

ANNUAL REPORT
FOR
FINANCIAL YEAR
2015-16

KUMAR FOOD INDUSTRIES LIMITED

BOARD OF DIRECTORS	Shri. Manohar Lal Narang	Chairman/Nonexecutive Independent Director
	Shri. Kewal Krishan Kumar	Executive Director
	Shri. Siddharth Kumar	Executive Director
	Shri. Sanjeev Chopra	Non- Executive Independent Director
	Shri Krishan Kumar Sharm Smt. Manju Sharma	Non -Executive Director Non-Executive Director

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

COMPANY SECRETARY Mr. Rahul Thakur

CHIEF FINANCIAL OFFICER Mr. Naveen Kumar

REGISTERED OFFICE 71/1, Siraspur, Delhi - 110042

CONTACT NO. 011-27357808

FAX NO. 011- 47055499

REGISTRAR AND TRANSFER AGENT Skyline Financial Services Private Limited
D-153 A | 1st Floor | Okhla Industrial Area, Phase - I |
New Delhi-110 020

E- MAIL ID cs@kumarfood.com

STOCK EXCHANGE Metropolitan Stock Exchange of India Limited.

BANKER State Bank of India

KUMAR FOOD INDUSTRIES LIMITED

Regd. Office : 71/1, Siraspur, Delhi - 110042 (INDIA)
Phone : +91-11- 27357808 Fax : +91-11- 47055499
Email : info@kumarfood.com Website : www.kumarfood.com
CIN : L15310DL1991PLC043456

NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of Kumar Food Industries Limited will be held on Tuesday, 15th November, 2016 at 12.30 P.M. at 11th 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, 2016 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. Kewal Krishan Kumar (holding DIN:00042504), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.
3. To re-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 Sixth Annual General Meeting of the Company to be held in the year 2017, 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."

SPECIAL BUSINESS:


4. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution for regularization of Additional Director, Ms. Manju Sharma

"RESOLVED THAT pursuant to the provisions of section 149, 152, 160 and all other applicable provisions of the Companies Act, 2013 read with rules made thereunder, Ms. Manju Sharma who was appointed as an Additional Director on the Board of the Company with effect from June 20th, 2016 in terms of Section 161 of the Companies Act, 2013 and the Article of Association of the Company and who holds the office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing under

Sec 160 of Companies Act, 2013 along with requisite deposit, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company”.

Date: 05.10.2016
Place: New Delhi

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



Rakesh Thakur
Company Secretary
PAN: ALXPT1553B

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 wednesday, 09th November, 2016 to Tuesday, 15th November, 2016. (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 Regulation 44 of SEBI (LODR) Regulations 2015, 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. Dinesh Aggarwal, Practicing Chartered Accountant (Membership No. 532728), 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 11th November, 2016 (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) 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.

j) The notice of the AGM along with the copies of the Annual Report 2016, instructions for remote e-voting, attendance slip and proxy form are being sent by the permitted mode to the members.

k) 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.

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 cadineshaggarwal84@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 11th November, 2016 (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 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 5.00 p.m. on 12th November, 2016 and ends at 5.00 p.m. on 14th November, 2016. Remote e-voting will be blocked by NSDL at 5.00 p.m. on 14th November, 2016.

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 counter sign 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.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No 5

Ms. Manju Sharma was appointed as an Additional Director with effect June 20th, 2016 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article of Association of the Company and holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing candidature of Ms. Manju Sharma for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

The Board feels that presence of Ms. Manju Sharma on the Board is desirable and would be beneficial to the company and hence recommend above Board resolution for adoption. None of the Directors, except Ms. Manju Sharma is any way concerned or interested in the said resolution.

The Board recommends above resolutions to be passed as an ordinary resolution.

INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AS REQUIRED UNDER SEBI (LODR) Regulations, 2015.

Particulars	Mr. Kewalkrishnakumar
Date of Birth	05.10.1953
Date of Appointment	14.08.1997
Expertise in specific functional area	Wide Business experience across a variety of industries
Directorship held in other Companies	<ul style="list-style-type: none"> • Shakti Bhog Foods Limited • Shakti Bhog Snacks Limited • Dash Exports Private Limited • Goal Securities and Credits Limited • Suresh Industries Private Limited • Bikaner Foods Private Limited • V.M. Agro Private Limited
Membership / Chairmanships of Committees of other public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	
Number of shares held in the Company	Nil

Date: 05.10.2016

Place: New Delhi

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

Rahul Thakur
Company Secretary
PAN: ALXPT1553B

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:.....

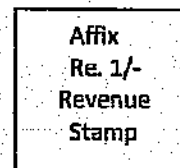
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company at 11th FLOOR, PEARLS BUSINESS PARK, NETAJI SUBHASH PLACE, PITAMPURA, NEW DELHI- 110034 at 12.30 P.M. on TUESDAY, NOVEMBER15, 2016and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.
1.....
2.....
3.....
4.....

Signed this..... day of..... 2016

Signature of shareholder

Signature of Proxy holder(s)



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.

ATTENDANCE SLIP

DP ID*

Folio No.

Client ID*

No. of Shares

Name of the Shareholder:

I hereby record my presence at the 25th Annual General Meeting at 11TH FLOOR, PEARLS BUSINESS PARK, NETAJI SUBHASH PLACE, PITAMPURA, DELHI- 110034 at 12.30 P.M. on TUESDAY, 15TH NOVEMBER, 2016

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.

KUMAR FOOD INDUSTRIES LIMITED
CIN L15310DL1991PLC043456
 (Regd. Office: 71/1, SIRASPUR DELHI -110042, Ph. No.011- 273587808)

Sr. No.:

Registered Folio No/DP ID No/ Client ID No:
 No of share(s) held:

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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 & Regulation 44 of SEBI (LODR) Regulations 2015, 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 25th Annual General Meeting of the company to be held on Tuesday, 15th November 2016 at 12.30 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:

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

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

<i>Commencement of e-voting</i>	<i>12th November, 2016 at 5.00 P.M.</i>
<i>End of e-voting</i>	<i>14th November, 2016 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 25th Annual General Meeting to be held on 15th November, 2016. The cut-off date (i.e. the record date) for the purpose of e-voting is 11th November, 2016.

Place: New Delhi
 Date: 05th October, 2016

Yours Faithfully
 For Kumar Food Industries Limited



DIRECTOR'S REPORT

To
The Members,
Kumar Food Industries Limited

Your Directors have pleasure in presenting the 25th Annual Report and the business & operations of the Company **Kumar Food Industries Limited** for the financial year ended 31st March 2016.

FINANCIAL RESULTS

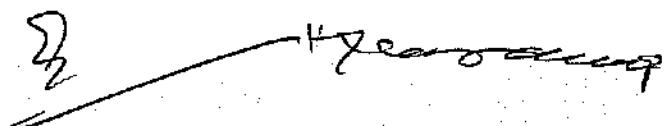
The summary of the financial performance of the Company for the financial year ended 31st March, 2016 compared to the previous year ended 31st March, 2015 are given below:

Particulars	(Rupees in Lakh)	
	2015-16	2014-15
Profit before Depreciation, Financial Expenses & Tax	1.53	2.33
Profit before Depreciation, Financial Expenses & Tax	1.53	2.33
Less: Financial Expenses	1.48	1.77
Less: Depreciation & Miscellaneous Expenses written Off	0.05	0.06
Profit(Loss) before tax	0.001	0.50
Less: Current Tax	0.00	0.20
Less: Deferred Tax	0.07	0.02
Profit(Loss) for the period from continuing operations	0.07	0.28
Less: Income tax for earlier year	0.00	0.00
Less: Prior period adjustments	0.00	0.00
Profit for the year	0.07	0.28

SHARE CAPITAL

The Paid up Equity Share Capital of the Company as on 31st March, 2016 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.



REVIEW OF OPERATIONS

During the year under review, the Company's revenue has increased to Rs. 143.83 Crores as compared to sales of Rs. 128.31 Crores during the preceding financial year. The Profit after tax was at Rs. 6.91 lacs as against Rs. 27.34 lacs for the previous year.

EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure A"

NUMBER OF MEETINGS OF THE BOARD

The Board met 05 (Five) times during the financial year, the details of which are given under the Corporate Governance report that forms part of this Annual Report. The intervening gap between the any two meetings was within the period prescribed by the Companies Act, 2013.

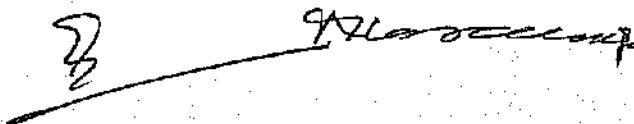
DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a year and of the profit or loss of the Company for the year under review.
- iii) The directors have 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.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each independent Director u/s 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in u/s 149(6) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.



STATUTORY AUDITORS

M/s Raman Bhuraria & Associates, Chartered Accountants, Delhi, hold office until the conclusion of the 24th Annual General Meeting of the Company to be held in year 2017, subject to ratification of their appointment at every AGM and have confirmed their eligibility and willingness to accept the office of the Auditors, if ratified by the members at the forthcoming AGM.

The Auditors Report for the financial year 2015-2016 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the financial statements in this Annual Report.

SECRETARIAL AUDITOR

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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.

As required under section 204 (1) of the Companies Act, 2013 the Company has obtained a Secretarial Audit Report that does not contain any qualification, reservation or adverse remark. The Secretarial Audit report is annexed herewith as "Annexure B".

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Loans, Guarantees and Investments u/s 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

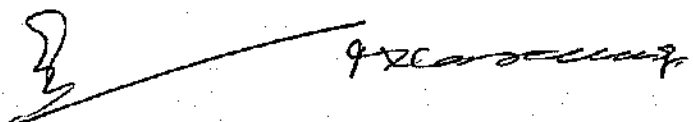
PARTICULARS OF CONTRACTS OR ARRANGEMENT MADE WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as "Annexure C" to the Board's report.


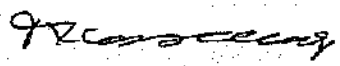
POLICIES

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 mandated the formulation of certain policies for all Listed Companies. The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

In addition to its Code of Conduct and Ethics, key policies that have been adopted by the Company are as follows:



S.no	Name of the Policies	Brief Description
1.	Nomination and Remuneration policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive/ non-executive) and also the criteria for determining the remuneration of the Directors, KMP and other employees.
2.	Policy for Determining Materiality for Disclosures	This policy applies to disclosures of material events affecting the Company. This policy is in addition to the Company's corporate policy statement on investor relations, which deals with the dissemination of unpublished price sensitive information. The Company is committed to being open and transparent with all stakeholders.
3.	Code of Conduct for Director and Senior Managerial Persons	The Company in its Board of Directors Meeting has approved the "Code of Conduct" applicable for all Board members and senior managerial persons. As per requirements of the listing agreement a copy of "Code of Conduct" was sent to all Directors. A copy of the same is also available at Registered Office of the Company.
4.	Policy for Preservation Documents	In terms of Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of company has adopted this Policy for Preservation of Documents.
5.	Vigil Mechanism/ Whistle-Blower Policy	The Company has adopted the whistleblower mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics.
6.	Related Party Transaction Policy	All material transactions entered into with related parties as defined under the Act and Regulation 23 of SEBI Listing Regulations during the financial year were in the ordinary course of business. These have been approved by the audit committee. The board has approved a policy for related party transactions.
7.	Insider Trading Policy	The policy provides the framework in dealing with securities of the Company.
8.	Anti-Sexual Harassment Policy	The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to

redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2015-2016, no complaints were received by the Company related to sexual harassment

<p>9. Risk Management Policy</p>	<p>Your Company has established a comprehensive risk management policy to ensure that risk to the Company's continued existence as a going concern and to its development are identified and addressed on timely basis.</p>
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INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established internal control systems which is adequate commensurate with its size and nature of operations so as to ensure smoothness of operations and compliance with applicable legislation.

TERMS AND CONDITION OF INDEPENDENT DIRECTOR

The terms and conditions of appointment of the Independent Directors are subject to the extant provisions of the applicable laws, including the Companies Act, 2013 ('2013 Act') , Regulation 25 of SEBI(Listing Obligation and Disclosure Requirement) Regulation,2015 and Articles of Association of the Company.

CODE OF PRACTICES AND PROCEDURE FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

In accordance with SEBI (Prohibition of Insider Trading) Regulation, 2015, the Board of Directors has adopted the Code of Practices and Procedure for fair disclosure of Unpublished Price Sensitive Information to be followed by Directors, Employees and other connected persons.

SIGNIFICANT AND MATERIAL ORDERS

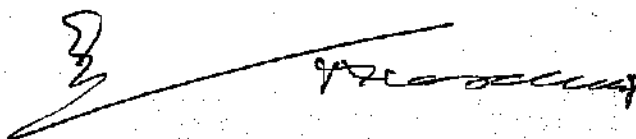
There are no significant material orders passed by the regulators/courts which would impact going concern status of the Company and its future operations.

CASH FLOW STATEMENT

In conformity with the provisions of Regulation 34(2)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Cash Flow Statement for the year ended on 31st March, 2016 is attached as a part of the Annual Accounts of the Company.

FRAUD REPORTING

There have no fraud reported by the Auditors of the Company to the Audit Committee or the Board of Directors under sub-section (12) of section 143 of the Companies Act, 2013 during the financial year.



TRANSFER TO RESERVES

The Company does not propose to transfer any amount to reserves.

DIVIDEND

In view of the fund needed for Business opportunities, your Directors do not recommend any Dividend for the Financial Year ended on 31st March, 2016.

STATUTORY INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGES AND 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 D" and forming part of the Directors' Report.

BOARD EVALUATION

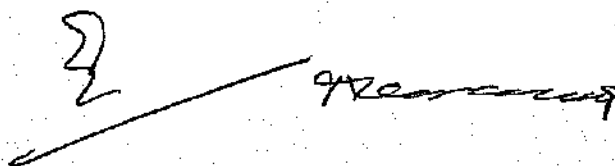
The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

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.



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.

The Company had, pursuant to the provisions of Regulation 17 of the SEBI Listing Regulations entered into with Stock Exchanges, appointed Mr. Manohar Lal Narang & Mr. Sanjeev Chopra 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 necessary declaration from each Independent Directors under Section 149(7) of the Companies Act, 2013, that He meets the criteria of independence as laid down under Section 149(6) of the Act and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

During the year under Review, Mrs. Sunanda, Director of the Company stepped down from the Board on 01.12.2015 respectively due to ill health. The Board wishes to place on record its deep sense of appreciation for the valuable contributions made by her to the Board and the Company during their tenure as Director.

Due to some personal reasons, Ms. Shruti Agarwal had 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.

Ms. Manju Sharma was appointed as Additional Director of the Company w.e.f. 20th June, 2016, whose appointment was end on the date of ensuing general meeting.

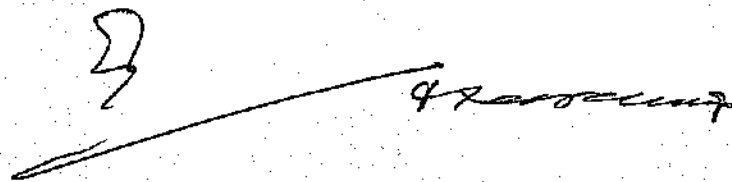
The Board of Directors recommends the resolutions in relation to appointment of Ms. Manju Sharma as Director of the Company, for approval of the shareholders of the Company in the ensuing Annual General Meeting.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Kewal Krishan Kumar (holding DIN:00042504), 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.

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.

AUDIT COMMITTEE

Details pertaining to composition of Audit Committee are included in the report on Corporate Governance. All the recommendations made by Audit Committee were accepted by Board.



CHIEF FINANCIAL OFFICER

The Board of Directors has appointed Mr. Naveen Kumar, as Chief Financial Officer of the Company as required under the provision of section 203 of Companies Act, 2013.

COMPANY SECRETARY

The Board of Director has appointed Mr. Rahul Thakur, as Company Secretary of the Company as required under the provision of section 203 of Companies Act, 2013.

SUBSIDIARIES

The Company does have one Subsidiary company i.e. V.M. Agro Pvt. Ltd.

PUBLIC DEPOSITS

Pursuant to the provision of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, the Company has not accepted any deposits from the public during the Financial Year 2015-16.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

The Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexure.,

INDUSTRIAL RELATIONS

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

INVESTOR RELATIONS

Your Company always endeavors to keep the time of response to shareholders request/grievance at the minimum. Priority is accorded to address all the issues raised by the shareholders and provide them a satisfactory reply at the earliest possible time. The Shareholders Grievances Committee of the Board meets periodically and reviews the status of the Shareholders Grievances.

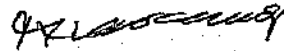
PARTICULARS OF EMPLOYEES

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 E".

ACKNOWLEDGMENT

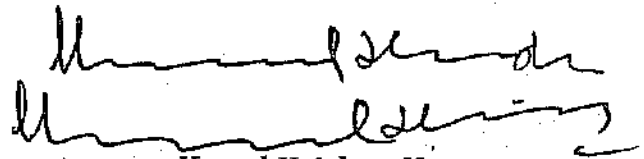
Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and member during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives and staff.

By order of the Board
For Kumar Food Industries Limited



Manohar Lal Narang
Director
DIN: 06965822

Address: GH-13/942, S.F. Flats G H B
Paschim Vihar New Delhi-110063



Kewal Krishan Kumar
Director
DIN: 00042504

15/61, West Punjabi Bagh
New Delhi-110026

Place: Delhi
Dated: 05.10.2016

Annexure A

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
 as on financial year ended on 31.03.2016
 (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:

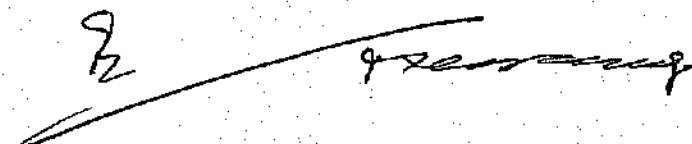
1.	CIN	L15310DL1991PLC043456
2.	Registration Date	13.03.1991
3.	Name of the Company	Kumar Food Industries Limited
4.	Category/Sub-category of the Company	Company Limited By Shares/ Indian Non-Government Company
5.	Address of the Registered office & contact details	71/1, Siraspur, Delhi -110042 Tel:011-27357808 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	58.83
2	Cattle Feed	107	8.09
3	Chana Dal	107	33.08

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	218400	204000	422400	14.08	423200	NIL	423200	14.11	+0.03
b) Central Govt	0	0	0	0	NIL	NIL	NIL	NIL	0
c) State Govt(s)	0	0	0	0	NIL	NIL	NIL	NIL	0
d) Bodies Corp.	0	1818700	1818700	60.62	145000	1673700	1818700	60.62	0
e) Banks / FI	0	0	0	0	NIL	NIL	NIL	NIL	0
f) Any other	0	0	0	0	NIL	NIL	NIL	NIL	0
Total shareholding of Promoter (A)	218400	2022700	2241100	74.70	568200	1673700	2241900	74.73	+0.03
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	NIL	NIL	NIL	NIL	0
b) Banks / FI	0	0	0	0	NIL	NIL	NIL	NIL	0

c) Central Govt.	0	0	0	0	0	0	0	NIL	NIL	NIL	0
d) State Govt(s)	0	0	0	0	0	0	0	NIL	NIL	NIL	0
e) Venture Capital Funds	0	0	0	0	0	0	0	NIL	NIL	NIL	0
f) Insurance Companies	0	0	0	0	0	0	0	NIL	NIL	NIL	0
g) FIIs	0	0	0	0	0	0	0	NIL	NIL	NIL	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	NIL	NIL	NIL	0
i) Others (specify)	0	0	0	0	0	0	0	NIL	NIL	NIL	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	NIL	NIL	NIL	0
2. Non-Institutions											
a) Bodies Corp.	0	1000	1000	0	0.03	0	0	1000	1000	0.03	0
i) Indian	0	0	0	0	0	0	0	NIL	NIL	NIL	0
ii) Overseas	0	0	0	0	0	0	0	NIL	NIL	NIL	0
b) Individuals	17500	620300	637800	17500	21.26	17500	619500	637000	21.23	-0.03	
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh											

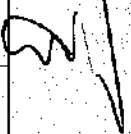


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ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	120100	120100	4.00	NIL	120100	120100	4.00	0
c) Others (specify)	0	0	0	0	NIL	NIL	NIL	NIL	0
Sub-total (B)(2):-	17500	741400	758900	25.30	17500	740600	758100	25.27	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	17500	741400	758900	25.30	17500	740600	758100	25.27	-0.03
C. Shares held by Custodian for GDRs & ADRs									
-----Not Applicable-----									
Grand Total (A+B+C)	235900	2764100	3000000	100	585700	2414300	3000000	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	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% of Shares Pledged / encumbered to total shares	
1	Kewal Kishan Kumar	218500	7.28	0	7.28	218500	7.28	0	0	0
2	Sunanda Kumar	132700	4.42	0	4.42	132700	4.42	0	0	0
3	Bhawna Kumar	10600	0.35	0	0.35	10600	0.35	0	0	0


Prakash

4	Siddharth Kumar	10400	0.35	0	11200	0.37	0	+0.02
5	Divyarth Kumar	50200	1.67	0	50200	1.67	0	0
6	Shakti Bhog Snacks Ltd.	35400	1.18	NIL	35400	1.18	NIL	0.00
7	Elanza Investments Pvt. Ltd.	100000	3.33	NIL	100000	3.33	NIL	0.00
8	KDM Media Pvt. Ltd.	116100	3.87	NIL	116100	3.87	NIL	0.00
9	Fruto Freesh Industries Pvt. Ltd.	126700	4.22	NIL	126700	4.22	NIL	0.00
10	Divyarth Health Care Pvt. Ltd.	132400	4.41	NIL	132400	4.41	NIL	0.00
11	Bhawna Portfolio Pvt. Ltd.	140000	4.67	NIL	140000	4.67	NIL	0.00
12	Phlox Portfolio Pvt. Ltd.	142100	4.74	NIL	142100	4.74	NIL	0.00
13	Dash Exports Pvt. Ltd.	143900	4.80	NIL	143900	4.80	NIL	0.00
14	Vital Holdings Pvt. Ltd.	144000	4.80	NIL	144000	4.80	NIL	0.00
15	Shakti Bhog Foods Ltd.	145000	4.83	NIL	145000	4.83	NIL	0.00
16	Kalyani Finvest Pvt. Ltd.	145400	4.85	NIL	145400	4.85	NIL	0.00
17	Vizzy Finvest Pvt. Ltd.	148700	4.96	NIL	148700	4.96	NIL	0.00
18	Goal Securities and Credits Ltd.	149000	4.97	NIL	149000	4.97	NIL	0.00
19	Divyarth Leasing and Finance Pvt. Ltd	150000	5.00	NIL	150000	5.00	NIL	0.00



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

S.No.	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	422400	14.08	422400	14.08
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.):	18.08.2015 Transfer of 800 shares from Mr. Surinder Ahuja	-	-	-
3.	At the end of the year	423200	14.11	423200	14.11

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.	Kewal Kishan Kumar	218500	7.28	218500	7.28

[Handwritten Signature]

	Divyarth Leasing And Finance Private Limited	150000	5.00	150000	5.00
2.	Goal Securities And Credits Limited	150000	5.00	149000	4.97
3.	Vizzy Finvest Private Limited	149000	4.97	148700	4.96
4.	Kalyani Finvest Private Limited	148700	4.96	145400	4.85
5.	Shakti Bhog Foods Limited	145400	4.85	145000	4.83
6.	Vital Holdings Private Limited	145000	4.83	144000	4.80
7.	Dash Exports Private Limited	144000	4.80	143900	4.80
8.	Phlox Portfolio Private Limited	143900	4.80	142100	4.74
9.	Bhawna Portfolio Private Limited	142100	4.74	140000	4.67
10.	Divyarth Health Care Private Limited	140000	4.67	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	31.03.2016	-	218500	7.28	218500	7.28
2.	Mr. Siddharth Kumar	18.08.2015	Transfer of 800 shares from Mr. Surinder Ahuja	10400	0.35	11200	0.37
3.	Mr. Krishan Kumar Sharma	31.03.2015	-	6500	0.22	6500	0.22


Responsible

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	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
Change in Indebtedness during the financial year				
* Addition	1,527,929	-	-	1,527,929
* Reduction	-	-	-	-
Net Change	1,527,929	-	-	1,527,929
Indebtedness at the end of the financial year				
i) Principal Amount	102,571,988	-	-	102,571,988
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	102,571,988	-	-	102,571,988

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

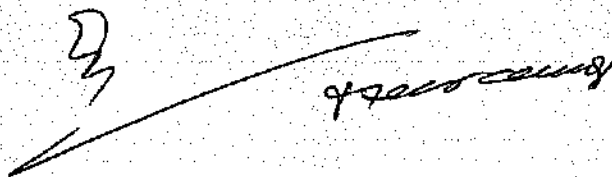
S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		MANAGER				
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	300000	0	0	0	300000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	226623	0	0	0	226623
	(c) Profits 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	0
4	Commission - as % of profit - others, specify...	0	0	0	0	0
5	Others, please specify	0	0	0	0	0




	Total (A)	526,623	0	0	0	526,623
	Ceiling as per the Act	0	0	0	0	0

B. Remuneration to other directors: Nil**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD
(Per annum in Rs.)**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary		Mr. Rahul Thakur	Mr. Naveen Kumar	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Not Applicable	175877	233967	409844
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Not Applicable	145414	133879	279293
	(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	321291	367846	689137



VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.

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



**Place: Delhi
Dated: 05.10.2016**

**Manohar Lal Narang
Director
DIN: 06965822
Address: GH-13/942, S.F. Flats G H B
Paschim Vihar New Delhi-110063**

**Kewal Krishan Kumar
Director
DIN: 00042504
15/61, West Punjabi Bagh
New Delhi-110026**

MAMTA JAIN & ASSOCIATES
Practicing Company Secretaries
D-32 Kamla Nagar, New Delhi - 110 007
Telefax : 2384 5069 Email : sandeshjain@gmail.com

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2016

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

To,

To,

The Members,

Kumar Food Industries Limited

71/A, Siraspur Delhi, North West, Delhi 110042

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Kumar Food Industries Limited for the financial year ended on 31 March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period);
 - (d) The Company has complied with the provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase



Scheme) Guidelines, 1999; and The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period)

- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period); and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period)
- (vi) Other laws applicable to the Company as per the representations made by the Company.

We have also examined compliance with the applicable clauses 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 Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. 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 clarifications 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 the minutes, wherever required.

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 : 05/10/2016

For Mamta Jain & Associates
Practising Company Secretaries


(Mamta Jain)

ACS No. 2794

C P No.: 1686



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

'APPENDIX A'

To,

The Members,
Kumar Food Industries Limited
71/1, Siraspur Delhi, North West, Delhi 110042

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

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

Place : Delhi

Date : 05/10/2016

For Mamta Jain & Associates
Practicing Company Secretaries


(Mamta Jain)

ACS No. 2794

CP No.: 1686



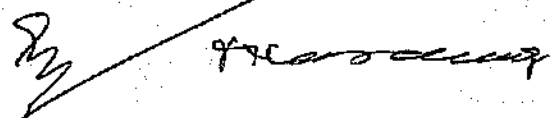
Annexure C**FORM NO. AOC-2**

(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 transaction under third proviso thereto.

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

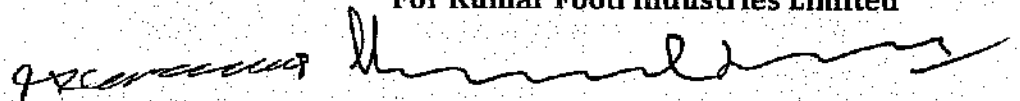
a. Name of the related party and nature of relationship:	M/s Shakti Bhog Foods Limited Enterprises which are owned or have significant influence of the KMP & their Relatives. Mr. Kewal Krishan Kumar, Mrs. Sunanda, Mr. Siddharth Kumar are common Directors and Promoters carry shareholding Interest & Mr. Krishan Kumar Sharma is also a common Director.	M/s Shakti Bhog Snacks Limited Enterprises which are owned or have significant influence of the KMP & their Relatives. Mr. Kewal Krishan Kumar, Mrs. Sunanda and Mr. Siddharth Kumar are common Directors.
b. Nature of contracts/arrangements/transactions:	i. Sale & Purchase of goods. ii. Leasing of Property	i. Sale & Purchase of goods. ii. Leasing of Property
c. Duration of the contracts/arrangements/transactions:	05 Years	05 Years
d. Salient terms of the contracts or arrangements or transactions including the value, if any:	- For the sale/purchase of products on principal to principal basis, the value of such contract shall not exceed Rupees Two Hundred Crores only per annum. - Leasing of property exceeding Rupees Fifteen Lacs per annum.	- For the sale/purchase of products on principal to principal basis, the value of such contract shall not exceed Rupees One Hundred Crores only per annum. - Leasing of property exceeding Rupees Fifteen Lacs per annum.
e. Justification for entering into	The major part of the turnover of the Company is generated from	



such contracts or arrangements or transactions:	M/s Shakti Bhog Foods Limited	
f. Date of approval by the Board:	12 th February, 2015	12 th February, 2015
g. Amount paid as advances, if any:	NIL	NIL
h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	13 th March, 2015	13 th March, 2015

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: 05.10.2016

Manohar Lal Narang
Director
DIN: 06965822
Address: GH-13/942, S.F. Flats G H B
Paschim Vihar New Delhi-110063

Kewal Krishan Kumar
Director
DIN: 00042504
15/61, West Punjabi Bagh
New Delhi-110026

Annexure D**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.

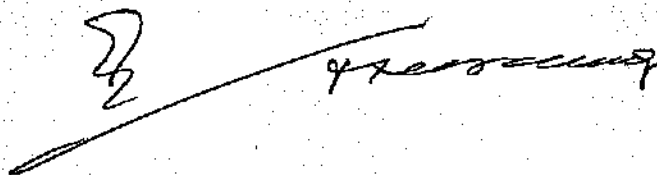
2. Technology Absorption, Adoption and Innovation

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



Annexure E**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 remuneration of each director to the median remuneration of the employees of the Company for the financial year 2015-16:

Not applicable as no remuneration has been paid to the directors of the Company for the Financial Year 2015-16.

- 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 FY 2015-16 so the calculation for them also is not feasible.

- c. The percentage increase in the median remuneration of employees in the financial year: Every member can inspect the said document at the registered office of the Company during the working hours.

- d. The number of permanent employees on the rolls of Company: 44

- e. 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.

- f. The key parameters for any variable component of remuneration availed by the directors: Not Applicable

- g. 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.

Certificate by the Managing Director and Chief Financial Officer on compliance with the condition of Compliance Certificate under Regulation 17(B) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**The Board of Directors
Kumar Food Industries Ltd**

We hereby certify that for the Financial Year 2015-16:

1. We have reviewed the financial statements and the cash flow statement for the year and that to the 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 during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
 3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of 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 internal control over financial reporting during the year;
 - b. significant changes in accounting policies during the year 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 therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Delhi

Dated: 05.10.2016



(Naveen Kumar)

Chief Financial Officer

Address: R-1/60, Phase-1

Budh Vihar Delhi 110086

MANAGEMENT DISCUSSION & ANALYSIS REPORT

OVERVIEW

The financial statements have been prepared in Compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and the Generally Accepted Accounting Principles (GAAP) in India. Our management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

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.

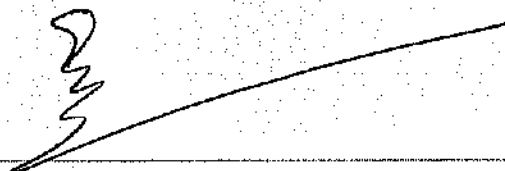
THE OPPORTUNITIES:

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. 143.83 Crores.

The profit after tax was declined to Rs. 0.07 Crores as compared to Rs. 0.28 Crores in the previous year.

Other Expenses has decreased from Rs. 6.68 Crores to Rs. 5.39 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, 2016 was approximately 44. Further, 5 Employees were resigned and 3 new employees were joined the Company during the year under review.

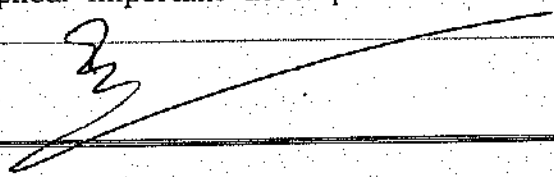
OUTLOOK, RISKS AND CONCERNS

This section lists forward-looking statements that involves risks and uncertainties. Our actual results could differ materially from those anticipated in these statements as a result of certain factors. Our Outlook, risks and Concerns inter-alia as follows:

1. Our revenues and expenses are difficult to predict and can vary significantly from period to period.
2. Our success depends in large part upon our management team and key personnel, and our ability to attract and retain them.

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.

Place: Delhi
Dated: 05.10.2016



(Kewal Krishan Kumar)
Executive Director



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 2016, 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 our 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 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 2016 and its profit and cash flows for the year ended on that date.

Other matter:

Most of the financial and other records of the company maintained at the registered office were destroyed by a major fire on 24.4.2016. We have conducted our audit on the basis of residue original record, records obtained by third parties, other corroborative evidence available in paper or electronic form. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure – 1 a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.



- c) 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;
- d) 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;
- e) 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;
- f) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "Annexure - 2" ; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company 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



Raman

(Raman Bhuraria)

Partner

Membership No: 087719

Place: New Delhi.

Dated: 05/10/2016

Annexure 1 referred to in paragraph 7 of our report of even date under heading "Report on Other Legal and Regulatory Requirements"

Re: Kumar Food Industries Limited.

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, the provisions of section 185 and 186 of the Companies Act, 2013 is not applicable to the Company during the year under review
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 and 76 of the Companies Act 2013.
6. The Central Government has not 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, duty of customs, value added tax, cess and other material statutory dues in arrears as at 31 March 2016 for a period of more than six months from the date they became payable. However, the overdue liability outstanding for a period of more than six months relating to the following dues is yet to be paid:

Nature of liability	Amount (in Rs.)	Period of liability
Income Tax	8,930,836	FY 2012-13
Income Tax	3,424,426	FY 2013-14
Income Tax	2,279,129	FY 2014-15
Service Tax	1,030,193	FY 2014 to 2016
TDS	1,204,590	FY 2015-16
WCT	4,076,360	FY 2014 to 2016
	20,945,534	

- 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. According to the records of the Company examined by us and information & explanation given to us, during the year under audit the Company has delayed in the repayment of Interest on Working Capital Loan from State Bank of India as per the chart below:-

Sl No	Period of delays	Amount
1	Upto 30 Days	81,85,930
2	31 to 44 days	21,96,246

However these defaults have been made good during the year itself and no default is continued as on the balance sheet date.

The Company did not have any debenture outstanding at anytime during the year. Hence, the question of default in repayment of dues to debenture holders does not arise.

9. The company has not raised any money by initial public offer, further public offer or debt instrument during the year. The Company did not have any term loan outstanding during the year.
10. According to the information and explanations given to us, no fraud by the company or on the company by any officer or employee has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the company, the managerial remuneration paid during the year is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion and according to information and explanations given to us, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and the relevant details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or debentures.
15. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act , 2013.



16. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.

FOR RAMAN BHURARIA ASSOCIATES

Chartered Accountants

Firm Registration No. 009103N



Raman

(Raman Bhuraria)

Partner

Membership No: 087719

Place: New Delhi.

Dated: 05/10/2016

Annexure 2 – Annexure referred to in paragraph 8(h) of our report of even date under the heading "Report on Other Legal and Regulatory Requirements"

Report on the Internal Financial Control sunder Clause (l) of Sub – section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kumar Food Industries Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting.

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company does not have in all material respects, an adequate internal financial controls system over financial reporting and thus we cannot comment that such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR RAMAN BHURARIA ASSOCIATES

Chartered Accountants

Firm Registration No. 009103N



(Raman Bhuraria)

Partner

Membership No: 087719

Place: New Delhi.

Dated: 05/10/2016

KUMAR FOOD INDUSTRIES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2016

(in ₹)

Particulars	Note No.	As at	
		31st March, 2016	31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	3,00,00,000	3,00,00,000
Reserves & Surplus	3	8,61,02,638	8,54,11,242
		11,61,02,638	11,54,11,242
Non Current Liabilities			
Long Term Borrowings	4	-	-
Deferred Tax Liabilities(net)	5	(6,63,625)	17,003
Long Term Provisions	6	29,34,340	17,49,490
		22,70,515	17,66,493
Current Liabilities			
Short Term Borrowings	7	10,25,71,988	10,10,44,059
Trade Payables	8	10,99,86,923	7,17,86,162
Other Current Liabilities	9	2,95,10,954	6,33,35,398
Short Term Provisions	10	14,43,876	37,85,360
		24,35,13,743	23,99,30,987
TOTAL		36,18,86,896	35,71,08,723
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	3,75,57,332	3,37,04,163
Intangible Assets		-	-
Capital Work In Progress	12	12,60,76,333	12,52,33,839
Non Current Investments	13	1,19,36,000	1,19,36,000
Long Term Loans & Advances	14	14,16,914	19,20,434
		17,69,86,579	17,27,54,436
Current Assets			
Current Investments			
Inventories	15	12,97,39,912	17,52,79,942
Trade Receivables	16	5,27,94,850	19,35,332
Cash & Cash Equivalents	17	10,66,510	18,77,351
Short Term Loans & Advances	18	10,33,116	10,49,953
Other Current Assets	19	2,65,928	2,21,709
		18,49,00,316	18,43,14,287
TOTAL		36,18,86,895	35,71,08,723
Notes forming part of the financial statements			

AS PER OUR REPORT ON EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR RAMAN BHURARIA & ASSOCIATES

CHARTERED ACCOUNTANTS

FIRM REGISTRATION NO. 008103N

(RAMAN BHURARIA)

PARTNER

M. No. 087719

(KEWAL KRISHAN KUMAR)

DIRECTOR

DIN-00042504

(NAVEEN KUMAR)

CHIEF FINANCIAL OFFICER

(RODIN KUMAR)

DIRECTOR

DIN-00042518

(RAHUL THAKUR)

COMPANY SECRETARY

M. No-35840

Place: New Delhi

Date: 05th October 2016



KUMAR FOOD INDUSTRIES LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(In ₹)

Particulars	Notes No.	As at	
		31st March, 2016	31st March, 2015
INCOME			
Revenue from Operations	20	1,43,83,10,380	1,28,30,50,457
Other Income	21	5,11,350	11,47,093
Total Revenue:		1,43,88,40,700	1,28,41,97,544
EXPENDITURE			
Cost of Material Consumed	22	1,28,56,51,034	1,25,65,21,861
Changes in Inventories of Finished Goods and work in Progress	23	8,99,06,507	(7,46,40,495)
Employees Benefit Expenses	24	1,49,64,483	1,42,48,353
Finance Costs	25	1,48,34,717	1,77,15,719
Depreciation & Amortisation Expenses	26	1,03,104	5,79,232
Other Expenses	27	5,38,80,025	6,08,05,110
Total Expenses:		1,45,88,29,942	1,27,32,19,779
Profit Before Tax		10,768	49,67,765
Tax Expense		-	20,43,523
Current Tax		-	1,89,388
Deferred Tax		(6,80,628)	-
Profit [Loss] for the period from continuing operations		6,91,396	27,34,654
Income Tax For Earlier Year		-	-
Interest on Income Tax Earlier Year		-	-
Profit for the year		6,91,396	27,34,654
Earning Per Equity Share (Refer Note No. 30)			
Basic		0.23	0.91
Diluted		0.23	0.91
Notes forming part of the financial statements	1-44		

AS PER OUR REPORT ON EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR RAMAN BHURARIA & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 009103M
Raman Bhuraria
(RAMAN BHURARIA)
PARTNER
M. No. 087719

Kishan Kumar
(KUNAL KRISHAN KUMAR)
DIRECTOR
DIN-00042504

Buddharth Kumar
(BUDDHARTH KUMAR)
DIRECTOR
DIN-01038518

Place: New Delhi
Date: 05th October 2016

Navin Kumar
(NAVEEN KUMAR)
CHIEF FINANCIAL OFFICER

Rahul Thakur
(RAHUL THAKUR)
COMPANY SECRETARY
M. No: 36840



KUMAR FOOD INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(In ₹)

PARTICULARS	31.03.2016	31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	10,768	49,67,765
Adjustments for:		
Depreciation	5,03,104	5,79,232
Provision for gratuity & Leave Encashment	9,23,294	8,23,491
Misc. Income	(5,21,330)	(10,81,118)
Interest Expenses	1,43,31,939	1,73,09,189
Profit on Sale of Fixed Assets	880	(65,975)
loss on sale of car	-	-
Operating Profit/(Loss) before Working Capital Changes	1,52,48,656	2,25,32,584
Adjustments for:		
Less: Increase in :		
(Increase)/(Decrease in Trade & Other Receivables	(5,03,57,012)	86,69,074
(Increase)/(Decrease in Inventories	4,95,40,030	(3,24,06,415)
Increase/(Decrease) in Sundry Creditors and other payables	22,58,919	5,57,52,966
Cash Generated from Operations	1,66,90,593	5,45,48,209
Income tax paid	(30,896)	31,22,637
Net cash flow from Operating activities	1,67,21,488	5,14,25,572
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Fixed assets	(45,37,154)	-
Increase in Capital Work in Progress	(8,42,494)	(3,34,52,944)
Misc. Income	5,21,330	10,81,118
Sale of Fixed Assets	1,80,000	90,000
Net Cash used in Investing Activities	(46,78,319)	(3,22,81,827)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Share Capital	-	-
Increase/(Decrease) in long term/ short term Borrowings	15,27,929	(10,04,211)
Interest paid	(1,43,31,939)	(1,73,09,189)
Net Cash used in Financing Activities	(1,28,04,010)	(1,83,13,400)
Net Increase/ Decrease in cash and cash equivalents	(7,60,841)	8,30,345
Opening Balance of cash and cash equivalents	18,27,351	9,97,006
Closing Balance of cash and cash equivalents	10,66,510	18,27,351

AS PER OUR REPORT ON EVEN DATE

FOR AND ON BEHALF OF THE BOARD

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

(RAMAN BHURARIA)
PARTNER
M. No. 087719

(KEWAL KRISHAN KUMAR)
DIRECTOR

DIN:-00042504

(NAVEEN KUMAR)
CHIEF FINANCIAL OFFICER

(SIDDHARTH KUMAR)
DIRECTOR

DIN:-00042518

(RAHUL THAKUR)
COMPANY SECRETARY

M. No.-36840

Place: New Delhi
Date: 05th October 2016



	As at 31st March, 2018	As at 31st March, 2015		
2 SHARE CAPITAL:				
Authorised Share Capital: 35,00,000 Equity Shares of ₹ 10/- each (Previous year 35,00,000 Equity Shares of ₹ 10/- each)	3,50,00,000	3,50,00,000		
	<u>3,50,00,000</u>	<u>3,50,00,000</u>		
Issued, Subscribed & Paid Up:				
30,00,000 Equity Shares of ₹ 10/- each, fully paid up (Previous year 30,00,000 Equity Shares of ₹ 10/- each, fully paid up)	30,00,00,000	30,00,00,000		
	<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 3% of the aggregate shares in the company				
Name of Shareholders	No. of Shares held	% of holding	No. of Shares held	% of holding
a). Equity Shares				
Keval Kishan Kumar	218500	7.28	218500	7.28
Divyarth Leasing and Finance Private Limited	150000	5.00	150000	5.00
3 RESERVES & SURPLUS:				
(a) General Reserve				
Opening Balance	-	-	-	-
(+) Current year transfer	-	-	-	-
(-) Written back in current year	-	-	-	-
Closing Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(b) Security Premium Account				
Opening Balance	-	-	-	-
(+) Amount credited on share issue	-	-	-	-
(-) Premium utilised	-	-	-	-
Closing Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(c) Surplus in Profit & Loss account				
As per last financial statements	8,54,11,242		8,26,76,586	
Add: Profit for the year	6,91,396		27,34,656	
Profit Available for Appropriation	<u>8,61,02,638</u>		<u>8,54,11,242</u>	
Dividend paid	-		-	
Corporate dividend Tax	-		-	
Transfer to reserves	-		-	
Other Appropriation	-		-	
Closing Balance	<u>8,61,02,638</u>		<u>8,54,11,242</u>	
GRAND TOTAL (a+b+c)	<u>8,61,02,638</u>		<u>8,54,11,242</u>	



Kumar Food Industries Limited
FY- 2015 - 16

Note 11

Fixed Assets

Tangible Assets

Particulars	Land	Building	Plant & Machinery	Furniture	Vehicles	office equipment	Total
Cost							
at 01 April 2014	2,41,64,730	86,17,425	1,57,81,501	4,73,074	79,18,944	6,55,868	5,76,11,542
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	4,80,500	-	4,80,500
As at 31 March, 2015	2,41,64,730	86,17,425	1,57,81,501	4,73,074	74,38,444	6,55,868	5,71,31,042
Additions	45,37,154	-	-	-	-	-	45,37,154
Disposals	-	-	-	-	74,38,444	-	74,38,444
As at 31 March, 2016	2,87,01,884	86,17,425	1,57,81,501	4,73,074	-	6,55,868	5,42,29,752
Depreciation							
at 01 April 2014	-	28,08,043	1,21,58,883	3,92,769	76,68,819	2,75,608	2,33,04,122
Charge for the year	-	2,96,325	1,96,888	15,830	45,220	24,969	5,79,232
Disposals	-	-	-	-	4,56,475	0	4,56,475
As at 31 March, 2015	-	31,04,369	1,23,55,771	4,08,599	72,57,564	3,00,577	2,34,26,879
Charge for the year	-	4,03,691	61,960	2,213	-	35,241	5,03,104
Disposals	-	-	-	-	72,57,564	-	72,57,564
As at 31 March, 2016	-	35,08,059	1,24,17,731	4,10,812	-	3,35,817	1,66,72,419
Net Block							
As at 31 March, 2015	2,41,64,730	55,13,056	34,25,730	64,475	1,80,880	3,55,291	3,37,04,163
As at 31 March, 2016	2,87,01,884	51,09,366	33,63,770	62,262	-	3,20,050	3,75,57,332

Note 12

CAPITAL WORK IN PROGRESS

As at 31 March, 2013
 As at 31 March, 2014

12,62,33,839
 12,60,76,333



13 NON CURRENT INVESTMENT:

Non Trade Investment(Fully Paid up)

a Investment in Equity Instruments of Associates Concern

Shakti Bhog Foods Ltd. 356710(Previous year 356710) equity share of ₹ 10 each	82,17,000	82,17,000
Prince Food Tech Pvt. Ltd. 6000(Previous year 6000) equity share of ₹ 100 each	6,00,000	6,00,000
Dash Exports Pvt. Ltd. 130000(Previous year 130000) equity share of ₹ 10 each	13,00,000	13,00,000
Divyarth Healthcare Pvt. Ltd. 10000(Previous year 10000) equity share of ₹ 10 each	10,00,000	10,00,000
Goal Securities & Credits Ltd. 81500(Previous year 81500) equity share of ₹ 10 each	8,15,000	8,15,000

b Investment in Equity Instruments other than Associate Concern

Unquoted Shares

Indraprastha Sehkarl Bank Ltd. 400(Previous year 400) equity share of ₹ 10 each	4,000	4,000
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	<u>1,19,36,000</u>	<u>1,19,36,000</u>
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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		7,53,029
Against Capital Goods	9,09,509	
Security Deposits	5,07,405	11,67,405
(Unsecured considered good unless otherwise stated)		
Other Advances		
	<u>14,16,914</u>	<u>19,20,434</u>

15 INVENTORIES:

(As taken, valued & certified by the management)

Raw Material	5,55,17,234	3,49,28,034
Work in Process	4,78,90,187	10,91,50,920
Finished Goods	3,60,35,470	3,49,52,204
Packing Material	5,12,071	8,39,644
Stock in hand	-	-
	<u>12,97,59,912</u>	<u>17,92,79,942</u>

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

Considered doubtful

Less: Provision for Doubtful Debts

	5,27,04,850	19,35,332
	-	-
	-	-
	-	-
	<u>5,27,04,850</u>	<u>19,35,332</u>

17 CASH & CASH EQUIVALENTS :

Balance with Banks

In current Accounts

Cash on Hand

	1,86,937	1,97,403
	8,79,573	16,29,947
	-	-
	<u>10,66,510</u>	<u>18,27,351</u>

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

	10,33,116	10,49,953
	-	-
	-	-
	-	-
	<u>10,33,116</u>	<u>10,49,953</u>

19 OTHER CURRENT ASSETS:

Prepaid Expenses

MAT Credit

Advance Income Tax

	2,39,560	2,21,709
	2,052	-
	24,316	-
	<u>2,65,928</u>	<u>2,21,709</u>



KUMAR FOOD INDUSTRIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at 31st March, 2018	As at 31st March, 2015
(in ₹)		
20 REVENUE FROM OPERATIONS:		
Manufactured Goods		
Domestic Sales	1,43,83,10,380	1,28,80,50,452
Export Sales	-	-
	<u>1,43,83,10,380</u>	<u>1,28,80,50,452</u>
Net revenue from operations	<u>1,43,83,10,380</u>	<u>1,28,80,50,452</u>
21 OTHER INCOME:		
Interest Received from Banks on fixed deposits		27,244
Interest Received From Others	60,711	1,85,523
Other Non-Operating Incomes*	4,60,639	8,68,352
Profit on Sale of Fixed Assets		62,975
	<u>5,21,350</u>	<u>11,44,094</u>
*Other Non-Operating Incomes includes rent received of ₹ 4.95 Lacs(perprevious year rent received Rs. 4.80 lacs)(TDS amounting to ₹ 0.50lacs (Previous year to ₹ 0.48 lacs)]		
22 COST OF MATERIALS CONSUMED:		
Opening Balance	3,49,28,096	7,33,80,582
Add: Purchases	1,30,47,09,009	1,20,79,67,413
Add: Procurement Expenses	15,26,151	41,02,100
	<u>1,34,11,63,248</u>	<u>1,29,14,49,995</u>
Less: Closing Balance	5,35,12,234	3,49,28,096
Total	<u>1,28,96,51,014</u>	<u>1,25,65,21,861</u>
Purchases of Goods traded	-	-
	<u>-</u>	<u>-</u>
CHANGES IN INVENTORIES:		
23 FINISHED GOODS		
At the Beginning of Accounting Period	3,45,52,284	2,10,60,858
At the end of Accounting Period	2,60,25,670	3,45,52,284
	<u>-85,26,814</u>	<u>(1,34,69,427)</u>
WORK-IN-PROGRESS		
At the Beginning of accounting period	10,91,59,920	4,59,88,851
At the end of Accounting Period	4,76,90,137	10,91,59,920
	<u>-6,14,69,783</u>	<u>(6,31,71,069)</u>
STOCK-IN-TRADE		
At the Beginning of Accounting Period	-	-
At the end of Accounting Period	-	-
	<u>-</u>	<u>-</u>
GRAND TOTAL	<u>6,99,96,597</u>	<u>(7,45,60,490)</u>
24 EMPLOYEE BENEFITS EXPENSE:		
Salary, Wages & Bonus	1,29,54,170	1,25,44,238
Contribution to Provident and Other Funds	18,11,487	14,90,824
Staff Welfare	1,38,826	2,15,293
	<u>1,39,04,483</u>	<u>1,42,48,355</u>
25 FINANCIAL COSTS:		
a) Interest Expense		
Interest to Bank	1,42,38,345	1,32,63,239
Interest to Bank on Vehicle Loan		1,755
Other Interest	93,596	40,44,195
b) Other Borrowing Costs		
Loan Processing Charges	5,00,778	4,26,520
	<u>1,48,34,717</u>	<u>1,77,35,718</u>
26 DEPRECIATION AND AMORTIZATION EXPENSES:		
Depreciation	5,03,104	5,79,232
	<u>5,03,104</u>	<u>5,79,232</u>



27 OTHER EXPENSES:

(a) MANUFACTURING EXPENSES:

Power & Fuel	3,17,35,372	4,05,05,256
Repair to Machinery	10,00,492	22,18,240
Packing Materials Consumed	13,03,427	15,66,435
	<u>3,40,40,241</u>	<u>4,42,89,931</u>

(b) ADMINISTRATIVE EXPENSES

Auditors' Remuneration (Refer Note No.29)	6,87,000	6,74,100
Car Expenses	1,71,058	2,62,054
Festival Celebration Expenses	1,31,348	1,87,437
Donation	12,971	- 29,810
Subscription/Membership Fees	40,090	12,000
Electricity Expenses	1,37,876	1,06,511
Fees & Taxes	36,483	67,432
General Expenses	3,55,833	2,45,712
Office Maintenance expenses	16,168	54,833
Insurance	2,17,852	2,20,572
Professional & Legal Expenses	3,46,250	3,99,269
Rent	1,28,09,582	1,29,42,049
Royalty	4,50,000	-
Postage & Courier	1,34,605	1,53,389
Printing & Stationery	1,17,804	1,45,191
Repair & maintenance		
- Building	1,80,678	5,24,970
- Other	2,79,144	87,149
Security Guard Expenses	21,61,000	34,03,131
Telephone expenses	2,03,692	2,71,187
Vehicle Running & Maintenance	2,05,049	6,72,756
House Tax/Property Tax	53,950	53,950
Service tax/TDS penalty	1,22,355	-
Loss on Sale of Fixed Assets	880	-
Interest on Income tax	-	13,17,452
Interest on TDS	-	8,800
	<u>1,94,35,718</u>	<u>3,19,33,625</u>

(c) SELLING & DISTRIBUTION EXPENSE

Laboratory Expenses	-	2,488
Delivery Expenses	-	-
Discount & Brokerage	4,04,067	3,40,231
Sales Commission & Incentives	-	-
Schemas, Meetings & Conferences	-	2,38,875
	<u>4,04,067</u>	<u>5,81,594</u>

GRAND TOTAL (a+b+c)

	<u>5,38,90,025</u>	<u>6,68,05,110</u>
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KUMAR FOOD INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015

NOTES FORMING PART OF FINANCIAL STATEMENTS

1(i) OVERVIEW

Kumar Food Industries Ltd. (CIN No. L15310DL1991PLC043456) 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.



KUMAR FOOD INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015

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 |



KUMAR FOOD INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015

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.



KUMAR FOOD INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015

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 TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015

28. Contingent Liabilities & Commitments

(₹ in lakhs.)

As at 31.03.2016

As at 31.03.2015

Capital and other Commitments:

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

- 29.** A major fire broke up in the company's corporate office on 24th April 2016. The various documents / records was destroyed in the same. The company during the year under section 132 of Income Tax Act, 1961. No order / demand, consequent to such operation, has so far been received by the company from the Income Tax Department. Demand arising out of block assessment in future, if any, is not presently ascertainable.

30. Detail of Payments to Auditor's

(₹ In Lakhs)

As at 31.03.2016

As at 31.03.2015

As Auditor	Rs. 5.73	Rs. 5.62
For Taxation matters	Rs. 1.14	Rs. 1.12
Total	Rs. 6.87	Rs. 6.74

31. "Earnings per Share" computed in accordance with AS – 20 issued by The ICAI.

(₹ In Lakhs)

	<u>2015 – 16</u>	<u>2014 – 15</u>
Profit/Loss (-) after tax as per accounts	6.91	27.34
Weighted Average No. of shares outstanding during the year	3000000	3000000
Basic Earning per share (In ₹)	0.23	0.91
Diluted	0.23	0.91



KUMAR FOOD INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015

32. "Related Party Disclosures" for the year ended 31st March 2016 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 Fresh Industries pvt. Ltd

ii Key Management Personnel

Mr. Kewal Krishan Kumar
Mr. Siddhartha Kumar
Mr. Naveen Kumar
Mrs. Sunanda Kumar

iii Relative of Key Management Personnel

Mr. Divyarth Kumar
Mrs. Radhika Kumar



KUMAR FOOD INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015

(b) Transactions with the related parties:

(₹ in Lakhs)

Nature of Transaction	Associate Concerns	Key Management Personnel
(i) Loans Advanced	(-) (-)	- (-)
(ii) Loans Received Back	(-) (-)	(-) (-)
(iii) Sale	12,410.98 (11,116.11)	- (-)
(iv) Purchase	- (-)	- (-)
(v) Advertisement	- (-)	- (-)
(vi) Interest Received	- (-)	- (-)
(vii) Rent received	5.40 (5.40)	(-) (-)
(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.



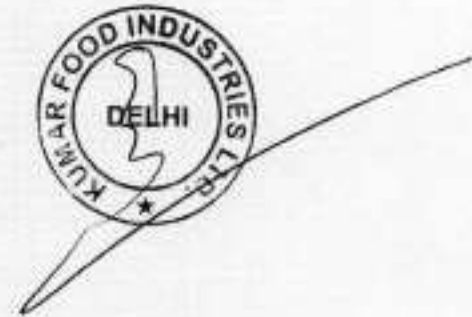


KUMAR FOOD INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015

(₹ in Lakhs)

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 (3.00)	12,071.04 (12619.20)	82.17 (82.17)	- (-)	- (-)
2	Shakti Bhog Snacks Ltd		2.40 (2.40)	339.94 (-)	- (-)	- (-)	- (-)
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)		

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KUMAR FOOD INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015

32. (a) **Defined contribution plan:** The company's contribution to defined contribution plans for provident fund, ESI, labor fund aggregating ₹ 2,07,938 /- (previous year : ₹ 2,21,936/-) has been recognized as expense in the profit and loss account.
- (b) **Defined Benefit Plan:-**
 (i) ₹ 10,84,824/- (P.Y. ₹ 9,72,242/-) have been recognized in the profit and loss account towards gratuity component of Defined Benefit Plan. The net liability for this plan of ₹ 25,56,325/- (previous year: ₹ 16,93,039 /-) has been recognized in the balance sheet as on 31.3.2016.
 (ii) ₹ 60,008/- (P.Y. ₹ 92,620/-) have been recognized in the profit and loss account towards leave encashment expenses. The net liability of this plan of ₹ 3,77,815/- (previous year ₹ 3,17,707/-) have been recognized in the balance sheet as on 31.03.2016.

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 ₹ in Lacs	Previous Year ₹ in Lacs
Payable not later than one year	Nil	49.06
Payable later that one year and not later than five years	Nil	Nil
Payable later than five years	Nil	Nil

36. The aggregate lease rentals of ₹ 128.10 Lacs (Previous year ₹ 129.42 Lacs) 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 2016. 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.

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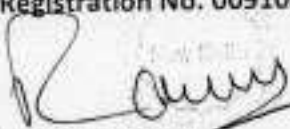


KUMAR FOOD INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015


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 ₹ Nil (previous Year ₹ 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

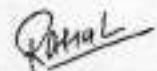

(RAMAN BHURARIA)
(PARTNER)
M. No. 087719
PLACE : NEW DELHI
DATED : 05th Oct 2016


(KEWAL KRISHAN KUMAR)
DIRECTOR
DIN:- 00042504


(NAVEEN KUMAR)
CHIEF FINANCIAL OFFICER

FOR AND ON BEHALF OF THE BOARD


(SIDHARTH KUMAR)
DIRECTOR
DIN:- 00042518


(RAHUL THAKUR)
COMPANY SECRETARY
M. No.:-36840

