

Kohinoor Foods Ltd.

29.05.2018

**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 29th May, 2018

This is to inform that the Board of Directors of the Company at its Meeting held today, i.e. on 29th May, 2018 which commenced at 12.00 Noon and concluded at 7:05 P.M. has, *inter-alia*, taken the following decisions :-

1. Approved and taken on record the Audited Standalone and Consolidated Financial Results (AFRs) of the Company for the quarter and financial year ended on 31st March, 2019, which was recommended by the Audit Committee at their meeting held on Wednesday, 29th May, 2019. A copy of the said Standalone and Consolidated AFR's along with the Auditor's Report as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the said financials is enclosed herewith. (Annexure-1)
2. The Board received the Auditor's Report from the Auditor of Company M/s Rajender Kumar Singal & Associates LLP, Chartered Accountants for the year ended 31st March, 2019.
3. The Board of Directors of the Company did not recommend any Dividend for the Financial Year 2018-19.

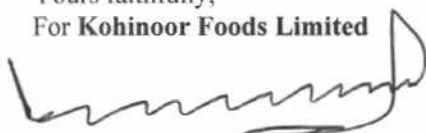
Further, we are enclosing herewith the following:

1. Statement on Impact of Audit Qualifications on the financial statements for the year ended 31st March, 2019 as per SEBI Circular CIR/CFD/CMD/56/2016 dated 27th May, 2016 (Annexure-2).

Please acknowledge receipt.

Thanking you,

Yours faithfully,
For **Kohinoor Foods Limited**



(Gurnam Arora)
Jt. Managing Director
DIN No: 00010731
Encl.: As above



Kohinoor Foods Ltd.

Annexure - 1

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019.

(Amount in Lacs)

Sl. No.	Particulars	QUARTER ENDED			STANDALONE YEAR ENDED		CONSOLIDATED YEAR ENDED	
		31.03.2019 AUDITED	31.12.2018 UN-AUDITED	31.03.2018 AUDITED	31.03.2019 AUDITED	31.03.2018 AUDITED	31.03.2019 AUDITED	31.03.2018 AUDITED
I	Revenue from Operation	5200	19844	18881	40494	85915	60084	101920
II	Other Income	79	0	125	164	325	174	329
III	Total Income (I+II)	5279	19844	19006	40658	86240	60257	102249
IV	Expenses							
	Cost of material consumed	4392	26389	19636	49771	60758	65383	71276
	Purchase of stock-in-trade	3	0	1268	79	6761	79	6761
	(Increase)/Decrease in Inventories of finished goods, stock in-trade and work-in-progress	33	-39	156	7	3772	7	3772
	Employee benefits expense	51	298	474	1029	2107	2544	3663
	Finance Costs	-142	-1744	1976	2298	8170	2664	8779
	Depreciation and amortisation expense	327	323	801	1297	1537	1464	1709
	Impairment of Assets	3978	-	-	3978	-	3,978.45	-
	Other Expenses	9105	561	2399	11339	10092	15340	14262
	Total expenses (IV)	17746	25788	26711	69797	93197	91459	110223
V	Profit/ (Loss) before exceptional items and tax (III-IV)							
		-12467	-5944	-7705	-29139	-6957	-31201	-7974
VI	Exceptional Items		-	-	-	-	-	-
VII	Profit/ (Loss) before tax (V-VI)	-12467	-5944	-7705	-29139	-6957	-31201	-7974
VIII	Tax Expense							
	(1) Current Tax	0	0	-150	0	0	-93	0
	(2) Income Tax for Prior Years	0	0	145		145		145
	(3) Deferred tax	9419		0	9419		10632	-83
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)	-21885	-5944	-7700	-38557	-7102	-41740	-8036
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)	-21885	-5944	-7700	-38557	-7102	-41740	-8036
XIV	Other Comprehensive Income							
	A (i) Items that will not be reclassified to profit or loss	12	0	5	12	5	784	734
	(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						0	
XV	Total Comprehensive Income for the period (IX+X)	-21873	-5944	-7695	-38545	-7097	-40956	-7301
XVI	Earning per Equity share (for continuing operation):							
	(1) Basic	-59.00	-16.06	-21.84	-106.66	-20.14	-113.33	-20.72
	(2) Diluted	-59.00	-16.06	-21.84	-106.66	-20.14	-113.33	-20.72
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	-59.00	-16.06	-21.84	-106.66	-20.14	-113.33	-20.72
	(2) Diluted	-59.00	-16.06	-21.84	-106.66	-20.14	-113.33	-20.72



Kohinoor Foods Ltd.

STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2019

(Amount in Lacs)

Sl No.	Particulars	STANDALONE		CONSOLIDATED	
		AS AT 31.03.2019 AUDITED	AS AT 31.03.2018 AUDITED	AS AT 31.03.2019 AUDITED	AS AT 31.03.2018 AUDITED
	ASSETS				
1	Non-current assets				
	Property, Plant and Equipment	19,268	20,561	24,576	26,072
	Capital work-in-progress	0	1	0	1
	Financial Assets				
	Investments	4,969	8,968	10	20
	Other Financial Assets	0	4		0
	Other Non Current Assets	90	115	90	115
	Deferred tax assets (net)	356	9,774	356	10,903
	Total Non-Current Assets	24,682	39,423	25,031	37,111
2	Current Assets				
	Inventories	1,024	46,423	2,336	54,953
	Financial Assets				
	Trade receivables	21,195	8,329	21,179	8,891
	Cash and cash equivalents	102	791	359	1,147
	Other Financial Assets	2	357	2	595
	Other current assets	2,807	3,793	3,187	3,810
	Total Current Assets	25,131	59,693	27,063	69,396
	Total Assets	49,813	99,117	52,094	106,507
	EQUITY AND LIABILITIES				
	Equity				
	Equity Share capital	3,707	3,524	3,723	3,524
	Other Equity	-31,348	5,232	-38,385	-3,321
	Total Equity	-27,641	8,756	-34,662	203
	LIABILITIES				
1	Non-current liabilities				
	Financial Liabilities				
	Borrowings	1,500	1,522	1,500	1,587
	Provisions	160	225	160	225
	Total Non-Current Liabilities	1,660	1,747	1,660	1,812
2	Current liabilities				
	Financial Liabilities				
	Borrowings	68,481	70,144	74,821	81,960
	Trade payables	4,187	13,210	6,524	16,900
	Other financial liabilities	1,442	1,493	1,448	1,510
	Other current liabilities	1,668	3,746	2,287	4,101
	Provisions	17	21	17	21
	Total Current Liabilities	75,794	88,614	85,096	104,492
	Total Equity and Liabilities	49,813	99,117	52,094	106,507

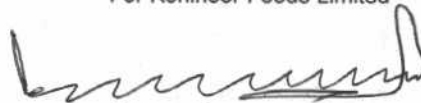


Kohinoor Foods Ltd.

NOTE:

- 1) 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.
- 2) The Audited Standalone and Consolidated Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 29th May, 2019.
- 3) The Audited Standalone and Consolidated Financial Results are given as per the requirement of Regulation 33 of the SEBI (LODR), Regulations 2015 and submitted to Stock Exchanges.
- 4) The Audited Standalone and Consolidated Financial Results have been prepared in accordance with the recognition and measurement principles laid down under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 5) The Company has not received the audited financial statement of U.K. based subsidiary companies Indo European Food Limited. The Consolidated financial statement has been prepared on the basis of unaudited financial statement of this subsidiary.
- 6) The CEO and CFO certificate in respect of the above results in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before the Board of Directors.
- 7) 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, in the month of July/August 2018 the Company has given reply of said notices within the stipulated time.
- 8) The company has not provided interest to the extent of Rs. 5452.28 lacs up to 31-03-2019 on bank loans which were classified as non-performing assets during the year from the date they were declared NPA
- 9) 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 the approval for same is yet to be received.
- 10) The Creditors of the Company have filed petition under Section 7 of Insolvency and Bankruptcy Code, 2016, before the Honbl'e court of NCLT, Chandigarh Bench, which are not yet admitted.
- 11) The Balances of some Debtors and creditors are subject to confirmation.
- 12) As per the assessment of Management the company continues to be going concern. This assessment is based on Resoultion plan submitted to the Banks by company and the interest shown by prospective investors in the company.
- 13) 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.
- 14) The figures of previous quarter/year have been regrouped / rearranged whenever considered necessary.
- 15) The wholly owned subsidiary of the Company, Kohinoor Foods USA Inc. has been incurring continuous losses and its net worth is fully eroded, due to which Impairment loss on Investments has been recognised by Rs 3978.45 Lakhs.
- 16) Management reviewed the carrying amount of a deferred tax asset and on the basis of that review balance of deferred tax assets has been written off by Rs 9,774.25 Lakhs as on 31th March, 2019.
- 17) The company has not made Provision for the demand raised by various authorities as the matters are pending before various Appellate forum. As per the advice received from legal expert and on the basis of merit of the case there is high probability that the impugned orders will be set aside and the demand will be delated. Accordingly, management is of the view that no provision in respect of the aforesaid demands is required to be made in the books of accounts.

By order of the Board
For Kohinoor Foods Limited



Gurnam Arora
Jt. Managing Director
DIN No. 00010731



Place : Faridabad
Date : 29th May, 2019

RAJENDER KUMAR SINGAL & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Independent Auditor's Report for annual standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Director of Kohinoor Foods Limited

We have audited the annual standalone financial result ("the statement") of KOHINOOR FOODS LIMITED ("the company") for the year ended 31th March, 2019 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This financial result is the responsibility of the company's management and is approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial result is free of material misstatement(s). An audit also includes examining, on a test basis, evidence supporting the amounts disclosed in standalone financial result. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Basis of Qualified Opinion

- (1) Note No. 12 in the standalone financial results disclose that management's assessment of the company's ability to continue as going concern. However, in view of the continuing default in re-payment of borrowings, 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 is based on Resolution plan 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.

- (2) Note No 8 of standalone financial result Loss of the company is understated by Rs 5452.28 lakhs (approx.) 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 as per calculation made by the company. With the limited information the aggregate amount unprovided in books of account of the company is not ascertainable with accuracy.
- (3) The management of the company provided balance Confirmation of few debtors only. However, as per information & explanation given by management, *"the company has dispute with its debtors due to quality issue of rice sold to them and most of the parties are claiming discount ranging 20%-40% due to quality issue. Therefore, management will have to accord them discount @25% to its debtors"*. Accordingly, the management has made a provision of 25% of bad debts on some of the debtors. However, the extent of provision required and number of debtors on which provision was required is not ascertainable. Accordingly, depending on the circumstances of the audit, audit evidence in the form of external confirmations received directly by the auditor from confirming parties may be more reliable than evidence generated internally by the entity. In the absence of above third-party confirmation and small recovery of amount from debtors till the date of audit, we are unable to comment on realizability of such amount due from debtors and its possible effect on financial results of the company.
- (4) The management of company has provided confirmation of accounts of very few creditors only. Depending on the circumstances of the audit, audit evidence in the form of external confirmations received directly by the auditor from confirming parties may be more reliable than evidence generated internally by the entity. 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 financial results of the company.
- (5) Domestic sale made to various customers and as per information & explanation given by management, *"we are continuously following up for payment, but their customers are delaying it due to various reason, 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, 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 and revenue recognition by the company not being in line with Ind AS 18 "Revenue Recognition", we are unable to comment its impact on standalone financial results.

- (6) The Company has recognised Revenue without negating the effect of re-purchase from debtors. As per Ind AS 18, "Revenue" Recognition criteria are applied to two or more transactions together when they are linked in such a way that the commercial effect cannot be understood without reference to the series of transactions as a whole. The company made sale and purchase transaction with the same parties during the year. The management informed us that each transaction is separate transaction 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, hence in the absence of such record we are unable to comment whether revenue recognised by the company is in line with Ind AS 18 Revenue Recognition and its impact on standalone financial results.
- (7) 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 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.
- (8) 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 there of is unascertainable, and therefore, is not being commented upon in this report.



In our opinion and to the best of our information and according to the explanations given to us the annual standalone financial result:

- i. As stated in Note 17 to the standalone financial results, 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 financial results for the year ended 31th March, 2019.
- ii. As stated in Note 16 to the standalone financial results, management reviewed carrying amount of a deferred tax asset and on the basis of that review balance of deferred tax assets has been written off by Rs 9,774.25 Lakhs as on 31th March, 2019.
- iii. As stated in Note 15 to the standalone financial results, the wholly owned subsidiary of the Company, Kohinoor Foods USA Inc. has been incurring continuous losses and its net worth is fully eroded, due to which Investments are written off by Rs 3978.45 Lakhs by management of company.
- iv. An amount of Rs 1770.27 lakh has been outstanding from its U.K. based subsidiary company, Indo-European Food Limited since long. It includes a stand by letter of credit amounting to Rs 814.80 Lakh (GBP 9, 17,394/-) invoked by OBC bank on the account of default made by Indo-European Food Limited. As Indo-European Food Limited has written letters to bankers of the company that they will make the payment in installments therefore the company has not made any provision on account of non-recoverability of the same.
- v. As stated in Note No. 9 in the standalone 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). However, the company is yet to receive the approval from the stock exchange (NSE & BSE). The consequential effect the above, on the standalone financial results is not ascertainable.
- vi. 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 made full provision of amount of Rs 2900 lakhs on account of such debtor for the year ended 31th March, 2019 and the company has submitted a claim under regulation 7 of the insolvency and bankruptcy board of India (Insolvency Resolution process for Corporate person) Regulation, 2016 to the interim resolution professional appointed by NCLT.



- vii. We draw attention to Note No. 10 of standalone financial results of the company for the year ended 31th March, 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 date 19.07.2019

Our opinion is not modified in respect of this matter.

In our opinion and to the best of our information and according to the explanations given to us the annual standalone financial result:

- i. Except in "Basis of Qualified opinion" Paragraph, are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- ii. Except in "Basis of Qualified opinion" Paragraph, the matter give a true and fair view in conformity with the aforesaid Ind AS generally accepted in India of the standalone net loss (including other comprehensive income) and other financial information for the year ended 31th March, 2019.

The statements include the results for the quarter ended 31th March, 2019 being the balancing figure between audited figures in respect of the full financial year and the unaudited year to date figures up to the third quarter of the current financial year.

Place: Delhi
Date: 29.05.2019

For Rajender Kumar Singal and Associates LLP
(Chartered Accountants)
Firm Reg. No. 016379N



(SHASHI PAL RAWAT)
PARTNER
M.No. 413795

RAJENDER KUMAR SINGAL & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Independent Auditor's Report on Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Director of Kohinoor Foods Limited

We have audited the consolidated financial results of KOHINOOR FOODS LIMITED limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') for the year ended 31 March 2019, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This statement is the responsibility of the Management of Holding Company and is approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risk of material misstatement of the financial statement whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the company's preparation of the statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the company's directors as well as evaluating the overall presentation of the statement

We did not audit the financial statements / financial information of three subsidiaries, whose financial statements / financial information reflect total assets of Rs. 2281 Lacs as at 31th March, 2019, total revenues of Rs. 19599 Lacs and net cash flows decrease amounting by Rs 99 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements include the Group's share of net loss of Rs 2411 Lacs for the



year ended 2019, as considered in the consolidated financial statements, in respect of subsidiaries. Financial statements/financial information only of one subsidiary company Kohinoor Foods USA Inc. have been audited by other auditors whose reports have been furnished to us by the Management of holding company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and(11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Basis of Qualified opinion

1. We have not been provided the audited financial statement/financial information of U.K. based subsidiary companies Indo European Food Limited and Indian subsidiary company M/S. Sachdeva Brothers Private Limited. The Management of the holding company Consolidated the financial statement on the basis of unaudited financial statement of these subsidiaries. We are unable to comment on adjustment that may have been required to these consolidated Ind AS financial statements, had such consolidated Ind AS financial statement been audited.
2. We have not been provided financial statement/financial information of jointly controlled entity "Rich Rice Raiser factory LLC. Therefore, we are unable to comment about any possible effect of these joint venture company in consolidated financial statement for the period ended 31th March 2019.
3. We draw attention on audit opinion in audit report of USA base subsidiary company Kohinoor foods USA INC. that *"The accompanying financial statements have been prepared assuming that the company will continue as a going concern. However, as discussed in Note 2 to the financial statements of this subsidiary company describing significant changes in business operations during the year what raise very substantial doubt about its ability to continue as a going concern. The financial statements include certain adjustments that result from the outcome of this uncertainty as discussed in Note 4 to the financial statements of this subsidiary."*
4. Note No. 12 in the consolidated financial result discloses that management's assessment of the company's ability to continue as going concern. However, in view of the continuing default in repayment of borrowings, 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 holding company to prepare the accounts of the Group company



on going concern basis. This assessment is based on Resolution plan submitted to the Banks by holding company and the interest shown by prospective investors in the holding 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.

5. Note No. 8 of consolidate financial result, Loss of the company is understated by Rs 5452.28 lakhs (approx.) 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 as per calculation made by the holding company. With the limited information the aggregate amount unprovided in books of account of the company is not ascertainable with accuracy.
6. The management of holding company provided balance Confirmation of few debtors. However, as per information & explanation given by management of holding company, *"the company have dispute with its debtors due to quality issue of rice sold to them and most of the parties are claiming discount ranging 20%-40% due to quality issue. Therefore, management will have to accord them discount @25% to its debtors"*. Accordingly, the management has made a provision of 25% of bad debts on some of the debtors. However, the extent of provision required and number of debtors on which provision was required is not ascertainable. Accordingly, depending on the circumstances of the audit, audit evidence in the form of external confirmations received directly by the auditor from confirming parties may be more reliable than evidence generated internally by the entity. In the absence of above third-party confirmation and small recovery of amount from debtors till the date of audit, we are unable to comment on realizability of such amount due from debtors and its possible effect on consolidated financial result of the group.
7. The management of holding company has provided confirmation of accounts of very few creditors only. Depending on the circumstances of the audit, audit evidence in the form of external confirmations received directly by the auditor from confirming parties may be more reliable than evidence generated internally by the entity. 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 financial result of the group.
8. Domestic sale made to various customers and as per information & explanation given by management of holding company, *"we are continuously following up for payment, but their customers are delaying it due to various reason, 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

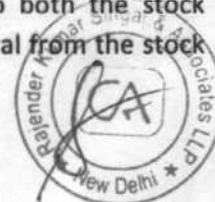
is received by its buyers and the uncertainty is removed. Due to such uncertainty, it is not possible to adequately measure the amount of revenue. Thus, in the absence of any agreement, underlying terms & conditions, schedule of delivery, acceptance and recovery from customers and revenue recognition by the holding company not being in line with Ind AS 18 "Revenue Recognition", we are unable to comment its impact on consolidated financial statement.

9. The holding Company has recognised Revenue without negating the effect of re-purchase from debtors. As per Ind AS 18, "Revenue" Recognition criteria are applied to two or more transactions together when they are linked in such a way that the commercial effect cannot be understood without reference to the series of transactions as a whole. The holding company made sale and purchase transaction with the same parties during the year. The management informed us that each transaction is separate transaction 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, hence in the absence of such record we are unable to comment whether revenue recognised by the holding company is in line with Ind AS 18 Revenue Recognition and its impact on consolidated financial statement.
10. 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 holding company. In the absence of having aforementioned confirmation and reconciliation, the impact there of is unascertainable, and therefore, is not being commented upon in this report.

Emphasis of Matters

We draw your attention to the following matters in the Notes to the consolidated financial result:

- (1) As stated in Note 17 to the financial result, the company has not made Provision for the demand raised by various authorities as the matters are pending before various appellate forum. We are unable to comment upon possible impact in the consolidated financial statement for the year ended 31th March 2019.
- (2) As stated in Note 16 to the financial result, management of holding company has reviewed carrying amount of a deferred tax asset and on the basis of that review balance of deferred tax assets has been written off by Rs 9,774.25 Lakhs as on 31th March, 2019.
- (3) As stated in Note No 9 in the financial result, 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). However, the holding company is yet to receive the approval from the stock



exchange (NSE & BSE). The consequential effect the above, on the consolidated financial statement is not ascertainable.

- (4) A legal notice was issued to domestic debtor M/S. Kasturi Exim (P) Limited for recoverability of outstanding amount of Rs 2900 Lacs. The holding company has made full provision of amount of Rs 2900 lacs on account of such debtor for the year ended 31th March 2019 and the company has submitted a claim under regulation 7 of the insolvency and bankruptcy board of India (Insolvency Resolution process for Corporate person) Regulation, 2016 to the interim resolution professional appointed by NCLT.
- (5) We draw attention to Note No. 10 of the financial result of the holding company for the year ended 31th March 2019, that the lender of consortium bank "Oriental Bank of Commerce" have filed an application against holding 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 date 19.07.2019.

Our opinion is not modified in respect of these matters.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditor of Indo European Foods Limited on separate financial results and on other financial information of the subsidiary the consolidated financial results:

- (i) include the financial results for the year ended 31st March 2019, of the financial entities given below:
List of subsidiaries:
Indo European Foods Limited,
Kohinoor Foods USA Inc,
Sachdeva Brothers (Pvt.) Ltd.
- (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular CIR/CFD/ CMD/ 15/ 2015 dated 30 November 2015 and CIR/ CFD/ FAC/ 62/ 2016 dated 5 July 2016 in this regard; and
- (iii) Except in "Basis of Qualified opinion" Paragraph the matter Give a true and fair view in conformity with the aforesaid Ind AS generally accepted in India of the consolidated net loss (including other comprehensive income) and other financial information for the year ended 31th March, 2019.



The statements include the results for the quarter ended 31st March, 2019 being the balancing figure between audited figures in respect of the full financial year and the unaudited year to the date figures up to the third quarter of the current financial year.

Place: Delhi
Date: 29.05.2019

For Rajender Kumar Singal and Associates LLP
(Chartered Accountants)
Firm Reg. No. 016379N



(SHASH PAL RAWAT)
PARTNER
M.No. 413795

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs. In Lakhs	Adjusted Figures (audited figures after adjusting for qualifications) Rs. In Lakhs
	1.	Turnover / Total income	40658	40658
	2.	Total Expenditure	69797	75249
	3.	Net Profit/(Loss)	-38545	-43997
	4.	Earnings Per Share	-106.66	-121.75
	5.	Total Assets	49813	49813
	6.	Total Liabilities	49813	49813
	7.	Net Worth	-27641	-33093
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II. Audit Qualification (each audit qualification separately):				
<p>a. Details of Audit Qualification:</p> <p>1. Note No. 12 in the standalone financial results discloses the management's assessment of the company's ability to continue as going concern. However, in view of the continuing default in repayment of borrowings, 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 is based on Resolution plan 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.</p> <p>2. Note No. 8 in the standalone financial results, Loss of the company is understated by Rs 5452.28 lakhs (approx.) 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 as per calculation made by the company. With the limited information the aggregate</p>				

amount unprovided in books of account of the company is not ascertainable with accuracy.

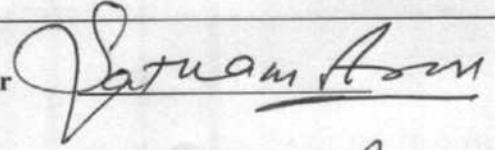
3. The management of the company provided balance Confirmation of few debtors. However, as per information & explanation given by management, "*the company has dispute with its debtors due to quality issue of rice sold to them and most of the parties are claiming discount ranging 20%-40% due to quality issue. Therefore, management will have to accord them discount @25% to its debtors*". Accordingly, the management has made a provision of 25% of bad debts on some of the debtors. However, the extent of provision required and number of debtors on which provision was required is not ascertainable. Accordingly, depending on the circumstances of the audit, audit evidence in the form of external confirmations received directly by the auditor from confirming parties may be more reliable than evidence generated internally by the entity. In the absence of above third-party confirmation and small recovery of amount from debtors till the date of audit, we are unable to comment on realizability of such amount due from debtors and its possible effect on financial statement of the company.
4. The management of company has provided confirmation of accounts of very few creditors only. Depending on the circumstances of the audit, audit evidence in the form of external confirmations received directly by the auditor from confirming parties may be more reliable than evidence generated internally by the entity. In the absence of above third-party confirmation, we are unable to comment on actual liability to creditors (including squared up accounts) and its possible effect on financial statement of the company.
5. Domestic sale made to various customers and as per information & explanation given by management, "*we are continuously following up for payment, but their customers are delaying it due to various reason, 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, 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 and revenue recognition by the company not being in line with Ind AS 18 "Revenue Recognition", we are unable to comment its impact on standalone financial statement.
6. The Company has recognised Revenue without negating the effect of re-purchase from debtors. As per Ind AS 18, "Revenue" Recognition criteria are applied to two or more transactions together when they are linked in such a way that the commercial effect cannot be understood without reference to the series of transactions as a whole. The company made sale and purchase transaction with the same parties during the year. The management informed us that each

	<p>transaction is separate transaction 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, hence in the absence of such record we are unable to comment whether revenue recognised by the company is in line with Ind AS 18 Revenue Recognition and its impact on standalone financial statement.</p> <p>7. 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 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 statement.</p> <p>8. 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 there of is unascertainable, and therefore, is not being commented upon in this report.</p>
	<p>b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p>
	<p>a. Frequency of qualification: appeared first time.</p>
	<p>b. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>For Audit qualification no. 2, mentioned above - The Company has not provided interest to the extent of Rs. 5452.28 lakhs upto 31.03.2019 on bank loans which were classified as non-performing assets during the year from the date they were declared NPA.</p>
	<p>c. For Audit Qualification(s) where the impact is not quantified by the auditor</p> <p>For Audit Qualifications other than qualification no. 2 mentioned above.</p>
	<p>(i) Management's estimation on the impact of audit qualification: It is difficult to estimate the impact of audit qualifications.</p>
	<p>(i) If management is unable to estimate the impact, reasons for the same: impact is not ascertainable due to nature of qualifications and the exact amount is difficult to estimate.</p>
	<p>(ii) Auditors' Comments on (i) or (ii) above: Refer detail of audit qualification {para-II (a)} above.</p>

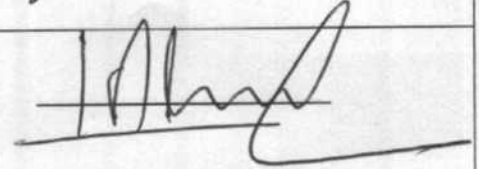
III.

Signatories:

- Mr. Satnam Arora: CEO/Managing Director



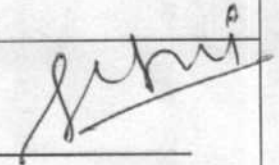
- Mr. Kamal Deep Chawla: CFO



- Mr. Vijay Burman: Audit Committee Chairman



- Rajender Kumar Singal & Associates LLP: Statutory Auditor



Place: Faridabad

Date: 29th May, 2019

Kohinoor Foods Ltd.

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs. In Lakhs	Adjusted Figures (audited figures after adjusting for qualifications) Rs. In Lakhs
	1.	Turnover / Total income	60257	60257
	2.	Total Expenditure	91459	96911
	3.	Net Profit/(Loss)	-40956	-46408
	4.	Earnings Per Share	-113.33	-128.42
	5.	Total Assets	52094	52094
	6.	Total Liabilities	52094	52094
	7.	Net Worth	-34662	-40114
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	<u>Audit Qualification (each audit qualification separately):</u>			
	<p>a. Details of Audit Qualification:</p> <p>1. Note No. 12 in the consolidated financial results discloses the management's assessment of the company's ability to continue as going concern. However, in view of the continuing default in re-payment of borrowings, 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 holding company to prepare the accounts of the Group company on going concern basis. This assessment is based on Resolution plan submitted to the Banks by holding company and the interest shown by prospective investors in the holding 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.</p> <p>2. Note No. 8 in the consolidated financial results Loss of the company is understated by Rs 5452.28 lakhs (approx.) due to non-provisioning of interest on bank loans after the accounts of the company were classified as NPA and further amount towards penal</p>			

interest, any other penalty etc. as may be charged by lenders. In the absence of statement of account, the above amount has been arrived as per calculation made by the holding company. With the limited information the aggregate amount unprovided in books of account of the company is not ascertainable with accuracy.

3. The management of holding company provided balance Confirmation of few debtors. However, as per information & explanation given by management of holding company, *“the company have dispute with its debtors due to quality issue of rice sold to them and most of the parties are claiming discount ranging 20%-40% due to quality issue. Therefore, management will have to accord them discount @25% to its debtors”*. Accordingly, the management has made a provision of 25% of bad debts on some of the debtors. However, the extent of provision required and number of debtors on which provision was required is not ascertainable. Accordingly, depending on the circumstances of the audit, audit evidence in the form of external confirmations received directly by the auditor from confirming parties may be more reliable than evidence generated internally by the entity. In the absence of above third-party confirmation and small recovery of amount from debtors till the date of audit, we are unable to comment on realizability of such amount due from debtors and its possible effect on consolidated financial statement of the group company.
4. The management of holding company has provided confirmation of accounts of very few creditors only. Depending on the circumstances of the audit, audit evidence in the form of external confirmations received directly by the auditor from confirming parties may be more reliable than evidence generated internally by the entity. 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 financial statement of the group company.
5. Domestic sale made to various customers and as per information & explanation given by management of holding company, *“we are continuously following up for payment, but their customers are delaying it due to various reason, 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, 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 and revenue recognition by the holding company not being in line with Ind AS 18 "Revenue Recognition", we are unable to comment its impact on consolidated financial statement.

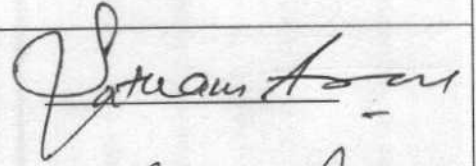
6. The holding Company has recognised Revenue without negating the effect of re-purchase from debtors. As per Ind AS 18, "Revenue" Recognition criteria are applied to two or more transactions together when they are linked in such a way that the commercial effect cannot be understood without reference to the series of transactions as a whole. The holding company made sale and purchase transaction with the same parties during the year. The management informed us that each transaction is separate transaction 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, hence in the absence of such record we are unable to comment whether revenue recognised by the holding company is in line with Ind AS 18 Revenue Recognition and its impact on consolidated financial statement.
7. 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 holding company. In the absence of having aforementioned confirmation and reconciliation, the impact there of is unascertainable, and therefore, is not being commented upon in this report.
8. We have not been provided the audited financial statement/financial information of U.K. based subsidiary companies Indo European Food Limited and Indian subsidiary company M/S. Sachdeva Brothers Private Limited. The Management of the holding company Consolidated the financial statement on the basis of unaudited financial statement of these subsidiaries. We are unable to comment on adjustment that may have been required to these consolidated Ind AS financial statements, had such consolidated Ind AS financial statement been audited.
9. We have not been provided financial statement/financial information of jointly controlled entity "Rich Rice Raiser factory LLC. Therefore, we are unable to comment about any possible effect of these joint venture company in consolidated financial statement for the period ended 31st March 2019.
10. We draw attention on audit opinion in audit report of USA base subsidiary company Kohinoor foods USA INC. "The accompanying financial statements have been prepared

	<p>assuming that the company will continue as a going concern. However, as discussed in Note 2 to the financial statements of this subsidiary company describing significant changes in business operations during the year what raise very substantial doubt about its ability to continue as a going concern. The financial statements include certain adjustments that result from the outcome of this uncertainty as discussed in Note 4 to the financial statements of this subsidiary.”</p>
	<p>b. Type of Audit Qualification : Qualified Opinion</p>
	<p>c. Frequency of qualification: appeared first time.</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>For Audit qualification no. 2, mentioned above - The Company has not provided interest to the extent of Rs. 5452.28 lakhs upto 31.03.2019 on bank loans which were classified as non-performing assets during the year from the date they were declared NPA.</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>For Audit Qualifications other than qualification no. 2 mentioned above.</p>
	<p>(i) Management's estimation on the impact of audit qualification: It is difficult to estimate the impact of audit qualifications.</p>
	<p>(i) If management is unable to estimate the impact, reasons for the same: impact is not ascertainable due to nature of qualifications and the exact amount is difficult to estimate.</p>
	<p>(ii) Auditors' Comments on (i) or (ii) above: Refer detail of audit qualification {para-II (a)} above.</p>

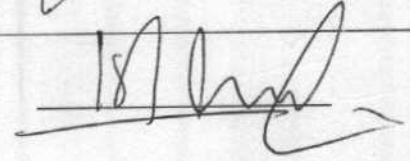
III.

Signatories:

- Mr. Satnam Arora: CEO/Managing Director



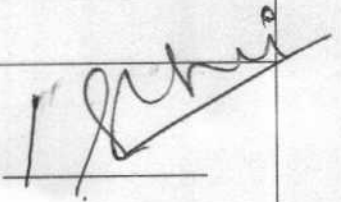
- Mr. Kamal Deep Chawla: CFO



- Mr. Vijay Burman: Audit Committee Chairman



- Rajender Kumar Singal & Associates LLP: Statutory Auditor



Place: Faridabad

Date: 29th May, 2019