

KUMAR FOOD INDUSTRIES LIMITED

CIN: L15310DL1991PLC043456

Regd. Office: 1102-F, Pearls Business Park, Netaji Subhash Place, Pitampura, New Delhi-110034

ANNUAL REPORT 2014-15

KUMAR FOOD INDUSTRIES LIMITED

CIN: L15310DL1991PLC043456

Regd. Office: 1102-F, Pearls Business Park, Netaji Subhash Place, Pitampura, New Delhi-110034

Corporate Information

Board of Directors

Shri Manohar Lal Narang	-	Chairman and Non- Executive Independent Director
Shri Kewal Krishan Kumar	-	Executive Director
Smt. Sunanda	-	Executive Director
Shri Siddharth Kumar	-	Executive Director
Shri Sanjeev Chopra	-	Non- Executive Independent Director
Shri Krishan Kumar Sharma	-	Non -Executive Director

Bankers

State Bank of India

Statutory Auditors

Raman Bhuraria & Associates
Chartered Accountants
4873/1-B, 24, Ansari Road,
Daryaganj, New Delhi - 110002

Compliance Officer & Company Secretary

Ms. Neha Sapra

Registered Office

1102-F, Pearls Business Park, Netaji Subhash Place, Pitampura, New Delhi-110034

CIN

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Works

71/1, Siraspur, Delhi-110042
C-38, Lawrence Road Industrial Area, Delhi – 110035

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NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of Kumar Food Industries Limited will be held on Wednesday, 30th September, 2015 at 2.00 P.M. at 12th Floor, Pearls Business Park, Netaji Subhash Place, Pitampura, New Delhi-110034 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March, 2015 and the Balance Sheet as on that date and the Reports of the Director's & Auditor's thereon.
2. To appoint a Director in place of Mr. Krishan Kumar Sharma (holding DIN:01605071), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Siddharth Kumar (holding DIN:00042518), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 & the rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Raman Bhuraria & Associates, Chartered Accountants, (Reg. No. 009103N), as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting, till the conclusion of the Twenty Fifth Annual General Meeting of the Company to be held in the year 2016, at such remuneration plus Service Tax and reimbursement of out of pocket expenses etc. incurred by them for the purpose of audit as may be decided by the Board of Directors in consultation with the Auditors."

Date: 14.08.2015
Place: New Delhi

By Order of the Board of Directors
For KUMAR FOOD INDUSTRIES LIMITED

S/d
Neha Sapra
Company Secretary
PAN: CTBPS3474A

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NOTES:

a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT TO BE A MEMBER OF THE COMPANY

A person can act as proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Proxies submitted on behalf of the Companies must be supported by an appropriate resolution/authority, as applicable. The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith.

b) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 24th September, 2015 to Wednesday, 30th September, 2015. (Both days inclusive)

c) In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting) and for which purpose the Company has engaged the services of NSDL. The Board of Directors of the Company has appointed Mr. Manish Garg, Practicing Company Secretary (Membership No. 26934), as the Scrutinizer for this purpose.

d) For those Members who do not cast their votes by remote e-voting prior to the AGM will vote through Ballot Process or Poll at the AGM. Members, who cast their votes by remote e-voting prior to the AGM, may attend the meeting but will not be entitled to cast their votes once again.

e) Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on 23rd September, 2015 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting.

f) Members are requested to intimate immediately change of address, if any, to the Company's Registrar & Transfer Agents or Depository Participant, as the case may be.

g) Members are requested to bring their copy of the Annual Report to the Annual General Meeting. Members/ Proxies should bring the attendance slip to the Meeting duly filled in, for attending the Meeting.

h) The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to the Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its Registrar and Share Transfer Agents.

i) Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect to the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

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j) Corporate Members intending to send their authorised representatives to attend the AGM are required to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote at the AGM on their behalf.

k) The notice of the AGM along with the copies of the Annual Report 2015, instructions for remote e-voting, attendance slip and proxy form are being sent by the permitted mode to the members.

l) All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 A.M. to 6.00 P.M.) on any working day upto and including the date of the Annual General Meeting of the Company.

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The procedure with respect to **remote e-voting** is provided below: -

I. In case of Members who receive the Notice in electronic mode:

- (a) Open the e-mail and the PDF file viz. '**KFI e-voting.pdf**' with your Client ID No. or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
- (b) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com/> and click on **Shareholder – Login**.
- (c) Insert user ID and password as initial password stated in (a) above. Click on '**Login**'.
- (d) Password change menu appears. Change the password with a new password of your choice with minimum 8 digits / characters or combination thereof. Please do not share your password with any other person and take utmost care to keep your password confidential.
- (e) Home page of remote e-voting opens. Click on '**e-voting: Active E-voting Cycles**' and select the Electronic Voting Event Number (EVEN) of Kumar Food Industries Limited.
- (f) Now you are ready for remote e-voting as '**Cast Vote**' page opens.
- (g) Cast your vote by selecting appropriate option and click on '**Submit**'. Thereafter click on '**Confirm**' when prompted; upon confirmation, your vote is cast and you will not be allowed to change your vote.
- (h) Thereafter the message '**Vote cast successfully**' will be displayed.
- (i) Corporate and institutional shareholders (companies, trusts, societies etc.) are required to send a scanned copy (in PDF / JPG format) of the relevant Board Resolution / appropriate authorisation to the Scrutinizer through e-mail at Csconsultant.manish@gmail.com with a copy marked to NSDL's e-mail ID evoting@nsdl.co.in.

II. In case of Members who receive the Notice by post:

- (a) User ID and initial password is provided in the admission slip for the AGM. (b) Please follow the steps from Sl. Nos. (b) to (i) mentioned in (I) above, to cast your vote.

III. Members already registered with NSDL for remote e-voting can use their existing user ID and password for Login. Thereafter please follow the steps from Sl. Nos. (e) to (i) mentioned in (I) above, to cast your vote.

IV. Those who become Members of the Company after dispatch of the AGM Notice but on or before 23rd September, 2015 (cut-off date) may write to NSDL at evoting@nsdl.co.in or to the Company at cs@kumarfood.com requesting for user ID and password. On receipt of user ID and password, the steps

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from Sl. Nos. (b) to (i) mentioned in (I) above should be followed for casting of vote. However, those Members already registered with NSDL for remote e-voting can use their existing user ID and password for Login.

V. In case of any queries, you may refer to the Frequently Asked Questions for Shareholders and e-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website www.evoting.nsdl.com. You may also send your queries to the e-mail ID cs@kumarfood.com.

VI. The period for remote e-voting starts at 9.00 a.m. on 26th September, 2015 and ends at 5.00 p.m. on 29th September, 2015. Remote e-voting will be blocked by NSDL at 5.00 p.m. on 29th September, 2015.

VII. General Information

(a) Every Client ID No. / Folio No. will have one vote, irrespective of the number of joint holders.

(b) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

(c) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kumarfood.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared. The Company shall simultaneously forward the results to Metropolitan Stock Exchange of India Limited (Formerly known as MCX Stock Exchange Limited), where the shares of the Company are listed.

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INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49(VIII) (E) OF THE LISTING AGREEMENT.

Particulars	Mr. Subodh Chandra	Mr. Anand Kumar Sharma
Date Of Birth	06.08.1982	02.09.1961
Date of Appointment	25.09.2000	01.03.2003
Expertise in specific Functional area	Wide Business experience across variety of Industries	Wide experience in the field of production and Control.
Directorship held in other Companies	<ul style="list-style-type: none"> • Shakti Bhog Foods Limited • Shakti Bhog Snacks Limited • Dash Exports Private Limited • Vital Holdings Private Limited • Vizzy Finvest Private Limited • Elanza Investment Private Limitec • Crest Agrofoods Limited • Goal Securities and Credits Limite • Sumesh Financiers Private Limitec • Divyarth lease & Finance Private l • Shubhangi Finvest Private Limited • Dinkar Holdings Private Limited • Divyarth Health Care Private Limb • Fruto Freesh Industries Private Lir • Divyashakti Hospitality Private Lin • Bhawna Portfolio Private Limited 	<ul style="list-style-type: none"> • Shakti Bhog Foods Limited
Membership / Chairmanships of Committees of other public Companies (includes only Audit Committee and Stakeholders Relationship Committee.	Nil	Nil
Number of shares Held in the Company	10400	6500

By Order of the Board of Directors
For KUMAR FOOD INDUSTRIES LIMITED

Date: 14.08.2015
Place: New Delhi

S/d
Neha Sapra
Company Secretary
PAN: CTBPS3474A

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Proxy Form

Form No. MGT-11

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

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:, or failing him

2. Name:

Address:

E-mail Id:

Signature:....., or failing him

3. Name:

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company at 12TH FLOOR, PEARLS BUSINESS PARK, NETAJI SUBHASH PLACE, PITAMPURA, NEW DELHI- 110034 at 2.00 P.M. on WEDNESDAY, SEPTEMBER 30, 2015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1.....

2.....

3.....

4.....

Signed this..... day of..... 2015

Signature of shareholder

Signature of Proxy holder(s)

Affix
Re. 1/-
Revenue
Stamp

Notes:

1. The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.
2. Company reserves the right to ask for identification of the proxy.
3. Proxy cannot speak at the meeting or vote on show of hands.

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ATTENDANCE SLIP

DP ID*

Folio No.

Client ID*

No. of Shares

Name of the Shareholder:

I hereby record my presence at the 24th Annual General Meeting at 12TH FLOOR, PEARLS BUSINESS PARK, NETAJI SUBHASH PLACE, PITAMPURA, DELHI- 110034 at 2.00 P.M. on WENESDAY, 30TH SEPTEMBER, 2015

Signature of the Shareholder/Proxy

Notes:

1. Member/Proxy holder wishing to attend the meeting must bring the Attendance slip to the meeting and hand it over at the entrance duly signed.
2. Member/Proxy holder desiring to attend the meeting should bring his/her Copy of the Annual Report for reference at the meeting.

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(Regd. Office: 1102-F, Pearls Business Park, Netaji Subhash Place, Pitampura, New Delhi-110034, Ph. No.011- 273587808)

Sr. No.:

Registered Folio No/DP ID No/ Client ID No:

No of share(s) held:

--

Dear Member,

Subject: Voting through Electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 & Clause 35B of the Listing Agreement, the Company is pleased to offer remote e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 24th Annual General Meeting of the company to be held on Wednesday, 30th September 2015 at 2.00 P.M.. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide remote e-voting facility.

E-voting facility is available at the link www.evoting.nsdl.com

The e-voting particulars are set out below:

<i>EVEN (E-Voting Event No.)</i>	<i>USER ID</i>	<i>PASSWORD/PIN</i>

The e-voting facility will be available during the following voting period:

<i>Commencement of e-voting</i>	<i>26th September, 2015 at 9.00 A.M.</i>
<i>End of e-voting</i>	<i>29th September, 2015 at 5.00 P.M.</i>

Please read the instructions printed overleaf before exercising the vote electronically.

These details and instructions form integral part of the Notice of the 24th Annual General Meeting to be held on 30th September, 2015. The cut-off date (i.e. the record date) for the purpose of e-voting is 23rd September, 2015.

Yours Faithfully
For Kumar Food Industries Limited

Place: New Delhi
Date: 14th August, 2015

S/d
Neha Sapra
Company Secretary

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DIRECTORS' REPORT

To the Members,

The Directors submit annual report of Kumar Food Industries Limited (the "Company") along with audited financial statements for the financial year ended March 31, 2015.

FINANCIAL RESULTS

(Rs. in crores)

Particulars	31 st March, 2015 (Audited)	31 st March, 2014 (Audited)
Sales	128.31	147.59
Profit before Depreciation, Financial Expenses & Tax	2.33	2.56
Less: Financial Expenses	1.77	1.64
Less: Depreciation & Miscellaneous Expenses written Off	0.06	0.26
Profit(Loss) before tax	0.50	0.66
Less: Current Tax	0.20	0.31
Less: Deferred Tax	0.02	(0.05)
Profit(Loss) for the period from continuing operations	0.28	0.40
Less: Income tax for earlier year	--	--
Less: Prior period adjustments	--	--
Profit for the year	0.28	0.40

DIVIDEND

In the view of the requirements of funds for expansion and growth, no dividend is being declared for the financial year under review.

COMPANY'S PERFORMANCE

During the year under review, the Company's sales have reduced to Rs. 128.31 Crores as compared to sales of Rs. 147.59 Crores during the preceding previous year. Profit before depreciation, financial expenses & tax for the current financial year is Rs. 2.33 Crores as against Rs. 2.56 Crores in the financial year 2013-14. Consequent to the reduction in sales, the profit for the year is also lower at Rs. 0.28 Crores as against Rs. 0.40 Crores in the immediate preceding previous year.

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FUTURE PROSPECTS

The Company's diversification project by way of installing tea blending plant at Rai, Sonipat Haryana is going on smoothly. This project is under installation and the commercial production should start within the FY 2015-16. The company has planned to market its tea products in pouch packs under the brand "Shakti Bhog" through company's associate concern M/s Shakti Bhog Snacks Ltd.

SHARE CAPITAL

The Paid up Equity Share Capital of the Company as on 31st March, 2015 was Rs. 3 crores. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

SUBSIDIARY COMPANY

The Company does not have any Subsidiary Company.

DELISTING OF COMPANY'S EQUITY SHARES FROM THE DELHI STOCK EXCHANGE LIMITED

In terms of the circular issued by the Securities Exchange Board of India (SEBI) dated May 30, 2012, the Delhi Stock Exchange Limited (DSE), exercised the option of de-recognition and exit as a Stock Exchange, consequent to the turnover target not attained post issuance of the aforesaid circular.

In view of the above, the Board of Directors at their meeting held on November 14, 2014, approved the proposal for delisting of equity shares from DSE, by complying with SEBI (Delisting of Equity Shares) Regulations, 2009. Further, an application of listing was filed with Metropolitan Stock Exchange of India (Formerly known as MCX Stock Exchange Limited) & now the Company is listed on Metropolitan Stock Exchange of India w.e.f. 6th January, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) & 134(5) of the Companies Act, 2013, the Board of Directors based on the representations received from the Operating Management, confirm that:

- (a) in the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board consists of executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning.

During the year under Review, Mr. Shiv Dayal Dubey and Mr. Naresh Chandra, Independent Directors of the Company stepped down from the Board on 13.11.2014 & 10.02.2015 respectively due to some personal engagements. The Board wishes to place on record its deep sense of appreciation for the valuable contributions made by them to the Board and the Company during their tenure as Directors.

Mr. Manohar Lal Narang & Mr. Sanjeev Chopra were appointed as Independent Directors of the Company on 30.09.2014 & 13.03.2015 respectively for a term of 5 consecutive years on non-rotational basis.

The Company has received the declaration from the Independent Directors of the Company that they meet the criteria of independence as laid down under Section 149(6) of the Act and that there is no change in their status of Independence.

Ms. Shruti Aggarwal was appointed as Chief Financial Officer (CFO) of the Company w.e.f. 1st December, 2014 but due to some personal reasons, she resigned from the post of CFO on 30.05.2015 and Mr. Naveen Kumar was appointed as CFO of the Company w.e.f. 1st June, 2015.

Mr. Bharat Lal Shukla was appointed as the Manager of the Company pursuant to Section 203 of the Companies Act, 2013 w.e.f. 1st April, 2015.

Designation of Mr. Krishan Kumar Sharma was changed from Non-Executive Independent Director to Non- Executive Director w.e.f. 13.03.2015, on rotational basis.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Krishan Kumar Sharma, Non- Executive Director of the Company who retires by rotation at the conclusion of ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Siddharth Kumar, Executive Director of the Company who retires by rotation at the conclusion of ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

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Details of the proposal along with necessary resolutions for the appointment/re-appointment of the aforesaid Directors have been included in the Notice convening the ensuing AGM.

NUMBER OF MEETINGS OF BOARD

Four meetings of the board were held during the year under review. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

BOARD EVALUATION

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreements ("Clause 49").

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

AUDIT COMMITTEE

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

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AUDITORS' AND THEIR REPORT

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s Raman Bhuraria & Associates, Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the Twenty Third Annual General Meeting (AGM) of the Company held on September 30, 2014 till the conclusion of the third consecutive Annual General Meeting, subject to ratification of their appointment at every AGM.

Comments of the Auditors in their report and the notes forming part of the accounts are self-explanatory and need no comments.

INTERNAL AUDITORS

The Board of Directors of your Company has appointed M/s. Sandesh Jain & Co., Chartered Accountants, Delhi as Internal Auditors pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2015-16.

SECRETARIAL AUDITORS

The Board of Directors of your Company has appointed M/s. Mamta Jain & Associates, Practicing Company Secretary, Delhi as Secretarial Auditors pursuant to the provisions of Section 204 of the Companies Act, 2013 for the financial year 2015-16.

SECRETARIAL AUDITORS' REPORT

Comments of the secretarial auditors in their report are self-explanatory and need no comments.

Report of the secretarial auditor is given as an annexure which forms part of this report.

RISK MANAGEMENT

The Board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any loan/guarantee or provided security or made acquisition of securities during the financial year under review.

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TRANSACTIONS WITH RELATED PARTIES

The particulars of every contract or arrangements entered into by the Company during the financial year under review with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 shall be disclosed in Form No. AOC-2 attached herewith as **Annexure I**.

EXTRACT OF ANNUAL RETURN

With reference to Section 134(3) (a) of Companies Act, 2013, extract of Annual Return for the year ended 31.03.2015 is attached herewith as **Annexure II** in the prescribed Form MGT-9 and forming part of the Directors' Report.

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached herewith as **Annexure III**.

DISCLOSURE REQUIREMENTS

As per Clause 49 of the listing agreements entered into with the stock exchanges, corporate governance report with auditors' certificate thereon and management discussion and analysis are attached, which form part of this report.

Details of the familiarization programme of the independent directors are available on the website of the Company (URL: www.kumarfood.com/investors).

Policy on dealing with related party transactions is available on the website of the Company (URL: www.kumarfood.com/investors).

Policy related to remuneration of KMP and other employees is available on the website of the Company (URL: www.kumarfood.com/investors).

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the revised Clause 49 of the Listing Agreements with stock exchanges (URL: www.kumarfood.com/investors).

DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

KUMAR FOOD INDUSTRIES LIMITED

CIN: L15310DL1991PLC043456

Regd. Office: 1102-F, Pearls Business Park, Netaji Subhash Place, Pitampura, New Delhi-110034

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTIONS, FOREIGN EXCHANGE EARNINGS & OUTGO

The information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies Accounts Rules, 2014 is annexed herewith as **Annexure IV** and forming part of the Directors' Report.

PERSONNEL

The Directors are happy to state that the relations between the Company and its employees remained cordial throughout the year. The Directors express their appreciation for the services rendered by the employees of the company at various levels.

CORPORATE GOVERNANCE

In accordance with Clause 49 of the listing agreement with the Stock Exchange, a separate report on corporate governance along with Auditor's Certificate on its Compliance is attached to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report as required under Clause 49 of the Listing Agreement with the Stock Exchanges forms a part of this report is annexed to the report.

CODE OF CONDUCT

Pursuant to Clause 49 of the Listing Agreement, the declaration signed by the Directors affirming the compliance of code of conduct by the Directors & Senior Management Personnel for the year under review is annexed to and forms part of the Corporate Governance Report.

ACKNOWLEDGEMENTS

Your directors wish to place on record their sincere appreciation and acknowledge with gratitude for continuous co-operation, support and assistance provided by the shareholders, banks, government bodies, customers, dealers and suppliers of the Company. Your Directors also wish to place on record their appreciation for the dedicated services rendered by the employees of the Company.

**By order of the Board
For Kumar Food Industries Limited**

**Place: Delhi
Dated: 14.08.2015**

**sd/-
(Manohar Lal Narang)
Chairman of Board Meeting**

**sd/-
(Kewal Krishan Kumar)
Director**

KUMAR FOOD INDUSTRIES LIMITED

CIN: L15310DL1991PLC043456

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Annexure I

Form No. AOC-2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

a. Name of the related party and nature of relationship: M/s Shakti Bhog Foods Limited, an associate concern under the same management, which owns a prominent place in the FMCG Sector

b. Nature of contracts/arrangements/transactions: Food Products

c. Duration of the contracts/arrangements/transactions: 4 years

d. Salient terms of the contracts or arrangements or transactions including the value, if any: For the sale/purchase of Besan, Chana Dal, Maida, sooji and other related products on principal to principal basis, the value of such contract shall not exceed Rs. 1,750,000,000/- (Rupees One Hundred Seventy Five Crores only) per annum.

e. Justification for entering into such contracts or arrangements or transactions: The major part of the turnover of the Company is generated from M/s Shakti Bhog Foods Limited

f. Date of approval by the Board: 31.03.2011

g. Amount paid as advances, if any: Nil

h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis: Not Applicable

**By order of the Board
For Kumar Food Industries Limited**

Place: Delhi
Dated: 14.08.2015

sd/-
(Manohar Lal Narang)
Chairman of Board Meeting

sd/-
(Kewal Krishan Kumar)
Director

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2015

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L15310DL1991PLC043456
2.	Registration Date	13.03.1991
3.	Name of the Company	Kumar Food Industries Limited
4.	Category/Sub-category of the Company	Company Limited By Shares/ Indian Non-Government Company
5.	Address of the Registered office & contact details	1102-F, Pearls Business Park Netaji Subhash Place, Pitampura New Delhi-110034 Tel:011-27357808 Email: cs@kumarfood.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Skyline Financial Service Private Limited D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Phone: 011-26812682-83, 011-64732681 to 88 Fax: 011-26812682 admin@skylinerta.com skyline_fspl@rediffmail.com agarwalp7@hotmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

S. No.	Name and Description of main products/services	NIC Code of the product	% to total turnover of the Company
1	Besan	107	69.06
2	Cattle Feed	107	13.35
3	Chana Dal	107	17.58

III. Particulars of Holding, Subsidiary And Associate Companies: Not Applicable

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

i.) Category-wise Share Holding

[illegible]

g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non- Institutions									
a) Bodies Corp.	0	1000	1000	0.03	0	1000	1000	0.03	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	17900	619900	637800	21.26	17500	62030 0	637800	21.26	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	162300	162300	5.41	0	12010 0	120100	4.00	-1.41%
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	17900	783200	801100	26.70	17500	74140 0	758900	25.30	-1.4%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	17900	783200	801100	26.70	17500	74140 0	758900	25.30	-1.4%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	236300	276370 0	300000 0	100	23590 0	27641 00	300000 0	100	0

ii) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Kewal Kishan Kumar	218400	7.28	0	218500	7.28	0	0
2	Sunanda Kumar	132700	4.42	0	132700	4.42	0	0
3	Bhawna Kumar	10600	0.35	0	10600	0.35	0	0
4	Siddharth Kumar	10400	0.35	0	10400	0.35	0	0
5	Divyarth Kumar	8000	0.27	0	50200	1.67	0	518.52
6	Pradeep Kumar	100	0.00	0	100	0.00	0	0
		380200	12.68	0	422400	14.08	0	

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	380200	12.68	380200	12.68
2.	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	1. 20.08.2014 Transfer of 42,200 shares from Amit Oberoi 2. 20.11.2014 Transfer of 100 Shares From Mr. Pradeep Kumar	-	-	-
3.	At the end of the year	422400	14.08	422400	422400

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Divayarth Leasing And Finance Private Limited	150000	5.00	150000	5.00
2.	Goal Securities And Credits Limited	149000	4.97	149000	4.97
3.	Vizzy Finvest Private Limited	148700	4.96	148700	4.96
4.	Kalyani Finvest Private Limited	145400	4.85	145400	4.85
5.	Shakti Bhog Foods Limited	145000	4.83	145000	4.83
6.	Vital Holdings Private Limited	144000	4.80	144000	4.80
7.	Dash Exports Private Limited	143900	4.80	143900	4.80
8.	Phlox Portfolio Private Limited	142100	4.74	142100	4.74
9.	Bhawna Portfolio Private Limited	140000	4.67	140000	4.67
10.	Divyarth Health Care Private Limited	132400	4.41	132400	4.41

v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Kewal Krishan Kumar	20.11.2014	Transfer of 100 Shares From Mr. Pradeep Kumar	218400	7.28	218500	7.28
2.	Mr. Siddharth Kumar	31.03.2015	-	10400	0.35	10400	0.35
3.	Mrs Sunanda	31.03.2015	-	132700	4.42	132700	4.42
4.	Mr. Krishan Kumar Sharma	31.03.2015	-	6500	0.22	6500	0.22

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	102,048,270	-	-	102,048,270
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	102,048,270	-	-	102,048,270
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	1,004,211	-	-	1,004,211
Net Change	1,004,211	-	-	1,004,211
Indebtedness at the end of the financial year				
i) Principal Amount	101,044,059	-	-	101,044,059
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	101,044,059	-	-	101,044,059

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0		0	0	0
4	Commission	0	0	0	0	0
	- as % of profit					
	- others specifv					

5	Others, please specify	0	0	0	0	0
	Total (A)	0	0	0	0	0
	Ceiling as per the Act	0	0	0	0	0

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors		Total Amount
		Shri Manohar Lal Narang	Shri Sanjeev Chopra	
1	Independent Directors			
	Fee for attending board committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (1)	0	0	0
2	Other Non-Executive Directors	Shri Krishan Kumar Sharma		
	Fee for attending board committee meetings	0		0
	Commission	0		0
	Others, please specify	0		0
	Total (2)	0		0
	Total (B)=(1+2)	0		0
	Total Managerial Remuneration	0		0
	Overall Ceiling as per the Act	0		0

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(Per Month in Rs.)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary		Ms. Neha Sapra	Ms. Shruti Agrawal	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Not Applicable	27,000	24,800	51,800
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Not Applicable	Nil	5,200	5,200
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Not Applicable	Nil	Nil	Nil

2	Stock Option	Not Applicable	Nil	Nil	Nil
3	Sweat Equity	Not Applicable	Nil	Nil	Nil
4	Commission	Not Applicable	Nil	Nil	Nil
	- as % of profit	Not Applicable	Nil	Nil	Nil
	others, specify...	Not Applicable	Nil	Nil	Nil
5	Others, please specify	Not Applicable	Nil	Nil	Nil
	Total	Not Applicable	27,000	30,000	57,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2015.

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Annexure III

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:** Not applicable as no remuneration has been paid to the directors of the Company for the Financial Year 2014-15.
- b. **The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:** The Directors are not taking any remuneration, so the calculation is not possible. The Company Secretary and Chief Financial Officer of the Company were appointed in the FY2014-15 so the calculation for them also is not feasible.
- c. **The percentage increase in the median remuneration of employees in the financial year:** 11.40%
- d. **The number of permanent employees on the rolls of Company:** 56
- e. **The explanation on the relationship between average increase in remuneration and Company performance:** The relationship between average increase in remuneration and Company performance is negative as the net profit of the company has been reduced from Rs. 39.45,331 to Rs. 2734656 whereas the no. of employees during the year has increased.
- f. **Comparison of the remuneration of the key managerial personnel against the performance of the Company:** The no. of KMP has been increased to two and the net profit of the company has decreased
- g. **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:** Not applicable
- h. **Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:** Not applicable as the securities of the company are not traded on the Stock Exchange.
- i. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** Comparison cannot be made as the Directors are not taking any remuneration.
- j. **he key parameters for any variable component of remuneration availed by the directors:** Not Applicable
- k. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:** None

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l. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms remuneration is as per the remuneration policy of the Company.

m. The provisions regarding particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company during the financial year under review.

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Annexure IV

Particulars as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

(I) CONSERVATION OF ENERGY

In view of its drive for cost reduction, the Company considers conservation of energy as its top priority. All out efforts are being made for optimum utilization of energy resources. All utilities like Power Motors, Generators etc. are efficiently maintained so as to give highest efficiency resulting in saving of power and fuel.

(II) TECHNOLOGY ABSORPTION

1. Research & Development:

The services of food technologists and other persons associated with research in the field of agriculture were taken by the Company. These services resulted in the improvement of yield and quality. Efforts are also being made to increase the shelf life of the product and its nutritious value.

2. Technology Absorption, Adoption and Innovation

The plants are operated by the employees of the Company. In house training was imparted to them to improve the working on the plant.

(III) FOREIGN EXCHANGE EARNINGS AND OUT GO

The information regarding foreign exchange earnings and outgo is provided herein below:

	Current Year	Previous Year
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	NIL	NIL

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MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENTS:

Kumar Food Industries Limited is engaged in manufacturing/grinding of Chana Dal and Besan. The Company is constantly improving its resources in order to keep pace with the growing standards and trends.

OUR STRENGTHS & WEAKNESSES:

The company supplies its products (mainly Besan) to M/s Shakti Bhog Foods Limited (SBFL), an associate concern under the same management, which owns a prominent place in the FMCG Sector. The company utilizes its production capacity and other available resources at a reasonable level. Although, the company is dependent on one customer but considering that the company is dealing in fast moving product and SBFL has an extensive marketing network the company do not envisage it as a risk factor.

THE OPPORTUNITIES:

Provided by us: The Company provides various opportunities to its employees to take up diverse jobs & projects within the Company in order to enhance their knowledge, experience and skills.

Available to us: As FMCG Sector is growing at a very fast pace, it increases the number of opportunities to all the players in the market.

THE THREATS:

The Opportunities available to the Company are equally visible to the current and future competitors of your company and that constitutes the primary threat.

INTERNAL CONTROL SYSTEMS & ADEQUACY:

In order to commensurate with the nature, size and complexity of its business and to ensure proper safeguarding of assets, maintaining proper accounting records and provide reliable financial information your Company, the board of directors has appointed M/s. Sandesh Jain & Co., Chartered Accountants, Delhi as the internal auditor of the Company for the Financial Year 2015-16.

FINANCIAL PERFORMANCE/OPERATIONAL PERFORMANCE

During the financial year under review, the income from operations of the Company was Rs. 128.31 Crores.

The profit after tax was declined to Rs. 0.28 Crores as compared to Rs. 0.40 Crores in the previous year.

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Other Expenses has decreased from Rs. 6.87 Crores to Rs. 6.68 Crores.

HUMAN RESOURCE DEVELOPMENT

Your Company considers its Human Resource as a strategic business partner. The Company is constantly making efforts in developing and improving skills of its manpower. Your Company is committed to creating an environment of learning & development promotes internal talent and develops cross functional expertise.

The total no. of employees in the Company as on 31st March, 2015 was approximately 56. There was no turnover of employees in the Company during the year under review.

DISCLAIMER STATEMENT

Some of the statements in this Management Discussion & Analysis report describing the Company's objectives, projections, estimates, expectations and predictions may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important developments that could alter your Company's performance include increase in material costs, technology developments and significant changes in political and economic environment, tax laws and labour relations.

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Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

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

**To,
The Members,
Kumar Food Industries Limited**

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

Based on our verification of the **M/s Kumar Food Industries Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Kumar Food Industries Limited** for the financial year ended on March 31, 2015 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act');
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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- f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
6. FSSAI, Factories Act, 1948, Employees Provident Fund and Pension Scheme 1995, Minimum Wages Act, 1948 & Payment of Wages, 1936, labour welfare Funds, Payment of Bonus Act, 1965, ISO and HACCP.

We have also examined compliance with the applicable clause of the following;

- I. Secretarial Standards issued by The Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with **Delhi Stock Exchange and Metropolitan Stock Exchange of India Limited**.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of minutes.

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

Place: Delhi
Date: 14.08.2015

For Mamta Jain & Associates
Practising Company Secretaries

S/d
(Mamta Jain)
CP No. 1686

KUMAR FOOD INDUSTRIES LIMITED

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COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

Auditor's certificate to the members of M/s Kumar Food Industries Limited on compliance of the conditions of Corporate Governance for the year ended 31st March 2015, under Clause 49 of the Listing Agreement.

The Members

Kumar Food Industries Limited

We have examined the compliance of Corporate Governance by Kumar Food Industries Limited for the year ended 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges (hereinafter referred to as Clause 49).

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an express 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 and the representations made by the Directors and the Management, we certify that the Company has, by 31st March 2015, complied in all material respects with the conditions of Corporate Governance stipulated in Clause 49.

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 had conducted the affairs of the Company.

For Raman Bhuraria & Associates
Chartered Accountants
Firm Registration No. 009103N

S/d

Place: New Delhi
Dated: 14.08.2015

(Raman Bhuraria)
Partner
Membership No: 087719

KUMAR FOOD INDUSTRIES LIMITED

CIN: L15310DL1991PLC043456

Regd. Office: 1102-F, Pearls Business Park, Netaji Subhash Place, Pitampura, New Delhi-110034

REPORT ON CORPORATE GOVERNANCE

(Forming part of Directors Report for the year ended 31st March, 2015)

The Company pursuant to the Code on Corporate Governance introduced by the Securities and Exchange Board of India (SEBI) furnishes its report as under:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company considers good Corporate Governance a pre-requisite for meeting the needs and aspirations of its shareholders and other stakeholders in the company and firmly believes that the same could be achieved by maintaining transparency , accountability and integrity in its functioning and conduct of business with due respect to the laws & regulations of the land.

2. BOARD OF DIRECTORS

(a) *Size and Composition of Board*

The Company's Board comprises of experienced and professional Directors, who have broad experience in their respective fields. It has a proper combination of executive, non-executive and independent directors comprising of Three Executive, One Non-Executive Director and Two Non- Executive Independent Directors. The affairs of the Company are looked after by the executive Directors of the Company. The Company is having two Independent Directors, which is one third of the total strength of the board.

None of the Directors on the board holds the office of the Director in more than 20 Companies or membership in committees of the board in more than 10 committees or chairmanship of more than 5 committees.

The details of Composition of the Board, number of Directorships and Committees positions held by each of Directors in other companies, as on 31st March, 2015, are given hereunder:

Name of the Director	Category	No. of Board Meetings held during the year 2014-15		Whether Attended Last AGM held on 30.09.2014	No. of Directorships in other Companies	No. of @Committee position held in other companies	
		Held	Attended			Chairman	Member
Mr. Kewal Krishan Kumar (DIN: 00042504)	Promoter & Executive Director	4	4	YES	10	1	1
Ms. Sunanda	Promoter & Executive	4	4	NO	8	NIL	1

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(DIN: 0102851 8)	Director						
#Mr. Manohar Lal Narang (DIN: 0696588 2)	Chairman & Non- Executive Independent Director	4	2	NO	NIL	NIL	NIL
Mr. Siddhart h Kumar (DIN: 0004251 8)	Executive Director	4	4	YES	15	NIL	NIL
##Mr. Sanjeev Chopra (DIN: 0701850 3)	Non- Executive Independent Director	4	0	NO	NIL	NIL	NIL
*Mr. Krishan Kumar Sharma (DIN: 0160507 1)	Non- Executive Director	4	4	YES	1	NIL	NIL
**Mr. Naresh Chander (DIN: 0004251 0)	Non- Executive Independent Director	4	3	YES	3	NIL	NIL
***Mr. Shiv Dayal Dubey (DIN: 0160506 4)	Non- Executive Independent Director	4	2	NO	NIL	NIL	NIL

Mr. Manohar Lal Narang was appointed on. 30.09.2014

##Mr. Sanjeev Chopra was appointed on 13.03.2015

* Designation of Mr. Krishan Kumar Sharma was changed from Non-Executive Independent Director to Non-Executive Director w.e.f. 13.03.2015

**Mr. Naresh Chander has resigned from the Board w.e.f 10.02.2015

***Mr. Shiv Dayal Dubey has resigned from the Board w.e.f. 13.11.2014

@ Board Committees for this purpose includes Audit Committee, Nomination & Remuneration Committee & Investors Grievance Committee

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(b) Number of Board Meetings

During the Financial Year ended on 31st March 2015, 4 (Four) Board meetings were held on the following dates: 26th May, 2014, 13th August, 2014, 14th November, 2014, 12th February 2015.

(c) Board Procedure

The Board of the Company is provided with detailed notes along with the agenda papers in advance in respect of various items discussed in the Board Meetings including:-

- Annual operating plans and budgets and any updates
- Quarterly financial results/ Annual financial Statements
- Minutes of the Audit Committee and other Committees of the Board
- Appointment of Senior Executive just below the Board Level.
- Any material default in financial obligations to and by the Company, or substantial nonpayment for goods sold by the Company.

(d) Code of Conduct

The Board of Directors had adopted a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct, during the financial year ended 31st March, 2015.

(e) Independent Directors

Independent directors are non-executive directors as defined under Clause 49(II) (B) (1) of the Listing Agreements entered into with the Stock Exchanges. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under clause 49 of the Listing Agreement and Section 149 of the Act.

The Board consists of optimum composition of Independent Directors who have requisite qualifications and experience which would be of use to the Company and which, in the opinion of the Company, would enable them to contribute effectively to the Company in their capacity as Independent Directors. Independent Directors shall however periodically review legal compliance report prepared by the Company as well as steps taken by the Company to address the shortcomings.

The terms and conditions of appointment of the independent directors are disclosed on the website of the Company.

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3. BOARD COMMITTEES

The Board has constituted the Audit Committee, Nomination & Remuneration Committee, Risk Management Committee and Investor's Grievance Committee. The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference for the Committees. Recommendations/Decisions of the Committees are submitted to the Board for approval.

Audit Committee

The audit committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement entered into with the stock exchange read with Section 177 of the Act.

During the year under review the composition of Audit Committee was changed twice. Once on the Resignation of Mr. Shiv Dayal Dubey on 13.11.2014 then the Composition of Audit committee was changed to:-

1. Shri Manohar Lal Narang - Non Executive Independent Director,
2. Shri Kewal Krishan Kumar - Executive Director
3. Shri Krishan Kumar Sharma - Non Executive Independent Directors

After that on 30.05.2015 on change of designation of Mr. Krishan Kumar Sharma from Non- Executive Independent Director to Non- Executive Director w.e.f.13.03.2015 . On such changes the composition of Audit Committee was not in consistent with the provisions of applicable law. Thereafter the Composition of Audit Committee was changed to:-

1. Shri Manohar Lal Narang - Non Executive Independent Director,
2. Shri Kewal Krishan Kumar - Executive Director
3. Shri Sanjeev Chopra - Non Executive Independent Directors

The Committee is headed under the stewardship of Shri Manohar Lal Narang, Chairman and Non Executive Independent Director, who is well versed with financial matters, chairs the Audit Committee meetings. Statutory Auditors, and other Senior Executives of the Company also attend the meeting of Audit Committee and co-ordinates between the committee. All members of the Committee have requisite financial and management experience and expertise.

The Previous Chairman of the Audit Committee Mr. Krishan Kumar Sharma was present at the last AGM of the Company held on 30.09.2014.

The terms of references of the Committee are as per SEBI guidelines and the Companies Act, 2013. The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to

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ensure accurate, timely and proper disclosure, transparency, integrity and quality of financial reporting.

During the Financial Year ended 31st March 2015, the Audit Committee met Four times on 26th May, 2014, 13th August, 2014, 14th November, 2014 and 12th February 2015.

Name of Director	Category	No. of meetings held	Meetings attended
#Shri Manohar Lal Narang	Non Executive Independent Director	4	1
##Shri Sanjeev Chopra	Non Executive Independent Director	4	0
Shri Kewal Krishan Kumar	Executive Director	4	4
*Shri Shiv Dayal Dubey	Non Executive Independent Director	4	2
Shri Krishan Kumar Sharma	Non Executive Director	4	4

Mr. Manohar Lal Narang was appointed on 14.11.2014 as the member of the committee. During the year under review, he attended one meeting (12th February, 2015) of Audit Committee.

##Mr. Sanjeev Chopra was appointed on 13.03.2015. After which no Audit Committee Meeting held during the year under review.

*Mr. Shiv Dayal Dubey has resigned from the Board w.e.f. 13.11.2014. During his tenure, he attended both meetings (26th May, 2014 and 13th August, 2014) of Audit Committee

Powers of Audit Committee

The Audit Committee shall have the powers, which would include the following:

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

Role of Audit Committee

- 1) Overseeing financial reporting processes and the disclosure of financial information, to ensure that the financial statements are correct, sufficient and credible;
- 2) Recommending to the Board, the appointment, re-appointment and, if required, for the replacement or removal of the Statutory Auditor and the fixation of audit fees;

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- 3) Reviewing with management the periodic financial statements/results before submission to the Board, focusing primarily on:
 - matters required to be included in the Director's Responsibility Statement;
 - any changes in accounting policies and practices;
 - major accounting entries based on exercise of judgment by the management;
 - qualifications in draft audit report;
 - significant adjustments arising out of the audit;
 - the going concern assumption;
 - compliance with accounting standards;
 - compliance with listing agreement and legal requirements concerning financial statements;
 - any related party transactions.
- 4) Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- 5) Reviewing with the management, the adequacy of internal control systems.
- 6) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 7) Discussion with auditors for any significant findings and follow up there on.
- 8) Reviewing the findings of any internal investigations by the auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- 9) Reviewing the company's financial and risk management policies.
- 10) Reviewing the management discussion and analysis of financial condition and results of operations, statement of significant related party transactions, management letters/letter of internal control weaknesses issued by the statutory auditors, internal audit reports.

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Nomination & Remuneration Committee

The Company had a remuneration committee of directors. Pursuant to the provisions of the Act and clause 49 of the Listing Agreement, the committee was changed to the nomination and remuneration committee of the Company on October 14, 2014 and it was duly reconstituted. Following were the members of the nomination & remuneration committee:-

1. Mr. Naresh Chander - Non-Executive Independent Director (Chairman of the Committee)
2. Mr. Krishan Kumar Sharma - Non-Executive Independent Director
3. Mr. Manohar Lal Narang- Non-Executive Independent Director

On the resignation of Mr. Naresh Chander on 10.02.2015 and on change of designation of Mr. Krishan Kumar Sharma from Non-Executive Independent Director to Non-Executive Director w.e.f. 13.03.2015, the composition of the committee was not in compliance with the provisions of the law.

Again the committee was reconstituted to the following:-

1. Mr. Sanjeev Chopra- Non-Executive Independent Director (Chairman of the Committee)
2. Mr. Krishan Kumar Sharma - Non-Executive Director
3. Mr. Manohar Lal Narang- Non-Executive Independent Director

During the year the meeting of the Nomination and remuneration committee was held on 13th August, 2014, 14th November, 2014 and 12th February, 2015. The details of meetings attended by its members are given below:

S. NO.	Name of the Director	No. of Committee Meeting held during the year	No. of committee meeting attended
1	*Mr. Naresh Chander	3	0
2	Mr. Krishan Kumar Sharma	3	3
3	#Mr. Manohar Lal Narang	3	1
4	##Mr. Sanjeev Chopra	3	0
5	**Mr. Shiv Dayal Dubey	3	1
6	***Mr. Kewal Krishan Kumar	3	2

* Mr. Naresh Chander has resigned from the board on 10.02.2015 and he was appointed as the member in the committee on 14.11.2014.

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Mr. Manohar Lal Narang was appointed as the member on 14.11.2014, after which only one meeting on 12.02.2015 was held which he attended.

Mr. Sanjeev Chopra was appointed on the board on 13.03.2015 after which no meeting of the committee was held during the year under review.

** Mr. Shiv Dayal Dubey has resigned from the board on 13.11.2014. During his tenure he attended the meeting held on 13.08.2014.

*** Mr. Kewal Krishan Kumar was removed from the committee upon its reconstitution on 14.11.2014. He attended 2 meetings held on 13.08.2014 & 14.11.2014 during the period under review.

The broad terms of reference of the nomination and Remuneration Committee are as under:

- Recommend to the board the set up and composition of the board and its committees including the “formulation of the criteria for determining qualifications, positive attributes and independence of a director”. The committee will consider periodically reviewing the composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the board the appointment or reappointment of directors
- Devise a policy on board diversity.
- Recommend to the board appointment of key managerial personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this committee).
- Carry out evaluation of every director’s performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors. This shall include “formulation of criteria for evaluation of independent directors and the board”.
- Recommend to the board the remuneration policy for key managerial personnel as well as the rest of the employees.
- On an annual basis, recommend to the board the remuneration payable to the directors and oversee the remuneration to executive team or key managerial personnel of the Company.
- Oversee familiarization programmes for directors.
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

Details of Remuneration Given to the Director for the Year

During the year under review, the Company has not paid any remuneration to any director of the Company.

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Shareholders' / Investors' Grievance Committee

During the year under review the composition of Shareholders' / Investor Grievance Committee was changed due to the Resignation of Mr. Shiv Dayal Dubey on 13.11.2014. Thereafter the Composition of the Committee was changed to:-

1. Shri Krishan Kumar Sharma - Non Executive Director
2. Shri Kewal Krishan Kumar - Executive Director
3. Shri Manohar Lal Narang - Non Executive Independent Director

The Investors' / Shareholders' Grievance Committee is chaired by Shri Krishan Kumar Sharma, a Non Executive Director.

The terms of reference of the Committee specifically emphasizes on rendering effective and quality service to the Investors / Shareholders in the following matters:

- (a) Transfer/ Transmission of Shares;
- (b) Dividends/ Interests;
- (c) Dematerialization / Rematerialization;
- (d) Replacement of lost/ stolen/ mutilated Share Certificates
- (e) Splitting/ Consolidation;
- (f) Other related issues

During the Financial year ended 31st March 2015, the Shareholders' / Investors' Committee met four times on 26th May, 2014, 13th August, 2014, 14th November, 2014 and 12th February 2015. The attendance record of Shareholders' / Investors' Grievance Committee members are as follows:

Name of Director	No. of meetings held	Meetings attended
Shri Krishan Kumar Sharma	4	4
*Shri Shiv Dayal Dubey	4	2
Shri Kewal Krishan Kumar	4	4
#Shri Manohar Lal Narang	4	1

* Mr. Shiv Dayal Dubey resigned on 13.11.2014. During the period under review he attended the meeting held on 26.05.2014 & 13.08.2014.

Mr. Manohar Lal Narang was appointed on 14.11.2014 as the member of the Committee. After his appointment he attended 1 meeting held on 12.02.2015

The Committee is satisfied with the working of the Company regarding redressal of Shareholders' / Investors' complaints and its share transfer and demat system.

During the year the Company did not receive any shareholder complaint. Further there is no pending shareholder complaint.

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Risk management committee:

The board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

During the year, a meeting of the risk management committee was held January 8, 2015. The composition of the risk management committee and details of the meetings attended by its members are given below:

S. No.	Name of Member	Category	No. of Meetings held	No. of Meetings attended
1	Mr. Kewal Krishan Kumar	Executive Director	1	1
2	Mr. Siddharth Kumar	Executive Director	1	1
3	Mr. Bharat Lal Shukla	#Manager	1	1

Mr. Bharat Lal Shukla was earlier Manager- Transport when become Member of Risk Management Committee. Later on he was designated as the Manager of the Company w.e.f. 01.04.2015 pursuant to Clause 203 of the Companies Act, 2013.

4. CEO/CFO CERTIFICATION

In terms of revised Clause 49 of the Listing Agreement, the certification by the CEO/CFO on the financial statements and internal controls relating to financial reporting has been obtained.

5. SHAREHOLDERS

(a) Communication to Shareholders

The quarterly, half yearly and annual results of the Company are reported to the Metropolitan Stock Exchange of India Ltd. where shares of the Company are listed and duly published in the news papers. The Company is also providing regular information to the Metropolitan Stock Exchange of India Ltd. and continuously complying with all provisions of the Listing Agreement.

(b) Compliance Officer

Ms. Neha Sapra, Company Secretary of the Company is the Compliance Officer of the Company.

(c) General Body Meetings:

The Last three Annual General Meetings of the Company were held as under:

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Year	Date	Day	Time
2013-14	30.09.2014	Tuesday	2.00 PM
2012-13	28.09.2013	Saturday	12.30 PM
2011-12	29.09.2012	Saturday	11.30 AM

An Extra-ordinary General Meeting was held on 13.03.2015 during the financial year.

(d) Whistle Blower Policy

In compliance to Guidelines on Corporate Governance, our company formulated a Whistle Blower Policy. All employees are eligible to make protected disclosures to the Chairman, Audit Committee preferably in writing. The Identity of the Whistle Blower and the subject are kept confidential and complete protection is given to Whistle Blower from any unfair treatment like threat, transfer, refusal of promotion etc.

6. GENERAL SHAREHOLDER INFORMATION

The Company information useful to our shareholders:

(a) Annual General Meeting

The Annual General Meeting of the Company will be held on Wednesday, 30th September 2015, at 2.00 P.M at 12th Floor, Pearls Business Park, Netaji Subhash Place, Pitampura, New Delhi- 110034.

(b) Financial Year

The last financial year of the Company was from 1st April 2014 to 31st March 2015 and the next financial year of the Company is from 1st April 2015 to 31st March 2016. The tentative financial calendar of the Company for financial year ending on 2016 is given below:

Board Meeting to take on the record	Schedule
Financial results for the Quarter ending on June 30, 2015	Will be held by 14 th August, 2015
Financial results for the Quarter ending on September 30, 2015	Will be held by 14 th November, 2015
Financial results for the Quarter ending on December 31, 2015	Will be held by 14 th February, 2016
Financial results for the Quarter ending on March 31, 2016	Will be held by 30 th May, 2016

(c) Date of Book Closure

The register of the shareholders and share transfer book shall remain closed from 24th September, 2015 to 30th September, 2015 (both days inclusive)

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(d) The shares of the Company are listed on the following stock exchanges:

Name and address of Stock Exchange

Metropolitan Stock Exchange of India Limited
(Formerly Known as MCX Stock Exchange Limited)
Floor, Vibgyor Towers, Plot No. C-62,
Opp. Trident Hotel, Bandra Kurla Complex,
Bandra East, Mumbai-400098

(e) DEMAT ISIN NO.: Equity Shares INE500F01010

(f) Registrar and Share Transfer Agent

M/s Skyline Financial Services (P) Limited
D 153 A, Ist Floor, Okhla Industrial Area
Phase I, New Delhi-110020
Phone: 011-26812682-83, 011-64732681 to 88
Fax: 91-11-30857562
Email : admin@skylinerta.com
skyline_fspl@rediffmail.com
agarwalp7@hotmail.com

(g) Share transfer

With a view to synchronize and expedite the process of share transfer, dematerialization and redressal to investors' grievance, the Company has appointed as per SEBI directives M/s Skyline Financial Services (P) Limited, New Delhi, to act as common Registrar & Share Transfer Agent in respect of the Company's shares held both in physical as well as de-mat form.

(h) Dematerialization of Share

As on 31st March 2015, 2,35,900 Equity shares are in dematerialized form.

(i) Distribution of shareholding as on 31st March 2015

Category	:	%
Financial Institutions/Banks/ Mutual Funds	:	NIL
NRIs/ OCBs	:	NIL
Director & their relatives	:	14.53
Bodies Corporate	:	60.65
Others	:	24.82
Total	:	100.00

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(j) Address for the correspondence

Registered Office : 1102-F, Pearls Business Park, Netaji Subhash Place, Pitampura, New Delhi-110034.

Compliance Officer : Ph: 011-27357808
Contact person for the : Ms. Neha Sapra
Shareholders enquiries : Ms. Neha Sapra
Email : cs@kumarfood.com
Registrar and Transfer Agent : M/s Skyline Financial Service Private Limited
D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020
Phone: 011-26812682-83,
011-64732681 to 88
Fax: 011-26812682
admin@skylinerta.com
skyline_fspl@rediffmail.com
agarwalp7@hotmail.com

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CODE OF CONDUCT DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2015.

Place: Delhi
Dated: 14.08.2015

S/d
(Kewal Krishan Kumar)
Executive Director

CEO/CFO CERTIFICATION

The Board of Directors
Kumar Food Industries Ltd.

We certify that:

1. We have reviewed the financial statements and the cash flow statement and the Directors' Report of Kumar Food Industries Ltd (the Company) for the year ended 31st March, 2015 and to best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are to the best of our knowledge and belief, no transactions entered into by the Company which are fraudulent, illegal or violative of the Company's Code of Conduct or ethics policy.
3. We accept responsibility for establishing and maintaining internal controls and that we have evaluated effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have been taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - a. significant changes in the Company's internal control during the year;
 - b. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - c. Instances of significant fraud of which we have become aware and involvement, if any, of the management or an employee having a significant role in the Company's internal control system.

S/d

Place: Delhi
Dated: 14.08.2015

(Kewal Krishan Kumar)
Executive Director

FORM B

1.	NAME OF THE COMPANY	KUMAR FOOD INDUSTRIES LIMITED
2.	Annual Financial Statement for the year ended	31 ST March 2015
3.	Type of Audit Qualification	<i>Except for the matter described in the Basis For Qualified Opinion paragraph, the said accounts 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>
4.	Frequency of Qualification	Appeared Second Time
5.	Draw Attention to Relevant Notes in the Annual Financial Statement and Management Response to the Qualification in the Directors Report	The auditor has qualified the audit report wherein the attention has been drawn to note 33 regarding certain transactions entered into by your company with associate concerns. The said transactions covered under sec 185 and 188 of the Companies Act, 2013 required the approval of the central government, which could not be obtained by the company in time. The company had filed requisite application for condonation with Company Law Board. The board is of the view that the Auditors qualifications is in the nature of procedural matter and does not in any way affect the true and fair view of the accounts.

FOR RAMAN BHURARIA & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 009103N

FOR AND ON BEHALF OF BOARD

S/d

(RAMAN BHURARIA)
(PARTNER)
M. NO.-087719
PLACE : NEW DELHI
DATED : 30/05/2015

S/d

(K.K. KUMAR)
(DIRECTOR)

S/d

(MANOHAR LAL NARANG)
(CHAIRMAN OF AUDIT COMMITTEE)

Independent Auditor's Report

To the Members of Kumar Food Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Kumar Food Industries Limited ('the Company'), which comprising of Balance Sheet as at 31 March 2015, the statement of Profit and Loss and 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

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting or audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

We draw Attention to Note 33 regarding certain transactions entered into by company with associate concerns in respect of which approval of the Central Government required is pending.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1.As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2.As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, except for the effect of the matters described above in Basis for Qualified Opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

FOR RAMAN BHURARIA ASSOCIATES

Chartered Accountants

Firm Registration No. 009103N

Sd/-

(Raman Bhuraria)

Partner

Membership No: 087719

Place: New Delhi.

Dated: 30/05/2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF M/S KUMAR FOOD INDUSTRIES FOR THE YEAR ENDED 31ST MARCH 2015.

1. ***In respect of Fixed Assets***
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
2. ***In respect of Inventories***
 - a) The Company is a manufacturing company, physical verification has been conducted by management at reasonable intervals.
 - b) In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its inventories.
 - c) The company is maintaining proper records of inventories and no such material discrepancies were noticed on physical verification. In case any discrepancy is found, is properly dealt with the books of accounts.
3. The company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, there is anadequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and inventory. We have not observed anymajor weakness in the internal control system during the course of the audit.
5. According to the information and explanations given to us, the Company has not accepted any deposits from the public as covered under section 73 and76 of the Companies Act 2013.
6. The Central Government hasnot prescribed the maintenance of cost records under section 148(1) of the Act, for products manufactured by the Company during the year under consideration.

7. ***In Respect of Statutory Dues***

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, sales tax, wealth tax, duty of customs, value added tax, cess and other material statutory dues have been deposited regularly during the year by the Company with the appropriate authorities except for few delays. However, during the year under consideration, the Company has delayed/defaulted in depositing of TDS and Service Tax with the relevant authority.
- b) According to the information and explanations given to us, there is no amount payable in respect of provident fund, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable. However, there is overdue liability relating to Income Tax due for a period of more than 6 months which is yet to be paid:

Nature of liability	Amount (in Rs.)	Period of liability
Income tax payable	69,55,968/-	FY 2012-13
Income Tax Payable	30,65,374/-	FY 2013-14
Interest on Income Tax	12,52,074	FY 2013-14
Interest on Income Tax	13,17,452/-	FY 2014-15

- c. According to the information and explanations given to us, there are no disputes relating to dues of wealth tax, income tax, sales tax, service tax, value added tax, duty of customs and cess.
- d. According to the records of the Company examined by us and information & explanation given to us, there is no amount which is due to be transferred to the Investor Education and Protection Fund by the Company.
8. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
9. According to the records of the Company examined by us and information & explanation given to us, the Company has not defaulted in the repayment of the dues to financial institutions, banks. However, the Company does not issue any debentures during the financial year therefore there is no question of default in repayment of dues to debenture holders.

10. In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
11. The Company did not have any term loans outstanding during the year.
12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

FOR RAMAN BHURARIA ASSOCIATES

Chartered Accountants

Firm Registration No. 009103N

Place: New Delhi.

Dated: 30/05/2015

(Raman Bhuraria)

Partner

Membership No: 087719

KUMAR FOOD INDUSTRIES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2015

(IN RUPEES)

(IN RUPEES)

Particulars	Note No.	As at 31st March, 2015		As at 31st March, 2014	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2	3,00,00,000		3,00,00,000	
Reserves & Surplus	3	8,54,11,242		8,26,76,586	
		-	11,54,11,242	-	11,26,76,586
Non Current Liabilities					
Long Term Borrowings	4	-		-	
Deferred Tax Liabilities(net)	5	17,003		-	
Long Term Provisions	6	17,49,490		10,27,461	
			17,66,493		10,27,461
Current Liabilities					
Short Term Borrowings	7	10,10,44,059		10,20,48,270	
Trade Payables	8	7,17,66,162		2,57,47,348	
Other Current Liabilities	9	6,33,35,398		5,32,61,081	
Short Term Provisions	10	37,85,369		51,03,186	
TOTAL			23,99,30,988		18,61,59,885
			35,71,08,723		29,98,63,932
ASSETS					
Non Current Assets					
Fixed Assets					
Tangible Assets	11	3,37,04,163		3,43,07,420	
Intangible Assets		-		-	
Capital Work In Progress	12	12,52,33,839		9,17,80,895	
Non Current Investments	13	1,19,36,000		1,19,36,000	
Long Term Loans & Advances	14	19,20,434		1,07,00,400	
			17,27,94,436		14,88,97,298
Current Assets					
Current Investments					
Inventories	15	17,92,79,942		14,68,73,527	
Trade Receivables	16	19,35,332		18,56,635	
Cash & Cash Equivalents	17	18,27,351		9,97,005	
Short Term Loans & Advances	18	10,49,953		9,88,307	
Other Current Assets	19	2,21,709		2,51,160	
			18,43,14,287		15,09,66,634
TOTAL			35,71,08,723		29,98,63,932
Notes forming part of the financial statements	1-44				

As per our report on even date

For & on behalf of the board

For Raman Bhuraria & Associates
Chartered Accountants
Firm Registration No. 009103N

sd/-
(Raman Kumar Bhuraria)
Partner
M. No. 087719

sd/-
(K.K. Kumar)
Director
DIN:-00042504

sd/-
(Sunanda Kumar)
Director
DIN:-01028518

Place: New Delhi
Date: 30/05/2015

sd/-
(Neha Sapra)
Company Secretary
M. No:- 31118

KUMAR FOOD INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(IN RUPEES)

PARTICULARS	31.03.2015	31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	49,67,765	65,80,702
Adjustments for:		
Depreciation	5,79,232	26,29,741
Provision for gratuity & Leave Encashment	8,23,491	(5,33,004)
Misc. Income	(10,81,118)	(6,74,008)
Interest Expenses	1,73,09,189	1,61,04,020
Profit on Sale of Fixed Assets	(65,975)	
loss on sale of car	-	90,793
Operating Profit/(Loss) before Working Capital Changes	2,25,32,584	2,41,98,244
Adjustments for:		
Less: Increase in :		
(Increase)/Decrease in Trade & Other Receivables	86,69,074	(94,47,270)
(Increase)/Decrease in Inventories	(3,24,06,415)	3,60,21,307
Increase/(Decrease) in Sundry Creditors and other payables	5,57,52,966	4,29,66,013
Cash Generated from Operations	5,45,48,209	9,37,38,294
Income tax paid	31,22,637	7,01,36,43
Net cash flow from Operating activities	5,14,25,572	8,67,24,651
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Fixed assets	-	(8,70,655)
Increase in Capital Work in Progress	(3,34,52,944)	(1,36,77,413)
Misc. Income	10,81,118	6,74,008
Sale of Fixed Assets	90,000	5,19,443
Net Cash used in Investing Activities	(3,22,81,827)	(1,33,54,617)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase(Decrease) in Share Capital	-	-
Increase(Decrease) in long term/ short term Borrowings	-10,04,211	-6,59,26,194
Interest paid	(1,73,09,189)	(1,61,04,020)
Net Cash used in Financing Activities	(1,83,13,400)	(8,20,30,214)
Net Increase/ Decrease in cash and cash equivalents	8,30,345	(86,60,180)
Opening Balance of cash and cash equivalents	9,97,006	96,57,186
Closing Balance of cash and cash equivalents	18,27,351	9,97,006

As per our report on even date

For & on Behalf of the Board

For Raman Bhuraria & Associates

Chartered Accountants

Firm Registration No. 009103N

sd/-

(Raman Kumar Bhuraria)

Partner

M. No. 087719

sd/-

(K.K. Kumar)

Director

DIN:-00042504

sd/-

(Sunanda Kumar)

Director

DIN:-01028518

sd/-

(Neha Sapra)

Company Secretary

M. No:- 31118

Place: New Delhi

Date: 30.05.2015

KUMAR FOOD INDUSTRIES LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(IN RUPEES)

Particulars	Note No.	As at 31st March, 2015		As at 31st March, 2014	
INCOME					
Revenue from Operations	20	1,28,30,50,452		1,47,58,84,883	
Other Income	21	11,47,093		6,74,008	
Total Revenue:			1,28,41,97,544		1,47,65,58,890
EXPENDITURE					
Cost of Material Consumed	22	1,25,65,21,861		1,36,46,84,455	
Changes in Inventories of Finished Goods and work in Progress	23	(7,66,60,495)		44,77,199	
Employees Benefit Expenses	24	1,42,48,353		1,30,85,165	
Finance Costs	25	1,77,35,718		1,64,34,924	
Depreciation & Amortization Expenses	26	5,79,232		26,29,741	
Other Expenses	27	6,68,05,110		6,86,66,705	
Total Expenses:			1,27,92,29,779		1,46,99,78,189
Profit Before Tax			49,67,765		65,80,702
Tax Expense					
Current Tax			20,43,523		31,23,049
Deferred Tax			1,89,586		(4,87,678)
Profit (Loss) for the period from continuing operations			27,34,656		39,45,331
Income Tax For Earlier Year			-		-
Interest on Income Tax Earlier Year			-		-
Profit for the year			27,34,656		39,45,331
Earning Per Equity Share (Refer Note No. 30)					
Basic			0.91		1.32
Diluted			0.91		1.32
Notes forming part of the financial statements	1-44				

As per our report on even date

For & on behalf of the board

For Raman Bhuraria & Associates
Chartered Accountants
Firm Registration No. 009103N

sd/-
(Raman Kumar Bhuraria)
Partner
M. No. 087719

sd/-
(K.K. Kumar)
Director
DIN:-00042504

sd/-
(Sunanda Kumar)
Director
DIN:-01028518

Place: New Delhi
Date: 30/05/2015

sd/-
(Neha Sapra)
Company Secretary
M. No:- 31118

NOTES FORMING PART OF FINANCIAL STATEMENTS

1(i) OVERVIEW

Kumar Food Industries Ltd. is engaged in the manufacturing/ Grinding of Gram Pulses and Besan. The company was incorporated on 13th of March ,1991. The company is having its manufacturing facility in Delhi and selling its products mainly, to its Associate Concern under the same management. The Company is listed under Metropolitan Stock Exchange of India.

1(ii) SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

B. USE OF ESTIMATES:

The presentations of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that effect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting year. Differences between the actual results and estimates are recognized in the year in which the results are known /materialized.

C. BORROWING COSTS:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue expenditure in the period in which they are incurred.

D. FIXED ASSETS:

- i. Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on specific borrowings obtained for the purpose of acquiring fixed assets up to the date of commissioning of the assets and other incidental expenses incurred up to that date, but excludes the amount of Cenvat/VAT credit availed thereon (wherever applicable).
- ii. Expenditure related to and incurred during implementation of new/expansion-cum-modernization projects is included under capital work-in-progress and the same is allocated to the respective Fixed Assets on completion of its construction/erection. Interest on borrowing costs related to a qualifying asset is worked out on the basis of actual utilization of funds out of project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalized with the cost of the qualifying asset.
- iii. Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" and are amortized over the useful life of the assets or ten years, whichever is earlier.

E. DEPRECIATION:

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the straight line method. Pursuant to the requirement of the Companies Act 2013 "The Act". The Company has revised the depreciation rates based on the useful life of the assets as prescribed in the Schedule II of the Companies Act' 2013.

F. IMPAIRMENT OF THE ASSETS:

Specified assets are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount being the higher of the asset's net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units).

Previously recognized impairment losses are reversed where the recoverable amount increases because of favorable changes in the estimates used to determine the recoverable amount since the last impairment was recognized. A reversal of an asset's impairment loss is limited to its carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized in prior years.

G. FOREIGN CURRENCY TRANSACTIONS:

- i. Foreign currency transactions are recorded at the rate of exchange prevailing at the date of the transaction. Monetary foreign currency assets and liabilities are translated at the year-end exchange rates and resultant gains / losses are recognized in the statement of profit & loss for the year, except to the extent that they relate to new projects till the date of capitalization which are carried to pre-operative expenses, are adjusted to the carrying cost of the respective assets.
- ii. In case of forward foreign exchange contracts, exchange differences are dealt with in the statement of profit & loss over the life of the contract except those relating to fixed assets in which case they are capitalized with the cost of respective fixed assets till the date of capitalization. Non-monetary foreign currency items are carried at historical cost.

H. INVESTMENTS:

Non-current investments are carried at cost. Provision is made when, in the opinion of the management, diminution in the value of investment is other than temporary in nature. The reduction in carrying amount is reversed when there is a rise in value of investments or if the reason for the reduction no longer exists. Current investments are carried at the lower of cost or market / fair value.

I. INVENTORIES:

Valuation of stock is done as follows:

(a.) Raw Material, Stores & Spares, Packing Material	At FIFO cost or net realizable value, whichever is lower.
(b.) Work in Progress.	At FIFO cost including conversion charges or net realizable value whichever is lower.
(c.) Finished Goods	At FIFO cost including conversion charges or net realizable value whichever is lower.
(d) By-Products	At net realizable value

J. MISCELLANEOUS EXPENDITURE:

The expenditure incurred on issue of share capital is written off over a period of 10 years.

K. REVENUE RECOGNITION:

- (a.) Domestic Sales of goods are recognized on the dispatch of goods to the customer. Sales are net of discounts, sales tax and returns. Revenue and Expenditure are accounted for on accrual basis.
- (b.) Interest income is recognized on accrual basis.
- (c.) Revenue in respect of Insurance/ other claims, commission etc. is recognized only when it is reasonably certain that collection will be made.

L. EMPLOYEES BENEFITS:

- i. Defined Contribution plan:
The Company's contribution to provident fund and employees' state insurance is charged to statement of profit and loss account of the year when the contribution to the respective funds is due.
- ii. Defined Benefit plan:
Retirement benefits in the form of gratuity and leave encashment are charged to statement of profit and loss account on the basis of an actuarial valuation as at the date of the Balance Sheet in accordance with Accounting Standard (AS) 15 on 'Employee Benefits'.

M. PROVISION FOR TAXATION:

Provision for current tax is made considering various allowances and benefits available to the Company under the provisions of the Income Tax Act, 1961.

In accordance with Accounting Standard (AS-22) 'Accounting for Taxes on Income', deferred taxes resulting from timing differences between book and tax profits are accounted for at the tax rate substantively enacted by the Balance Sheet date to the extent the timing differences are expected to be crystallized. Deferred tax assets are recognized and reviewed at each Balance Sheet date to the extent there is reasonable/virtual certainty of realizing such assets against future taxable income.

N. RESEARCH AND DEVELOPMENT

Revenue expenditure on Research and Development is charged in the year in which it is incurred. Expenditure which results in creation of assets is included in Fixed Assets and depreciation is provided on such assets at the applicable rates.

O. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

P. ACCOUNTING FOR LEASES

In respect of finance lease, the same is recognized as an asset and a liability to the lessor at fair value at the inception of the lease.

In respect of operating lease, lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

Q. EARNING PER SHARE

The earnings considered in ascertaining the Company's Earnings per Share (EPS) comprise of the net profit after tax attributable to equity shareholders. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period adjusted for events of bonus issue post period end, bonus elements in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares). The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

R. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash, bank balances in current and short term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase.

KUMAR FOOD INDUSTRIES LIMITED
Notes on Financial Statements for the year Period ended 31st March, 2015

	As at 31st March, 2015	(IN RUPEES) As at 31st March, 2014
2 SHARE CAPITAL:		
Authorised Share Capital:		
35,00,000 Equity Shares of Rs 10/- each	3,50,00,000	3,50,00,000
(Previous year 35,00,000 Equity Shares of Rs 10/- each)		
	<u>3,50,00,000</u>	<u>3,50,00,000</u>
Issued, Subscribed & Paid Up:		
30,00,000 Equity Shares of Rs 10/-each, fully paid up	30000000	30000000
(Previous year 30,00,000 Equity Shares of Rs 10/-each, fully paid up)		
	<u>3,00,00,000</u>	<u>3,00,00,000</u>
a) Reconciliation of number of shares		
Particulars	No. of Shares	No. of Shares
a). Equity Shares		
Shares outstanding at the beginning of the year	30,00,000	30,00,000
Shares issued during the year	-	-
Shares outstanding at the end of the year	<u>30,00,000</u>	<u>30,00,000</u>
b) Details of shareholders holding more than 5% of the aggregate shares in the company		
Name of Shareholders	No. of Shares	No. of Shares
a). Equity Shares	% of holding	% of holding
Keval Kishan Kumar	218300	218400
Divyarth Leasing and Finance Private Limited	150000	150000
	7.28	7.28
	5.00	5.00
3 RESERVES & SURPLUS:		
(a) General Reserve		
Opening Balance	-	-
(+)current year transfer	-	-
(-)written back in current year	-	-
Closing Balance	<u>-</u>	<u>-</u>
(b) Security Premium Account		
Opening Balance	-	-
(+)Amount credited on share issue	-	-
(-)Premium utilised	-	-
Closing Balance	<u>-</u>	<u>-</u>
(c) Surplus in Profit & Loss account		
As per last financial statements	8,26,76,586	7,87,31,256
Add: Profit for the year	27,34,656	39,45,331
Profit Available for Appropriation	<u>8,54,11,242</u>	<u>8,26,76,586</u>
Dividend paid	-	-
Corporate dividend Tax	-	-
Transfer to reserves	-	-
Other Appropriation	-	-
Closing Balance	<u>8,54,11,242</u>	<u>8,26,76,586</u>
GRAND TOTAL (a+b+c)	<u>8,54,11,242</u>	<u>8,26,76,586</u>

4 LONG TERM BORROWINGS:

Secured Loans
Vehicle Loan

NON CURRENT PORTION

As at 31st March,
2015

As at 31st
March, 2014

-	-
-	-

4.1 Vehicle loans are secured by exclusive charge by way of hypothecation of the specific assets

5 DEFERRED TAX LIABILITIES/(ASSETS) (NET):

Deferred Tax liabilities(Assets)

17,003

-172,583

17,003	(1,72,583)
--------	------------

5.1 Provisions for Income Tax is made after taking into consideration benefit admissible under the provisions of the Income Tax Act, 1961. In view of the AS-22 "Accounting for Taxes on Income" as issued by the ICAI, the Major components of deferred tax assets and deferred tax liabilities are as under:

Deferred Tax Liabilities/ (Assets) on Account of :(A)

Related to Fixed Assets

4,02,664

(50,262)

Deferred tax Assets on Account of :(B)

Expenses to be allowed in Income Tax on Payment Basis

3,85,661

1,22,321

Net Deferred Tax Liability/ (Asset) (A-B)

17,003

(1,72,583.00)

6 LONG-TERM PROVISIONS:**NON CURRENT PORTION**

As at 31st MAR,
2015

As at 31st
March, 2014

Provision for Employee Benefits

Provision for Gratuity

Provision for Leave encashment

15,31,593

8,22,881

2,17,897

2,04,580

17,49,490

10,27,461

7 SHORT-TERM BORROWINGS:

Secured Loans

Working Capital loans from Banks*

Others

10,10,44,059

10,20,48,270

10,10,44,059

10,20,48,270

7.1 * Working Capital Loans from Banks are secured by Hypothecation of present and future stock of Raw Material, Stock in Process, Finished Goods Stock Store & Spares, Book Debts and First Charge on Fixed Assets including Negative lien on immovable property of the Company and Personal Guarantee of Directors.

8 TRADE PAYABLES:

a) Dues of Micro & Small Enterprises

b) Dues other than Micro & Small Enterprises

Creditors for Raw Material

Other Creditors

6,94,90,250

2,31,35,119

22,75,912

26,12,229

7,17,66,162

2,57,47,348

To the extent of information with the Company regarding the status of suppliers, as defined under the Micro, Small and Medium Enterprises (Development Act) 2006, there are no such parties at the year end. Therefore, the disclosures regarding the amounts due at the year end and interest payable thereon are not applicable.

9 OTHER CURRENT LIABILITIES:**CURRENT PORTION**

As at 31st MAR,
2015

As at 31st
March, 2014

(a) Current maturities of long term debts

(b) Interest accrued but not due on borrowings

(c) Other Payables

(i) Advances from Customers

(ii) Statutory Liability

(iii) Creditors for capital goods

(vi) Bank Overdrawn

-

1,24,308

-

1,192

-

-

1,83,24,397

1,00,34,527

69,27,448

10,78,659

3,80,83,553

4,20,22,394

6,33,35,398

5,32,61,081

10 SHORT-TERM PROVISIONS:

Provision for Income Tax(net of advance tax)	19,86,260	30,65,374
Provisions for Employees Benefit	2,61,356	1,59,894
Other Provisions	15,37,753	18,77,918
	<u>37,85,369</u>	<u>51,03,186</u>

FIXED ASSETS**11 FIXED ASSETS****TANGIBLE ASSETS****GROSS BLOCK****ASSETS**

	OP. BALANCE	ADDITION	DELETION	TOTAL
LEASEHOLD LAND	-	-	-	-
FREEHOLD LAND	2,41,64,730	-	-	2,41,64,730
BUILDINGS	86,17,425	-	-	86,17,425
PLANT AND MACHINERY	1,57,81,501	-	-	1,57,81,501
FURNITURE AND FIXTURE	4,73,074	-	-	4,73,074
VEHICLES	79,18,944	-	4,80,500	74,38,444
OFFICE EQUIPMENTS	6,55,868	-	-	6,55,868
COMPUTERS	-	-	-	-
TOTAL OF THIS YEAR	<u>5,76,11,542</u>	<u>-</u>	<u>4,80,500</u>	<u>5,71,31,042</u>
GRAND TOTAL	<u>5,76,11,542</u>	<u>-</u>	<u>4,80,500</u>	<u>5,71,31,042</u>
TOTAL OF THE PREVIOUS YEAR	-	-	-	-

DEPRECIATION BLOCK

LEASEHOLD LAND	-	-	-	-
FREEHOLD LAND	-	-	-	-
BUILDINGS	28,09,043	2,96,325	-	31,04,369
PLANT AND MACHINERY	1,21,58,883	1,96,888	-	1,23,55,771
FURNITURE AND FIXTURE	3,92,769	15,830	-	4,08,599
VEHICLES	76,68,819	45,220	4,56,475	72,57,564
OFFICE EQUIPMENTS	2,75,608	24,969	-	3,00,577
TOTAL OF THIS YEAR	<u>2,33,04,122</u>	<u>5,79,232</u>	<u>4,56,475</u>	<u>2,34,26,879</u>
GRAND TOTAL	<u>2,33,04,122</u>	<u>5,79,232</u>	<u>4,56,475</u>	<u>2,34,26,879</u>
TOTAL OF THE PREVIOUS YEAR	-	-	-	-

NET BLOCK

	LAST YEAR	THIS YEAR
LEASEHOLD LAND	-	-
FREEHOLD LAND	2,41,64,730	2,41,64,730
BUILDINGS	58,09,382	55,13,056
PLANT AND MACHINERY	36,22,618	34,25,730
FURNITURE AND FIXTURE	80,305	64,475
VEHICLES	2,50,125	1,80,880
OFFICE EQUIPMENTS	3,80,260	3,55,291
TOTAL OF THIS YEAR	<u>3,43,07,420</u>	<u>3,37,04,163</u>
GRAND TOTAL	<u>3,43,07,420</u>	<u>3,37,04,163</u>
TOTAL OF THE PREVIOUS YEAR	-	<u>3,43,07,420</u>

INTANGIBLE ASSETS

-	-
-	-

12 CAPITAL WORK IN PROGRESS AT RAI

PREOPERATIVE EXP	13,02,468	24,02,511
FACTORY BUILDING (WIP)	7,95,11,825	10,92,55,518
WORK IN PROGRESS (P&M)	1,09,66,602	1,35,75,710
	<u>9,17,80,895</u>	<u>12,52,33,839</u>

13 NON CURRENT INVESTMENT:**Non Trade Investment(Fully Paid up)****a Investment in Equity Instruments of Associates Concern**

Shakti Bhog Foods Ltd. 556710(Previous year 556710) equity share of Rs.10 each	82,17,000	82,17,000
Prince Food Tech Pvt. Ltd. 6000(Previous year 6000) equity share of Rs.100 each	6,00,000	6,00,000
Dash Exports Pvt. Ltd. 130000(Previous year 130000) equity share of Rs.10 each	13,00,000	13,00,000
Divyarth Healthcare Pvt. Ltd. 10000(Previous year 10000) equity share of Rs.10 each	10,00,000	10,00,000
Goal Securities & Credits Ltd. 81500(Previous year 81500) equity share of Rs.10 each	8,15,000	8,15,000

b Investment in Equity Instruments other than Associate Concern**Unquoted Shares**

Indraprastha Sehkari Bank Ltd. 400(Previous year 400) equity share of Rs.10 each	4,000	4,000
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1,19,36,000	1,19,36,000
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Aggregate Book Value of Unquoted Investments	1,19,36,000	1,19,36,000
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(i) Long Term Investment are stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary

14 LONG TERM LOANS AND ADVANCES:

Unsecured, Considered Good

Against Capital Goods

7,53,029

95,32,995

Security Deposits

11,67,405

11,67,405

(Unsecured considered good unless otherwise stated)

Other Advances

19,20,4341,07,60,400**15 INVENTORIES:**

(As taken, valued & certified by the management)

Raw Material

3,49,28,094

7,93,80,382

Work in Process

10,91,59,920

4,59,88,851

Finished Goods

3,45,52,284

2,06,61,737

Packing Material

6,39,644

4,41,436

Stock in hand

-

4,01,120

17,92,79,94214,68,73,527**16 TRADE RECEIVABLES:**

(Unsecured, considered good)

Receivables outstanding for a period exceeding six months

-

-

Receivables outstanding for a period not exceeding six months

Considered good

19,35,332

18,56,635

Considered doubtful

-

-

Less: Provision for Doubtful Debts

19,35,33218,56,635**17 CASH & CASH EQUIVALENTS :**

Balance with Banks

In current Accounts

1,97,403

2,47,004

Cash on Hand

16,29,947

7,50,001

18,27,3519,97,005**18 SHORT TERM LOANS & ADVANCES:**

Advances recoverable in cash or in kind

a) Advances to related parties

-

-

b) Advance to Suppliers, Employees etc.

- Against Raw Material

- Against capital goods

-Others

10,49,953

9,88,307

10,49,9539,88,307**19 OTHER CURRENT ASSETS:**

Prepaid Expenses

2,21,709

2,51,160

2,21,7092,51,160

KUMAR FOOD INDUSTRIES LIMITED
Notes on Financial Statements for the year ended 31st March, 2015

	As at 31st March, 2015	(IN RUPEES) As at 31st March, 2014
20 REVENUE FROM OPERATIONS:		
Manufactured Goods		
Domestic Sales	1,28,30,50,452	1,47,58,84,883
Export Sales	-	-
	<u>1,28,30,50,452</u>	<u>1,47,58,84,883</u>
Net revenue from operations	<u>1,28,30,50,452</u>	<u>1,47,58,84,883</u>
21 OTHER INCOME:		
Interest Received from Banks on fixed deposits	27,244	20,451
Interest Received From Others	1,85,522	1,58,557
Other Non-Operating Incomes	8,68,352	4,95,000
Profit on Sale of Fixed Assets	65,975	-
	<u>11,47,093</u>	<u>6,74,008</u>
Note: Other Non-Operating Incomes includes rent received of Rs. 4.95 Lacs(perivious year rent received Rs.4.80 lacs)]TDS amounting to Rs. 0.50lacs		
22 COST OF MATERIALS CONSUMED:		
Opening Balance	7,93,80,382	11,09,42,415
Add: Purchases	1,20,79,67,413	1,32,96,62,029
Add: Procurement Expenses	41,02,160	34,60,393
	<u>1,29,14,49,955</u>	<u>1,44,40,64,837</u>
Less: Closing Balance	3,49,28,094	7,93,80,382
Total	<u>1,25,65,21,861</u>	<u>1,36,46,84,455</u>
Purchases of Goods traded	-	-
	<u>-</u>	<u>-</u>
CHANGES IN INVENTORIES:		
23 FINISHED GOODS		
At the Beginning of Accounting Period	2,10,62,858	6,00,52,182
At the end of Accounting Period	3,45,52,284	2,10,62,858
	<u>(1,34,89,427)</u>	<u>3,89,89,324</u>
WORK-IN-PROGRESS		
At the Beginning of accounting period	4,59,88,851	1,14,76,726
At the end of Accounting Period	10,91,59,920	4,59,88,851
	<u>(6,31,71,068)</u>	<u>(3,45,12,125)</u>
STOCK-IN-TRADE		
At the Beginning of Accounting Period	-	-
At the end of Accounting Period	-	-
	<u>-</u>	<u>-</u>
GRAND TOTAL	<u>(7,66,60,495)</u>	<u>41,77,199</u>
24 EMPLOYEE BENEFITS EXPENSE:		
Salary, Wages & Bonus	1,25,44,238	1,21,11,598
Contribution to Provident and Other Funds	14,90,824	6,08,284
Staff Welfare	2,13,291	3,65,283
	<u>1,42,48,353</u>	<u>1,30,85,165</u>
25 FINANCIAL COSTS:		
a) Interest Expense		
Interest to Bank	1,32,63,239	1,19,14,476
Interest to Bank on Vehicle Loan	1,755	36,045
Other Interest	40,44,195	41,53,499
b) Other Borrowing Costs		
Loan Processing Charges	4,26,529	3,30,904
	<u>1,77,35,718</u>	<u>1,64,34,924</u>
26 DEPRECIATION AND AMORTIZATION EXPENSES:		
Depreciation	5,79,232	26,29,741
	<u>5,79,232</u>	<u>26,29,741</u>

27 OTHER EXPENSES:

(a) MANUFACTURING EXPENSES:

Power & Fuel	4,05,05,236	3,91,37,966
Repair to Machinery	22,18,230	31,06,812
Packing Materials Consumed	15,66,425	14,53,741
	<u>4,42,89,891</u>	<u>4,36,98,519</u>

(b) ADMINISTRATIVE EXPENSES

Auditors' Remuneration (Refer Note No.29)	6,74,160	6,74,160
Car Expenses	2,62,014	3,87,605
Festival Celebration Expenses	1,87,432	2,57,387
Donation	29,810	14,602
Subscription/Membership Fees	12,000	31,080
Electricity Expenses	1,06,511	39,810
Fees & Taxes	67,432	4,67,074
General Expenses	2,45,712	8,791
Office Maintenance expenses	54,833	81,589
Insurance	2,20,572	1,67,366
Professional & Legal Expenses	3,99,269	1,52,841
Rent	1,29,42,049	1,24,42,465
Postage & Courier	1,59,289	1,43,903
Printing & Stationery	1,65,131	1,33,437
Repair & maintenance		
-Building	5,24,970	7,02,300
-Other	87,165	5,47,367
Security Guard Expenses	34,69,131	35,54,017
Telephone expenses	2,73,187	3,91,729
Vehicle Running & Maintenance	6,72,756	23,41,985
House Tax/ Property Tax	53,950	90,793
Service tax/TDS penalty	-	30,000
Interest on Income tax	13,17,452	12,52,074
Interest on TDS	8,800	
	<u>2,19,33,625</u>	<u>2,39,12,375</u>

(c) SELLING & DISTRIBUTION EXPENSE

Laboratory Expenses	2,488	
Delivery Expenses	-	-
Discount & Brokerage	3,40,231	5,09,658
Sales Commission & Incentives		
Schemes, Meetings & Conferences	2,38,875	5,46,153
	<u>5,81,594</u>	<u>10,55,811</u>
GRAND TOTAL (a+b+c)	<u>6,68,05,110</u>	<u>6,86,66,705</u>

28. **Contingent Liabilities & Commitments**

(Rupees in lakhs.)

As at 31.03.2015

As at 31.03.2014

Capital and other Commitments:

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs. 168.38 lacs (Previous year –Rs.168.38 lacs)

29. **Detail of Payments to Auditor's**

(Rs.In Lakhs)

As at 31.03.2015

As at 31.03.2014

As Auditor

Rs. 5.62

Rs. 5.62

For Taxation matters

Rs. 1.12

Rs. 1.12

Total

Rs. 6.74

Rs. 6.74

30. **"Earnings Per Share" computed in accordance with AS-20 issued by The ICAI.**

(In Lakhs.)

2014-15

2013-14

Profit/Loss (-) after tax as per accounts

27.34

39.45

Weighted Average No. of shares outstanding during the year

3000000

3000000

Basic Earning per share (In Rs.)

0.91

1.32

Diluted

0.91

1.32

31. **"Related Party Disclosures" for the year ended 31st March 2015 in accordance with AS-18 issued by The Institute of Chartered Accountants of India:**

(a) List of Related Parties and their relationships.

i. Associates Concerns

Dash Exports Pvt. Ltd.

Shakti Bhog Foods Ltd.

Shakti Bhog Snacks Ltd

K.D.M.Media Pvt. Ltd.

Prince Food Tech Pvt. Ltd

Divyarth Leasing & Finance Pvt. Ltd.

Bhawna Portfolio Pvt. Ltd.

Goal Securities & Credit Ltd.

Sumesh Financers Pvt. Ltd.

Crest Agro foods Ltd.

(formally knows as Crest Biotech Ltd.)

Pancy Holdings Pvt. Ltd.

Divyarth Healthcare Pvt. Ltd.

Vital Holding Pvt. Ltd

Elanza Investment Pvt. Ltd.

Dinkar Holding Pvt. Lyd.

Shubhangi Finvest Pvt. Ltd.

Vizzy Finvest Pvt. Ltd.

Phlox Investment pvt. Ltd

Fruto Freesh Industries pvt. Ltd

ii Key Management Personnel

Mr. Kewal Krishan Kumar

Mrs. Sunanda Kumar
Mr. Siddhartha Kumar
iii Relative of Key Management Personnel
Mr. Divyarth Kumar

(b) Transactions with the related parties:

(Rs in.Lakhs)

Nature of Transaction	Associate Concerns	Key Management Personnel
(i) Loans Advanced	(-) (-)	- (-)
(ii) Loans Received Back	(-) (-)	(-) (-)
(iii) Sale	11,116.11 (12,619.20)	- (-)
(iv) Purchase	- (0.55)	0.00 (-)
(v) Advertisement	- (-)	- (-)
(vi) Interest Received	- (-)	- (-)
(vii) Rent received	5.40 (4.95)	(-) (-)
(viii) Investment Made	- (-)	- (-)
(ix) Payment for Fixed assets	(-) (-)	- (-)
Outstanding Balances as at year-end		
Amount adjustable against advance	- (-)	- (-)
Loans payable	- (-)	- (-)
Amounts receivable	- (-)	- (-)
Amounts Payables	- (-)	- (-)
Investment in Equity Shares	119.32 (119.32)	- (-)

Note: Figures in brackets represent previous year's amounts.

S.NO	PARTICULARS	Relationship	Rent Received	Sales	Investment in equity shares	Purchases	Directors' Remuneration
1	Shakti Bhog Foods Ltd.	Enterprises over which key management personnel exercise significant influence	3.00 (0.75)	11,116.11 (12619.20)	82.17 (82.17)	- (-)	- (-)
2	Shakti Bhog Snacks Ltd		2.40 (4.95)	- (-)	- (-)	- (0.55)	- (-)
3	Dash Exports Pvt. Ltd.				13.00 (13.00)		
4	Divyarth Health care Pvt. Ltd				10.00 (10.00)		
5	Goal Securities & Credits Ltd				8.15 (8.15)		
6	Prince Food Tech Pvt. Ltd.				6.00 (6.00)		

32. (a) **Defined contribution plan:** The company's contribution to defined contribution plans for provident fund, ESI, labour fund aggregating Rs. 221936 /- (previous year : Rs. 231275/-) has been recognized as expense in the profit and loss account.
- (b) **Defined Benefit Plan:-**
- (i) Rs.9,72,242/- (P.Y. Rs. 3,16,590/-) have been recognized in the profit and loss account towards gratuity component of Defined Benefit Plan. The net liability for this plan of Rs 16,93,039/- (previous year: Rs. 9,34,259 /-) has been recognized in the balance sheet as on 31.3.2015.
- (ii) Rs.92,620/- (P.Y. Rs.60,419/-) have been recognized in the profit and loss account towards leave encashment expenses. The net liability of this plan of Rs.3,17,707/- (previous year Rs. 2,53,096/-) have been recognized in the balance sheet as on 31.03.2015.
- 33 In the opinion of management and to the best of their knowledge & belief, the value of realization of Current Assets and other loans and advances will not be less than the amount at which they are stated in the Balance Sheet.
- 34 The Company has entered into certain transactions in previous year with associate concerns requiring approval of the Central Government under section 295 and 297 as per Companies Act 1956(Presently, under section 185 and 188 of Companies Act 2013). The company had filed compounding application with Company Law Board.
35. The Company's significant leasing arrangements are in respect of operating leases for Premise (offices and godowns). The company has certain cancellable and non-cancellable operating lease arrangements ranging from 11 months to 5 years. Some of the lease agreements are renewable with the consent of the lessor. The total future minimum lease payments under the non-cancellable operating leases are as under:

	Current Year Rs. Lacs	Previous Year Rs. Lacs
Payable not later than one year	49.06	91.96
Payable later that one year and not later than five years	Nil	80.90
Payable later than five years	Nil	Nil

- 36 The aggregate lease rentals of Rs. 129.42 Lacs (Previous year Rs. 124.42Lacs) are charged as rent to statement of profit and loss and grouped under Note '26(b)' Administrative Expenses
- 37 Debtors, creditors, Loans & Advances are subject to confirmations.
- 38 As per the information provided to us by the management, there are no Micro, Small, Medium Enterprises, (P.Y. Nil), whom the company owes dues, which are outstanding for more than 45 days as at 31st March 2015. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the company. Moreover, the company primarily deals in the procurement of Agro-Products which are sourced from the farmers and aartias who are not covered under the provision of the Micro, Small, Medium Enterprises Development Act, 2006.

- 39 The Factory Land at Khasra No. 71/1, Village Siraspur, Delhi and Factory land at Rai is yet to be registered in favour of the Company. The Company is however in possession of the said properties.
- 40 The Company operates in only one segment viz. "Agro products" which is the reportable segment in accordance with the requirements of Accounting Standard (AS)-17 on "Segment Reporting", issued by The Institute of Chartered Accountants of India. Hence the disclosure required under AS 17 is not applicable there in.
- 41 Expenditure in foreign currency Rs. Nil (previous Year Rs. Nil).
- 42 Earning in foreign currency: Nil (previous year Nil)
- 43 All financial figures have been rounded off to nearest Rupee.
- 44 Previous year figures have been regrouped and re-arranged where ever considered necessary.

As per our Report of even date.

For RAMAN BHURARIA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 009103N

FOR AND ON BEHALF OF THE BOARD

Sd/-
(RAMAN BHURARIA)
(PARTNER)
M. No. 087719
PLACE : NEW DELHI
DATED : 30th May 2015

sd/-
(K.K. KUMAR)
DIRECTOR
DIN:-00042518

sd/-
(SUNANDA KUMAR)
DIRECTOR
DIN:-01028518

Sd/-
(NEHA SAPRA)
COMPANY SECRETARY
M. No.:-31118