

Kohinoor Foods Ltd.

February 12, 2021

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 12th February, 2021


This is to inform that the Board of Directors of the Company at its Meeting held today, i.e. on 12th February, 2021 which commenced at 02:30 P.M. and concluded at 05:40 P.M. has, *inter-alia*, taken the following decision :-


1. The Board approved the Un-audited Standalone and Consolidated Financial Results of the Company for the quarter and nine month period ended on 31st December, 2020. Copy of the said results along with Limited Review Report thereon by the Statutory Auditors of the Company is submitted herewith in compliance of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The Company securities has been temporary suspended due to non-payment of the SOP fines for non-compliance of listing regulation 17, 18 & 19 for the quarter ended on 31st December 2019 and 31st March, 2020 levied by the stock exchanges "NSE" & "BSE" w.e.f., 21/10/2020 and the company is at present in compliance with the listing agreement and has received waiver from NSE and already paid the SOP fines of NSE further requested the stock exchange (BSE) to waive the aforesaid SOP fines enabling the company to proceed to resume the trading of the securities of the Company in order to reduce hurdles faced by the shareholders of the Company.

Please acknowledge receipt.

Thanking you,

Yours faithfully,
For Kohinoor Foods Limited


Satnam Arora
Jt. Managing Director
DIN : 00010667



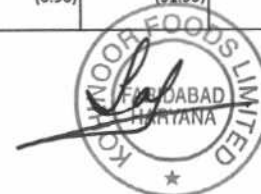
Encl.: As above

Kohinoor Foods Ltd.

STANDALONE STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED DECEMBER 31, 2020.

(Rs. in Lacs)

Sl. No.	Particulars	STANDALONE					
		QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31-12-2020 UN-AUDITED	30-09-2020 UN-AUDITED	31-12-2019 UN-AUDITED	31-12-2020 UN-AUDITED	31-12-2019 UN-AUDITED	31.03.2020 AUDITED
I	Revenue from Operation	1,030	922	669	2,424	2,676	3,180
II	Other Income	-	-	1	150	1	48
III	Total Income (I+II)	1,030	922	669	2,574	2,676	3,227
IV	Expenses						
	Cost of material consumed	355	304	275	850	1,724	2,062
	Purchase of stock-in-trade	-	-	-	-	-	-
	(Increase)/Decrease in Inventories of finished goods, stock-in-trade and work-in-progress	(48)	3	27	(24)	84	(74)
	Employee benefits expense	137	102	152	415	510	713
	Finance Costs	13	18	1	38	3	283
	Depreciation and amortisation expense	227	227	275	681	814	1,083
	Other Expenses	402	340	246	948	1,043	1,650
	Total expenses (IV)	1,087	994	976	2,909	4,178	5,717
V	Profit/ (Loss) before exceptional items and tax (III-IV)	(57)	(72)	(306)	(335)	(1,501)	(2,490)
VI	Exceptional Items	-	-	3,221	-	10,343	19,396
VII	Profit/ (Loss) before tax (V-VI)	(57)	(72)	(3,527)	(335)	(11,844)	(21,886)
VIII	Tax Expense	-	-	-	-	-	-
	(1) Current Tax	-	-	-	-	-	-
	(2) Income Tax for Prior Years	-	-	-	-	-	835
	(3) Deferred tax	-	-	-	-	-	(144)
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)	(57)	(72)	(3,527)	(335)	(11,844)	(22,577)
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)	(57)	(72)	(3,527)	(335)	(11,844)	(22,577)
XIV	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss						12
	(ii) Income tax relating to items that will not be reclassified to profit or loss						
	B (i) Items that will be reclassified to profit or loss						
	(ii) Income tax relating to items that will be reclassified to profit or loss						
XV	Total Comprehensive Income for the period (IX+X)	(57)	(72)	(3,527)	(335)	(11,844)	(22,565)
XVI	Earning per Equity share (for continuing operation):						
	(1) Basic	(0.15)	(0.19)	(9.52)	(0.90)	(31.95)	(60.87)
	(2) Diluted	(0.15)	(0.19)	(9.52)	(0.90)	(31.95)	(60.87)
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	(0.15)	(0.19)	(9.52)	(0.90)	(31.95)	(60.87)
	(2) Diluted	(0.15)	(0.19)	(9.52)	(0.90)	(31.95)	(60.87)



Kohinoor Foods Ltd.

NOTE:

- 1) The Un-audited Standalone Financial Results have been reviewed by Audit committee and approved by the Board of Directors in their meeting held on 12th February, 2021.
- 2) The standalone 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 on bank loans to the extent of Rs. 2449 lacs for the Quarter, Rs. 7307 Lacs for the nine month ended 31-12-2020 and Rs. 21055 Lacs from the date on which the bank loans were classified as non-performing assets.
- 7) The Creditors of the Company have filed petition under Section 7 and Section 9 of Insolvency and Bankruptcy Code, 2016, before the Honbl'e court of NCLT, Chandigarh Bench, which are not yet admitted.
- 8) The Balances of some Debtors and creditors are subject to confirmation.
- 9) As per the assessment of Management the company continues to be going concern. This assessment is based on 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.
- 10) The company has received Ex-parte Interim Order dated 25-06-2020 from Debt Recovery Tribunal-III, Delhi in the matter of ICICI Bank Vs. Kohinoor Foods Limited restraining the company from transferring/ alienating or otherwise dealing with, or disposing off or encumbering or creating any third party interest with respect of the hypothecated assets/immovable properties of Company until further orders. The company is contesting the matter and has filed its reply before DRT-III, Delhi.
- 11) The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.
- 12) The figures of previous quarter/year have been regrouped / rearranged whenever considered necessary.

By order of the Board
For Kohinoor Foods Limited



Satnam Arora
Jt. Managing Director
DIN No. 00010667

Place : Faridabad
Date : 12th February, 2021

RAJENDER KUMAR SINGAL & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

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

To the Board of Director of
Kohinoor Foods Limited

1. We have reviewed the accompanying statement of Standalone Unaudited Financial Results ('the Statement') of Kohinoor Foods Limited ('the Company') for the quarter and nine month ended 31st December 2020, 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 is the responsibility of the Company's Management and has been approved by the Company's Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
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 as to 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) In reference to Note No. 9 in the statement discloses the management's assessment of the company's ability to continue as going concern. The management's assessment of going concern is based on Resolution plan submitted to the Banks by company and the interest shown by prospective investors in the company. However, in view of default in re-payment of borrowings, default in payment of undisputed statutory dues, one time settlement proposal declined by banker, significant decline of revenue, continuous losses, negative cash flows and negative net worth 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. There may 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 to the Standalone Unaudited Financial Results, Profit of the company is overstated by Rs 7307.04 lakhs (approx.) due to non-provisioning of interest on bank loans for the period from 01/04/2020 to 31/12/2020 and amount of Rs 21055.50 lakhs (approx.) from the date on which the account of the company being classified as NPA to the period covered under review. Further no provision has been made towards penal interest, any other penalty etc. as may be charged by lenders. In the absence of complete statement of account from the bank, the above amount has been arrived as per calculation made by the company. With the limited information available, the aggregate amount not provided in books of account of the company is not ascertainable with accuracy.
- (iii) In reference to note no. 8 to the statement, provisions for doubtful debts and bad debts were made by management in earlier years for various reason, mainly on the basis of dispute with debtors due to quality issue of rice, written off debtors on the basis of arbitration award, and impact of covid-19 situation. In light of these circumstances, dispute with debtors, write -off significant debtors as bad debts and in the absence of third-party confirmation, we are unable to comment on realizability of amount due from debtors and its possible effect on Standalone financial result of the company.
- (iv) 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 liability to creditors (including squared up accounts) and its possible effect on standalone unaudited financial results of the company.
- (v) During the review period, the company entered into sales and purchase transactions with the same parties and has recognized Revenue without negating the effect of re-purchased goods amounting of Rs 53.84 lakh from debtors and re-sale goods amounting of Rs 56.92 lakh to creditors. 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 debtors is purchase or sales return and whether such re-sale goods to creditors is sales or purchase return and its impact on Standalone Unaudited Financial Results.



- (vi) As per information provided by the management that the company will monetize its investment and assets i.e. food factory at Bahalgarh (Haryana) and office at Faridabad (Haryana) on the basis of revised OTS proposal and subject to approval from lenders bank. As per 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. The management of company is of the opinion that realizable value of these investment and fixed assets will exceed it carrying cost and no adjustment is required in carrying amount of these assets. However, in the absence of basis for calculation of realizable value of Fixed assets and Investments, we are unable to comment upon its financial impact on the standalone financial results.
- (vii) We were not provided with the balance confirmation and reconciliation, if any, of some bank accounts (including dormant/inoperative a/c) 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.
- (viii) The company has issued corporate guarantee to PNB bank (Hongkong) for loan was given to one of its subsidiary company Kohinoor food USA Inc. The subsidiary company Kohinoor food USA Inc. has defaulted in repayment of their loan and therefore, corporate guarantee was invoked by PNB bank Hongkong. The company made provision against the above corporate guarantee for an amount of Rs 3605.42 Lakhs (USD 47,83,816) equivalent to loan amount outstanding. However, in the absence of audited financial statement of Kohinoor food USA Inc. and balance confirmation from PNB Bank Hongkong, actual liability is uncertain and not being commented.

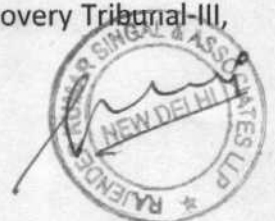
4. Qualified Conclusion

Based on our review conducted as above, except in “Basis of Qualified Conclusion” paragraph mentioned in para 3 above, nothing has come to our attention that causes us to believe that the accompanying statement unaudited financial results 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 forum. We are unable to comment upon possible impact of non-provision in the statement for the nine-month ended 31st December 2020.
- ii. 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). As per information provided by management, such application is closed by BSE due to non-submission of documents by the company and due to which these shares are not yet dematerialized. The consequential effect the above, on the standalone financial statement is not ascertainable.
- iii. We draw attention to Note No. 7 to the statement of the company, that the lead consortium bank "Punjab National Bank" (erstwhile known as "Oriental Bank of Commerce") have filed an application against the 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 07th April 2021. Further, certain operational creditors M/S. Norton Rose Fulbright, M/S. Uma Polymers, International Cargo Terminal & Infrastructure (P) Ltd, International Cargo Terminal & Rail Infrastructure (P) Ltd and JPS Plastic (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. The NCLT has fix the next date of hearing on 03rd March 2021, 17th March 2021, 23rd March 2021, 23rd March 2021 and 21st April 2021 respectively.
- iv. In reference to note no. 5 to the statement the banks have classified the company's account as non-performing assets and served various recall notice time to time 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. Further In reference to note no. 10 to the statement, the company has received ex-parte interim order dated 25-06-2020 from Debt Recovery Tribunal-III, Delhi in the matter of ICICI bank vs Kohinoor Foods Limited restraining the company from transferring/ alienating or otherwise dealing with, or disposing off or encumbering or creating any third party interest with respect of the hypothecated assets/ immovable properties of company until further orders. The matter is pending before Debt Recovery Tribunal-III,



wherein the DRT has provided the next date of hearing on 20th April, 2021. Impact of this on standalone unaudited financial statement is uncertain and not being commented. Our conclusion is not modified in respect of this matter.

Place: Delhi
Date: 12.02.2021

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



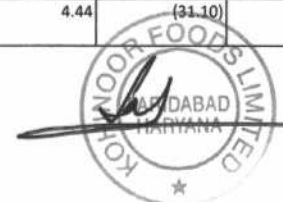
(SHASHI PAL RAWAT)
PARTNER
M.No. 413795
UDIN No. 21413795AAAAAC5622

Kohinoor Foods Ltd.

CONSOLIDATED STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED DECEMBER 31, 2020.

(Rs. in Lacs)

Sl. No.	Particulars	CONSOLIDATED					
		QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31-12-2020 UN-AUDITED	30-09-2020 UN-AUDITED	31-12-2019 UN-AUDITED	31-12-2020 UN-AUDITED	31-12-2019 UN-AUDITED	31.03.2020 AUDITED
I	Revenue from Operation	5,228	7,367	4,116	18,405	14,296	21,526
II	Other Income	-	-	1	150	1	51
III	Total Income (I+II)	5,228	7,367	4,117	18,555	14,297	21,576
IV	Expenses						
	Cost of material consumed	2,735	4,629	2,404	11,438	9,662	14,447
	Purchase of stock-in-trade	-	-	-	-	-	-
	(Increase)/Decrease in Inventories of finished goods, stock-in-trade and work-in-progress	(48)	3	27	(24)	84	(76)
	Employee benefits expense	439	327	392	1,228	1,317	1,935
	Finance Costs	97	85	75	269	158	678
	Depreciation and amortisation expense	258	250	303	767	910	1,212
	Other Expenses	1,174	1,124	1,073	3,231	3,352	5,270
	Total expenses (IV)	4,655	6,417	4,274	16,908	15,483	23,465
V	Profit/ (Loss) before exceptional items and tax (III-IV)	573	951	(158)	1,647	(1,187)	(1,889)
VI	Exceptional Items	-	-	3,221	-	10,343	15,790
VII	Profit/ (Loss) before tax (V-VI)	573	951	(3,379)	1,647	(11,530)	(17,679)
VIII	Tax Expense	-	-	-	-	-	-
	(1) Current Tax	-	-	-	-	-	-
	(2) Income Tax for Prior Years	-	-	-	-	-	835
	(3) Deferred tax	-	-	-	-	-	(144)
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)	573	951	(3,379)	1,647	(11,530)	(18,371)
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)	573	951	(3,379)	1,647	(11,530)	(18,371)
XIV	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss				-		12
	(ii) Income tax relating to items that will not be reclassified to profit or loss						
	B (i) Items that will be reclassified to profit or loss						
	(ii) Income tax relating to items that will be reclassified to profit or loss						
XV	Total Comprehensive Income for the period (IX+X)	573	951	(3,379)	1,647	(11,530)	(18,359)
XVI	Earning per Equity share (for continuing operation):						
	(1) Basic	1.55	2.56	(9.11)	4.44	(31.10)	(49.52)
	(2) Diluted	1.55	2.56	(9.11)	4.44	(31.10)	(49.52)
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	1.55	2.56	(9.11)	4.44	(31.10)	(49.52)
	(2) Diluted	1.55	2.56	(9.11)	4.44	(31.10)	(49.52)



Kohinoor Foods Ltd.

NOTE:

- 1) The Un-audited Consolidated Financial Results have been reviewed by Audit committee and approved by the Board of Directors in their meeting held on 12th February, 2021.
- 2) The Consolidated 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 on bank loans to the extent of Rs. 2449 lacs for the Quarter, Rs. 7307 Lacs for the nine month ended 31-12-2020 and Rs. 21055 Lacs from the date on which the bank loans were classified as non-performing assets.
- 7) The Creditors of the Company have filed petition under Section 7 and Section 9 of Insolvency and Bankruptcy Code, 2016, before the Honbl'e court of NCLT, Chandigarh Bench, which are not yet admitted.
- 8) The Balances of some Debtors and creditors are subject to confirmation.
- 9) As per the assessment of Management the company continues to be going concern. This assessment is based on 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.
- 10) The company has received Ex-parte Interim Order dated 25-06-2020 from Debt Recovery Tribunal-III, Delhi in the matter of ICICI Bank Vs. Kohinoor Foods Limited restraining the company from transferring/ alienating or otherwise dealing with, or disposing off or encumbering or creating any third party interest with respect of the hypothecated assets/immovable properties of Company until further orders. The company is contesting the matter and has filed its reply before DRT-III, Delhi.
- 11) The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.
- 12) The figures of previous quarter/year have been regrouped / rearranged whenever considered necessary.

By order of the Board
For Kohinoor Foods Limited



Satnam Arora
Jt. Managing Director
DIN No. 00010667

Place : Faridabad
Date : 12th February, 2021

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 ("the statement") of Kohinoor Foods Limited ("The Holding Company") and its subsidiaries (the holding company and its subsidiaries together referred to as "the group"), for the quarter and nine month ended 31st December 2020 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 and nine month ended 31st December 2020, 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.

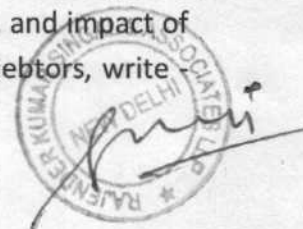


4. The Statement includes the results of the following entities:

	Name of subsidiaries	Country
(i)	Indo European Food Limited	(U.K.)
(ii)	Kohinoor Food USA Inc.	(USA)
(iii)	Sachdeva Brothers Private Limited	(India)

5. **Basis of Qualified Conclusion**

- (i) In reference to Note No. 9 in the statement discloses the management's assessment of the holding company's ability to continue as going concern. The holding company management's assessment of going concern is based on Resolution plan submitted to the Banks by holding company and the interest shown by prospective investors in the company. However, in view of default in re-payment of borrowings, default in payment of undisputed statutory dues, one time settlement proposal declined by banker, significant decline of revenue, continuous losses, negative cash flows and negative net worth, 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. There may 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 in the statement, profit of the group is overstated by Rs 7307.04 lakhs (approx.) due to non-provisioning of interest on bank loans for the period from 01/04/2020 to 31/12/2020 and amount of Rs 21055.50 lakhs (approx.) from the date on which the account of the holding company being classified as NPA to the period covered under review. Further no provision has been made towards penal interest, any other penalty etc. as may be charged by lenders. In the absence of complete statement of account from the bank, the above amount has been arrived as per calculation made by the holding company. With the limited information available, the aggregate amount not provided in books of account of the holding company is not ascertainable with accuracy.
- (iii) In reference to note no. 8 of the statement, provisions for doubtful debts and bad debts were made by management of the holding company in earlier years for various reason, mainly on the basis of dispute with debtors due to quality issue of rice, written-off debtors on the basis of arbitration award, and impact of covid-19 situation. In light of these circumstances, dispute with debtors, write



off significant debtors as bad debts and in the absence of third-party confirmation, we are unable to comment on realizability of amount due from debtors and its possible effect on consolidated financial result of the group.

- (iv) The management of holding company has not provided confirmation of accounts from creditors. In the absence of third-party confirmation, we are unable to comment on liability to creditors (including squared up accounts) and its possible effect on consolidated unaudited financial results of the group.
- (v) During the review period, the holding company entered into sales and purchase transactions with the same parties and has recognized Revenue without negating the effect of re-purchased goods amounting of Rs 53.84 lakh from debtors and re-sale goods amounting of Rs 56.92 lakh to creditors. 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 debtors is purchase or sales return and whether such re-sale goods to creditors is sales or purchase return and its impact on Consolidated Unaudited Financial Results.
- (vi) As per information given by management of the holding company that the holding company will monetize its investment, assets i.e. food factory at bhalgarh (Haryana) and office at Faridabad (Haryana) on the basis of revised OTS proposal and subject to approval from lenders bank. As per 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. The management of holding company is of the opinion that realizable value of these investment and fixed assets will exceed it carrying cost and no adjustment is required in carrying amount of these assets. However, in the absence of basis for calculation of realizable value of fixed assets and investment, we are unable to comment upon its financial impact on the Consolidated financial results.
- (vii) We were not provided with the balance confirmation and reconciliation, if any, of some bank accounts (including dormant/inoperative accounts) 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.



- (viii) The Holding company has issued corporate guarantee to PNB bank (Hongkong) for loan was given to one of its subsidiary company Kohinoor food USA Inc. The subsidiary company Kohinoor food USA Inc. has defaulted in repayment of their loan and therefore, corporate guarantee was invoked by PNB bank Hongkong. The company made provision against the above corporate guarantee for an amount of Rs 3492.65 Lakhs (USD 47,83,816) equivalent to loan amount outstanding. However, in the absence of audited financial statement of Kohinoor food USA Inc. and balance confirmation from PNB Bank Hongkong, actual liability is uncertain and not being commented.

6. **Qualified Conclusion**

Based on our review conducted as above except in "**Basis of Qualified conclusion**" paragraph mentioned in para 5 above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Consolidated Financial 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**

We draw attention to

- 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 statement for the nine-month ended 31st December, 2020.
- ii. 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 company has filed application for listing of 18,30,000 equity shares to both the stock exchange (NSE & BSE). As per information provided by management, such application is closed by BSE due to non-submission of documents by the company and due to which these shares are not yet dematerialized. The consequential effect the above, on the consolidated financial statement is not ascertainable.
- iii. We draw attention to Note No. 7 of the statement of the company, that the lead consortium bank "Punjab National Bank" (erstwhile known as "Oriental Bank of



Commerce") have filed an application against the 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 next date next date 07th April 2021. Further, certain operational creditors M/S. Norton Rose Fulbright, M/S. Uma Polymers, International Cargo Terminal & Infrastructure (P) Ltd, International Cargo Terminal & Rail Infrastructure (P) Ltd and JPS Plastic (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. The NCLT has fix the next date of hearing on 03rd March 2021, 17th March 2021, 23rd March 2021, 23rd March 2021 and 21st April 2021 respectively.

- iv. In reference to note no. 5 of the statement the banks have classified the holding company's account as non-performing assets and served various recall notice time to time under section 13(2) of The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. The holding company has given reply of said notices. Further In reference to note no. 10 to the statement, the holding company has received ex-parte interim order dated 25-06-2020 from Debt Recovery Tribunal-III, Delhi in the matter of ICICI bank vs Kohinoor Foods Limited restraining the holding company from transferring/ alienating or otherwise dealing with, or disposing off or encumbering or creating any third party interest with respect of the hypothecated assets/ immovable properties of company until further orders. The matter is pending before Debt Recovery Tribunal-III, wherein the DRT has provided the next date of hearing on 20th April, 2021. Impact of this on consolidated unaudited financial statement is uncertain and not being commented.

Our conclusion is not modified in respect of this matter.

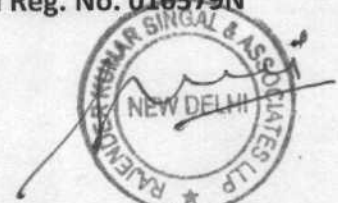
8. The Consolidated unaudited financial result includes the interim financial statements/ financial information/ financial result of three (3) subsidiaries which have not been reviewed/ audited by their auditors, whose interim financial statements / financial information/ financial results reflect and total revenues of Rs 4198.09 Lakh and Rs 15980.87 Lakh, total net profit/(loss) after tax of Rs 630 Lakh and Rs. 1981.77 Lakh and total comprehensive income/(loss) of Rs 630 Lakh and Rs. 1981.77 Lakh and Rs. 1981.77 Lakh for the quarter ended 31st December, 2020 and for the period from 01st April, 2020 to 31st December, 2020, respectively, as considered in the consolidated unaudited financial result. These financial information/ financial result have been approved by the management of the holding company and our conclusion on the statement, in so far it relates to the affairs of these subsidiaries, is based solely on such unaudited interim financial statement/



financial results and other unaudited financial information. According to the information and explanation given to us by the management, interim financial statements/ financial information/ financial results of one (1) subsidiary M/S. Indo-European Food Limited, a U.K. based subsidiary company is material to the group.

Place: Delhi
Date: 12.02.2021

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



(SHASHI PAL RAWAT)
PARTNER
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