors and Management Personnel.
 - iii. the Company has obtained all necessary approvals under the various provisions of the Act, wherever required;
 - iv. There was no prosecution initiated against the Company and no fines or penalties were imposed on the Company during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers.
3. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed there under by the Depositories with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.
4. I further report that:
- i. the Company has complied with the requirements under the Equity Listing Agreements entered into with The Bombay Stock Exchange Limited and the National Stock Exchange of India Limited;
 - ii. the Company has complied with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
 - iii. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations.

Note: This report has been prepared on the request of the Company, to voluntarily comply with the recommendations contained in Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs.

For Vinod Aggarwal & Associates,
Company Secretaries

Sd/-
Vinod Aggarwal
CP No: 8816
Date: 7th August, 2013



To the Member,
Kohinoor Foods Limited,

We have examined the compliance of condition of Corporate Governance by Kohinoor Foods Ltd. (the Company), for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 NATHAHUJA & CO.

CHARTERED ACCOUNTANTS

FRN : 001083N

Sd/-

N.N. AHUJA
PROPRIETOR

Membership No. 80178

Place: New Delhi,

Date: 05-08-2013

CEO AND CFO CERTIFICATION

Pursuant to the provisions of Clause 49 of the Listing Agreement with BSE and NSE, I Satnam Arora, Jt. Managing Director of Kohinoor Foods Ltd. hereby certify to the Board that:

- a) I have reviewed the financial statements and cash flow statement for the year and that to the best of my knowledge and belief
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affair and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year 2012-2013 which are fraudulent, illegal or violative of the Company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, wherever applicable.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii) I am not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

New Delhi
29.05.2013

Sd/-
Satnam Arora
(Jt. Managing Director)



ANNEXURE – 'B' TO THE DIRECTORS' REPORT

Information as per Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and forming Part of the Directors' Report for the year ended 31st March, 2013.

A. Conservation of Energy

Improvement of methods of Energy Conservation and optimal utilisation of Energy in all operations, continued to receive close attention. Company is always conscious to conserve energy through improved methods of operations and design. In this regard the Company has introduced energy saving features in the systems and monitors by which the user saves the power consumption to a considerable extent.

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. In the last year the Company has put special efforts in research and development. 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. Namkeens, Instant Mix & Indian Sweets. We expect to notch up good numbers in the next financial year through some exciting product launches and expanding & streamlining the distribution network.

ii) Future plan of action

Steps are continuously being taken to promote the branded sales in domestic as well as overseas market. The Company is continuously making efforts to provide best of quality products to its customers.

iii) Expenditure on R&D

a) Capital	:	Nil
b) Recurring	:	Rs. 25,36,069/-
c) Total	:	Rs. 25,36,069/-
d) Total R&D expenditure as a percentage of total turnover	:	0.02%

C. Technology Absorption, Adaptation and Innovation

Technology Absorption, Adaptation and Innovation had always been the key strength of the Company. 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. 68487 Lacs as against Foreign Exchange Outgo of Rs. 8046.91 Lacs during the year under review.

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

In the last year, Kohinoor Foods has put in a lot of emphasis to increase exports of value added food products, basmati rice from the country, namely, the following:

- Basmati Rice
- Pulses and Lentils
- Namkeen
- Instant Mix
- Ghee
- Spices
- Processed Foods (value added culinary products using basmati rice, and other vegetables)



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

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

FOR AND ON BEHALF OF THE BOARD

New Delhi
6th September, 2013

Sd/-
JUGAL KISHORE ARORA
CHAIRMAN



INDEPENDENT AUDITOR'S REPORT

To the Members of Kohinoor Foods Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Kohinoor Foods Limited ('the Company') which comprise the balance sheet as at 31 March 2013, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (i). in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2013;
- (ii). in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (iii). in the case of the cash flow statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note-11(c) and to Note-39(a)(i) to the financial statements. The Company has not made provisions for the followings:

- Provisions for the Diminution in the value of Investments as the Investment is strategic investment
- Provision for the demand raised by Income Tax Authorities as the matter is pending before ITAT

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2 As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;



- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
- e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For NATH AHUJA & CO.
(CHARTERED ACCOUNTANTS)
FRN : 001083N

Sd/-
(N.N. AHUJA)
PROPRIETOR
Membership No. 80178

Place: New Delhi,
Date: 29-May-2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Referred to our report of even date)

- i) In respect of its fixed assets:
 - (a) In our opinion and on the basis of the information and explanation given to us, the Company is maintaining Fixed Assets Register showing necessary particulars. *The Company is in the process of updating its records showing full particulars, including quantitative details and situation of fixed assets.*
 - (b) As explained to us, the physical verification of fixed assets was conducted by the management at reasonable intervals and the discrepancies noticed on such verification are properly dealt within the books of accounts. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of assets.
 - (c) The Company has disposed off some of the fixed assets which are not substantial, and therefore does not affect going concern.
- ii) In respect of its inventories:
 - (a) As informed and represented to us, inventories were physically verified during the year by the management at reasonable intervals.
 - (b) According to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate having regard to the size of the company and nature of its business.
 - (c) According to the information and explanation given to us, the company is maintaining proper records of inventory and there was no material discrepancies noticed on physical verification.
- iii) In respect of unsecured loans granted by the company to companies covered in the register under section 301 of the Companies Act, 1956 and according to the information and explanation given to us:
 - (a) The Company has given unsecured interest free loan to its Joint Venture Company covered in the register maintained under Section 301 of the Companies Act, 1956. At the year end, an amount outstanding against the loan granted to the above mentioned company aggregated to Rs. 16.73 Crores. The maximum balance outstanding during the year was Rs. 16.73 Crores. In our opinion, having regard to the long term involvement with the above mentioned company and considering the explanations given to us in this regard, the terms and conditions of the above are not, *prima facie*, prejudicial to the interests of the Company.



- (b) The Company has taken interest free unsecured loans from three directors covered in the register maintained under Section 301 of the Act. The aggregate amount outstanding at year end is Rs. 3.8 Crores and the loan is repayable on demand. In our opinion, considering the explanations given to us in this regard, the terms and conditions of the above are not, *prima facie*, prejudicial to the interests of the Company.
- iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the company and nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods & services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- v) In our opinion and according to the information and explanations given to us, there were no contracts or arrangements that need to be entered in the register maintained under section 301 in respect of any party during the period and hence provisions of paragraph (v) (b) of the said Order relating to reasonableness of price having regard to prevailing market price is not applicable to the Company.
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public during the year. Therefore, the provisions of clause 4 (vi) of the said order are not applicable to the Company.
- vii) In our opinion and according to the information and explanations given to us, the Company has an Internal Audit System commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account relating to material, labor and other items of cost maintained by the company pursuant to the rules prescribed by the central government for the maintenance of cost records under section 209(1)(d) of the Act and are of the opinion that, *prima facie*, the accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix) (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 generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Service Tax, Wealth Tax, Custom Duty, Excise duty, Cess and other material statutory dues as applicable with appropriate authorities except for some delay in depositing the same.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income tax, Sales tax, Service Tax, Wealth Tax, Custom Duty, Excise duty, Cess and other statutory dues were outstanding, as at March 31, 2012 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are dues of Income Tax, Sales Tax and Excise Duty which have not been deposited on account of any dispute. The details of disputed dues as at March 31, 2013 in respect of Excise duty, Sales tax and Income tax that have not been deposited by the company are as follows :-

(INR. In Lacs)

Nature of Dues	Amount	Period to which the Amount Relates	Forum where dispute is pending
Income Tax	9487.02	2002-03 to 2008-09	Income tax Appelatte Tribunal- (New Delhi)
Sales Tax- Delhi	122.00	1991-92 to 2000-01	Commissioner of Sales Tax (Delhi)
Sales Tax- Amritsar	477.25	2009-10 to 2010-11	Deputy Excise & Taxation Commission (Appeal)
Excise Duty	42.90	April 2005 to February 2006	CCE (Appeals)
Service tax	259.25	2004-05 to 2008-09	Service tax Appelatte Tribunal- (New Delhi)
Income tax (TDS/TCS)	1.57	2007-08 (4 th Quarter)	Commissioner of Income tax (Appeals)



- x) The Company does not have any accumulated losses as at the end of the Financial Year and it has not incurred cash losses in the current and the immediately preceding year.
- xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks or bond holders.
- xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- xiii) The provisions of any special statute applicable to Chit fund / Nidhi / Mutual Benefit Fund / Societies are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, and debentures and other investments.
- xv) According to the information and explanation given to us, the Company has given corporate guarantee of a sum of Rs. 11480.70 Lakhs for loans taken by its wholly owned subsidiaries from banks. In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by its wholly owned subsidiaries from banks are not *prima facie* prejudicial to the interest of the Company.
- xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which they were obtained.
- xvii) According to the information and explanations given to us, no funds raised on short basis have been used for long term purpose. No long-term funds have been used to finance short-term assets except working capital.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) The company has no outstanding debentures as at the year end.
- xx) The Company has not raised any money by public issue during the year.
- xxi) During the course of our examination of the books of account, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud on or by the company, noticed or reported during the year, nor have we been informed of such cases by the management.

For NATH AHUJA & CO.
(CHARTERED ACCOUNTANTS)
FRN : 001083N

Sd/-
(N.N. AHUJA)
PROPRIETOR
Membership No. 80178

Place: New Delhi,
Date: 29-May-2013



BALANCE SHEET AS AT 31 MARCH 2013

(Rs. In Lacs)

PARTICULARS	NOTE	AS AT 31-March-2013	AS AT 31-March-2012
EQUITY AND LIABILITIES			
Shareholder's Fund			
Share Capital	2	2,819.32	2,819.32
Reserve and Surplus	3	33,759.74	32,785.77
		36,579.06	35,605.09
Non-Current Liabilities			
Long Term Borrowings	4	5,722.40	9,511.63
Long Term Provisions	5	111.13	130.46
		5,833.53	9,642.09
Current Liabilities			
Short Term Borrowings	6	74,513.47	71,877.78
Trade Payables	7	12,168.61	3,057.93
Other Current Liabilities	8	7,468.82	11,473.47
Short Term Provisions	9	7,162.21	6,877.47
		101,313.09	93,286.65
TOTAL		143,725.68	138,533.83
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		9,477.88	6,145.39
Capital Work-in-Progress		356.98	3,254.40
		9,834.86	9,399.79
Non-Current Investments	11	13,240.54	10,071.74
Deferred tax assets (net)	12	372.08	998.55
Long Term Loans and Advances	13	1,855.90	4,912.63
		15,468.52	15,982.92
Current Assets			
Inventories	14	93,230.09	84,919.51
Trade Receivables	15	14,612.87	18,908.12
Cash and Bank Balances	16	1,369.88	1,224.89
Short Term Loans and Advances	17	9,128.26	8,011.69
Other Current Assets	18	81.19	86.90
		118,422.30	113,151.12
TOTAL		143,725.68	138,533.83
Significant Accounting Policies	1		

The Note Referred to Above Form Part of The Balance sheet

In terms of our separate report of even date attached

FOR AND ON BEHALF OF THE BOARD DIRECTORS

For NATH AHUJA & CO.
CHARTERED ACCOUNTANTS
FRN : 001083N

Sd/-
(N.N. AHUJA)
PROPRIETOR

Membership No: 80178

New Delhi
29-May-2013

Sd/-
SATNAM ARORA
JT. MG. DIRECTOR

Sd/-
GURNAM ARORA
JT. MG. DIRECTOR

Sd/-
RAMA KANT
COMPANY SECRETARY



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013

(Rs. In Lacs)

PARTICULARS	Note	FOR THE YEAR ENDED 31-March-2013	FOR THE YEAR ENDED 31-March-2012
INCOME			
Revenue from Operations	19	108,780.67	96,111.03
Other Income	20	<u>185.50</u>	<u>380.04</u>
Total Revenue		108,966.17	96,491.07
EXPENDITURE			
Cost of Material Consumed	21	58,232.75	53,540.20
Purchases of Stock-in-Trade	22	21,011.75	24,603.14
Changes of Inventories of Traded Goods,	23	1,231.35	(4,265.53)
Employee Benefits Expenses	24	1,779.66	1,989.56
Finance Costs	25	9,113.31	9,035.61
Depreciation and Amortisation Expenses	10	932.52	978.07
Other Expenses	26	15,064.39	18,221.52
Total Expenses		<u>107,365.73</u>	<u>104,102.57</u>
Profit Before Exceptional and Extra Ordinary Items		1,600.44	(7,611.50)
Exceptional Items	27	---	33,597.72
Extra Ordinary Items	28	---	(3,619.83)
Profit Before Tax		1,600.44	22,366.40
Tax Expenses			
Current Tax		320.21	—
Less : - MAT credit entitlement		<u>320.21</u>	3,850.00
Deferred Tax		626.47	191.43
Profit for the year		973.97	18,324.97
Earnings per equity share before extra ordinary items of face value of Rs. 10 each			
Basic and Diluted (in Rs.) [Refer note no. 34]		3.45	77.84
Earnings per equity share after extra ordinary items of face value of Rs. 10 each			
Basic and Diluted (in Rs.) [Refer note no. 34]		3.45	65.00

The Notes Referred to Above Form Part of The Profit and loss Account

In terms of our separate report of even date attached

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR

For NATH AHUJA & CO.
CHARTERED ACCOUNTANTS
FRN : 001083N

Sd/-
(N.N. AHUJA)
PROPRIETOR

Sd/-
SATNAM ARORA
JT. MG. DIRECTOR

Sd/-
GURNAM ARORA
JT. MG. DIRECTOR

Membership No: 80178

New Delhi
29-May-2013

Sd/-
RAMA KANT
COMPANY SECRETARY



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

(Rs. In Lacs)

PARTICULARS	FOR THE YEAR ENDED 31- March-2013	FOR THE YEAR ENDED 31-March-2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & extra ordinary items	1,600.44	25986.23
Adjustments for :		
Depreciation	932.52	978.07
Interest Paid	9,113.31	9035.61
Interest Received	(81.80)	(109.52)
Dividend Received From Key Man Insurance Policy	(5.28)	(3.96)
Operating profit before working capital changes	11,559.19	35866.44
Adjustments for :		
Debtors	4,295.25	247.91
Inventories	(8,310.58)	(8024.51)
Current Liabilities & Provision	5,371.43	(1665.37)
Direct taxes	---	(3850)
Cash flow before exceptional and extra ordinary items	12,915.29	22,594.47
Exceptional Items	---	(33,597.72)
Extra ordinary items	---	(3,619.83)
Net cash from operating activities	12,915.29	(14,623.08)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Profit from sale of business	---	33,597.72
Purchase of fixed assets and change in Capital work in progress	(1,367.59)	(1,248.51)
Investments	(3,168.80)	(4,220.86)
Loans & advances and other current assets	1,945.87	(3,701.04)
Interest Received	81.80	109.52
Dividend Received From Key Man Insurance Policy	5.28	3.96
Net cash from Investment activities	(2,503.44)	24,540.80
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	2,635.68	1,900.37
Repayment of long term borrowing	(3,789.23)	(2,714.89)
Interest paid	(9,113.31)	(9,035.61)
Net cash flow from financing activities	(10,266.86)	(9,850.13)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	144.99	67.58
- Cash & Cash equivalent at begning of the year	1,224.89	1,157.32
- Cash & Cash equivalent at end of the year *	1,369.88	1224.89
Effect of change in Exchange Rate on Cash and Cash Equivalent	11.83	(17.70)
* Cash & Cash equivalent include :	(0.00)	0.00
Restricted Bank Balance (In dividend accounts)	10.08	10.79
FDR/Margin money with Bank	1,016.65	1,038.14

In terms of our separate report of even date attach

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For NATH AHUJA & CO.

CHARTERED ACCOUNTANTS

FRN : 001083N

Sd/-
(N.N. AHUJA)
PROPRIETOR

Sd/-
SATNAM ARORA
JT. MG. DIRECTOR

Sd/-
GURNAM ARORA
JT. MG. DIRECTOR

Membership No: 80178

New Delhi
29-May-2013

Sd/-
RAMA KANT
COMPANY SECRETARY



1. Significant Accounting Policies

(a) Basis of Preparation of Financial Statements :

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards prescribed by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956 to the extent applicable, as adopted consistently by the company.

(b) Use of Estimates and Judgments :

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

(c) Revenue Recognition :

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

Sales are recognized as follows :

Domestic Sales -At the point of dispatches to customers.

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

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

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

(d) Fixed Assets:

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

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

(e) Depreciation:

Depreciation is provided on written down value basis at rates provided in Schedule XIV to the Companies Act, 1956. The depreciation rates which are different from the principal rates specified in Schedule-XIV are as follows:-

Tarpaulin:	100%
Wooden & Plastic Crates:	100%

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

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

(f) Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use the estimated future cash flows are discounted to their present value at the weighted average cost of capital.



(g) Expenditure Incurred during Construction Period:

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

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

(h) Leases:

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

(l) Government Grants:

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

(j) Income Taxes:

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

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

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

(k) Provisions, Contingent Liabilities and Contingent Assets :

Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liability

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

Contingent assets

Contingent assets are neither recognized nor disclosed.

(l) Employees Benefits :

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



Short Term Employee Benefits

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

Defined benefit plan

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

(m) Investments:

Long Term Investments

Long term Investments are stated at cost.

(n) Inventories:

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

Raw Material	-	At cost on FIFO Basis
Finished Stock	-	At material cost + appropriate share of production overhead. (On weighted average cost basis).
Work in Progress	-	At material cost + appropriate share of production overhead. (On weighted average cost basis).
Packing Material	-	At cost
Stores & Spares	-	At cost

(o) Foreign Exchange Transactions :

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

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

Derivative transactions are considered as off balance sheet items and cash flows arising there from are recognized in the books of accounts as and when paid in accordance with the terms of the respective contracts over the tenor thereof. Mark to market exposure arising out of derivative contracts has not been reflected in the financial statements.

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

(p) Research & Development :

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

Capital expenditure is included in respective heads under fixed assets.



(q) Earning per share:

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

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

(r) Cash and Cash Equivalents :

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



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

(Rs. In Lacs)

PARTICULARS	AS AT 31-March-2013	AS AT 31-March-2012
2. SHARE CAPITAL		
<u>AUTHORISED SHARE CAPITAL</u>		
75,000,000 (Previous Year 50,000,000) Equity Shares of Rs. 10/- each	7,500.00	5,000.00
<u>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</u>		
28,193,224 (Previous year 28,193,224) Equity Shares of Rs. 10/- each fully paid-up	2,819.32	2,819.32
	2,819.32	2,819.32

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

Number of Equity Shares at the beginning of the year	28,193,224	28,193,224
Number of Equity Shares Issued during the year	----	----
Number of Equity Shares at the end of the year	28,193,224	28,193,224

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

	As At 31-March-2013		As At 31-March-2012	
	No. of Shares	% holding	% holding	No. of Shares
(1) Jugal Kishore Arora	4,934,917	17.50%	4,425,299	15.70%
(2) Satnam Arora	4,315,759	15.31%	3,705,345	13.14%
(3) Gurnam Arora	5,016,791	17.79%	4,741,990	16.82%

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

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

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

3. RESERVE AND SURPLUS

(Rs. In Lacs)

	AS AT 31-March-2013	AS AT 31-March-2012
Capital Reserve		
As per last Balance Sheet	742.76	742.76
Securities Premium Reserve		
As per last Balance Sheet	3,976.97	3,976.97
General Reserve		
As per last Balance Sheet	11,266.94	11,266.94
Surplus from Statement of Profit & Loss		
As per last Balance sheet	16,799.10	(1,525.87)
Add: Profit during the year	973.97	18,324.97
	33,759.74	32,785.77



4. LONG TERM BORROWINGS

	AS AT 31-March-2013	(Rs. In Lacs) AS AT 31-March-2012
Secured Loans		
Term Loans from Banks	4,186.25	6,548.84
Deferred Payment Liabilities for Capital Goods	----	451.37
Long Term maturity of Finance Lease obligations	24.95	88.32
	<u>4,211.20</u>	<u>7,088.53</u>
Unsecured Loans		
Loan from Promoters	380.00	----
Term Loans form Banks	1,131.19	2,423.10
	<u>1,511.19</u>	<u>2,423.10</u>
	<u>5,722.40</u>	<u>9,511.63</u>
a) Term loans are repayable in monthly/quarterly installments. Maturity profile of non-current term loans from banks are as set out below		
Term Loan Installments Repayable within:-		
1-2 Years	3,726.19	4,177.99
2-3 Years	1,294.35	3,806.30
3-4 Years	296.90	987.65
	<u>5,317.44</u>	<u>8,971.94</u>
b) Term Loans carry different interest rates ranging from 8% to 13.5% per annum.		
c) Term loan form banks (including current maturities) are secured by:-		
i) Secured by Charge on specific fixed assets financed by the Bank	----	2,596.12
ii) Secured by mortgage of property belonging to promoters and Charge on Fixed Assets and Second pari pasu charge on Current Assets of the company.	1,735.85	2,721.09
iii) Secured by Subservient charge on Current Assets	746.69	4,051.62
iv) Secured by Charge on fixed assets situated at Murthal Factory.	2,102.31	16.44
v) Secured by Charge on third party property.	2,250.00	3,251.45
vi) Secured by charge on head office premises at Surajkund	804.35	
5. LONG TERM PROVISIONS		
Provision for Employee Benefit		
Provision for Gratuity	111.13	130.46
	<u>111.13</u>	<u>130.46</u>
6. SHORT TERM BORROWINGS		
Secured		
Loan repayable on Demand from Banks	67,817.95	63,083.85
Buyers Credit	4,926.94	8,793.93
Unsecured		
Overdraft in Current Account	1,768.57	----
	<u>74,513.47</u>	<u>71,877.78</u>



	<u>AS AT</u> <u>31-March-2013</u>	<u>(Rs. In Lacs)</u> <u>AS AT</u> <u>31-March-2012</u>
a) Loan repayable on Demand from Banks include the followings		
Pre-Shipment	41,594.19	32,266.57
Post-Shipment	6,339.54	13,237.16
Working Capital Demand Loan	950.00	6,840.99
Cash Credit	18,934.22	10,739.13
	<u>67,817.95</u>	<u>63,083.85</u>
b) Loan repayable on Demand from Banks are secured by hypothecation of Inventory, book debts and other current assets of the company, both present and future and the first charge on fixed assets of the company (excluding of specific assets charged to Term lending Banks).		
c) Buyers Credit has been availed from banks against lien on L.C limits secured as described in para 6(b) above for non fund based limits of working capital loans.		
7. TRADE PAYABLE		
-Due to Micro, Small and Medium Enterprises	754.96	1068.05
-Due to Others	11,413.64	1989.88
	<u>12,168.61</u>	<u>3,057.93</u>
8. OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Secured)	3,452.94	6,087.88
Current maturities of long-term debt (Unsecured)	1,158.57	1,025.24
Current maturities of finance lease obligations	63.57	76.38
Interest Accrued and due on borrowings	212.27	429.04
Advance received from customers	470.56	174.38
Current maturities of deferred payment liabilities	479.91	969.74
Unclaimed Dividends	10.08	10.79
Statutory Liabilities	156.37	61.93
Employees Benefit Expenses	101.92	5.76
Other Liabilities	1,362.63	2,632.34
	<u>7,468.82</u>	<u>11473.47</u>
9. SHORT TERM PROVISIONS		
Provision for employee benefits		
Provision for gratuity	63.40	4.47
Other Provisions		
Income Tax [Refer note no. 39]	7,097.21	6,871.00
Wealth Tax	1.60	2.00
	<u>7,162.21</u>	<u>6,877.47</u>



(Rs. In Lacs)

10. FIXED ASSETS

Particulars	Gross Block			Depreciation			WDV 31-03-2012	WDV 31-03-2013	
	As at 31-03-2012	Additions during the year	Deletions during the year	Total As at 31-03-2013	As at 31-03-2012	For the Year			Deletions/ Adjustments
TANGIBLE ASSETS									
LAND	270.97	54.68	----	325.65	—	—	----	325.65	270.97
FACTORY BUILDING	2,488.78	330.74	----	2,819.52	121.83	----	1,384.67	1,434.86	1,225.94
OFFICE BUILDING (1)	159.69	2,066.50	----	2,226.19	86.43	56.03	142.46	2,083.73	73.26
PLANT & MACHINERY & OFFICE EQUIPMENT (1)	9,321.92	1,603.83	----	10,925.75	5,349.52	593.63	5,943.15	4,982.60	3,972.40
FURNITURE & FIXTURES	235.93	169.57	----	405.50	98.69	29.98	128.67	276.83	137.24
WOODEN, PLASTIC CRATES	27.29	—	27.29	—	27.29	—	—	—	—
COMPUTERS	171.22	24.54	4.92	190.83	143.93	14.75	158.68	32.15	27.29
VEHICLES (2)	929.38	23.77	20.65	932.50	491.09	116.31	590.45	342.05	438.29
TOTAL	13,605.18	4,273.64	52.86	17,825.95	7,459.79	932.52	8,348.07	9,477.88	6,145.39
PREVIOUS YEAR	13,614.18	3,341.02	3,350.02	13,605.18	8,341.62	978.07	7,459.79	6,145.39	5,272.56

CAPITAL WORK IN PROGRESS (Rs. In Lacs)

Particulars	Gross Block		
	As at 31-03-2012	Addition during the year	Capitalisation during the year
Machinery	1,310.23	325.92	1,411.67
Electric Installation	35.49	41.16	49.13
Building	1,908.67	126.25	1,929.94
TOTAL	3,254.40	493.33	3,390.74
PREVIOUS YEAR	3,856.80	2,492.35	3,094.75

Note:

- 1) During the year, Company has capitalised interest of Rs. 98.24 lacs on loan taken for the purchase and construction of head office building at surajkund and of Rs. 122.96 lacs on loan taken for the machinery at murlhal plant.
- 2) Vehicles include the financial leased vehicles.



	<u>AS AT</u> <u>31-March-2013</u>	<u>(Rs. In Lacs)</u> <u>AS AT</u> <u>31-March-2012</u>
11. NON-CURRENT INVESTMENTS		
TRADE INVESTMENTS		
Investment in Unquoted Equity Instruments		
Subsidiary Companies		
Kohinoor Foods USA Inc. 56,000 (Previous year - 56,000) shares of USD 62.5 each fully paid up	1,608.68	1,608.68
Indo European Foods Ltd 5,183,534 (Previous year - 1,350,000) shares of GBP 1 each fully paid up	4,185.78	1,016.98
Sachdeva Brothers Pvt. Ltd 15,835 (Previous year - 15,835) shares of Rs. 100 each fully paid up	71.34	71.34
Joint Venture Company		
Rich Rice Raisers factory LLC. 75 (Previous year - 75) shares of DHS 1000 each fully paid up	9.42	9.42
Others		
Kohinoor Speciality Foods India Pvt. Ltd 44,161 (Previous year - 44,161) shares of Rs. 10 each fully paid up	4,220.86	4,220.86
Investment in Unquoted Preference Shares		
Subsidiary Companies		
Kohinoor Foods USA Inc. 80,000 (Previous year - 80,000) shares of USD 62.5 each fully paid up	2,369.77	2,369.77
Indo European Foods Ltd 1,000,000 (Previous year - 1,000,000) shares of GBP 1 each fully paid up	773.64	773.64
Other Investment		
Investment in Quoted Equity Instruments		
Punjab national bank 110 (Previous year - 110) shares of Rs. 10 each fully paid up	0.43	0.43
Anu Laboratories Ltd 5,940 (Previous year - 2,970) shares of Rs. 1 each fully paid up	0.62	0.62
	<u>13,240.54</u>	<u>10,071.74</u>
a) Aggregate amount of Quoted Investments	1.05	1.05
Aggregate amount of Market value of Quoted Investments	0.82	1.07
Aggregate amount of Un-quoted Investments	13,239.49	10,070.69
b) All the Non-current investments are carried at cost.		
c) The Company's Investment in Subsidiary/Joint Venture Companies are long term strategic investment involving long-term commitment. The losses incurred by wholly owned subsidiary companies are not going to effect the company's investment in long run, therefore no provisions for diminution in the value of investment or losses suffered by the subsidiary companies have been made in the accounts. However, consolidated financial statements have been prepared in accordance with AS-21 prescribed by the Companies (Accounting Standard) Rules, 2006.		
12. Deferred Tax Assets (Net)		
Disallowance under Income tax act, 1961	54.98	42.23
Related to fixed assets	(284.65)	(92.29)
Related to business loss	601.75	1,048.61
	<u>372.08</u>	<u>998.55</u>



	AS AT 31-March-2013	(Rs. In Lacs) AS AT 31-March-2012
13. LONG TERM LOAN AND ADVANCES		
(Unsecured, Considered Good)		
Capital Advances	65.25	123.27
Security Deposit	114.42	80.72
Loan and advances to related parties	1,676.22	4,708.63
	<u>1,855.90</u>	<u>4,912.63</u>
a) Loans and advances to related parties		
To Subsidiary Companies		
Indo European Foods Ltd*	----	3,135.80
Sachdeva Brothers Private Limited	2.84	2.53
To Joint Venture		
Rich Rice Raisers factory LLC.**	1,673.38	1,570.30
	<u>1,676.22</u>	<u>4,708.63</u>
* The loan to the subsidiary company, indo European Foods Limited of GBP 38.33 lacs has been converted into 3,833,534 equity shares of GBP 1 each during the year.		
** The loan to the joint venture company, Rich Rich Raisers factory LLC of Rs. 1,673.38 lacs does not carry any interest and the repayment schedule is not specified.		
b) Disclosures required by Clause 32 of the Listing Agreement		
Amount of loans and advances in the nature of loans outstanding from subsidiaries, where interest is not charged.		
Subsidiary Company		
Sachdeva Brothers Private Limited		
Amount outstanding at the end of years	2.84	2.53
Maximum amount outstanding during the years	2.84	2.53
14. INVENTORIES*		
(As taken, valued and certified by the Management)		
Raw Material	----	11,512.02
Finished Goods	88,724.20	68,038.64
Stock-in-trade	3,329.79	4,561.13
Stores and Spares	155.56	142.90
Packing Materials	1,020.54	664.81
	<u>93,230.09</u>	<u>84,919.51</u>
* Inventories are valued at cost or net realizable value which ever is lower.		
15. TRADE RECEIVABLES		
(Unsecured, Considered Good)		
Outstanding for a period exceeding six months	2,348.52	1,259.51
Others	12,264.35	17,648.61
	<u>14,612.87</u>	<u>18,908.12</u>
a) Trade receivables include the following amount due from related parties		
Subsidiary Company		
Kohinoor Foods USA Inc	3,440.50	2,483.03
Indo European Foods Ltd	703.33	4,909.96
Joint Venture Company		
Rich Rice Raisers Factory LLC.	2,348.70	2,875.46
	<u>6,492.53</u>	<u>10,268.45</u>



	AS AT 31-March-2013	(Rs. In Lacs) AS AT 31-March-2012
16. CASH & BANK BALANCES		
Cash & cash Equivalents		
Balances with Banks in Current Accounts	333.76	153.49
Cash in Hand	9.39	22.48
	<u>343.15</u>	<u>175.97</u>
Other Bank Balances		
Fixed Deposits as Margin Money with Banks	1,016.65	1,038.14
Un-paid Dividend Accounts	10.08	10.79
	<u>1,026.73</u>	<u>1,048.92</u>
	<u>1,369.88</u>	<u>1,224.89</u>
17. SHORT TERM LOAN AND ADVANCES		
(Unsecured considered good)		
Staff Advance	3.57	3.51
Pre-paid Expenses	247.84	319.66
Advance against Purchases	65.22	103.23
Advance Tax	8,033.50	7,108.38
MAT Credit Entitlement	320.21	----
Others	457.92	476.92
	<u>9,128.26</u>	<u>8,011.69</u>
18. Other Current Assets		
(Unsecured, Considered good)		
Interest accrued but not due on bank deposits	81.19	86.90
	<u>81.19</u>	<u>86.90</u>
19. REVENUES FROM OPERATIONS		
	For the Year Ended 31-March-2013	(Rs. In Lacs) For the Year Ended 31-March-2012
Sales of Products	108,744.05	95,992.27
Sales of Services	0.49	14.56
Other Operating Revenues	36.12	104.96
	<u>108,780.67</u>	<u>96,111.79</u>
Less :- Excise Duty	----	0.76
	<u>108,780.67</u>	<u>96,111.03</u>
a) Sales of Products		
Rice	94,281.52	82,045.87
Foods	4,232.88	3,680.94
Pulses	9,291.90	6,526.60
Other Foods Products	937.76	3,738.86
	<u>108,744.05</u>	<u>95,992.27</u>
b) Sales of Services		
Income from Milling	0.49	14.56
	<u>0.49</u>	<u>14.56</u>
c) Other Operating Revenues		
Sale of Scrap	25.24	100.73
Sale of DEPB License	10.88	4.23
	<u>36.12</u>	<u>104.96</u>



	<u>For the Year Ended</u> <u>31-March-2013</u>	<u>(Rs. In Lacs)</u> <u>For the Year Ended</u> <u>31-March-2012</u>
20. OTHER INCOME		
Dividend from Key man Insurance Policy	5.28	3.96
Profit (Loss) on sale of Assets	(1.90)	33.95
Interest Income	81.80	109.52
Miscellaneous Income	100.32	232.61
	<u>185.50</u>	<u>380.04</u>
21. Cost of Material Consumed		
Opening Stock	79,550.66	73,825.94
Add: Purchases	67,406.29	59,264.91
Less Closing Stock	88,724.20	79,550.66
	<u>58,232.75</u>	<u>53,540.20</u>
Cost Of Material Consumed Under Broad Heads		
Paddy	31,732.91	15,633.93
Rice	26,499.84	37,201.61
Foods	----	704.66
	<u>58,232.75</u>	<u>53,540.20</u>
22. Purchase of Stock in Trade under Broad Heads		
Non-Basmati Rice	9,211.31	10,113.06
Foods	3,203.11	1,597.03
Pulses	7,755.20	9,164.53
Other Foods Products	842.14	3,728.53
	<u>21,011.75</u>	<u>24,603.14</u>
23. Changes of Inventories of Traded Goods,		
Opening Stock	4,561.13	295.60
Closing Stock	3,329.79	4,561.13
	<u>1,231.35</u>	<u>(4,265.53)</u>
24. EMPLOYEE BENEFIT EXPENSES		
Staff Salaries	1,317.62	1,599.18
Director's Remuneration	223.41	108.00
Gratuity	45.07	59.55
Bonus	41.20	47.53
Staff Welfare	87.69	98.89
Employer's Contribution to P.F. & ESI	64.67	76.40
	<u>1,779.66</u>	<u>1,989.56</u>
25. FINANCE COST		
Interest Expense	8,440.03	8,454.62
Bank Charges	673.28	580.99
	<u>9,113.31</u>	<u>9,035.61</u>



	For the Year Ended 31 st March,2013	(Rs. In Lacs) For the Year Ended 31 st March,2012
26. OTHER EXPENSES		
a) Manufacturing Expenses		
Loading and Unloading Charges	379.14	344.44
Packing Materials Consumed	3,477.91	5,676.16
Wages	66.30	181.51
Processing Charges	---	54.99
Repair to Machinery	124.61	211.47
Consumables & Stores Consumed	117.70	123.65
Power & Fuel	804.02	826.90
Brokerage & Commission	212.44	220.97
Freight and Octroi	11.02	116.60
	5,193.15	7,756.70
Administrative Expenses		
Payment to Auditors		
-Statutory Audit Fee	15.00	14.00
-Tax Audit Fee	4.00	3.50
-Other Matters	8.72	13.21
Postage, Telegram and Telephone	60.35	67.67
General Expenses ^{^^}	131.58	153.64
Storage & Warehousing	145.83	135.00
Legal and Professional Charges	179.15	332.79
Rates and Taxes	20.37	88.30
Other Taxes Paid	150.47	155.54
Charity and Donation	22.82	5.22
Vehicle Maintenance	97.55	95.81
Printing and Stationery	19.50	20.13
Fumigation Expenses	98.61	126.61
Insurance Charges	171.52	147.88
Conveyance	41.64	73.51
Membership & Subscription	25.65	14.35
Traveling Expenses (Directors)	101.30	112.98
Traveling Expenses (Others)	118.80	121.01
Research & Development	25.36	31.32
Rent	25.08	24.03
Staff Recruitment Expenses	5.69	14.35
Bad Debts	15.77	158.36
Repairs to Building	125.46	190.97
Repairs to Others	77.44	81.83
Foreign Exchange Gain / (Loss)	1,366.83	1,746.41
	3,054.49	3,928.41

^{^^} Expenses incurred during the year on registration of trade mark amounting to Rs. 5.41 lacs (Previous year: Rs 14.02 lacs) has been charged to profit/loss a/c and has not been recognized as an Intangible asset as per Accounting Standard-26.



c) Selling & Distribution Expenses

Advertisement and Publicity	31.42	932.38
Business Promotion	708.01	958.72
Rebate & Discount	----	83.32
Ocean Freight	2,305.56	1,658.11
Expenses Against Export	134.00	82.37
Brokerage & Commission on Sales	118.65	191.90
Clearing and Forwarding	<u>3,519.10</u>	<u>2,629.60</u>
	<u>6,816.76</u>	<u>6,536.41</u>
Total	<u>15,064.39</u>	<u>18,221.52</u>

27. Exceptional Items

During the previous financial year the Company transferred part of its business pursuant to consent of share holders obtained under section 293(1)(a) of the Companies Act-1956. Profit of Rs. 33,597.72 lacs on sale of the part of business has been shown as Exceptional Items in the previous year figures of Profit and Loss a/c.

28. Extra Ordinary Items

The company has entered into forward exchange contracts to hedge the foreign exchange fluctuation risk. The losses amounting to Rs. 3,619.83/- lacs suffered in foreign exchange transactions during previous financial year are shown as Extra ordinary items in the previous year figures of Profit and Loss a/c.

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

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

(Figures In Lacs)

Particulars	Currency	In Foreign Currency as at 31 March 2013	In Rupees
Export Receivable	USD	128.54	6,991.05
	AUD	0.09	4.99
Borrowings	USD	97.07	5,279.57
	GBP	39.69	3,267.33

b) As required under AS-11 the company has outstanding Forward contracts as on 31 March 2013 and there is Marked to Market (MTM) unrealised gain on forward contracts of Rs. 77.92 lacs , which has been accounted for accordingly in the books of accounts.

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

Currency	Cross Currency	In Foreign Currency as at 31 March 2013	Fair value as on 31 March 2013
USD	Indian Rupees	38.99	2,120.73
GBP	Indian Rupees	48.99	2,943.93



30. Disclosures under Accounting Standard 15 on "Employees Benefits" :

a) Defined Contribution Plans:

Amount of Rs. 64.66 lacs (previous year Rs. 76.40 lacs) pertaining to employers' contribution to Provident Fund and Employees State Insurance is recognized as an expense and included in "Employees cost" in Note No. 24.

b) Defined Benefit Plan:

General description of Defined Benefit Plan (Gratuity):

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days basic salary last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefits vests after five years of continuous service. The Company has set a limit of Rs. 10.00 lacs (previous year Rs.10.00 lacs) per employee.

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

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

(Rs. In Lacs)

	Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
1	Present value of obligation at the beginning of the year	134.93	147.70
2	Interest cost	11.81	12.19
3	Past service cost	—	—
4	Currents service cost	19.79	30.81
5	Liability Transferred Out	—	(57.72)
6	Benefits paid	(5.80)	(14.40)
7	Actuarial (gain)/loss on obligation	13.80	16.35
8	Present value of obligation at the end of the year	174.53	134.93

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

	Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
1	Fair value of plan assets at the beginning of the year	4.76	3.69
2	Expected return on plan assets	0.42	0.29
3	Contributions	5.77	73.00
4	Liability Transferred Out	---	(57.72)
5	Benefits paid	(5.80)	(14.40)
6	Actuarial gain/(loss) on plan assets	(0.09)	(0.10)
7	Fair value of plan assets at the end of the year	5.06	4.76

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

	Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
1	Actuarial gain/(loss) for the year - obligation	(13.80)	(16.35)
2	Actuarial gain/(loss) for the year - plan assets	(0.09)	(0.10)
3	Total gain/(loss) for the year	(13.89)	(16.45)
4	Actuarial gain/(loss) recognized in the year	(13.89)	(16.45)
5	Unrecognized actuarial gains (losses) at the end of year	—	—



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

	Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
1	Present value of obligation as at the end of the year	174.53	134.93
2	Fair value of plan assets as at the end of the year	5.06	4.76
3	Funded/(unfunded) status	(169.47)	(130.16)
4	Excess of actual over estimated	----	(0.10)
5	Net assets/(liability) recognized in balance sheet	(169.47)	(130.16)

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

	Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
1	Current service cost	19.79	30.81
2	Past service cost	----	----
3	Interest cost	11.81	12.19
4	Expected return on plan assets	(0.42)	(0.29)
5	Net actuarial (gain)/loss recognized in the year	13.89	16.45
6	Expenses recognized in the statement of profit and losses*	45.07	59.15

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

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

A. Economic Assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the

	Particulars	Year ended 31 March 2013	Year ended 31 March 2012
1	Discount rate	8.25%	8.25%
2	Expected rate of return on plan assets	8.00%	8.00%
3	Salary growth rate	6.00%	6.00%

B. Demographic Assumption

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

31. Disclosures under Accounting Standard 17 on "Segment Reporting":

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



32. Disclosures under Accounting Standard 18 on "Related Party Disclosures" :

32.1 LIST OF RELATED PARTIES

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

Mr. Jugal Kishore Arora	Chairman
Mr. Satnam Arora	Jt.Mg.Director
Mr. Gurnam Arora	Jt.Mg.Director
Mr. Nitin Arora	Son of Mr. Jugal Kishore Arora
Mr. Amit Arora	Son of Mr. Satnam Arora
Mr. Ankush Arora	Son of Mr.Gurnam Arora
Mr. Nishant Arora	Son of Mr.Gurnam Arora
- iv) Enterprise over which key managerial personnel exercise significant influence
 - Satnam Overseas (Exports) - Partnership Firm of Promoter directors

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

(Rs. In Lacs)

	Subsidiary Companies	Joint Venture Company	Key management personnel and their relatives	Enterprises over which Key management personnel exercise significant influence
Transactions during the year				
- Sale of Finished Goods	12,206.55 (12,095.27)	2,805.85 (9,839.39)		
- Remuneration			352.62 (218.62)	
- Conversion of Loan into Equity	3,168.80			
- Loan from Promoters	—		380.00	
- Expenses incurred on behalf of the related party	0.31 (0.57)			
- Repayment of Advances				— (3.51)
Balances outstanding at the year end:-				
- Loans/Advances	2.84 (3,138.33)	1,673.38 (1,570.30)		
- Loan from Promoter			380.00	
- Debtors	4,143.83 (7,392.99)	2,348.70 (2,875.46)		
- Corporate guarantee given by the company	11,480.70 (9,512.04)			

*Figures in () are related to previous year.



	(Rs. In Lacs)	
	AS AT 31-March-2013	AS AT 31-March-2012
33. Disclosures under Accounting Standard 19 on "Leases":		
33.1 Total of minimum future lease payments under non-cancelable operating leases for various periods are as follows:-		
Amount payable not later than one year	37.93	13.96
Amount payable later than one year but not later than five years	8.28	15.67
Amount payable later than five years	Nil	Nil
	46.21	29.63
The company has entered into operating lease agreements that are renewable on a periodic basis and cancelable at company's option.		
The company has not entered into sublease agreements in respect of these leases.		
33.2 The company has taken on lease certain vehicles and has the option to purchase the vehicles as per terms of the lease agreements, details of which are as under :-		
a) Obligations towards minimum lease payments:-		
Amount payable not later than one year	68.90	88.81
Amount payable later than one year but not later than five years	25.71	94.61
Amount payable later than five years	Nil	Nil
	94.61	183.42
b) Present value of (a) above :-		
Amount payable not later than one year	63.57	76.38
Amount payable later than one year but not later than five years	24.95	88.52
Amount payable later than five years	Nil	Nil
	88.52	164.91
c) Finance Charges	6.08	18.51
34. Disclosures under Accounting Standard 20 on "Earning Per Share" :		
a) Calculation of Weighted Average number of equity shares		
For Basic/Diluted EPS		
No. of Shares at the beginning of the year	28,193,224	28,193,224
Equity Shares issued during the year	----	----
Total number of equity shares outstanding at the end of the year	28,193,224	28,193,224
Equity shares outstanding for 365 days	28,193,224	28,193,224
Weighted Average number of equity shares outstanding during the year	28,193,224	28,193,224
b) Net Profit after tax available for equity shareholders (Rs. in Lacs)		
Before Extra Ordinary item	973.97	21,944.80
After Extra Ordinary Item	973.97	18,324.97
Earnings per share (face value per share Rs. 10 each) (Rs.)		
Basic and Diluted: before extra ordinary item	3.45	77.84
Basic and Diluted: after extra ordinary item	3.45	65.00
35. Disclosures under Accounting Standard 27, "Financial Reporting of Interest in Joint Venture" :		
Rich Rice Raisers LLC (Dubai)	% holding in Joint Venture	25.00%
		25.00%



35.1 The Company's Share of the assets, liabilities, contingent liabilities and capital commitments as at 31 March 2013

Particulars	(Rs. In Lacs)	
	AS AT 31-March-2013	AS AT 31-March-2012
Assets		
Non-current Assets	23.18	28.38
Non-current Investment	330.77	555.57
Current Assets	3,043.96	2,458.25
	<u>3,397.91</u>	<u>3,042.20</u>
Liabilities		
Non-current Liabilities	1,181.39	939.70
Current Liabilities	1,705.36	1,692.79
	<u>2,886.74</u>	<u>2,632.49</u>
Contingent Liabilities	13.79	86.19
Income	4,571.65	4,097.63
Expenses	4,455.80	3,992.50

36. Disclosures under Accounting Standard 29, "Provisions, Contingent Liabilities and Contingent Assets" : (Rs. In Lacs)

Provision relating to	Opening balance as at 1 April 2012	Created during the year	Withdrawals	Closing balance as at 31 March 2013
Gratuity	134.93	45.40	5.80	174.53
Income Tax	6,871.00	320.21	94.00	7,097.21
Wealth Tax	2.00	1.60	2.00	1.60
	<u>7,007.93</u>	<u>367.21</u>	<u>101.80</u>	<u>7,273.34</u>

37. Other disclosures as per Revised Schedule VI of the Companies Act, 1956

Particulars	31 March 2013	31 March 2012
CIF Value of Imports		
- Capital goods	----	67.19
- Finished Products	7,580.32	8,485.49
- Packaging Material	----	163.98
- Raw Material	----	168.32
	<u>7,580.32</u>	<u>8,884.99</u>
Expenditure in Foreign Currency (On accrual basis)		
- Traveling	59.23	55.65
- Ocean Freight	----	248.09
- Business Promotion	326.11	305.75
- Legal & Professional charges	13.93	19.80
- Membership & Subscription	2.92	1.87
- Entertainment	1.79	0.23
- Boarding & Lodging Expenses	19.14	15.98
- Clearing & Forwarding	----	18.73
- Consultancy Charges	4.32	30.78
- Advertisement & Publicity	11.32	697.04
- Telephone Expenses	1.40	0.88
- Commission on Export Sales	25.31	2.50
- Printing & Stationery	0.04	0.08
- Copyright & Trademark	1.07	----
	<u>466.59</u>	<u>1,397.37</u>
Earning in Foreign Exchange		
- FOB Value of Export of Goods	<u>62,662.30</u>	<u>51,887.87</u>



38. Consumption of Raw Material, Components and Spares etc.

Consumption of	For the year ended 31 March 2013		For the year ended 31 March 2012	
	Amount	%	Amount	%
Indigenous	76,498.05	90.98%	50,522.22	85.14%
Imported	7,580.32	9.02%	8,817.80	14.86%
	84,078.37	100.00%	59,340.01	100.00%

39. Contingent Liabilities

	As at 31 March 2013	As at 31 March 2012
a) Claims against the company , not acknowledged as debt		
I Income Tax	9,487.03	9,576.92
ii Sales Tax - Delhi	122.00	122.00
iii Excise & Taxation Dep't., Punjab	477.25	450.41
iv Excise Duty	42.91	42.91
v Service Tax	259.25	259.25
vi Liability on account of Derivatives Transactions-PNB	2,749.00	2,749.00
vii Liability on account of Derivatives Transactions-HDFC Bank	3,950.34	3,922.00
viii Legal Cases against the Company	963.00	----
ix TDS/TCS	1.57	1.57
b) Corporate Guarantee given by the Company.	11,480.70	9,512.04
c) Surety Bonds issued to Govt. Agencies under EPCG scheme	1,883.81	1,838.40

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

- i The Company has preferred an appeal before the Income Tax Appellate Tribunal, New Delhi against the impugned Income Tax Assessment Order in respect of Assessment years 2002-03 to 2008-09 in which additional income tax of Rs. 63.32 Cr (Pr. Yr. 64.04 Cr.) along with interest of Rs. 31.55 Cr. (Pr. Yr.-Rs.31.73 Cr.) has been demanded. As per the advice received from legal experts and on the basis of merit of the case, there is a high probability that the impugned order will be set aside and the demand will be deleted. Accordingly, management is of the view that no provision in respect of the above demand is required to be made in the books of accounts. During the current financial year the company has deposited Rs. 6.00 Cr. "Under Protest" against the above pending demand.
- ii An appeal before the Sales Tax Commissioner - Appeals, New Delhi is lying pending in respect of Sales Tax demand on sale of REP Licenses made in earlier years.
- iii 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. 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. 26.84 Lacs after completing the assessment for AY 2011-12 against which appeal has been filed.
- iv An appeal before 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 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.
- v An appeal before the Appellate Tribunal is lying pending against the order received from the office of Service Tax Commissionerate, New Delhi demanding the service tax & penalty Rs. 2.59 Cr in respect of certain services provided in earlier



years. As per the advice received from the legal experts and on the basis of merit of the case, management is of the view that no provision in respect of the above demand is required to be made in the books of accounts. Subsequently, the company has deposited Rs.20 Lacs "Under Protest" as per the directions given in the stay order granted by Appellate Tribunal in this regard.

- vi The company has filed a suit for declaration, and mandatory injunction against the Reserve Bank of India and Punjab National Bank before the Hon'ble High Court, New Delhi for loss of Rs. 27.49 crores arising out of forex derivative transactions.
- vii The company has filed a suit for declaration and mandatory injunction against the Reserve Bank of India and HDFC Bank before the Hon'ble High Court, New Delhi for loss of Rs. 39.50 crores (previous year 39.22 crores) arising out of forex derivative transactions. An Application has also been filed by the HDFC Bank Ltd., before DRT Mumbai, for recovery of dues amounting to Rs. 8.69 crores (previous year Rs. 72.84 lakhs). Against the aforesaid order the company has filed an appeal with DRAT.
- viii The Board of Trustee of the port of Mumbai has filed a money suit for recovery of Rs. 9.63 crores towards alleged outstanding demurrage charges against which the company has filed its counter claim of Rs. 10.88 crores towards the financial losses, interest on the investment, refund of the license fees, refund of the demurrage charges, compensation and damages etc.

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

			(Rs. In Lacs)	
Name of Beneficiary	Guarantee issued to	Amount in foreign currency	Amount in Rs. Lacs	
i Indo European Foods Ltd	Bank of India, U.K	8,000,000 GBP	6,585.60	
ii Kohinoor Foods USA INC	Punjab National Bank, Hong Kong	9,000,000 USD	4,895.10	
			As at 31 March 2013	As at 31 March 2012

40. Commitments

Estimated amount of contracts remaining to be executed on capital account (Including advances)	194.85	2,170.02
Bank Guarantee given by Bankers on behalf of the Company.	3,462.04	21.56

41. During the year no amount of Dividend has been remitted in foreign currency to Non Resident out side India.

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

43. Prior Period Items

There is no material prior period items included in profit & loss account required to be disclosed as per Accounting Standard - 5, prescribed by the Companies (Accounting Standard) Rules, 2006.

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

The above notes form part of the financial statements

In terms of our separate report of even date attached
For **NATH AHUJA & CO.**

CHARTERED ACCOUNTANTS

FRN : 001083N

Sd/-
(N.N. AHUJA)
PROPRIETOR

Membership No: 80178

New Delhi
29-May-2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
SATNAM ARORA
JT. MG. DIRECTOR

Sd/-
GURNAM ARORA
JT. MG. DIRECTOR

Sd/-
RAMA KANT
COMPANY SECRETARY



ANNEXURE TO THE BALANCE SHEET AS AT 31 MARCH 2013

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Company's Interest in the subsidiaries companies

01 Name of subsidiaries Company	Sachdeva Brothers Pvt Ltd.	Kohinoor Foods USA. Inc.	Indo European Foods Limited
02 Financial Year of the subsidiaries ended on	31-03-2013	31-03-2013	31-03-2013
03 Number of shares held by Kohinoor Foods Ltd. with its Nominees in the subsidiaries Companies at the end of the financial year of the subsidiaries companies.			
i) Equity shares	15,835 (Rs. 100 Each)	56,000 (USD 62.50 Each)	5,183,534 (GBP 1 Each)
ii) Extent of holding	100.00%	100.00%	100.00%
iii) Share Application Money (Rs.) / (\$)	Nil	Nil	Nil
04 Date from which it became subsidiaries Company	17/10/1990	24/03/2000	29/03/2005
05 The net aggregate of Profit/(Loss) of the subsidiaries Companies as far as it concerns the members of the Holding Company			
i) Not dealt with in the Holding Company's Account			
(a) For the Period Ended 31 March 2013	Rs. (31766)	(\$ 869,773)	(£ 301,159)
(b) For the Previous Financial years since it became the Holding company's subsidiaries	Rs. (1,478,998)	(\$ 6,147,21)	(£ 221,872)
ii) Dealt with in the Holding Company's Accounts			
(a) For the financial years of the subsidiaries	Nil	Nil	Nil
(b) For the Previous Financial years since it became the Holding company's subsidiaries	Nil	Nil	Nil
06 Changes in the interest of Kohinoor Foods Ltd. between the end of the subsidiary's Financial year and 31 March, 2013			
- Number of Shares acquired	Nil	Nil	Nil
- Material changes between the end of the subsidiary's Financial year and 31 March, 2013			
(i) Fixed Assets (Net Addition) (Capital Work-in-progress)	Nil	Nil	Nil
(ii) Investments	Nil	Nil	Nil
(iii) Money lent by the subsidiaries	Nil	Nil	Nil
(iv) Moneys borrowed by the subsidiaries Company other than for meeting Current Liabilities			

In terms of our separate report of even date attached
For **NATH AHUJA & CO.**
CHARTERED ACCOUNTANTS
FRN : 001083N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
(N.N. AHUJA)
PROPRIETOR

Sd/-
SATNAM ARORA
JT. MG. DIRECTOR

Sd/-
GURNAM ARORA
JT. MG. DIRECTOR

Membership No: 80178

New Delhi
29-May-2013

Sd/-
RAMA KANT
COMPANY SECRETARY



STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956.

As per AS-21 issued by the Institute of Chartered Accountants of India, the financial statements of the Company reflecting the consolidation of the accounts of its subsidiary companies to the extent of equity holding of the company in these companies are included in this Annual Report.

In terms of general exemption provided by the Central Government, Ministry of Company Affairs vide General Circular No. 2 /2011 dated 8th Feb 2011, The copy of the balance sheet, profit and loss account report of the board of directors and the report of the auditors of the subsidiary companies have not been attached to this annual report. The accounts of these companies have been separately audited as per Generally Accepted Accounting Principles/Practices as applicable in their respective jurisdiction of the country of incorporation. A statement pursuant to the above circular giving details of subsidiaries is attached herewith:-

Name of subsidiaries Company	(Rs. In Lacs)		
	Sachdeva Brothers Pvt Ltd.	Kohinoor Foods USA. Inc.	Indo European Foods Limited
Capital	15.84	4,623.15	5,090.29
Reserves	18.58	(3,443.19)	(397.24)
Total Assets	0.21	8,402.33	14,471.09
Total liabilities	0.21	8402.33	14471.09
Details of Investment (Excluding Investment in Subsidiaries)	-	-	-
Turnover	-	6,100.51	16,102.33
Profit / Loss Before Tax	0.32	(298.59)	(228.42)
Provision for Tax	-	-	(12.67)
Profit / Loss after Tax	0.32	(298.59)	(215.75)

Proposed Dividend including Dividend declared during the year.

Foreign exchange rate as on 31 March 2013.
1 USD=Rs. 54.39 , 1 GBP=Rs. 82.32

The amount given in the table above are from the Annual Account made for the respective financial year end for each of the companies.

Undertaking:

We undertake that the annual accounts of the subsidiary companies and the related detailed information will be made available to the investors, who seek such information, at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by the investor in the Registered/Head office of Kohinoor Foods and that of subsidiary companies concerned.

In terms of our separate report of even date attached
For **NATH AHUJA & CO.**
CHARTERED ACCOUNTANTS
FRN : 001083N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
(N.N. AHUJA)
PROPRIETOR

Sd/-
SATNAM ARORA
JT. MG. DIRECTOR

Sd/-
GURNAM ARORA
JT. MG. DIRECTOR

Membership No: 80178

New Delhi
29-May-2013

Sd/-
RAMA KANT
COMPANY SECRETARY



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Kohinoor Foods Limited

We have audited the accompanying consolidated financial statements of Kohinoor Foods Limited ('the Company') its subsidiaries and joint ventures, which comprise the consolidated balance sheet as at 31 March 2013, the consolidated statement of profit and loss and consolidated cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on the financial statements of subsidiaries and joint ventures as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i). in the case of the consolidated balance sheet, of the state of affairs of the Company as at 31 March 2013;
- (ii). in the case of the consolidated statement of profit and loss account, of the profit for the year ended on that date; and
- (iii). in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following note as appearing in the Independent Auditors' Report of Rich Rice Raisers Factory LLC, the joint venture company in which Kohinoor Foods Limited holds 25% of the Nominal value of Shares. "*Investments in properties to the tune of Dirham 28,04,282/- (net) (Gross Value Dirham 76,60,441/- less specific borrowings of Dirham 48,56,159/-) (equivalent to Rs. 414.47 Lakhs) are in the personal name of one of the shareholder (other than Kohinoor Foods Limited)*".

We further draw attention to Note-35(a)(i) to the financial statements. The Company has not made provisions for the demand raised by Income Tax Authorities as the matter is pending before ITAT.

Other Matter

We did not audit the financial statements of subsidiaries and joint venture companies, whose financial statements reflect total assets of Rs. 36,525.60 Lakhs as at March 31, 2013, total revenues of Rs. 40,522.53 Lakhs and net cash inflows amounting to Rs. 114.77 Lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For NATH AHUJA & CO.
(CHARTERED ACCOUNTANTS)
Firm registration no: 001083N

Sd/-
(N.N. AHUJA)
PROPRIETOR
Membership No. 80178

New Delhi
29-May-2013



CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2013

(Rs. In Lacs)

PARTICULARS	NOTE	AS AT	
		31-March-2013	31-March-2012
EQUITY AND LIABILITIES			
Shareholder's Fund			
Share Capital	2	2,819.32	2,819.32
Reserve and Surplus	3	30,771.48	30,343.23
		33,590.80	33,162.55
Non-Current Liabilities			
Long Term Borrowings	4	6,718.61	10,617.32
Long Term Provisions	5	116.73	139.65
		6,835.34	10,756.97
Current Liabilities			
Short Term Borrowings	6	83,112.37	79,856.58
Trade Payables	7	13,153.06	2,434.77
Other Current Liabilities	8	12,059.10	13,254.52
Short Term Provisions	9	7,162.21	6,885.04
		115,486.73	102,430.91
TOTAL		<u>155,912.88</u>	<u>146,350.42</u>
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		13,825.03	10,164.52
Intangible Assets		56.17	151.04
Capital Work-in-Progress		356.98	3,254.40
		14,238.18	13,569.95
Non-Current Investments	11	4,552.68	4,777.48
Deferred tax assets (net)	12	1,316.25	1,886.59
Long Term Loans and Advances	13	2,266.46	1,381.72
		8,135.39	8,045.79
Current Assets			
Inventories	14	104,269.76	95,939.97
Trade Receivables	15	16,970.19	17,408.68
Cash and Bank Balances	16	2,309.89	2,050.13
Short Term Loans and Advances	17	9,908.28	9,248.99
Other Current Assets	18	81.19	86.90
		133,539.31	124,734.68
TRANSLATION RESERVE			
TOTAL		<u>155,912.88</u>	<u>146,350.42</u>

Significant Accounting Policies 1

The Notes on Referred to Above From Part of The Balancesheet

In terms of our separate report of even date attached

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For NATH AHUJA & CO.

CHARTERED ACCOUNTANTS

FRN : 001083N

Sd/-
(N.N. AHUJA)
PROPRIETOR

Sd/-
SATNAM ARORA
JT. MG. DIRECTOR

Sd/-
GURNAM ARORA
JT. MG. DIRECTOR

Membership No: 80178
New Delhi
29-May-2013

Sd/-
RAMA KANT
COMPANY SECRETARY



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013 (Rs. In Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-March-2013	FOR THE YEAR ENDED 31-March-2012
INCOME			
Revenue from Operations	19	122,111.65	107,638.15
Other Income	20	263.06	385.94
Total Revenue		122,374.71	108,024.09
EXPENDITURE			
Cost of Material Consumed	21	64,934.54	56,193.45
Purchases of Stock-in-Trade	22	22,639.66	27,393.59
Changes of Inventories of Traded Goods	23	741.57	(4,159.65)
Employee Benefits Expenses	24	2,508.66	3,102.30
Finance Costs	25	9,807.17	9,582.78
Depreciation and Amortisation Expenses	10	1,197.75	1,208.89
Other Expenses	26	19,356.40	21,761.87
Total Expenses		121,185.75	115,083.22
Profit Before Extra Ordinary items and Tax		1,188.97	(7,059.13)
Exceptional Items	27	---	33,597.72
Extra Ordinary Items	28	---	(3,619.83)
Profit Before Tax		1,188.97	22,918.76
Tax Expenses			
Current Tax		307.54	3,862.04
Less :- MAT credit entitlement		320.21	---
Deferred Tax	12	626.47	191.43
Profit for the year		575.17	18,865.30
Earnings per equity share before extra ordinary item of face value of Rs. 10 each			
Basic and Diluted (in Rs.) [Refer note no. 32]		2.04	79.75
Earnings per equity share after extra ordinary items of face value of Rs. 10 each Basic and Diluted (in Rs.) [Refer note no. 32]		2.04	66.91

The notes referred to above form part of the profit and loss account
In terms of our separate report of even date attached

FOR AND ON BEHALF OF THE BOARD

For NATH AHUJA & CO.
CHARTERED ACCOUNTANTS
FRN : 001083N

Sd/-
(N.N. AHUJA)
PROPRIETOR

Sd/-
SATNAM ARORA
JT. MG. DIRECTOR

Sd/-
GURNAM ARORA
JT. MG. DIRECTOR

Membership No: 80178

Sd/-
RAMA KANT
COMPANY SECRETARY

New Delhi
29-May-2013



PARTICULARS	(Rs. In Lacs)	
	FOR THE YEAR ENDED 31-March-2013	FOR THE YEAR ENDED 31-March-2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & extra ordinary items	1,188.97	26,538.59
Adjustments for :		
Depreciation	1,197.75	1,208.89
Interest paid	9,807.17	9,582.78
Interest received	(94.94)	—
Dividend Received form key Man Insurance Policy	(5.28)	—
Deferred Revenue Expenditure	—	145.94
Profit from sale of business	—	(33,597.72)
Operating profit before working capital changes	12,093.67	3,878.47
Adjustments for :		
Debtors	438.50	1,484.79
Inventories	(8,329.79)	(8,814.18)
Current Liabilities & Provision	9,777.12	(2,023.89)
Direct taxes	12.67	(3,862.04)
Un realized Foreign exchange Gain/Loss	(203.05)	(1,995.11)
Cash flow before exceptional and extra ordinary items	13,789.13	(11,331.96)
Exceptional Items	—	—
Extra ordinary items	—	(3,619.83)
Net cash from operating activities	13,789.13	(14,951.79)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Profit from sale of business	—	33,597.72
Purchase of fixed assets and change in Capital work in progress	(1,865.98)	(1,688.70)
Investments	224.80	(3,983.95)
Loans & advances and other current assets	(1,538.33)	(2,330.87)
Interest Received	94.94	—
Dividend Received from Key Man Insurance Policy	5.28	—
Net cash flow from financing activities	(3,079.28)	25,594.20
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	3,255.78	1,636.45
Repayment of long term borrowing	(3,898.71)	(2,572.07)
Interest paid	(9,807.17)	(9,582.78)
Net cash flow from financing activities	(10,450.09)	(10,518.40)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	259.76	124.02
- Cash & Cash equivalent at begning of the year	2,050.13	1,926.12
- Cash & Cash equivalent at end of the year *	2,309.89	2,050.13
* Cash & Cash equivalent include :		
Restricted Bank Balance (In dividend accounts)	10.08	10.79
FDR/Margin money with Bank	1,546.85	1,533.14

In terms of our separate report of even date attached
For NATH AHUJA & CO.

CHARTERED ACCOUNTANTS
FRN : 001083N

Sd/-
(N.N. AHUJA)
PROPRIETOR

Membership No: 80178

New Delhi
29-May-2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
SATNAM ARORA
JT. MG. DIRECTOR

Sd/-
GURNAM ARORA
JT. MG. DIRECTOR

Sd/-
RAMA KANT
COMPANY SECRETARY



1. SIGNIFICANT ACCOUNTING POLICIES

a) Principles of Consolidation :

These Consolidated Financial Statements (CFS) relate to Kohinoor Foods Limited (i.e. Parent company), its subsidiary companies (i.e. Indo European Foods Ltd, Kohinoor Foods Inc. and Sachdeva Brothers Pvt Ltd.), and its Joint Venture company i.e. Rich Rice Raisers LLC. These Consolidated Financial Statements are prepared and presented in Indian Rupees under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards prescribed by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956 to the extent applicable, as adopted consistently by the company. The Financial Statements of the subsidiaries and joint venture are in their respective local currencies.

b) Basis of Preparation of Consolidated Financial Statements

These CFS are prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" prescribed by the Companies (Accounting Standard) Rules, 2006. The financial statements of the Parent and its subsidiaries are combined on a line by line basis by adding together sums of like nature, comprising assets, liabilities, income and expenses and after eliminating intra-group balances/ transactions.

The Financial Statements of foreign subsidiaries and the joint venture, are prepared on the basis of generally accepted accounting principles, local laws and regulations as prevalent in their respective countries and such financial statements are considered for consolidation. The effect of adjustments on account of variance in accounting policies of such associate and joint venture vis -à-vis those of the parent is not material, and accordingly, not considered.

Investment in Joint Venture undertaking over which the company exercises joint control is accounted for using proportionate consolidation method as prescribed under Accounting Standard (AS) 27 'Financial Reporting of Interests in Joint Ventures' prescribed by the Companies (Accounting Standard) Rules, 2006.

For the purpose of consolidation, foreign currency assets, liabilities, income and expenditure are translated using the exchange rate as prescribed under Accounting Standard (AS-11) on 'Accounting for the Effects of Changes in Foreign Exchange Rates', prescribed by the Companies (Accounting Standard) Rules, 2006. The exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve classified under Reserves and Surplus.

c) Use of Estimates and Judgments

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

d) Revenue Recognition :

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

Sales are recognized as follows :

- | | |
|----------------|--------------------------------------------|
| Domestic Sales | - At the point of dispatches to customers. |
| Export Sales | - At the time of issue of Bill of Lading. |

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

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

e) Fixed Assets

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

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



f) Depreciation /Amortization :

i) Kohinoor Foods Limited

Depreciation is provided on written down value basis at rates provided in Schedule XIV to the Companies Act, 1956. The depreciation rates which are different from the principal rates specified in Schedule-XIV are as follows:-

Tarpaulin	100%
Wooden & Plastic Crates	100%

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

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

ii) Indo European Foods Limited :

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

Freehold Buildings	2% p.a. straight line basis
Plant and Machinery	Over estimated useful life
Fixtures and Fittings	15% p.a. reducing balance basis
Motor Vehicles	20% p.a. reducing balance basis

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

Website	7.50%
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iii) Rich Rice Raiser Factory LLC.

Depreciation of property, plant and equipments is charged using the straight line method so as to provide for the full cost of assets over their estimated useful lives. The principal categories of assets and their useful lives are as follows:

	Years
Building Improvements	10
Office Equipment, Furniture and fixture	5
Plant and Machinery	10
Motor Vehicles	5

iv) Kohinoor Foods USA INC.

The Company records Property and equipments at cost. Depreciation is charged on Straight line methods. The principal categories of assets and their useful lives are as follows:

	Years
Office Equipment	5
Furniture and fixture	7
Computers	5
Software	3

g) Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

h) Expenditure Incurred during Construction Period:

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



i) Deferred expenditure :

Indo European Foods Limited

In line with group accounting policy on product entry cost, the company has carried forward, as deferred expenditure, certain cost relating to the introduction of various branded products into the united kingdom market.

Deferred expenditure is that which, when incurred will not produce an immediate return and which may be expected to accrue economic benefit over the future period.

Promotional expenditure (such as expenditure incurred to introduce a new brand name to, and increase awareness among , consumers) may be deferred over a period. Promotional expenditure following the introduction of a new sale product is carried forward and write off over a period not exceeding ten years provided, in the opinion of the directors, such expenditure is separately identifiable and the future product sales are reasonably expected to benefit from such expenditure. The future benefit is kept under constant review and the rate of write off adjusted accordingly.

j) Leases:

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

k) Income Taxes:

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

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

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

l) Provisions, Contingent Liabilities and Contingent Assets :

Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liability

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

Contingent assets

Contingent assets are neither recognized nor disclosed.

l) Employees Benefits :

Short Term Employee Benefits

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



Defined benefit plan

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

m) Investments:

Long Term Investments

Long term Investments are stated at cost.

n) Inventories:

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

Raw Material	- At cost on FIFO Basis
Finished Stock	- At material cost + appropriate share of production overhead. (On weighted average cost basis).
Work in Progress	- At material cost + appropriate share of production overhead. (On weighted average cost basis).
Packing Material	- At cost
Stores & Spares	- At cost

o) Foreign Exchange Transactions :

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

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

Derivative transactions are considered as off balance sheet items and cash flows arising there from are recognized in the books of accounts as and when paid in accordance with the terms of the respective contracts over the tenor thereof. Mark to market exposure arising out of derivative contracts has not been reflected in the financial statements.

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

p) Research & Development :

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

Capital expenditure is included in respective heads under fixed assets.

q) Earning per share:

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



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

r) Cash and Cash Equivalents :

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

s) Consolidated Financial Statements comprise the financial statements of KFL, its subsidiaries and its joint venture company listed below.

<u>A. Subsidiaries</u>	<u>Country of Incorporation</u>	<u>% Ownership</u>
Wholly Owned Subsidiary (WOS)		
Domestic :		
Sachdeva Brothers Pvt. Ltd.	India	100
Overseas :		
Indo European Foods Ltd	United Kingdom	100
Kohinoor Foods Inc.	USA	100
B. Joint Venture		
Rich Rice Raisers Factory LLC	Dubai	25



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

(Rs. In Lacs)

PARTICULARS	AS AT	AS AT
	31-March-2013	31-March-2012
2. SHARE CAPITAL		
<u>AUTHORISED SHARE CAPITAL</u>		
75,000,000 (Previous year 50,000,000) Equity shares of Rs. 10/- each	7,500.00	5,000.00
<u>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</u>		
28,193,224 (Previous year 28,193,224) Equity Shares of Rs. 10/- each fully paid-up	2,819.32	2,819.32
	2,819.32	2,819.32

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

Number of Equity Shares at the beginning of the year	28,193,224	28,193,224
Number of Equity Shares issued during the year	---	---
Number of Equity Shares at the end of the year	28,193,224	28,193,224

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

	As At 31-March-2013		As At 31-March-2012	
	No. of Shares	% holding	No. of Shares	% holding
(1) Jugal Kishore Arora	4,934,917	17.50%	4,425,299	15.70%
(2) Satnam Arora	4,315,759	15.31%	3,705,345	13.14%
(3) Gurnam Arora	5,016,791	17.79%	4,741,990	16.82%

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 proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting.

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

3. RESERVE AND SURPLUS

(Rs. In Lacs)

	AS AT	AS AT
	31-March-2013	31-March-2012
Capital Reserve		
As per last Balance Sheet	742.76	742.76
Securities Premium Account		
As per last Balance Sheet	3,976.97	3,976.97
General Reserve		
As per last Balance Sheet	9,048.70	9,048.70
Surplus from Statement of Profit & Loss		
As per last Balance Sheet	17,967.53	(897.76)
Add: Profit during the year	575.17	18,865.30
Foreign Currency Translation Reserve	(1,539.64)	(1,392.73)
Total	30,771.48	30,343.23



	AS AT 31-March-2013	(Rs. In Lacs) AS AT 31-March-2012
4. LONG TERM BORROWINGS		
Secured Loans		
Term Loans from Banks	4,365.69	6,724.30
Deferred Payment Liabilities for Capital Goods	—	451.37
Long Term maturity of Finance Lease obligations	28.53	92.47
	<u>4,394.21</u>	<u>7,268.15</u>
Unsecured Loans		
Loan from Promoters	380.00	—
Loans from Related Party	813.21	926.07
Term Loans from Banks	1,131.19	2,423.10
	<u>2,324.40</u>	<u>3,349.17</u>
	<u>6,718.61</u>	<u>10,617.32</u>
5. LONG TERM PROVISIONS		
Provision for Employee Benefit		
Provision for Gratuity	116.73	139.65
	<u>116.73</u>	<u>139.65</u>
6. SHORT TERM BORROWINGS		
Secured		
Loan repayable on Demand from Banks	76,416.85	71,062.65
Buyers Credit	4,926.94	8,793.93
Unsecured		
Overdraft in Current Account	1,768.57	—
	<u>83,112.37</u>	<u>79,856.58</u>
a) Loan repayable on Demand from Banks include the following		
Pre-Shipment	41,594.19	32,266.57
Post-Shipment	6,339.54	13,237.16
Working Capital Demand Loan	5,502.79	6,840.99
Trust Receipts & Cheque Discounting	457.93	1,831.71
Cash Credit	22,522.41	16,886.22
	<u>76,416.85</u>	<u>71,062.65</u>
7. Trade Payable		
-Due to Micro, Small and Medium Enterprises	11,175.26	1,068.05
-Due to Others	1,977.80	1,366.72
	<u>13,153.06</u>	<u>2,434.77</u>



	<u>AS AT</u> <u>31-March-2013</u>	<u>(Rs. In Lacs)</u> <u>AS AT</u> <u>31-March-2012</u>
8. OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Secured)	6,900.96	6,087.88
Current maturities of long-term debt (Unsecured)	1,158.57	1,025.24
Current maturities of finance lease obligations	63.89	77.48
Interest Accrued and due on borrowings	217.77	429.04
Advance received from customers	1,571.69	1,125.71
Current maturities of deferred payment liabilities	479.91	969.74
Unclaimed Dividends	10.08	10.79
Statutory Liabilities	156.37	61.93
Employees Benefit Expenses	101.92	5.76
Other Liabilities	1,397.94	3,460.96
	<u>12,059.10</u>	<u>13,254.52</u>
9. SHORT TERM PROVISIONS		
Provision for employee benefits	63.40	—
Provision for gratuity		
Other provisions	7,097.21	6,883.04
Income Tax	1.60	2.00
Wealth Tax	<u>7,162.21</u>	<u>6,885.04</u>



(Rs. In Lacs)

10. FIXED ASSETS

Particulars	Gross Block				Depreciation				WDV		
	As at 31-03-2012	Additions during the year	Deletions	Translation Reserve	Total As at 31.03.2013	As at 31.03.12	Charged During the year	Deletions/ Adjustment		Translation Reserve	As at 31.03.2013
TANGIBLE ASSETS											
LAND	773.87	54.68	---	31.79	860.33	---	---	---	---	---	860.33
FACTORY BUILDING	2,488.78	330.74	---	---	2,819.52	1,262.84	121.83	---	7.17	1,384.67	1,434.86
OFFICE BUILDING	3,029.23	2,067.70	---	24.62	5,121.55	396.26	113.22	(1)	11.85	516.65	4,604.90
PLANT & MCY & OFFICE EQUIPMENT	10,839.53	2,129.20	---	20.17	12,988.91	6,040.86	761.37	(1)	---	6,814.09	6,174.82
FURNITURE & FIXTURE	493.95	170.55	---	6.62	671.12	276.01	46.71	---	5.19	327.91	343.21
WOODEN, PLASTIC CREATES & TARPAULIN	27.29	---	---	---	27.29	27.29	---	---	---	27.29	---
COMPUTERS	217.89	24.54	4.92	2.95	240.46	181.56	17.36	---	2.38	201.30	39.16
VEHICLES	1,203.38	26.28	20.65	16.15	1,225.16	724.58	135.95	(2)	13.84	857.42	367.74
SUBTOTAL	19,073.92	4,803.70	25.57	102.29	23,954.34	8,909.40	1,196.43	16.94	40.43	10,129.32	13,825.03
INTANGIBLE ASSETS											
WEBSITE	1.96	---	---	0.01	1.98	---	1.32	---	---	1.32	0.66
GOODWILL	55.51	---	---	---	55.51	---	---	---	---	---	55.51
DEFERRED MARKETING EXPENSES	697.77	---	---	44.10	741.87	604.21	99.73	(3)	---	741.87	---
SUBTOTAL	755.24	---	---	44.12	799.36	604.21	101.05	---	---	743.19	56.17
GRAND TOTAL	19,829.16	4,803.70	25.57	146.41	24,753.70	9,513.61	1,297.48	16.94	78.36	10,872.51	13,881.20

CAPITAL WORK IN PROGRESS (Rs. In Lacs)

Particulars	Gross Block		As at 31-03-2013
	As at 31-03-2012	Addition during the year	
Machinery	1,310.23	325.92	224.48
Electric Installation	35.49	41.16	27.52
Building	1,908.67	126.25	104.98
TOTAL	3,254.40	493.33	356.98
PREVIOUS YEAR	3,856.80	2,492.35	3,254.40

Note:

- 1) During the year, Company has capitalised interest of Rs. 98.24 lacs on loan taken for the purchase & construction of head office building at surajkund and of Rs. 122.95 lacs on loan taken for the machinery at murthal plant.
- 2) Vehicles include the financial leased vehicles.
- 3) Changed to the statement of Profit & loss as deferred expenditure written off {Refer Note 26(b)}



	AS AT 31-March-2013	(Rs. In Lacs) AS AT 31-March-2012
11. NON-CURRENT INVESTMENTS		
Investment Property	330.77	555.57
Trade Investment		
Investment in Unquoted Equity Instruments		
Others		
Kohinoor Speciality Foods India Pvt. Ltd.	4,220.86	4,220.86
44,161 (Previous year - 44,161) shares of Rs.10 each fully paid up		
Other Investment		
Investment in Quoted Equity Instruments		
Punjab national bank	0.43	0.43
110 (Previous year - 110) shares of Rs. 10 each fully paid up		
Anu Laboratories Ltd	0.62	0.62
5,940 (Previous year - 2,970) shares of Rs. 1 each fully paid up		
	4,552.68	4,777.48
a) Aggregate amount of quoted investments	1.05	1.05
Aggregate amount of Market value of quoted investments	0.82	1.07
Aggregate amount of un-quoted investments	4,551.62	4,776.43
b) All the Non-current investments are carried at cost		
c) During the previous year the parent company had invested a sum of Rs. 4220.86 lacs to acquire 15% share holding in M/s Kohinoor Speciality Foods India Pvt. Ltd.		
12. Deffered Tax Assets (Net)		
Disallowance under Income tax act, 1961	54.98	42.23
Related to fixed assets	(284.65)	(92.29)
Related to business loss	1,545.92	1,936.65
Total	1,316.25	1,886.59
13. Long Term Loan And Advances		
(Unsecured, Considered Good)		
Capital Advances	68.10	123.27
Security Deposit	191.19	80.72
Deferred Marketing Expenditure	752.14	---
Loan and advances to related parties	1,255.04	1,177.72
Total	2,266.46	1,381.72
a) Loans and advances to related parties		
To Joint Venture		
Rich Rice Raisers factory LLC.**	1,255.04	1,177.72
	1,255.04	1,177.72

** The loan to the joint venture company, Rich Rice Raisers factory LLC of Rs. 1,255.03 lacs does not carry any interest and the repayment schedule is not specified



	<u>AS AT</u> <u>31-March-2013</u>	<u>(Rs. In Lacs)</u> <u>AS AT</u> <u>31-March-2012</u>
14. INVENTORIES		
(As taken, valued and certified by the Management)		
Raw Material	5,408.39	16,765.27
Finished Goods	92,114.54	69,925.17
Stock-in-trade	4,685.28	7,343.97
Stores and Spares	155.56	142.90
Packing Materials	1,073.14	698.38
Stock in Transit	832.84	1,064.27
	<u>104,269.76</u>	<u>95,939.97</u>
a) Inventories are valued at cost or net realizable value which ever is lower.		
15. TRADE RECEIVABLES		
(Unsecured Considered Goods)		
Outstanding for a period exceeding six months	2,988.17	1,259.51
Others	13,982.02	16,149.17
	<u>16,970.19</u>	<u>17,408.68</u>
16. CASH & BANK BALANCES		
Cash & cash Equivalents		
Balances with Banks in Current Accounts	463.30	326.30
Cash in Hand	289.66	179.91
	<u>752.96</u>	<u>506.21</u>
OTHER BANK BALANCES		
Fixed deposits as Margin Money With Banks	1,546.85	1,533.14
Un-paid Dividend Accounts	10.08	10.79
	<u>1,556.93</u>	<u>1,543.92</u>
	<u>2,309.89</u>	<u>2,050.13</u>
17. SHORT TERM LOAN AND ADVANCES		
(Unsecured considered good)		
Staff Advance	6.47	40.73
Pre-paid Expenses	251.50	1,195.93
Loan and Advances to Related Parties	350.47	---
Advance against Purchases	65.22	144.70
Advance Tax	8,045.82	7,108.59
MAT Credit Entitlement	320.21	---
Others	868.59	759.03
	<u>9,908.28</u>	<u>9,248.99</u>
18. OTHER CURRENT ASSETS		
(Unsecured, Considered Good)		
Interest accrued but not due on bank deposits	81.19	86.90
	<u>81.19</u>	<u>86.90</u>



	(Rs. In Lacs)	
	For the Year Ended 31-March-2013	For the Year Ended 31-March-2012
19. REVENUES FROM OPERATIONS		
Sales of Products	122,074.18	107,498.30
Sales of Services	0.49	14.56
Other Operating Revenues	36.98	126.04
	<u>122,111.65</u>	<u>107,638.90</u>
Less :- Excise Duty	—	0.76
	<u>122,111.65</u>	<u>107,638.15</u>
a) Sales of Products		
Rice	103,923.05	91,825.99
Foods	4,810.75	4,831.54
Pulses	10,492.23	6,526.60
Others foods Products	2,848.16	4,314.16
	<u>122,074.18</u>	<u>107,498.30</u>
b) Sales of Services		
Income from Milling	0.49	14.56
	<u>0.49</u>	<u>14.56</u>
c) Other Operating Revenues		
Sale of Scrap	25.24	100.73
Sale of DEPB License	10.88	4.23
Other Income	0.86	21.08
	<u>36.98</u>	<u>126.04</u>
20. OTHER INCOME		
Dividend from Key man Insurance Policy	5.28	3.96
Profit (Loss) on sale of Assets	25.71	33.95
Interest Income	94.94	112.23
Miscellaneous Income	137.14	235.80
	<u>263.06</u>	<u>385.94</u>
21. Cost of Material Consumed		
Opening Stock	87,749.49	79,926.62
Add: Purchases	73,637.51	64,016.31
Less Closing Stock	96,452.46	87,749.49
	<u>64,934.54</u>	<u>56,193.45</u>
22. Purchase of Stock in Trade under Broad Heads		
Non-Basmati Rice	10,839.22	10,113.06
Foods	3,203.11	1,597.03
Pulses	7,755.20	9,164.53
Others Foods Products	842.14	3,728.53
	<u>22,639.66</u>	<u>27,393.59</u>



	(Rs. In Lacs)	
	For the Year Ended 31-March-2013	For the Year Ended 31-March-2012
23. Changes of Inventories of Traded Goods,		
Opening Stock	7,382.77	3,223.11
Closing Stock	6,641.20	7,382.77
	741.57	(4,159.65)
24. EMPLOYEE BENEFIT EXPENSES		
Staff Salaries	1,932.72	2,650.52
Director's Remuneration	298.26	152.67
Gratuity	45.07	—
Bonus	41.20	51.27
Staff Welfare	102.06	109.99
Employer's Contribution to P.F.& ESI	89.34	137.85
	2,508.66	3,102.30
25. FINANCE COST		
Interest Expense	9,080.56	8,950.47
Other Borrowing Cost	726.61	632.31
	9,807.17	9,582.78
26. OTHER EXPENSES		
a) Manufacturing Expenses		
Loading and Unloading Charges	408.87	344.44
Packing Materials Consumed	3,490.61	5,676.16
Wages	484.38	563.91
Processing Charges	0.09	54.99
Repair and Maintenance	124.94	211.47
Consumables & Stores Consumed	117.70	123.65
Power & Fuel	804.02	913.38
Brokerage & Commission	212.44	727.84
Freight, Octroi and Custom Charges	649.26	116.60
	6,292.31	8,732.44
b) Administrative Expenses		
Rates, Fees and Taxes		
Payment to Auditors		
-Statutory Audit Fee	28.31	37.78
-Tax Audit Fee	4.00	3.50
-Other Matters	8.72	13.21
Postage, Telegram and Telephone	107.43	112.06
General Expenses^^	163.98	240.62
Storage & Warehousing	151.21	135.00
Legal and Professional Charges	426.09	466.84
Rate and Taxes	70.78	268.05
Other Taxes Paid	150.47	---
Charity and Donation	22.82	5.94
Vehicle Maintenance	250.96	255.08
Printing and Stationery	37.64	40.66
Fumigation Expenses	98.61	126.61



			(Rs. In Lacs)	
	For the Year Ended		For the Year Ended	
	31-March-2013		31-March-2012	
Insurance Charges	282.36		254.51	
Conveyance	41.64		73.51	
Membership & Subscription	25.65		14.35	
Traveling Expenses (Directors)	101.30		112.98	
Traveling Expenses (Other)	195.26		175.14	
Research & Development	72.16		336.30	
Rent	552.23		217.36	
Staff Recruitment Expenses	5.69		14.35	
Bad Debts	173.08		207.62	
Repairs to Building	125.46		446.46	
Warehouse Chargeback	298.28		86.29	
Sanitation	1.67		—	
Vendor Chargeback	18.33		—	
Utilities	137.07		—	
Deferred Revenue Expenditure w/off	99.73		145.94	
Hire of Equipment	32.59		—	
Repairs to Others	183.17		269.01	
Foreign Exchange Gain / (Loss)	1,297.01	5,163.72	1,757.99	5,817.15

^^ Expenses Incurred during the year on registration of trade mark amounting to Rs. 5.41 lacs (Previous year: Rs 14.02 lacs) Has been charged to Profit/loss a/c and has not been recognized as an Intangible asset as per Accounting Standard - 26

c) Selling & Distribution Expenses

Advertisement and Publicity	529.92		1,439.74	
Business Promotion	809.66		1,080.93	
Rebate & Discount	----		83.32	
Ocean Freight	2,305.56		1,658.11	
Expenses Against Export	134.00		82.37	
Brokerage & Commission on Sales	163.96		229.51	
Clearing and Forwarding	3,957.26	7,900.37	2,638.29	7,212.27
Total		19,536.40		21,761.87

27. Exceptional Items

During the previous financial year the parent Company transferred part of its business pursuant to consent of share holders obtained under section 293(1)(a) of the Companies Act-1956. Profit of Rs. 33,597.72 lacs on sale of the part of business has been shown as Exceptional Items in the previous year figures of Profit and Loss a/c.

28. Extra Ordinary Items

The company has entered into forward exchange contracts to hedge the foreign exchange fluctuation risk. The losses amounting to Rs. 3,619.82 lacs suffered in foreign exchange transactions during previous financial year are shown as Extra ordinary items in the previous year figures of Profit and Loss a/c.

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

- a) As required under AS-11 the company has outstanding Forward contracts as on 31st March 2013 and there is Marked to Market (MTM) unrealised gain on forward contracts of Rs.77.92 lacs , which has been accounted for accordingly in the books of accounts.



b) **Outstanding forward exchange contracts entered by the company for the purpose of hedging its foreign currency exposures are as under:**

Figures in Lacs

Currency	Cross Currency	In Foreign Currency as at 31 March 2013	Fair value as on 31 March 2012
USD	Indian Rupees	38.99	2,120.73
GBP	Indian Rupees	48.99	2,943.93

30. Disclosures under Accounting Standard 17 on "Segment Reporting" :

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

31. Disclosures under Accounting Standard 18 on "Related Party Disclosures" :

31.1 List of related parties

- i) Joint Venture 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. Ankush Arora	Son of Mr.Gurnam Arora
Mr. Nishant Arora	Son of Mr.Gurnam Arora
Mr. Mukesh Kochar	Managing Director of Rich Rice Raisers LLC
Mr. Sumit Arora	Director of Indo European Foods Ltd
Ms. Chandni Arora	Wife of Mr. Sumit Arora
- iii) Enterprise over which key managerial personnel exercise significant influence
 - Satnam Overseas (Exports) - Partnership Firm of Promoter directors

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

(Rs. In Lacs)

	Joint Venture Company	Key management personnel and their relatives
Transactions during the year		
- Sale of Finished Goods	2,104.39	
	(7,379.54)	
- Remuneration		444.34
		(282.59)
Loan from Promoters		380.00
		—
- Balances outstanding at the year end:-		
- Loans/Advances	1,255.04	
	(1,177.72)	
Loan from Promoter		380.00
		—
- Debtors	1,761.52	
	(2,156.60)	



	For the Year Ended 31-March-2013	(Rs. In Lacs) For the Year Ended 31-March-2012
32. Disclosures under Accounting Standard 20 on "Earning Per Share":		
a) <u>Calculation of Weighted Average number of equity shares</u>		
For Basic/Diluted EPS		
No. of Shares at the beginning of the year	28,193,224	28,193,224
Equity Shares issued during the year	—	—
Total number of equity shares outstanding at the end of the year	28,193,224	28,193,224
Equity shares outstanding for 365 days	28,193,224	28,193,224
Weighted Average number of equity shares outstanding during the year.	28,193,224	28,193,224
b) <u>Net Profit after tax available for equity shareholders</u>		
Before Extra Ordinary item	575.17	22,485.13
After Extra Ordinary Item	575.17	18,865.30
Earnings per share (face value per share Rs. 10 each)		
Basic and Diluted: before extra ordinary item (Rs.)	2.04	79.75
Basic and Diluted: after extra ordinary item (Rs.)	2.04	66.91
	AS AT	(Rs. In Lacs) AS AT
	31-March-2013	31-March-2012
33. Contingent Liabilities		
a) Claims against the group , not acknowledged as debt		
i Income Tax	9,487.03	9,576.92
ii Sales Tax - Delhi	122.00	122.00
iii Excise & Taxation Dep't., Punjab	477.25	450.41
iv Excise Duty	42.91	42.91
v Service Tax	259.25	259.25
vi Liability on account of Derivatives Transactions-PNB	2,749.00	2,749.00
vii Liability on account of Derivatives Transactions-HDFC Bank	3,950.34	3,922.00
viii Legal Cases against the Company	963	—
ix TDS/TCS	1.57	1.57
x Letter of Gurantee *	1.00	0.94
xi Import Bill Collection sight/acceptance *	11.08	83.68
xii Export LC acceptance *	1.71	—
b) Corporate Guarantee given by the Company.	11,480.70	9,512.04
c) Surety Bonds issued to Govt. Agencies under EPCG scheme	1,883.81	1,838.40

* Proportinate share in contingent liabilities of the Joint Venture Company



	(Rs. In Lacs)	
	AS AT 31-March-2013	AS AT 31-March-2012
34. Commitments		
Estimated amount of contracts remaining to be executed on capital account (Including advances)	194.85	2,170.02
Bank Guarantee given by Bankers on behalf of the Company.	3,462.04	21.56
35. During the year no amount of Dividend has been remitted in foreign currency to Non Resident out side India.		
36. Some of the balances of Debtors and Creditors are subject to confirmation.		
37. Prior Period Items		
There is no material prior period items included in profit & loss account required to be disclosed as per Accounting Standard - 5, prescribed by the Companies (Accounting Standard) Rules, 2006.		
38. Corresponding figures for the previous year have been regrouped/rearranged, wherever necessary to confirm to current year classification.		

The notes referred to above form part of the financial statement.

In terms of our separate report .of even date attached

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For NATH AHUJA & CO.
CHARTERED ACCOUNTANTS
FRN : 001083N

Sd/-
(N.N. AHUJA)
PROPRIETOR

Membership No: 80178

New Delhi
29-May-2013

Sd/-
SATNAM ARORA
JT. MG. DIRECTOR

Sd/-
GURNAM ARORA
JT. MG. DIRECTOR

Sd/-
RAMA KANT
COMPANY SECRETARY



THE TASTE
OF AUTHENTICITY

Regd. Office: 201, Vipps Centre, Masjid Moth, Greater Kailash-II, New Delhi - 110048
Phone: 011 - 29220330
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