

Kohinoor Foods Ltd.

February 13, 2020

The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No C/1, G Block
Bandra-Kurla Complex
Bandra (East)
MUMBAI – 400 051

The Listing Department
BSE Limited
P.J. Tower, Dalal Street
MUMBAI – 400 001

Company Code : KOHINOOR
Scrip Code : 512559

Dear Sirs,

Sub: Outcome of Board Meeting held on 13th February, 2020

This is to inform that the Board of Directors of the Company at its Meeting held today , i.e. on 13th February, 2020 which commenced at 04:00 P.M. and concluded at 07:50 P.M. has, *inter-alia*, taken the following decision :-

1. The Board approved the Un-audited Standalone and Consolidated Financial Results of the Company for the quarter and nine month period ended on 31st December, 2019. Copy of the said results along with Limited Review Report thereon by the Statutory Auditors of the Company is submitted herewith in compliance of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The Board has approved appointment of Mrs. Mani Chandra Bhandari (DIN: 00387525), as Additional Director of the Company with effect from 13.02.2020.
3. The Board has approved appointment of Mr. Yash Pal Mahajan (DIN: 08699040), as Additional Director of the Company with effect from 13.02.2020.
4. The Board has approved appointment of Mr. Sunil Sharma (DIN: 08699033), as Additional Director of the Company with effect from 13.02.2020.
5. The Company has received a letter from Oriental Bank of Commerce for declaration of M/s. Kohinoor Foods Ltd. Account, as 'wilful defaulter'. The Company is in process of submitting reply before the review committee of the Bank.
6. As per the SEBI Circular SEBI/HO/CFD/CMD/CIR/PD018I77 dated May 03, 2018, the company has received notices for non-compliance with the corporate governance requirement from the stock exchanges (NSE) & (BSE) on November 01, 2019 and October 31, 2019 respectively. The Board is in process of submitting reply to the stock exchanges for waiver of the same.



Kohinoor Foods Ltd.

Please acknowledge receipt.

Thanking you,

Yours faithfully,

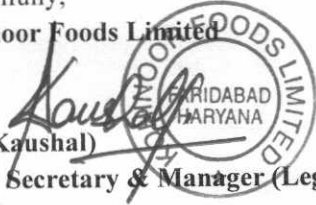
For Kohinoor Foods Limited

(Deepak Kaushal)

Company Secretary & Manager (Legal)

FCS: 8722

Encl.: As above



Kohinoor Foods Ltd.

STANDALONE STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED DECEMBER 31, 2019.

(Rs. in Lacs)

Sl.	Particulars	QUARTER ENDED			STANDALONE		
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31.03.2019
No.		UN-AUDITED	UN-AUDITED	UN-AUDITED	UN-AUDITED	UN-AUDITED	AUDITED
I	Revenue from Operation	669	975	19,844	2,676	35,294	40,494
II	Other Income	1	0	-	1	85	164
III	Total Income (I+II)	669	975	19,844	2,676	35,379	40,658
IV	Expenses						
	Cost of material consumed	275	662	26,389	1,724	45,379	49,771
	Purchase of stock-in-trade	-	-	-	-	76	79
	(Increase)/Decrease in Inventories of finished goods, stock-in-trade and work-in-progress	27	3	(39)	84	(26)	7
	Employee benefits expense	152	174	298	510	978	1,029
	Finance Costs	1	1	(1,744)	3	2,440	2,298
	Depreciation and amortisation expense	275	269	323	814	970	1,297
	Impairment of Assets	-	-	-	-	-	3,978
	Other Expenses	246	477	561	1,043	2,234	11,339
	Total expenses (IV)	976	1,586	25,788	4,178	52,051	69,797
V	Profit/ (Loss) before exceptional items and tax (III-IV)						
		(306)	(611)	(5,944)	(1,501)	(16,672)	(29,139)
VI	Exceptional Items	3,221	(127)		10,343		-
VII	Profit/ (Loss) before tax (V-VI)	(3,527)	(484)	(5,944)	(11,844)	(16,672)	(29,139)
VIII	Tax Expense						
	(1) Current Tax	-	-	-	-	-	-
	(2) Income Tax for Prior Years	-	-	-	-	-	-
	(3) Deferred tax	-	-	-	-	-	9,419
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)	(3,527)	(484)	(5,944)	(11,844)	(16,672)	(38,557)
X	Profit/(Loss) from discontinuing operations						
XI	Tax expenses of discontinued operations						
XII	Profit/(Loss) from Discontinuing operations (after tax) (X-XI)						
XIII	Profit/ (Loss) for the period (VII-VIII)	(3,527)	(484)	(5,944)	(11,844)	(16,672)	(38,557)
XIV	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss						12
	(ii) Income tax relating to items that will not be reclassified to profit or loss						
	B (i) Items that will be reclassified to profit or loss						
	(ii) Income tax relating to items that will be reclassified to profit or loss						
XV	Total Comprehensive Income for the period (IX+X)	(3,527)	(484)	(5,944)	(11,844)	(16,672)	(38,545)
XVI	Earning per Equity share (for continuing operation):						
	(1) Basic	(9.52)	(1.31)	(16.06)	(31.95)	(46.53)	(106.66)
	(2) Diluted	(9.52)	(1.31)	(16.06)	(31.95)	(46.53)	(106.66)
XVII	Earning per Equity share (for discontinuing operation):						
	(1) Basic						
	(2) Diluted						
XVIII	Earning per Equity share :-(Face Value of Rs. 10 each) (not annualised)						
	(1) Basic	(9.52)	(1.31)	(16.06)	(31.95)	(46.53)	(106.66)
	(2) Diluted	(9.52)	(1.31)	(16.06)	(31.95)	(46.53)	(106.66)



Kohinoor Foods Ltd.

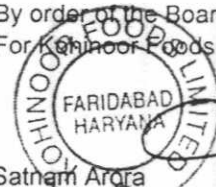
NOTE:

- 1) The Un-Audited Financial Results have been approved by the Board of Directors in their meeting held on 13th February, 2020.
- 2) The unaudited financial results have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, specified in Section 133 of Companies Act, 2013.
- 3) The Company is primarily engaged in the business of manufacturing, trading & marketing of food products which is a single segment, as per Indian Accounting Standard (IND AS) 108.
- 4) The Un-Audited Financial Results are given as per the requirement of Regulation 33 of the SEBI (LODR), Regulations 2015 and submitted to Stock Exchanges.
- 5) The company has not provided interest to the extent of Rs. 2111.95 lacs for 3rd Quarter, Rs. 6160.20 for nine month period ended 31-12-2019 and Rs. 5452.28 lacs for year ended 31-03-2019 on bank loans which were classified as non-performing assets.
- 6) The Company in its Board Meeting held on 04.10.2018, has allotted 18,30,000 equity shares on conversion of warrants into equity, issued on preferential basis. After allotment the company has filed application for listing of 18,30,000 equity shares to both the Stock Exchanges (NSE & BSE) and application is under process, and due to these shares are not yet dematerialised.
- 7) The Creditors of the Company have filed petition under Section 7 and Section 9 of Insolvency and Bankruptcy Code, 2016, before the Honbl'e court of NCLT, Chandigarh Bench, which are not yet admitted.
- 8) The Balances of some Debtors and creditors are subject to confirmation.
- 9) As per the assessment of Management the company continues to be going concern. This assessment is based on Resoultion plan and an offer of One Time Settlement submitted to the Banks by company and the interest shown by prospective investors in the company.
- 10) A letter from Oriental Bank of Commerce has been received by the company for declaration of Kohinoor Foods Limited account as Willful Defaulter. The company is in process of submitting reply before the review committee of the Bank.
- 11) The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.
- 12) The figures of previous quarter/year have been regrouped / rearranged whenever considered necessary.

Place : Faridabad
Date : 13th February, 2020

By order of the Board
For Kohinoor Foods Limited

Satnam Arora
Jt. Managing Director
DIN No. 00010667



RAJENDER KUMAR SINGAL & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Limited Review Report on quarterly Standalone Unaudited Financial Results of Kohinoor Foods Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Director of
Kohinoor Foods Limited

1. We have reviewed the accompanying statement of Standalone Unaudited Financial Results ('the Statement') of Kohinoor Foods Limited ('the Company') for the quarter and nine month ended 31st December 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). The Statement, which is the responsibility of the Company's Management and has been approved by the Company's Board of Directors.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of interim Financial Information Performed by the independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance about whether the financial statement is free of material misstatement. A review is limited primarily to enquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. **Basis of Qualified Conclusion**
 - (i) As stated in Note No. 9 of Standalone Unaudited Financial Results, management has stated its assessment of the company's ability to continue as going concern. However, in view of the continuing default in re-payment of borrowings, default in payment of undisputed statutory dues, significant decline of revenue, continuous losses, negative cash flows and negative net worth, resignation of KMP and senior management and due to financial constraints, material uncertainty exists about the company's ability to continue as going concern and the decision of the management of the company to prepare the accounts of the company on going concern basis. This assessment of management is based on Resolution plan and offer of one-time settlement submitted to the Banks by company and the interest shown by prospective investors in the company. There would arise a need to adjust the realizable value of assets and liabilities in the event of failure of assumption of going concern.



Regd. Off. : 602, Nilgiri Apartments 9, Barakhamba Road, New Delhi-110 001
Tel.: 011-23352689, 23325360, 23352673 Telefax: 23322623 Website: www.rksingal.com E-mail: rksingal@rksingal.com

Formerly known as "Rajender Kumar Singal & Associates" (firm regd. No. 271 dated 24.07.2013)
(ICAI FRN No. : 016379 N) converted and registered as LLP on 02.12.2013 vide LLPIN No. AAB-8994 with Limited Liability

- (ii) As stated in Note No. 5 of Standalone Unaudited Financial Results, Loss of the company is understated by Rs 6160.21 lakhs (approx.) for the period from 01/04/2019 to 31/12/2019 and Rs 11612.48 lakhs (approx.) from the date of account being classified as NPA to the period covered under review, due to non-provisioning of interest on bank loans after the accounts of the company were classified as NPA and further amount towards penal interest, any other penalty etc. as may be charged by lenders. In the absence of statement of account, the above amount has been arrived at as per calculation made by the company. Due to limited information the aggregate amount unprovided in books of account of the company is not ascertainable with accuracy.
- (iii) In reference to bad debts, as per information and explanation received from management that, *"The Company had initiated Arbitration proceeding against four agents through whom sales were made to some debtors, whose outstanding balance amounted to Rs 15636.49 lakh."* We are also informed by management that, *"The Management of company has received arbitration awards from the Hon'ble Arbitral Tribunal comprising of sole arbitrator Mr. S. G. Shah Former judge, High Court of Ahmedabad in respect of these agents"*. On the basis of above award, the company has written-off the balances of these debtors' amount of Rs 14572.27 lakh." Further A legal notice was issued to domestic debtor M/S. Kasturi Exim (P) Limited for recoverability of outstanding amount of Rs 2900 Lakhs. The Company has written-off full amount as bad debts amount of Rs 2900 lakhs on account of such debtor and the company has submitted a claim to the interim resolution professional appointed by NCLT. The total bad debts amount to Rs 17472.27 lakhs. In view of above arbitration awards and on-going settlement and negotiations with parties, we are unable to comment on extent of bad debts and provision for doubtful debts required to be made and realizability from debtors and its consequential impact on financial result.
- (iv) The management of the company has not provided balance Confirmation direct from debtors. Depending on the circumstances and in the absence of above third-party confirmation, goods return by debtors, dispute with debtors, bad debts and provision for doubtful debts as mentioned in point (iii) above and very small recovery of amount from debtors till the date of review, we are unable to comment on realizability of amount due from debtors and its possible effect on Standalone Unaudited Financial Results of the company.



- (v) The management of company has not provided confirmation of accounts from creditors. In the absence of third-party confirmation, we are unable to comment on actual liability to creditors (including squared up accounts) and its possible effect on Standalone Unaudited Financial Results of the company.
- (vi) Domestic sales have been made to various customers for which payment has not been received. The management has provided the following information & explanation regarding these sales that, *"we are continuously following up for payment, but their customers are delaying it due to various reasons, mainly because of quality problem. They have informed that their customers are not accepting this rice due to quality issue. Some of them are asking for huge discount and some want to return the rice. Some say that they will only pay to company when they receive money from their customers."* Further the company still retains significant risk of ownership because the company retains an obligation for unsatisfactory performance. The receipt of revenue from domestic sale is contingent on the derivation of revenue by the buyer from their onward sale of the goods. In such cases, it is not being probable that the economic benefits associated with the transaction will flow to the company until the consideration is received by its buyers and the uncertainty is removed. Due to such uncertainty, goods return by customers and huge amount of bad debts and provision for doubtful debts as mentioned in point (iii), it is not possible to adequately measure the amount of revenue. Thus, in the absence of any agreement, underlying terms & conditions, schedule of delivery, acceptance and recovery from customers, revenue recognised by the company not being in line with applicable accounting principal accepted in India and we are unable to comment its impact on Standalone Unaudited Financial Results.
- (vii) During the review period, the company entered into sale and purchase transactions with the same parties and has recognized Revenue without negating the effect of re-purchased goods amounting of Rs 758.79 lakh from debtors. As per information and explanation given by management, each transaction is a separate transaction and not related to each other as quality of goods sold and purchased are different. However, we have not been provided any quality wise record of sale & purchase, and, hence in the absence of such record we are unable to comment whether such re-purchased goods from debtor is purchase or sales return and its impact on Standalone Unaudited Financial Results.
- (viii) During the period under review, amount of revenue has not been negated by Rs 1366.39 lacs due to the effect of sales return. The company recognized revenue in



previous financial year 2018-19 but in current financial year such goods were returned and instead of reducing the amount of revenue, the management of company has adjusted/reduced such amount of sale return from the provision for bad debts, which was created in previous financial year 2018-19.

- (ix) As per Para 15 of Ind AS 105, an entity shall measure a non-current asset (or disposal group) classified as held for sale at the lower of carrying amount or fair value less costs to sell. As per board meeting held as on dated 29th May, 2019, 14th November, 2018, and 14th August, 2018, we understand that the company proposes to monetize its investment in UK based subsidiary company, Indo European Food Ltd. However, the company has recognized such non-current assets held for sale at historical cost. We are unable to comment upon its impact on the standalone financial results.
- (x) We were not provided with the balance confirmation and reconciliation, if any, of some bank accounts (including accounts closed during the year) appearing in books of accounts of the company. In the absence of having aforementioned confirmation and reconciliation, the impact thereof is unascertainable, and therefore, is not being commented upon in this report.

4. Qualified Conclusion

Based on our review conducted as above, except in "Basis of Qualified Conclusion" paragraph mentioned in para 3, nothing has come to our attention that causes us to believe that the company statement of standalone unaudited financial result prepared in accordance with applicable accounting standard and other recognized accounting practices and policies has not disclosed the information required to be disclosed in term of regulation 33 of the SEBI (Listing obligation and disclosure requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contain any material misstatement.

5. EMPHASIS OF MATTER

- i. The company has not made any provision for the demand raised by various authorities as the matters are pending before various appellate forums. We are unable to comment upon possible impact in the Standalone Unaudited Financial Results for the nine-month ended 31st December, 2019.



- ii. We draw your attention to Note No. 6 in the Standalone Unaudited Financial Results, the company had allotted 18,30,000 equity shares on conversion of warrant into equity shares issued on preferential basis to its promoters. The company has filed application for listing of 18,30,000 equity shares to both the stock exchange (NSE & BSE) and application is under process, due to these shares are not yet dematerialised. The consequential effect the above, on the Consolidated Unaudited Financial Results is not ascertainable.
- iii. We draw attention to Note No. 7 of Standalone Unaudited Financial Results of the company for the nine month ended 31st December, 2019, that the lender of consortium bank "Oriental Bank of Commerce" have filed an application against company under section 7 of the Insolvency and Bankruptcy code, 2016 before National company Law Tribunal (NCLT) Chandigarh bench and the matter is adjourned to next date 16th march 2020. Further, certain operational creditors M/S. Norton Rose Fulbright, M/S. Uma Polymers, International Cargo Terminal & Infrastructure (P) Ltd, International Cargo Terminal & Rail Infrastructure (P) Ltd and JPS Plastic have also filed an application against company under section 9 of the Insolvency and Bankruptcy code, 2016 before National company Law Tribunal (NCLT) Chandigarh bench wherein the NCLT has provide the next date of hearing on 13th March 2020, 12th March 2020, 25th February 2020, 25th February 2020 and 13th February 2020 respectively .
- iv. We draw attention to Note No.10 Standalone Unaudited Financial Results, the company has received a letter from lender of consortium bank "Oriental Bank of Commerce" for declaration of name/account of company as willful defaulter. The company has replied and also sought review request before bank.

Our opinion is not modified in respect of this matter.

Place: Delhi

Date: 13.02.2020

For Rajender Kumar Singal and Associates LLP
(Chartered Accountants)

Firm Reg. No. 016379N



(SHASHI PAL RAWAT)
PARTNER
M.No. 413795

Kohinoor Foods Ltd.

CONSOLIDATED STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED DECEMBER 31, 2019.

(Rs. in Lacs)

Sl. No.	Particulars	QUARTER ENDED			NINE MONTHS ENDED			YEAR ENDED
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31.03.2019	
		UN-AUDITED	UN-AUDITED	UN-AUDITED	UN-AUDITED	UN-AUDITED	AUDITED	
I	Revenue from Operation	4,116	6,231	23,932	14,296	51,959	60,084	
II	Other Income	1	0	-	1	85	174	
III	Total Income (I+II)	4,117	6,231	23,932	14,297	52,044	60,258	
IV	Expenses							
	Cost of material consumed	2,404	4,479	30,120	9,662	59,121	65,383	
	Purchase of stock-in-trade	-	-	-	-	76	79	
	(Increase)/Decrease in Inventories of finished goods, stock-in-trade and work-in-progress	27	3	(39)	84	(26)	7	
	Employee benefits expense	392	370	602	1,317	1,966	2,544	
	Finance Costs	75	35	(1,653)	158	2,766	2,664	
	Depreciation and amortisation expense	303	302	363	910	1,095	1,464	
	Impairment of Assets	-	-	-	-	-	3,978	
	Other Expenses	1,073	1,443	1,366	3,352	4,720	15,340	
	Total expenses (IV)	4,274	6,632	30,759	15,483	69,718	91,459	
V	Profit/ (Loss) before exceptional items and tax (III-IV)	(158)	(401)	(6,827)	(1,187)	(17,674)	(31,201)	
VI	Exceptional Items	3,221	(127)	-	10,343	-	-	
VII	Profit/ (Loss) before tax (V-VI)	(3,379)	(274)	(6,827)	(11,530)	(17,674)	(31,201)	
VIII	Tax Expense	-	-	-	-	-	-	
	(1) Current Tax	-	-	-	-	9	(93)	
	(2) Income Tax for Prior Years	-	-	-	-	-	-	
	(3) Deferred tax	-	-	-	-	-	10,632	
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)	(3,379)	(274)	(6,827)	(11,530)	(17,683)	(41,740)	
X	Profit/(Loss) from discontinuing operations							
XI	Tax expenses of discontinued operations							
XII	Profit/(Loss) from Discontinuing operations (after tax) (X-XI)							
XIII	Profit/ (Loss) for the period (VII-VIII)	(3,379)	(274)	(6,827)	(11,530)	(17,683)	(41,740)	
XIV	Other Comprehensive Income							
	A (i) Items that will not be reclassified to profit or loss						784	
	(ii) Income tax relating to items that will not be reclassified to profit or loss							
	B (i) Items that will be reclassified to profit or loss							
	(ii) Income tax relating to items that will be reclassified to profit or loss							
XV	Total Comprehensive Income for the period (IX+X)	(3,379)	(274)	(6,827)	(11,530)	(17,683)	(40,956)	
XVI	Earning per Equity share (for continuing operation):							
	(1) Basic	(9.11)	(0.74)	(18.45)	(31.10)	(49.35)	(113.33)	
	(2) Diluted	(9.11)	(0.74)	(18.45)	(31.10)	(49.35)	(113.33)	
XVII	Earning per Equity share (for discontinuing operation):							
	(1) Basic							
	(2) Diluted							
XVIII	Earning per Equity share :-(Face Value of Rs. 10 each) (not annualised)							
	(1) Basic	(9.11)	(0.74)	(18.45)	(31.10)	(49.35)	(113.33)	
	(2) Diluted	(9.11)	(0.74)	(18.45)	(31.10)	(49.35)	(113.33)	



Kohinoor Foods Ltd.

NOTE:

- 1) The Un-Audited Financial Results have been approved by the Board of Directors in their meeting held on 13th February, 2020.
- 2) The unaudited financial results have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, specified in Section 133 of Companies Act, 2013.
- 3) The Company is primarily engaged in the business of manufacturing, trading & marketing of food products which is a single segment, as per Indian Accounting Standard (IND AS) 108.
- 4) The Un-Audited Financial Results are given as per the requirement of Regulation 33 of the SEBI (LODR), Regulations 2015 and submitted to Stock Exchanges.
- 5) The company has not provided interest to the extent of Rs. 2111.95 lacs for 3rd Quarter, Rs. 6160.20 for nine month period ended 31-12-2019 and Rs. 5452.28 lacs for year ended 31-03-2019 on bank loans which were classified as non-performing assets.
- 6) The Company in its Board Meeting held on 04.10.2018, has allotted 18,30,000 equity shares on conversion of warrants into equity, issued on preferential basis. After allotment the company has filed application for listing of 18,30,000 equity shares to both the Stock Exchanges (NSE & BSE) and application is under process, and due to these shares are not yet dematerialised.
- 7) The Creditors of the Company have filed petition under Section 7 and Section 9 of Insolvency and Bankruptcy Code, 2016, before the Honbl'e court of NCLT, Chandigarh Bench, which are not yet admitted.
- 8) The Balances of some Debtors and creditors are subject to confirmation.
- 9) As per the assessment of Management the company continues to be going concern. This assessment is based on Resoulution plan and an offer of One Time Settlement submitted to the Banks by company and the interest shown by prospective investors in the company.
- 10) A letter from Oriental Bank of Commerce has been received by the company for declaration of Kohinoor Foods Limited account as Willful Defaulter. The company is in process of submitting reply before the review committee of the Bank.
- 11) The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.
- 12) The figures of previous quarter/year have been regrouped / rearranged whenever considered necessary.

Place : Faridabad
Date : 13th February, 2020

By order of the Board
For Kohinoor Foods Limited


Satnam Arora^d
Jt. Managing Director
DIN No. 00010667

RAJENDER KUMAR SINGAL & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Independent Auditor's Review Report for Consolidated Unaudited Financial Results of Kohinoor Foods Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To Board of Director of
Kohinoor Foods Limited**

1. We have reviewed the accompanying statement of Consolidated Unaudited Financial Results of Kohinoor Foods Limited ('The Holding Company ') and its subsidiaries (the holding company and its subsidiaries together referred to as "the group"), and its share of net profit/(loss) after tax and total comprehensive income/loss of its associates and joint ventures for the quarter and 9 month ended 31st December 2019 being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 31st December 2018, as reported in these financial results have been approved by the Holding Company's Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Regd. Off. : 602, Nilgiri Apartments 9, Barakhamba Road, New Delhi-110 001

Tel.: 011-23352689, 23325360, 23352673 Telefax: 23322623 Website: www.rksingal.com E-mail: rksingal@rksingal.com

Formerly known as "Rajender Kumar Singal & Associates" (firm regd. No. 271 dated 24.07.2013)
(ICAI FRN No. : 016379 N) converted and registered as LLP on 02.12.2013 vide LLPIN No. AAB-8994 with Limited Liability

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. Basis of Qualified Conclusion

- (i) We have not been provided financial statement/financial information of jointly controlled entity "Rich Rice Raiser factory LLC, and subsidiary company M/S. Sachdeva Brothers (P) Ltd. Therefore, we are unable to comment about any possible effect of these joint venture company and subsidiary company in consolidated financial statement for the period ended 31st December, 2019.
- (ii) As stated in Note No. 9 of Consolidated Unaudited Financial Results, management of the holding company has stated its assessment of the company's ability to continue as going concern. However, in view of the continuing default in re-payment of borrowings, default in payment of undisputed statutory dues, significant decline of revenue, continuous losses, negative cash flows and negative net worth, resignation of KMP and senior management and due to financial constraints, material uncertainty exists about the company's ability to continue as going concern and the decision of the management of the company to prepare the accounts of the company on going concern basis. This assessment of management is based on Resolution plan and offer of one-time settlement submitted to the Banks by company and the interest shown by prospective investors in the company. There would arise a need to adjust the realizable value of assets and liabilities in the event of failure of assumption as to going concern.
- (iii) As stated in Note No. 5 of Consolidated Unaudited Financial Results, Loss of the company is understated by Rs 6160.21 lakhs (approx.) for the period from 01/04/2019 to 31/12/2019 and Rs 11612.48 lakhs (approx.) from the date of account being classified as NPA of holding company to the period covered under review, due to non-provisioning of interest on bank loans after the accounts of the company were classified as NPA and further amount towards penal interest, any other penalty etc. as may be charged by lenders. In the absence of statement of account, the above amount has been arrived at as per calculation made by the company. Due to limited information the aggregate amount unprovided in books of account of the holding company is not ascertainable with accuracy.



- (iv) In reference to note no. 11 of consolidated financial result and as per information and explanation received from management of holding company that, *"The holding company had initiated Arbitration proceeding against four agents through whom sales were made to some debtors, whose outstanding balance amounted to Rs 15636.49 lakh."* We are also informed by management of holding company that, *"The Management of company has received arbitration awards from the Hon'ble Arbitral Tribunal comprising of sole arbitrator Mr. S. G. Shah Former judge, High Court of Ahmedabad in respect of these agents"*. On the basis of above award, the company has written-off the balances of these debtors' amount of Rs 14572.27 lakh. Further A legal notice was issued to domestic debtor M/S. Kasturi Exim (P) Limited for recoverability of outstanding amount of Rs 2900 Lakhs. The holding company has written off full amount as bad debts amount of Rs 2900 lakhs on account of such debtor and the holding company has submitted a claim to the interim resolution professional appointed by NCLT.
- The total bad debts amount to Rs 17472.27 lakhs. In view of above arbitration awards and on-going settlement and negotiations with parties, we are unable to comment on extent of bad debts and provision for doubtful debts required to be made and realizability from debtors and its consequential impact on financial result.
- (v) The management of the holding company has not provided balance Confirmation direct from debtors. Depending on the circumstances and in the absence of above third-party confirmation, goods return from debtors, dispute with debtors, bad debts and provision for bad debts as mentioned in point (iv) above and very small recovery of amount from debtors till the date of review, we are unable to comment on realizability of such amount due from debtors and its possible effect on Consolidated Unaudited Financial Results of the company.
- (vi) The management of the holding company has not provided confirmation of accounts from creditors. In the absence of third-party confirmation, we are unable to comment on actual liability to creditors (including squared up accounts) and its possible effect on Consolidated Unaudited Financial Results of the company.
- (vii) Domestic sales have been made to various customers for which payment has not been received. The management of the holding company has provided the following information & explanation regarding these sales, *"we are continuously following up for payment, but their customers are delaying it due to various reasons, mainly because of quality problem. They have informed that their customers are not accepting this rice due to quality issue. Some of them are asking for huge discount*

and some want to return the rice. Some say that they will only pay to company when they receive money from their customers." Further the company still retains significant risk of ownership because the company retains an obligation for unsatisfactory performance. The receipt of revenue from domestic sale is contingent on the derivation of revenue by the buyer from their onward sale of the goods. In such cases, it is not be probable that the economic benefits associated with the transaction will flow to the company until the consideration is received by its buyers and the uncertainty is removed. Due to such uncertainty and huge amount of provision for bad debts made as mentioned in point (v), it is not possible to adequately measure the amount of revenue. Thus, in the absence of any agreement, underlying terms & conditions, schedule of delivery, acceptance and recovery from customers, revenue recognised by the holding company not being in line with applicable accounting principal accepted in India and we are unable to comment its impact on Consolidated Unaudited Financial Results.

- (viii) During the review period, the holding company entered into sale and purchase transactions with the same parties and has recognized Revenue without negating the effect of re-purchased goods amounting of Rs 698.61 lakh from debtors. As per information and explanation given by management of holding company, each transaction is a separate transaction and not related to each other as quality of goods sold and purchased are different. However, we have not been provided any quality wise record of sale & purchase, and, hence in the absence of such record we are unable to comment whether such re-purchased goods from debtor is purchase or sales return and its impact on Consolidated Unaudited Financial Results.
- (ix) During the period under review, amount of revenue of the holding company has not been negated by Rs 1366.39 lacs due to the effect of sales return. The holding company recognized revenue in previous financial year 2018-19 but in current financial year such goods were returned and instead of reducing the amount of revenue, the management of holding company has adjusted such amount of sale return from the provision for bad debts, which was created in previous financial year 2018-19.
- (x) We were not provided with the balance confirmation and reconciliation, if any, of some bank accounts (including accounts closed during the year) appearing in books of accounts of the group. In the absence of having aforementioned confirmation and reconciliation, the impact thereof is unascertainable, and therefore, is not being commented upon in this report.



5. The Statement includes the results of the following entities:

- (i) Indo European Food Limited (U.K.)
- (ii) Kohinoor Food USA Inc. (USA)

6. **Qualified Conclusion**

Based on our review conducted and procedures performed except in "Basis of Qualified conclusion" paragraph mentioned in para 4, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. **EMPHASIS OF MATTER**

- i. The holding company has not made Provision for the demand raised by various authorities as the matters are pending before various appellate forums. We are unable to comment upon possible impact in the Consolidated Unaudited Financial Results for the nine month ended 31st December, 2019.
- ii. We draw attention to Note No. 6 in the Consolidated Unaudited Financial Results, the holding company has allotted 18,30,000 equity shares on conversion of warrant into equity shares issued on preferential basis to its promoters. The holding company has filed application for listing of 18,30,000 equity shares to both the stock exchange (NSE & BSE) and application is under process, due to these shares are not yet dematerialised. The consequential effect the above, on the Consolidated Unaudited Financial Results is not ascertainable.
- iii. We draw attention to Note No. 7 of Consolidated Unaudited Financial Results of the company for the Quarter and nine month ended 31st December, 2019, that the lender of consortium bank "Oriental Bank of Commerce" have filed an application against company under section 7 of the Insolvency and Bankruptcy code, 2016 before National company Law Tribunal (NCLT) Chandigarh bench and the matter is adjourned to next date 16th march 2020. Further, certain operational creditors M/S. Norton Rose Fulbright, M/S. Uma Polymers, International Cargo Terminal & Infrastructure (P) Ltd, International Cargo Terminal & Rail Infrastructure (P) Ltd and JPS Plastic have also filed an application



against company under section 9 of the Insolvency and Bankruptcy code, 2016 before National company Law Tribunal (NCLT) Chandigarh bench wherein the NCLT has provide the next date of hearing on 13th March 2020, 12th March 2020, 25th February 2020, 25th February 2020 and 13th February 2020 respectively .

- iv. We draw attention to Note No. 10 Consolidated Unaudited Financial Results, the holding company has received a letter from lender of consortium bank "Oriental Bank of Commerce" for declaration of name/account of company as willful defaulter. The company has replied and also sought review request before bank.

Our opinion is not modified in respect of this matter.

Place: Delhi

Date: 13.02.2020

For Rajender Kumar Singal and Associates LLP

(Chartered Accountants)

Firm Reg. No. 016379N


(SHASHI PAL RAWAT)

PARTNER

M.No. 413795

Kohinoor Foods Ltd.

Annexure I

Disclosure as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015

Sr. No.	Particulars	Details of Change
1	Reason for change viz. appointment, resignation, removal, death or otherwise	Appointment of Mrs. Mani Chandra Bhandari (DIN: 00387525) as Additional Director, of the Company
2	Date of appointment/cessation (as applicable) & term of appointment	February 13, 2020
3	Brief profile (in case of appointment)	She has a rich experience of running of Export Organization. She is presently holding the Directorship of Chandramani Pvt. Ltd. and Chandramani Exports Private Limited.
4	Disclosure of relationships between directors (in case of appointment of a Director)	N.A

Sr. No.	Particulars	Details of Change
1	Reason for change viz. appointment, resignation, removal, death or otherwise	Appointment of Mr. Yash Pal Mahajan (DIN: 08699040) as Additional Director, of the Company
2	Date of appointment/cessation (as applicable) & term of appointment	February 13, 2020
3	Brief profile (in case of appointment)	He is a Marine Engineer and has a rich experience of more than 2 decades in management. He is presently partner of M/s. Surya Electro Control
4	Disclosure of relationships between directors (in case of appointment of a Director)	N.A

Sr. No.	Particulars	Details of Change
1	Reason for change viz. appointment, resignation, removal, death or otherwise	Appointment of Mr. Sunil Sharma (DIN: 08699033) as Additional Director, of the Company
2	Date of appointment/cessation (as applicable) & term of appointment	February 13, 2020
3	Brief profile (in case of appointment)	He is a Commerce Graduate and is a dynamic hospitality professional, having decades of experience, handling strategic operational business.
4	Disclosure of relationships between directors (in case of appointment of a Director)	N.A

