

# Kohinoor Foods Ltd.

December 06 2019

**The National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> 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: Clarification – Financial Results**

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to clarify that the copy of the Statement of Cash Flow was not uploaded inadvertently and in continuation to our letter dated 14th November, 2019, please find enclosed, copy of the Un-audited Standalone and Consolidated Financial Results of the Company for the quarter and Half Year ended on 30th September, 2019 along with a Statement of Asset and Liabilities, a Statement of Cash Flow and Limited Review Report thereon by the Statutory Auditors.

Please acknowledge receipt.

Thanking you,

Yours faithfully,

For Kohinoor Foods Limited

(Deepak Kaushal)

Company Secretary & Manager (Legal)  
FCS: 8722



**Encl.: As above**

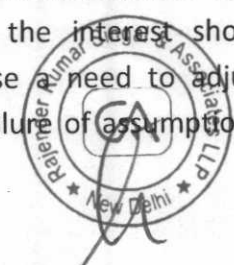
# **RAJENDER KUMAR SINGAL & ASSOCIATES LLP**

## **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 half year ended 30<sup>th</sup> September 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. 10 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 as to going concern.



- (ii) As stated in Note No. 6 of Standalone Unaudited Financial Results, Loss of the company is understated by Rs 4048.26 lakhs (approx.) for the period from 01/04/2019 to 30/09/2019 and Rs 9500.53 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, *"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 10277.52 lakh. The Management of company has also made the provision of Rs 1073.68 lakh in respect of other debtors from whom the recovery is pending or arbitration is in process." The total bad debts and provision for doubtful debts amounts to Rs 14251.21 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 amounting of Rs 6839.57 lakh, 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, *"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 698.61 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 29<sup>th</sup> May, 2019, 14<sup>th</sup> November, 2018, and 14<sup>th</sup> 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 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 six-month ended 30<sup>th</sup> September, 2019.
- ii. We draw attention to Note No. 7 in the Standalone Unaudited Financial Results, the company has 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 Standalone Unaudited Financial Results is not ascertainable.


- iii. 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.
- iv. We draw attention to Note No. 8 of Standalone Unaudited Financial Results of the company for the six month ended 30<sup>th</sup> September, 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 22<sup>th</sup> November 2019. Further, certain operational creditors M/S. Norton Rose Fulbright, M/S. Uma Polymers, and International Cargo Terminal & Infrastructure (P) Ltd 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 08<sup>th</sup> January 2020, 18<sup>th</sup> November 2019 and 10<sup>th</sup> January 2020 respectively .
- v. We draw attention to Note No.12 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: 14.11.2019

For Rajender Kumar Singal and Associates LLP  
(Chartered Accountants)

Firm Reg. No. 016379N

  
(SHASHI PAL RAWAT)  
PARTNER  
M.No. 413795

The image shows a circular stamp for Rajender Kumar Singal & Associates LLP, Chartered Accountants, Firm Reg. No. 016379N. The stamp contains the name (SHASHI PAL RAWAT), the title (PARTNER), and the membership number (M.No. 413795). The stamp is partially obscured by a handwritten signature.

# Kohinoor Foods Ltd.

STANDALONE STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER/HALF YEAR ENDED SEPTEMBER 30, 2019.

(Rs. in Lacs)

Sl.	Particulars	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30-09-2019	30-06-2019	30-09-2018	30-09-2019	30-09-2018	31.03.2019
No.		UN-AUDITED	UN-AUDITED	UN-AUDITED	UN-AUDITED	UN-AUDITED	AUDITED
I	Revenue from Operation	976	1,031	12,984	2,007	15,450	40,494
II	Other Income	(0)	0	35	0	85	164
III	<b>Total Income (I+II)</b>	<b>975</b>	<b>1,031</b>	<b>13,019</b>	<b>2,007</b>	<b>15,535</b>	<b>40,658</b>
IV	<b>Expenses</b>						
	Cost of material consumed	662	787	16,827	1,449	18,990	49,771
	Purchase of stock-in-trade	-	-	34	-	76	79
	(Increase)/Decrease in Inventories of finished goods, stock-in-trade and work-in-progress	3	54	69	57	13	7
	Employee benefits expense	174	183	310	358	680	1,029
	Finance Costs	1	1	2,005	2	4,184	2,298
	Depreciation and amortisation expense	269	269	324	539	647	1,297
	Impairment of Assets	-	-	-	-	-	3,978
	Other Expenses	477	320	977	797	1,673	11,339
	<b>Total expenses (IV)</b>	<b>1,586</b>	<b>1,615</b>	<b>20,546</b>	<b>3,201</b>	<b>26,262</b>	<b>69,797</b>
V	<b>Profit/ (Loss) before exceptional items and tax (III-IV)</b>	<b>(611)</b>	<b>(584)</b>	<b>(7,527)</b>	<b>(1,194)</b>	<b>(10,727)</b>	<b>(29,139)</b>
VI	Exceptional Items	(127)	7,249		7,122		-
VII	<b>Profit/ (Loss) before tax (V-VI)</b>	<b>(484)</b>	<b>(7,832)</b>	<b>(7,527)</b>	<b>(8,317)</b>	<b>(10,727)</b>	<b>(29,139)</b>
VIII	Tax Expense	-	-	-	-	-	-
	(1) Current Tax	-	-	-	-	-	-
	(2) Income Tax for Prior Years	-	-	-	-	-	-
	(3) Deferred tax	-	-	-	-	-	9,419
IX	<b>Profit/(Loss) for the period from continuing operations (VII-VIII)</b>	<b>(484)</b>	<b>(7,832)</b>	<b>(7,527)</b>	<b>(8,317)</b>	<b>(10,727)</b>	<b>(38,557)</b>
X	<b>Profit/(Loss) from discontinuing operations</b>						
XI	<b>Tax expenses of discontinued operations</b>						
XII	<b>Profit/(Loss) from Discontinuing operations (after tax) (X-XI)</b>						
XIII	<b>Profit/ (Loss) for the period (VII-VIII)</b>	<b>(484)</b>	<b>(7,832)</b>	<b>(7,527)</b>	<b>(8,317)</b>	<b>(10,727)</b>	<b>(38,557)</b>
XIV	<b>Other Comprehensive Income</b>						
	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	<b>Total Comprehensive Income for the period (IX+X)</b>	<b>(484)</b>	<b>(7,832)</b>	<b>(7,527)</b>	<b>(8,317)</b>	<b>(10,727)</b>	<b>(38,545)</b>
XVI	Earning per Equity share (for continuing operation):						
	(1) Basic	(1.31)	(21.13)	(21.36)	(22.43)	(30.44)	(106.66)
	(2) Diluted	(1.31)	(21.13)	(21.36)	(22.43)	(30.44)	(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	(1.31)	(21.13)	(21.36)	(22.43)	(30.44)	(106.66)
	(2) Diluted	(1.31)	(21.13)	(21.36)	(22.43)	(30.44)	(106.66)



# Kohinoor Foods Ltd.

## STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH SEPTEMBER, 2019

(Amount in Lacs)

SI No.	Particulars	STANDALONE	STANDALONE
		AS AT 30.09.2019 UN-AUDITED	AS AT 31.03.2019 AUDITED
	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	Property, Plant and Equipment	18,729	19,268
	Capital work-in-progress	-	-
	Financial Assets		
	Investments	4,969	4,969
	Other Financial Assets	0	-
	Other Non Current Assets	89	90
	Deferred tax assets (net)	356	356
	<b>Total Non-Current Assets</b>	<b>24,143</b>	<b>24,682</b>
2	<b>Current Assets</b>		
	Inventories	492	1,025
	Financial Assets		
	Trade receivables	13,690	21,195
	Cash and cash equivalents	11	102
	Other Financial Assets	2	2
	Other current assets	2,786	2,807
	<b>Total Current Assets</b>	<b>16,981</b>	<b>25,131</b>
	<b>Total Assets</b>	<b>41,124</b>	<b>49,813</b>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Equity Share capital	3,707	3,707
	Other Equity	-39,665	-31,348
	<b>Total Equity</b>	<b>-35,957</b>	<b>-27,641</b>
	<b>LIABILITIES</b>		
1	<b>Non-current liabilities</b>		
	Financial Liabilities		
	Borrowings	1,500	1,500
	Provisions	160	160
	<b>Total Non-Current Liabilities</b>	<b>1,660</b>	<b>1,660</b>
2	<b>Current liabilities</b>		
	Financial Liabilities		
	Borrowings	68,870	68,481
	Trade payables	3,390	4,187
	Other financial liabilities	1,352	1,442
	Other current liabilities	1,793	1,668
	Provisions	17	16
	<b>Total Current Liabilities</b>	<b>75,422</b>	<b>75,794</b>
	<b>Total Equity and Liabilities</b>	<b>41,124</b>	<b>49,813</b>





# Kohinoor Foods Ltd.

## NOTE:

- 1) The Un-Audited Standalone Financial Results have been approved by the Board of Directors in their meeting held on 14th November, 2019.
- 2) The standalone 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 Standalone Financial Results are given as per the requirement of Regulation 33 of the SEBI (LODR), Regulations 2015 and submitted to Stock Exchanges.
- 5) The Banks have classified the company's accounts as Non Performing asset and served recall Notice under section 13(2) of The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. The Company has given reply of said notices within the stipulated time.
- 6) The company has not provided interest to the extent of Rs. 2063.70 lacs for 2nd Quarter, Rs. 4048.25 for half year ended 30-09-2019 and Rs. 5452.28 lacs for year ended 31-03-2019 on bank loans which were classified as non-performing assets.
- 7) 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.
- 8) 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.
- 9) The Balances of some Debtors and creditors are subject to confirmation.
- 10) As per the assessment of Management the company continues to be going concern. This assessment is based on Resolution plan and an offer of One Time Settlement submitted to the Banks by company and the interest shown by prospective investors in the company.
- 11) 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 has replied and also sought review request before the screening committee of the bank.
- 12) 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.
- 13) The figures of previous quarter/year have been regrouped / rearranged whenever considered necessary.

Place : Faridabad  
Date : 14th November, 2019

By order of the Board  
For Kohinoor Foods Limited

  
Sathnam Arora  
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 half year ended 30<sup>th</sup> September 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 30<sup>th</sup> September 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.



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, one subsidiary company M/S. Sachdeva Brothers (P) Ltd. Therefore, we are unable to comment about any possible effect of these joint venture company in consolidated financial statement for the period ended 30<sup>th</sup> September, 2019.
- (ii) As stated in Note No. 10 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. 6 of Consolidated Unaudited Financial Results, Loss of the company is understated by Rs 4048.26 lakhs (approx.) for the period from 01/04/2019 to 30/09/2019 and Rs 9500.53 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, *"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 10277.52 lakh. The Management of holding company has also made the provision of Rs 1073.68 lakh in respect of other debtors from whom the recovery is pending or arbitration is in process." The total bad debts and provision for doubtful debts amounts to Rs 14251.21 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 amounting of Rs 6839.57 lakh, dispute with debtors, provision for bad debts made as per point (v) 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 Quarter ended 30<sup>th</sup> June, 2019.
- ii. We draw attention to Note No. 7 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. 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 made full provision of 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.
- iv. We draw attention to Note No. 8 of Consolidated Unaudited Financial Results of the company for the Quarter and half year ended 30<sup>th</sup> September, 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 22<sup>nd</sup> November 2019. Further, certain operational creditors M/S. Norton Rose Fulbright, M/S. Uma Polymers, and International Cargo Terminal & Infrastructure (P) Ltd 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 08<sup>th</sup> January 2020, 18<sup>th</sup> November 2019 and 10<sup>th</sup> January 2020 respectively .

- v. We draw attention to Note No. 12 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.

8. The Consolidated unaudited financial result includes the interim financial statements/ financial information/ financial result of 3 subsidiaries which have not been reviewed/ audited by their auditors, whose interim financial statements / financial information / financial results reflect total assets 9691.59 lakh, total revenues of Rs. 8173.20 Lakh and total net loss after tax and total comprehensive loss of Rs. 165.16 Lakh for the quarter and half year ended 30th September, 2019 and for the period from 01st April, 2019 to 30th September, 2019, respectively, as considered in the consolidated unaudited financial results.

Place: Delhi  
Date: 14.11.2019

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/HALF YEAR ENDED SEPTEMBER 30, 2019.

(Amount in Lacs)

Sl. No.	Particulars	CONSOLIDATED					
		QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30-09-2019 UN-AUDITED	30-06-2019 UN-AUDITED	30-09-2018 UN-AUDITED	30-09-2019 UN-AUDITED	30-09-2018 UN-AUDITED	31.03.2019 AUDITED
I	Revenue from Operation	6,231	3,949	19,190	10,180	28,027	60,084
II	Other Income	(0)	0	35	0	85	174
III	<b>Total Income (I+II)</b>	<b>6,231</b>	<b>3,949</b>	<b>19,225</b>	<b>10,180</b>	<b>28,112</b>	<b>60,258</b>
IV	<b>Expenses</b>						
	Cost of material consumed	4,479	2,779	21,272	7,258	29,001	65,383
	Purchase of stock-in-trade	-	-	34	-	76	79
	(Increase)/Decrease in Inventories of finished goods, stock-in-trade and work-in-progress	3	54	69	57	13	7
	Employee benefits expense	370	555	649	925	1,364	2,544
	Finance Costs	35	48	2,098	83	4,419	2,664
	Depreciation and amortisation expense	302	305	366	607	732	1,464
	Impairment of Assets	-	-	-	-	-	3,978
	Other Expenses	1,443	836	1,843	2,279	3,354	15,340
	<b>Total expenses (IV)</b>	<b>6,632</b>	<b>4,577</b>	<b>26,329</b>	<b>11,209</b>	<b>38,957</b>	<b>91,459</b>
V	<b>Profit/ (Loss) before exceptional items and tax (III-IV)</b>	<b>(401)</b>	<b>(628)</b>	<b>(7,105)</b>	<b>(1,029)</b>	<b>(10,846)</b>	<b>(31,201)</b>
VI	Exceptional Items	(127)	7,249	-	7,122	-	-
VII	<b>Profit/ (Loss) before tax (V-VI)</b>	<b>(274)</b>	<b>(7,877)</b>	<b>(7,105)</b>	<b>(8,151)</b>	<b>(10,846)</b>	<b>(31,201)</b>
VIII	Tax Expense						
	(1) Current Tax			9		9	(93)
	(2) Income Tax for Prior Years					0	
	(3) Deferred tax						10,632
IX	<b>Profit/(Loss) for the period from continuing operations (VII-VIII)</b>	<b>(274)</b>	<b>(7,877)</b>	<b>(7,114)</b>	<b>(8,151)</b>	<b>(10,855)</b>	<b>(41,740)</b>
X	Profit/(Loss) from discontinuing operations						
XI	Tax expenses of discontinued operations						
XII	<b>Profit/(Loss) from Discontinuing operations (after tax) (X-XI)</b>						
XIII	<b>Profit/ (Loss) for the period (VII-VIII)</b>	<b>(274)</b>	<b>(7,877)</b>	<b>(7,114)</b>	<b>(8,151)</b>	<b>(10,855)</b>	<b>(41,740)</b>
XIV	<b>Other Comprehensive Income</b>						
	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	<b>Total Comprehensive Income for the period (IX+X)</b>	<b>(274)</b>	<b>(7,877)</b>	<b>(7,114)</b>	<b>(8,151)</b>	<b>(10,855)</b>	<b>(40,956)</b>
XVI	Earning per Equity share (for continuing operation):						
	(1) Basic	(0.74)	(21.25)	(20.19)	(21.99)	(30.80)	(113.33)
	(2) Diluted	(0.74)	(21.25)	(20.19)	(21.99)	(30.80)	(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	(0.74)	(21.25)	(20.19)	(21.99)	(30.80)	(113.33)
	(2) Diluted	(0.74)	(21.25)	(20.19)	(21.99)	(30.80)	(113.33)



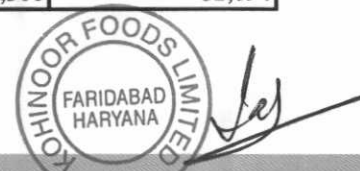


# Kohinoor Foods Ltd.

## CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH SEPTEMBER, 2019

(Amount in Lacs)

SI No.	Particulars	CONSOLIDATED	
		AS AT 30.09.2019 UN-AUDITED	AS AT 31.03.2019 AUDITED
	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	Property, Plant and Equipment	19,499	24,576
	Capital work-in-progress	0	0
	<b>Financial Assets</b>		
	Investments	10	10
	Other Financial Assets	0	
	Other Non Current Assets	89	90
	Deferred tax assets (net)	356	356
	<b>Total Non-Current Assets</b>	<b>19,954</b>	<b>25,031</b>
2	<b>Current Assets</b>		
	Inventories	2,597	2,336
	<b>Financial Assets</b>		
	Trade receivables	18,430	21,179
	Cash and cash equivalents	495	359
	Other Financial Assets	5	2
	Other current assets	2,826	3,187
	<b>Total Current Assets</b>	<b>24,352</b>	<b>27,063</b>
	<b>Total Assets</b>	<b>44,306</b>	<b>52,094</b>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Equity Share capital	3,707	3,707
	Other Equity	-46,714	-38,369
	<b>Total Equity</b>	<b>-43,007</b>	<b>-34,662</b>
	<b>LIABILITIES</b>		
1	<b>Non-current liabilities</b>		
	<b>Financial Liabilities</b>		
	Borrowings	1,541	1,500
	Provisions	160	160
	<b>Total Non-Current Liabilities</b>	<b>1,701</b>	<b>1,660</b>
2	<b>Current liabilities</b>		
	<b>Financial Liabilities</b>		
	Borrowings	71,952	74,821
	Trade payables	1,267	6,524
	Other financial liabilities	10,584	1,448
	Other current liabilities	1,793	2,287
	Provisions	17	17
	<b>Total Current Liabilities</b>	<b>85,612</b>	<b>85,096</b>
	<b>Total Equity and Liabilities</b>	<b>44,306</b>	<b>52,094</b>

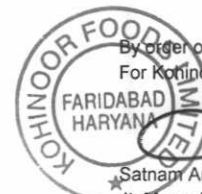


# Kohinoor Foods Ltd.

## NOTE:

- 1) The Un-Audited Consolidated Financial Results have been approved by the Board of Directors in their meeting held on 14th November, 2019.
- 2) The Consolidated 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 Consolidated Financial Results are given as per the requirement of Regulation 33 of the SEBI (LODR), Regulations 2015 and submitted to Stock Exchanges.
- 5) The Banks have classified the company's accounts as Non Performing asset and served recall Notice under section 13(2) of The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. The Company has given reply of said notices within the stipulated time.
- 6) The company has not provided interest to the extent of Rs. 2063.70 lacs for 2nd Quarter, Rs. 4048.25 for half year ended 30-09-2019 and Rs. 5452.28 lacs for year ended 31-03-2019 on bank loans which were classified as non-performing assets.
- 7) 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.
- 8) 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.
- 9) The Balances of some Debtors and creditors are subject to confirmation.
- 10) As per the assessment of Management the company continues to be going concern. This assessment is based on Resolution plan and an offer of One Time Settlement submitted to the Banks by company and the interest shown by prospective investors in the company.
- 11) 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 has replied and also sought review request before the screening committee of the bank.
- 12) 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.
- 13) The figures of previous quarter/year have been regrouped / rearranged whenever considered necessary.

Place : Faridabad  
Date : 14th November, 2019



By order of the Board  
For Kohinoor Foods Limited

Satnam Arora  
Jt. Managing Director  
DIN No. 00010667

# Kohinoor Foods Ltd.

Standalone Cash Flow Statement for the half year ended 30th September 2019

(Rs. in Lacs)

Particulars	For the period Ended 30-September-2019 Un-Audited	For the period Ended 30-September-2018 Un-Audited
<b>A. Cash Flow From Operating Activities</b>		
Net Profit before tax	(8,316.51)	(10,727.41)
Adjustments for :		
Depreciation and Amortisation Expenses	538.66	646.68
Finance cost	2.23	4,183.79
Interest income	-	(13.51)
(Profit)/Loss on Sale of Fixed Assets	-	-
(Profit)/Loss on Sale of Shares	-	-
Income from Key Man Insurance Policy	-	-
Impairment loss on Investment in Subsidiary	-	-
<b>Operating profit before working capital changes</b>	<b>(7,775.63)</b>	<b>(5,910.45)</b>
Adjustments for		
Decrease/(Increase ) in Inventories	532.81	18,747.21
Decrease/(Increase ) in Trade Receivables	7,505.19	(8,476.92)
Decrease/(Increase ) in other Receivables	21.43	850.76
Increase/(Decrease) in Trade payables	(796.77)	(4,224.79)
Increase/(Decrease) in other payables	35.55	998.62
<b>Cash generated from operations</b>	<b>(477.42)</b>	<b>1,984.43</b>
Income tax paid	-	(0.31)
<b>Net Cash from operating activities</b>	<b>(477.42)</b>	<b>1,984.11</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment's	(0.00)	(2.74)
Sale of property, plant and equipment's	-	-
Investments in Subsidiaries /Associates Companies	-	-
Sale of Investments	-	(0.00)
Interest Received	-	13.51
Income from Key Man Insurance Policy	-	-
<b>Net cash from Investment activities</b>	<b>(0.00)</b>	<b>10.77</b>
<b>C. Cash Flow from Financing Activities</b>		
Receipts against issue of Share Capital/Share Warrants	-	-
Increase/( Decrease) in short term borrowings	388.73	1,597.67
Increase/( Decrease) in Long term borrowings	-	(22.25)
Interest paid	(2.23)	(4,183.79)
<b>Net cash flow from financing activities</b>	<b>386.51</b>	<b>(2,608.37)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(90.92)</b>	<b>(613.49)</b>
- Cash & Cash equivalent at beginning of the year	102.18	791.23
- Cash & Cash equivalent at end of the year	11.27	177.74
	<b>(90.92)</b>	<b>(613.49)</b>

Note:- The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7, "Statement of Cash Flows"



# Kohinoor Foods Ltd.

Consolidated Cash Flow Statement for the half year ended 30th September 2019

(Rs. in Lacs)

Particulars	For the period Ended 30-September-2019 Un-Audited	For the period Ended 30-September-2018 Un-Audited
<b>A. Cash Flow From Operating Activities</b>		
Net Profit before tax	(8,151.35)	(10,845.72)
Adjustments for :		
Depreciation and Amortisation Expenses	606.84	731.74
Finance cost	83.08	4,418.57
Interest income	-	(13.51)
(Profit)/Loss on Sale of Fixed Assets	3.16	-
(Profit)/Loss on Sale of Shares	-	-
Income from Key Man Insurance Policy	-	-
Impairment loss on Investment in Subsidiary	-	-
<b>Operating profit before working capital changes</b>	<b>(7,458.28)</b>	<b>(5,708.92)</b>
Adjustments for		
Decrease/(Increase ) in Inventories	(260.77)	23,322.06
Decrease/(Increase ) in Trade Receivables	2,749.51	(11,651.32)
Decrease/(Increase ) in other Receivables	358.40	844.73
Increase/(Decrease) in Trade payables	(5,257.05)	(5,598.80)
Increase/(Decrease) in other payables	8,642.61	1,116.24
Un realized Foreign Exchange Gain/Loss	(193.43)	(335.20)
<b>Cash generated from operations</b>	<b>(1,419.02)</b>	<b>1,988.78</b>
Income tax paid	-	(9.41)
<b>Net Cash from operating activities</b>	<b>(1,419.02)</b>	<b>1,979.37</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment's	-	-
Sale of property, plant and equipment's	4,467.34	510.66
Investments in Subsidiaries /Associates Companies	-	10.06
Sale of Investments	(0.00)	-
Interest Received	-	13.51
Income from Key Man Insurance Policy	-	-
<b>Net cash from Investment activities</b>	<b>4,467.34</b>	<b>534.24</b>
<b>C. Cash Flow from Financing Activities</b>		
Receipts against issue of Share Capital/Share Warrants	-	-
Increase/( Decrease) in short term borrowings	(2,869.65)	(1,527.77)
Increase/( Decrease) in Long term borrowings	40.92	2,768.95
Interest paid	(83.08)	(4,418.57)
<b>Net cash flow from financing activities</b>	<b>(2,911.80)</b>	<b>(3,177.39)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>136.51</b>	<b>(663.78)</b>
- Cash & Cash equivalent at beginning of the year	358.83	1,147.41
- Cash & Cash equivalent at end of the year	495.34	483.63
	<b>136.51</b>	<b>(663.78)</b>

Note:- The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7, "Statement of Cash Flows"

