



Serving India to the world

Annual Report 2011-2012

  
**Kohinoor**  
FOODS LIMITED



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**Registered Office** : 201, Vipps Centre, Masjid Moth  
**Corporate Office and** Greater Kailash II, New Delhi-110 048  
**Share Department** Tel: +91-11-41635757 (10 Lines)  
Fax: +91-11-41638586/87  
E-mail: info@kohinoorfoods.in  
Web: www.kohinoorfoods.in

**Works** : • 50-51 Milestone, G.T. Road  
Murthal, Dist. Sonapat (Haryana)  
• 71, Libaspur, Bahalgarh  
Dist. Sonapat, (Haryana)  
(Transferred w.e.f. 09/09/2011)

**Wholly Owned** : Kohinoor Foods USA INC.  
**Subsidiary Companies** 40, Northfield Avenue  
Edison, NJ 08837  
  
: Indo European Foods Limited  
Kohinoor House, 40 Langer Road  
Felixstowe, Suffolk, IP 11 2BW  
United Kingdom  
  
: Sachdeva Brothers Private Limited  
201, Vipps Centre, Masjid Moth,  
Greater Kailash-II, New Delhi-110048

**Joint Venture** : Rich Rice Raisers Factory L.L.C.  
**Company** Post Box No. 15542  
Al Quoz Industrial Area  
3rd Interchange, Sh Zayed Road  
Dubai, U.A.E.  
  
: Kohinoor Speciality Foods India Pvt. Ltd.  
401, Vipps Centre, Masjid Moth  
Greater Kailash-II, New Delhi-110048

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

**Board of Directors**

|                                  |  |
|----------------------------------|--|
| <b>Mr Jugal Kishore Arora</b>    | <b>Chairman</b>  |
| <b>Mr Satnam Arora</b>           | <b>Jt. Managing Director</b>                                   |
| <b>Mr Gurnam Arora</b>           | <b>Jt. Managing Director</b>                                   |
| <b>Mr Vijay Burman</b>           | <b>Non-Executive Director</b>                                  |
| <b>Mr Anil Bhatia</b>            | <b>Non-Executive Director</b><br>(Resign w.e.f. 14/08/2012)    |
| <b>Mr Vijay Parkash Aggarwal</b> | <b>Non-Executive Director</b>                                  |
| <b>Mr. Sandeep Kohli</b>         | <b>Non-Executive Director</b><br>(Appointed w.e.f. 14/08/2012) |

**Company Secretary & GM (Legal)** Mr. Rama Kant

**Auditors** M/s Nath Ahuja  
Chartered Accountants

**Bankers**

Oriental Bank of Commerce  
State Bank of India  
Punjab National Bank  
Allahabad Bank  
Standard Chartered Bank  
Indusland Bank  
HDFC Bank Limited  
ICICI Bank Ltd.  
IDBI Bank Ltd.  
Bank of India  
Corporation Bank  
Axis Bank Ltd.  
DBS Bank Ltd.  
Kotak Mahindra Bank Ltd.  
Yes Bank  
Transfer Agents  
M/s Skyline Financial Services Pvt. Ltd.  
D-153A, 1st Floor, Okhla Industrial Area, Phase -I  
New Delhi-110020, Ph.: 011-26812682, 83, 84

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



## Chairman's Message



Dear Fellow Shareowners,

Greetings!

Kohinoor after having won the hearts of its consumers around the world with its range of Rice & Food products has joined hands with leading name in Spices & Seasoning, McCormick Ingredients Southeast Asia Pvt. Ltd. to optimize its domestic operations. McCormick is a leading manufacturer, marketer and distributor of Spices, Seasonings, Speciality Foods and Flavours. The Joint Venture agreement between the two food giants namely, 'Kohinoor Foods Limited' and 'McCormick Ingredients Southeast Asia Pvt. Ltd.', is the first-of-its kind in the Rice Industry with the later owning 85% share in the new Joint Venture company named, M/s Kohinoor Speciality Foods India Pvt. Ltd. and remaining 15% with Kohinoor Foods Limited. The company (KFL) reserves all the manufacturing right and would supply Rice to its Joint Venture company "Kohinoor Speciality Foods India Private Limited" for their Domestic Business. This joint venture with McCormick would leverage their global expertise in Distribution, Research & Product Innovation to Indian market and add value to the operations benefitting the end consumer. Further to it, the Food factory located at Bahalgarh (Haryana) by virtue of the JV agreement would manufacture and supply all the food products to KFL for our Export Business. However, Kohinoor Foods Limited would continue to own all its Rice Mills, Production Capabilities and would continue to focus on its export business operations.

The financial year, 2011-12 has been both challenging & promising as Your Company's export rice business posted an impressive growth of 53.3% with sales value at 4,883 Million as against the last financial year sales of 3185 Million. Our Joint Venture arm, Kohinoor Speciality Foods India Pvt. Ltd. is in process of reorganising and restructuring their entire operations that include Supply Chain, Product Portfolio & Manpower which resulted in decline of our domestic sales in this financial year. Hopefully the next financial year would post healthy growth numbers in the segments & categories the company operates.

Your company's growth especially in the Export markets was due to the major thrust & focussed approach in the Middle East markets coupled with above and below the line activities in key markets. Our Rice business, that includes Private Label as well grew in all geographies that we are present in e.g., Asia Pacific, UK, USA, Africa and Middle East. In our commitment to bring authentic Indian taste, Kohinoor in Food category, launched 'Paneer' (Indian cottage cheese) in 'Fresh & Frozen' brand in the select markets of Middle East, Asia Pacific and the US to a tumultuous response that played a major role in building company's Sales & Brand equity in key markets. In the next financial year we intend to expand our product offering in both in Ambient & Frozen range to give wide choice to our customers and add value & excellence to our export Food business operations.

With the vision of bringing authentic Indian flavours to people all over the world, we want your company Kohinoor Foods to become one of the leading names, not only in the Rice, but the entire Food category globally. Having a well recognized market presence, strong product portfolio, efficient manufacturing capabilities, enduring values and committed work force; we will continue to Invest & Innovate in our Products, Processes & Distribution to work for happier tomorrow. Each member of the Kohinoor Foods Limited realize the responsibility on their shoulders and believe that we have in us, the key success factors necessary to withstand the winds of change.

Our social endeavor also focuses on enhancing living conditions of the underprivileged & marginalised communities that makes a positive difference & improve the quality of their lives for better education, healthcare and civic amenities.

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

Warm Regards,  
Sincerely

Jugal Kishore Arora  
Chairman



## NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of Kohinoor Foods Limited will be held at 12.30 p.m. on Thursday, the 27th September, 2012 at the Pearey Lal Bhawan Association, 2, Bahadurshah Zafar Marg, New Delhi-110002, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Gurnam Arora, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Satnam Arora, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office until the conclusion of next Annual General Meeting and to fix their remuneration and to pass the following resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 224 (1) and other applicable provisions, if any, of the Companies Act, 1956, M/s Nath Ahuja & Co., Chartered Accountants, be and are hereby re-appointed as Auditors to hold office till the conclusion of next Annual General Meeting at remuneration to be fixed by the Board of Directors".

### SPECIAL BUSINESS

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

**"RESOLVED THAT** Mr. Sandeep Kohli, who was appointed as an Additional Director of the Company by the Board of Director and who cease to hold office as required under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing under section 257 proposing his candidature for the office of Director, be and is hereby appointed as a director of the Company, who will be liable to retire by rotation".

6. **To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.**

**RESOLVED THAT** pursuant to Section 94 and other applicable provisions, if any, of the Companies Act,

1956 read with the Articles of Association of the Company the Authorized Share Capital of the Company be and is hereby increased from the present Rs. 50,00,00,000 (Rupees Fifty Crores) to Rs. 75,00,00,000 (Rupees Seventy Five Crores) divided into 7,50,00,000 (Seven Crores Fifty Lakhs) Equity Shares of Rs. 10 each by creation of 2,50,00,000 (Two Crores Fifty Lakhs) additional Equity Shares ranking Pari-passu in all respect with the existing Equity Shares.

**RESOLVED FURTHER THAT** the existing clause V of the Memorandum of Association of the Company be substituted with the following:

Clause V: "The Authorized Share Capital of the Company is Rs. 75,00,00,000/- (Rupees Seventy Five Crores only) divided into 7,50,00,000 (Seven Crores Fifty Lakhs) Equity Shares of Rupees 10/-(Ten) each."

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

**"RESOLVED THAT** pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered, by substituting the following clause in place of the existing clause of the Articles of Association:

Clause 4 : "The Authorised Share Capital of the company shall be such as given in clause V of the Memorandum of Association of the Company or as altered from time to time."

8. **To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.**

**"RESOLVED THAT** in supersession of earlier resolution passed, the Board of Directors (hereinafter referred to as "The Board") be and is hereby authorized, in accordance with Section 293 (1)(d) and all other applicable provisions of the Companies Act 1956 (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of the Company to borrow any sum or sums of money (including non-fund based facilities) from time to time at their discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate, notwithstanding that monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the company's bankers in the ordinary course of business) may, at any time, exceed upto a sum of Rs. 1000 crores (Rupees One Thousand Crores only) over and above the aggregate of the paid up

capital and its free reserves (that is to say, reserves not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

9. **To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.**

**“RESOLVED THAT** the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), to the Board of Directors (hereinafter referred to as “the Board”) to mortgage and/or charge in addition to the mortgages / charges created / to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immovable properties of the company, both present and future and/or the whole or any part of the undertaking(s) of the company, in favour of the Lender(s), Agent(s) and Trustee(s) for securing the borrowings availed / to be availed by the Company and / or any of the Company's holding / subsidiary / affiliate / associate company, by way of loan(s) (in foreign currency and / or rupee currency) and Securities (comprising fully / partly Convertible Debentures and/or Non Convertible Debentures with or without detachable or non-detachable Warrants and/or secured premium notes and/or floating rates notes / bonds or other debt instruments), issued / to be issued by the company, from time to time, subject to the limits approved under Section 293(1)(d) of the Companies Act, 1956, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustees, premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the

rates of exchange and all other monies payable by the company in terms of the Loan Agreement(s) / Heads of Agreement(s), Debenture Trust Deed(s), or any other document, entered into/ between the company and the Lender(s) / Agents and Trustee(s), in respect of the said loans / borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in the behalf and agreed to between the Board of Directors and the Lender(s) / Agent(s) and Trustee / Trustee(s)

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the resolution, the Board and/or its duly constituted Committee be and are hereby authorized to finalise, settle and execute such documents / deeds / writings/ papers / agreements as may be required and do all such acts, deeds and things as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310 & 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 the consent of members be and is hereby accorded subject to the approval of Central Government for reappointment of Mr. Jugal Kishore Arora, Whole Time Director, designated as 'Chairman', of the Company (not liable to retire by rotation) for a further period of 5 years with effect from 26th September, 2012 to 25th September, 2017 and also to increase in remuneration payable to Mr. Jugal Kishore Arora, Chairman of the Company w.e.f 1st October, 2012 on the terms as detailed in the Explanatory Statement attached hereto –

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to alter vary and modify or increase the said terms including salary, allowances, designation and perquisites in such manner as may be agreed to between the Board and Mr. Jugal Kishore Arora and in accordance with and subject to the limits prescribed in schedule XIII of the Act and, if necessary, as may be stipulated by the Central Government and as may be agreed to between the Board and Mr. Jugal Kishore Arora.”



**“RESOLVED FURTHER THAT** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Jugal Kishore Arora, the Company has no profits or profits are inadequate, the remuneration by way of salary, allowances and perquisites payable to him shall be subject to the approval of the Central Government, wherever required.”

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

**11. To Consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.**

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310 & 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 the consent of members be and is hereby accorded subject to the approval of Central Government for reappointment of Mr. Satnam Arora, Whole Time Director, designated as 'Jt. Managing Director', of the Company for a further period of 5 years with effect from 26th September, 2012 to 25th September, 2017 and also to increase in remuneration payable to Mr. Satnam Arora, Jt. Managing Director of the Company w.e.f. 1st October, 2012 on the terms as detailed in the Explanatory Statement attached hereto –

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to alter vary and modify or increase the said terms including salary, allowances, designation and perquisites in such manner as may be agreed to between the Board and Mr. Satnam Arora and in accordance with and subject to the limits prescribed in schedule XIII of the Act and, if necessary, as may be stipulated by the Central Government and as may be agreed to between the Board and Mr. Satnam Arora.”

**“RESOLVED FURTHER THAT** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Satnam Arora, the Company has no profits or profits are inadequate, the remuneration by way of salary, allowances and perquisites payable to him shall be subject to the approval of the Central Government, wherever required.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all

such acts, deeds and matter and things in its discretion it may consider necessary, expedient or desirable to give effect to this resolution”.

**12. To Consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.**

**RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310 & 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 the consent of members be and is hereby accorded subject to the approval of the Central Government for reappointment of Mr. Gurnam Arora, Whole Time Director, designated as 'Jt. Managing Director', of the Company for a further period of 5 years with effect from 26th September, 2012 to 25th September, 2017 and also to increase in remuneration payable to Mr. Gurnam Arora, Jt. Managing Director of the Company w.e.f 1st October, 2012 on the terms as detailed in the Explanatory Statement attached hereto –

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to alter vary and modify or increase the said terms including salary, allowances, designation and perquisites in such manner as may be agreed to between the Board and Mr. Gurnam Arora and in accordance with and subject to the limits prescribed in schedule XIII of the Act and, if necessary, as may be stipulated by the Central Government and as may be agreed to between the Board and Mr. Gurnam Arora.”

**“RESOLVED FURTHER THAT** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Gurnam Arora, the Company has no profits or profits are inadequate, the remuneration by way of salary, allowances and perquisites payable to him shall be subject to the approval of the Central Government, wherever required.”

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

By Order of the Board  
For Kohinoor Foods Limited

Sd/-

Rama Kant

Company Secretary and GM (Legal)

Place: New Delhi  
Date: 31-08-2012



**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the company. Proxies in order to be valid must be received by the company not less than 48 hours before the scheduled time of the meeting. A proxy form is attached.
2. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting, on their behalf.
3. The Register of Members and Transfer Books of the Company will remain close from 15th September, 2012 to 27th September, 2012 (both days inclusive) in connection with the Annual General Meeting.
4. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment/re-appointment at the meeting are annexed.
5. Members are requested to bring their copies of Annual Report to the Meeting.
6. Entry in the Meeting Hall shall be strictly restricted to Members/Valid Proxies only, carrying the Attendance Slip.
7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, nominations, power of attorney, change of address, change of name and e-mail address, etc. to their Depository Participant only and not to the company's registrar and transfer agents, Skyline Financial Services Pvt. Ltd. Changes intimated to the Depository Participants will then be automatically reflect in the Company's records which will help the Company and Skyline Financial Services Pvt. Ltd to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Skyline Financial Services Pvt. Ltd., having office at D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020.
8. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Skyline Financial Services Pvt. Ltd., for assistance in this regard.
9. Shareholders desiring any information as in relation to Accounts should write to the Secretarial department at the Company's registered office at least seven days before the date of the meeting, so as to enable the management to keep the information ready.

10. The Ministry of Corporate Affairs ( vide circular nos. 17/2011 and 18/2011, dated April 21 and April 29, 2011 respectively), has undertaken a " Green initiative in Corporate Governance" and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/updating their e-mail address, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Skyline Financial Services Pvt. Ltd.

11. As required under Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1988 as amended, the unpaid/unclaimed dividend for the financial year ended upto 31st March, 2004 was transferred to the General Revenue Account of the Central Government. Members who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies NCT of Delhi and Haryana. In case any assistance is required, members may write to the Registrar and Share Transfer Agent of the Company.

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

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

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

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



**Mr. Gurnam Arora**

**Age:** 62 Years

**Qualification:** Graduate

**Expertise:** - Mr. Gurnam Arora's career is a remarkable sketch of milestones achieved through sheer hard work and determination to succeed. A Graduate in Business Management he joined the family business of rice trading soon after he completed his studies. Over the years, Mr. Gurnam Arora learnt the intricacies of the business and demonstrated his strategic approach & acumen by successfully marketing & promoting Kohinoor Foods agro products in national & international markets. He is a Joint Managing Director of the Company.

Shareholding in the Company : 47,41,990 Equity Shares  
(As on 31st March, 2012)

**Mr. Satnam Arora**

**Age:** 63 Years

**Qualification:** Post Graduate

**Expertise:** Mr. Satnam Arora has been involved in the family business of rice trading right from the very beginning. He is a postgraduate in Economics with over 30 years experience. With a combination of intelligence and rich experience he has been influential in creating and systematizing the financial and marketing departments at Kohinoor Foods Limited. In his current capacity he is involved with providing strategic direction to the exports business of the company and provides marketing inputs to the Company's Subsidiaries and Joint Venture Operations in overseas markets. His penchant for taking on challenges in life motivated him to identify and developed several new export markets in various countries.

**Membership of Committees:**

Share Transfer/ Investor's Grievance Committee: Member

Shareholding in the Company: 37,05,345 Equity Shares  
(As on 31st March, 2012)

**Mr. Sandeep Kohli**

**Age:** 55 Years

**Qualification:** Post Graduate

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

**Directorship in other Company:**

- Technology Frontiers (I) Pvt. Ltd.
- Mezbaan Hoteliers Pvt. Ltd.
- Paloma Developers Pvt. Ltd.
- Great Indian Restaurant Co. Pvt. Ltd.
- Gamma Restaurants Pvt. Ltd.

**Membership of Committees:**

|                        |          |
|------------------------|----------|
| Audit Committee        | : Member |
| Remuneration Committee | : Member |

Shareholding in the Company : NIL  
(As on 31st March, 2012)

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

**Item No. 5**

Mr. Sandeep Kohli was appointed as an additional director by the Board at its meeting held on 14th August, 2012. According to the provisions of section 260 of the Companies Act, 1956, he hold that office upto the date of this Annual General Meeting. As required by Section 257 of the Act, a notice has been received from a member signifying his intention to propose his appointment as a Director, along with a deposit of rupee five hundred.

None of the Directors except Mr. Sandeep Kohli is any way, concerned or interested in the said resolution.

Your Directors recommend this resolution for approval of the members.

**Item No.6 and 7**

The authorised capital of the company is presently Rs. 50,00,00,000/- (Rupees Fifty Crores Only) divided into 5,00,00,000 Equity Shares of Rs. 10/- each. Now the company want to increase the authorised share capital of the company to enable to raise paid up capital further to diversify and expand activities of Company. The resolution is therefore to increase the authorised share capital of the company from Rs. 50,00,00,000/- (Rupees Fifty Crores Only) divided into 5,00,00,000 Equity Shares of Rs. 10/- each to Rs. 75,00,00,000 (Rupees Seventy Five Crores only ) divided into 7,50,00,000 (Seven Crore and Fifty Lacs) Equity shares of Rs. 10/- each.

In view of the fact that the Authorized Capital of the company is being increased the existing clause V of the Memorandum of Association and Clause IV of the Articles of Association of the company needs to be amended. The members are request to pass necessary resolution set out in the notice to carry out the necessary amendments in the Memorandum and Articles as well.

None of the Directors of the Company are, in any way, concerned or interested in the said resolution.

Your Directors recommend this resolution for approval of the members.

**Item No. 8**

In terms of the provisions of resolution passed earlier under section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company can not except with the consent of the Company in General Meeting, borrow moneys, apart

from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of aggregate of the paid up capital and its free reserves that is to say reserves not set apart for any specific purpose.

Keeping in view the Company's business requirements and its future growth plans, it is considered desirable to increase the said borrowing limits from the existing limit.

The Board recommends the above resolution for approval none of the Directors of the Company is except to the extent of their shareholding in the company concerned interested in the said resolution.

**Item No. 9**

The borrowings by a company in general required to be secured by mortgage or charge on all or any of the movable or immovable properties of the Company in such form manner and ranking as may be determined by the Board to Directors of the Company from time to time in consultation with the lender(s).

The mortgage and/or charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company, to secure borrowings of the Company or of any of its holding, subsidiary affiliate to associate company, with a power to the charge holders to take over the management of the business and concern to the company in certain events of default may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 293(1)(a) of the Companies Act, 1956. Hence it is necessary for the members to pass a resolution under the said section.

The Board recommends the above resolution for approval none of the Directors of the Company is except to the extent of their shareholding in the company concerned interested in the said resolution.

**Item No. 10, 11 & 12**

The Board, at its meeting held on 31/08/2012, approved the reappointment of Mr. Jugal Kishore Arora, as Chairman, Mr. Satnam Arora and Mr. Gurnam Arora as Jt. Managing Directors of the company for next five years with effect from 26th September, 2012 to 25th September, 2017, and also the revised remuneration of Mr. Jugal Kishore Arora, Whole Time Director, designated as 'Chairman', Mr. Satnam Arora and Mr. Gurnam Arora, designated as Jt. Managing Directors of the Company with effect from 1st October, 2012 in the following manner, subject to approval of the members and Central Government:-