

Kohinoor Foods Ltd.

26th July, 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

Trading Symbol : KOHINOOR
Scrip Code : 512559

Dear Sir/Mam,

Sub: (a) Clarification for Financial results - KOHINOOR

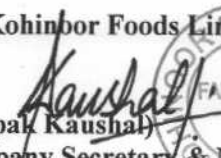
In regard to your email dated July 26 2021, respect to a quick result submitted to the Exchange dated 20-Jul-2021, we would like to clarify that, the chairperson of the audit committee has attended the meeting held on July 20, 2021 through Video Conferencing 'VC' and the statement of impact of Audit Qualification submitted by the Company was signed by the Jt. Managing Director, CFO of the Company and the Statutory Auditor. We are resubmitting the Outcome with the statement of Impact of Audit Qualification signed by the Company Jt. Managing Director, CFO, Chairperson of Audit Committee and the Statutory Auditor.

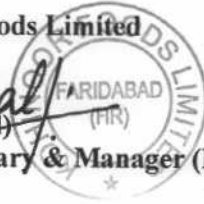
You are requested to take the same on record.

Thanking You

Yours faithfully,

For Kohinoor Foods Limited


(Deepak Kaushal)
Company Secretary & Manager (Legal)
FCS No. 8722



Kohinoor Foods Ltd.

20th July, 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 20th July, 2021

Ref: Regulation - 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

This is to inform that the Board of Directors of the Company at its Meeting held today, i.e. on 20th July, 2021 which commenced at 02:30 P.M. (IST) and concluded at 06:45 P.M. (IST) has, *inter-alia*, taken the following decision :-

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, 2021, which was recommended by the Audit Committee at their meeting held on Tuesday, 20th July, 2021. 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, 2021.
3. The Board of Directors of the Company did not recommend any Dividend for the Financial Year 2020-21.
4. The Company took note of the sudden demise of Mr. Vijay Burman, Independent Director, of the Company w.e.f., 10.06.2021 and cessation of Directorship, of the Company.

Further, we are enclosing herewith the following:

1. Statement on Impact of Audit Qualifications on the financial statements for the year ended 31st March, 2021 as per SEBI Circular CIR/CFD/CMD/56/2016 dated 27th May, 2016 (Annexure-2).

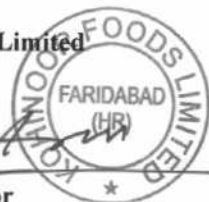
Please acknowledge receipt.

Thanking you,

Yours faithfully,

For Kohinoor Foods Limited


(Satnam Arora)
Jt. Managing Director
DIN No: 00010667



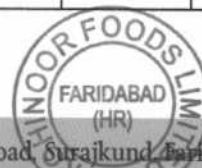
Encl.: As above

Kohinoor Foods Ltd.

STANDALONE STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED MARCH 31, 2021.

(Rs. in Lacs)

Sl. No.	Particulars	QUARTER ENDED			STANDALONE YEAR ENDED	
		31-03-2021 AUDITED	31-12-2020 UN-AUDITED	31-03-2020 AUDITED	31-03-2021 AUDITED	31-03-2020 AUDITED
I	Revenue from Operation	1,595	1,030	504	4,019	3,180
II	Other Income	266	-	47	416	48
III	Total Income (I+II)	1,861	1,030	551	4,435	3,227
IV	Expenses					
	Cost of material consumed	225	355	338	1,075	781
	Purchase of stock-in-trade	705	-	-	705	841
	(Increase)/Decrease in Inventories of finished goods, stock-in-trade and work-in-progress	31	(48)	(158)	7	365
	Employee benefits expense	133	137	204	547	713
	Finance Costs	72	13	281	111	283
	Depreciation and amortisation expense	223	227	269	904	1,083
	Impairment of Assets	442	-	-	442	-
	Other Expenses	874	402	607	1,823	1,650
	Total expenses (IV)	2,705	1,087	1,540	5,614	5,717
V	Profit/ (Loss) before exceptional items and tax (III-IV)	(844)	(57)	(989)	(1,179)	(2,490)
VI	Exceptional Items	(853)	-	9,053	(853)	19,396
VII	Profit/ (Loss) before tax (V-VI)	9	(57)	(10,041)	(326)	(21,886)
VIII	Tax Expense	-	-	-	-	-
	(1) Current Tax	-	-	-	-	-
	(2) Income Tax for Prior Years	-	-	835	-	835
	(3) Deferred tax	189	-	(144)	189	(144)
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)	(180)	(57)	(10,733)	(515)	(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)	(180)	(57)	(10,733)	(515)	(22,577)
XIV	Other Comprehensive Income					
	A (i) Items that will not be reclassified to profit or loss	5		12	5	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)	(175)	(57)	(10,721)	(510)	(22,565)
XVI	Earning per Equity share (for continuing operation):					
	(1) Basic	(0.47)	(0.15)	(28.92)	(1.38)	(60.87)
	(2) Diluted	(0.47)	(0.15)	(28.92)	(1.38)	(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	(0.47)	(0.15)	(28.92)	(1.38)	(60.87)
	(2) Diluted	(0.47)	(0.15)	(28.92)	(1.38)	(60.87)

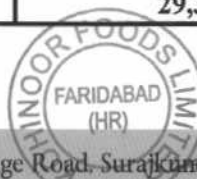


Kohinoor Foods Ltd.

STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2021

(Amount in Lacs)

Sl No.	Particulars	STANDALONE	
		AS AT 31.03.2021 AUDITED	AS AT 31.03.2020 AUDITED
	ASSETS		
1	Non-current assets		
	Property, Plant and Equipment	17,255	18,184
	Capital work-in-progress	2.51	-
	Financial Assets		
	Investments	0	4,969
	Other Non Current Assets	70	90
	Deferred tax assets (net)	311	499
	Total Non-Current Assets	17,638	23,743
2	Current Assets		
	Inventories	542	505
	Financial Assets		
	Investments	4,528	0
	Trade receivables	3,299	4,635
	Cash and cash equivalents	69	42
	Other Financial Assets	3	2
	Other current assets	3,284	2,471
	Total Current Assets	11,724	7,655
	Total Assets	29,362	31,398
	EQUITY AND LIABILITIES		
	Equity		
	Equity Share capital	3,707	3,707
	Other Equity	(54,423)	(53,913)
	Total Equity	(50,716)	(50,206)
	LIABILITIES		
1	Non-current liabilities		
	Financial Liabilities		
	Borrowings	1,828	1,842
	Provisions	101	134
	Total Non-Current Liabilities	1,930	1,976
2	Current liabilities		
	Financial Liabilities		
	Borrowings	72,594	72,860
	Trade payables	2,336	3,336
	Other financial liabilities	1,137	1,522
	Other current liabilities	2,066	1,897
	Provisions	16	13
	Total Current Liabilities	78,149	79,628
	Total Equity and Liabilities	29,362	31,398



Registered/Corporate Office: Pinnacle Business Tower, 10th Floor, Shooting Range Road, Surajkund, Faridabad, Haryana-121001

Corporate Identity No. L52110HR1989PLC070351, Phone: +91-129-424-2222, Fax: +91-129-424-2233

E-mail: info@kohinoorfoods.in, Website: www.kohinoorfoods.in

Kohinoor Foods Ltd.

Standalone Cash Flow Statement for the year ended 31st March 2021

Particulars	(Rs. in Lacs)	
	For the Period Ended 31-Mar-2021	For the Period Ended 31-Mar-2020
A. Cash Flow From Operating Activities		
Net Profit before tax	(326.07)	(21,885.79)
Adjustments for :		
Depreciation and Amortisation Expenses	904.35	1,083.28
Finance cost	110.63	283.14
Interest income	(0.24)	(0.24)
(Profit)/Loss on Sale/Deletion of Fixed Assets	13.43	0.10
Income from Key Man Insurance Policy	(45.12)	(47.16)
Impairment loss on Investment in Subsidiary	441.54	-
Invocation of Corporate Gurantee	-	3,605.42
Bad Debts/Provision for Bad Debts	-	15,790.37
Operating profit before working capital changes	1,098.52	(1,170.89)
Adjustments for		
Decrease/(Increase) in Inventories	(36.53)	519.20
Decrease/(Increase) in Trade Receivables	1,336.23	769.46
Decrease/(Increase) in other Receivables	(794.69)	336.98
Increase/(Decrease) in Trade payables	(1,000.62)	(850.86)
Increase/(Decrease) in other payables	(239.61)	290.85
Cash generated from operations	363.30	(105.26)
Income tax paid	-	(835.22)
Net Cash from operating activities	363.30	(940.49)
B. Cash Flow from Investing Activities		
Sale of property, plant and equipment's	9.19	-
Sale of Investments	(0.00)	-
Interest Received	0.24	0.24
Income from Key Man Insurance Policy	45.12	47.16
Net cash from Investment activities	54.55	47.40
C. Cash Flow from Financing Activities		
Receipts against issue of Share Capital/Share Warrants	-	-
Increase/(Decrease) in short term borrowings	(266.28)	773.77
Increase/(Decrease) in Long term borrowings	(13.93)	342.27
Interest paid	(110.63)	(283.14)
Net cash flow from financing activities	(390.85)	832.90
Net Increase/(Decrease) in Cash and Cash Equivalents	27.01	(60.18)
- Cash & Cash equivalent at beginning of the year	42.00	102.18
- Cash & Cash equivalent at end of the year	69.01	42.00
	27.01	(60.18)

Notes

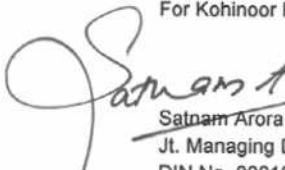
The above cash flow statement has been prepared under the 'Indirect Method' as set out in Ind AS7, Statement of Cash Flow.

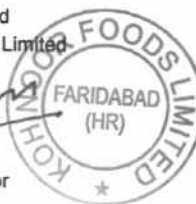
Kohinoor Foods Ltd.

NOTE:

- 1) The Audited Standalone Financial Results have been reviewed by Audit committee and approved by the Board of Directors in their meeting held on 20th July, 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 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. 2435 lacs for the Quarter, Rs. 9742 Lacs for the year ended 31-03-2021 and Rs. 23490 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 Hon'ble court of NCLT, Chandigarh Bench, which are not yet admitted.
- 8) 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.
- 9) 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.
- 10) The Company in its Board Meeting held on 04.10.2018, has allotted 18,30,000 equity shares on conversion of warrants into equity, issued on preferential basis. After allotment the company has filed application for listing of 18,30,000 equity shares to both the Stock Exchanges (NSE & BSE) and application is under process, and due to these shares are not yet dematerialised.
- 11) The Company has issued 58,14,000 Convertible Warrants into Equity Shares to Promoters on Preferential basis on 04th October 2018, out of the above the Promoters opted to exercise the option of 18,30,000 Convertible Warrants into Equity Shares. For the remaining 39,84,000 Convertible Warrants into Equity Shares, the company has neither received any request for conversion of Share warrants into Equity Shares, nor has received any balance sums payable on such conversion option being exercised by any of the Share Warrant holder. Therefore as per SEBI (ICDR) Regulations, 2009, the consideration therefore paid by such Warrant Holders at the time of issuance of share warrants amounting to Rs. 756.96 Lacs stand forfeited.
- 12) The outbreak of Covid 19 has severely impacted business globally including India. The company had some short term impact on operation and recoverability of amount due from Debtors due to Covid 19 and the lockdown imposed by the government. However, it will not have significant long term impact on the operation of the company. The management has made assessment of impairment of assets due to covid 19 pandemic situation. As per assessment of the management, the recoverable amount of assets is higher than its carrying value and hence no impairment of assets need to be recorded in the financial statements.
- 13) Exceptional items include write back of provision for Bad & Doubtful debts made during last year after adjusting the net effect of balances written off during the current year.
- 14) **Events after the Balance sheet date**
The company has made disinvestment of its entire shareholding in its wholly owned subsidiary in U.K, "Indo European Foods Limited" after the balance sheet date. The excess of carrying value over the sale consideration has been recognised as impairment loss during the current year.
- 15) 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.
- 16) 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 : 20th July, 2021

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

Qualified Opinion.

We have audited the accompanying Standalone financial result ("the statement") of Kohinoor Foods Limited ("the Company"), for the year ended 31st March 2021, attached herewith, being submitted by the company pursuant to the requirements of regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial results:

- (i) Present financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, except for the effects/possible effects of the matters described in paragraph under 'Basis for Qualified Opinion',
- (ii) give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the standalone net loss after tax and other comprehensive income/loss of the Company as at March 31st, 2021, except for the effects/possible effects of the matters described in paragraph under 'Basis for Qualified Opinion'.

Basis for Qualified opinion

1. Note No. 8 of 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 and an offer of one time settlement submitted to the banks by the company and the interest shown by prospective investors in the company. However, in view of default in re-payment of borrowings, 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.



2. As stated in note no 6 of the standalone financial result, loss of the company is understated by Rs 9742.10 lakhs (approx.) due to non-provisioning of interest on bank loans for the financial year 2020-21(Rs 8296.18 lakhs (approx.) for the year ended March 31st 2020) and aggregating to Rs 23490.56 lakh (approx.) from the date on which the account of the company was classified as NPA to the period covered under audit. 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, the aggregate amount not provided in books of account of the company is not ascertainable with accuracy.
3. In reference to note no. 13 to the statement, during the financial year 2019-20 the management had made an ad-hoc provision of Rs 5316.36 lakh for bad & doubtful debts on domestic debtors of rice on the ground that debtors were facing financial difficulties due to covid-19 situation. In current financial year 2020-21 management entered into settlement agreement with few debtors and on the basis of such settlement agreement and other estimation made by the management, the actual bad debts come out to be Rs. 5478.46 lakh. The short provision of bad debts amounting to Rs. 162.10 lakh has been written off by the company during the financial year 2020-21. In light of the circumstances such as dispute with debtors, write -off significant debtors as bad debts, goods re-purchased from debtors, and 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.
4. The Management of the company has written back balances of few creditors by amounting to Rs 1044.23 lakh. The management of the company has provided confirmation of few creditors. However, in light of the circumstances such as absence of any basis of such balances being written back, non-receipt of confirmation from some creditors, non-receipt of direct confirmations by the auditor from confirming parties, we are unable to comment on actual liability to creditors (including squared up accounts). Further impact of such balance written back is recognized income under the head exceptional item by amount Rs 852.85 lakh (net of provision for bad debts and balance written off). In the absence of any concrete evidence of written back, we are unable to comment any possible effect on standalone financial result of the company.
5. During the period under audit, the company entered into sale and purchase transactions with the creditors and debtors respectively and has recognized Revenue without negating the effect of re-purchase of goods from debtors and re-sale of goods to creditors. As per



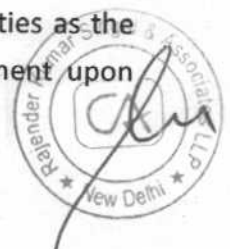
information and explanation given by management, each transaction is a separate transaction and not related to each other as quality of goods sold and purchased are different. However, we have not been provided any quality wise record of sale & purchase. Further it cannot be identified at which point of time performance obligation is satisfied due to uncertainty about transfer of risk & reward, absence of customer specification, absence of acceptance of goods by customer and absence of sales return policy. In light of above circumstances, revenue recognition by the company is not in line with Ind AS 115. Further customer's ability to pay the consideration deteriorates significantly, it indicates the significant changes in fact and circumstances, entity should re-assess the criteria for accounts for contract with customer. In the absence of above records, we are unable to comment its impact on Standalone financial result of the company.

We conducted our audit in accordance with the standard on auditing ("SA") specified under section 143(10) of the Act. Our responsibilities under those standards are further describes in the Auditor's Responsibilities for the audit of the statement section of our report. We are independent of the company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

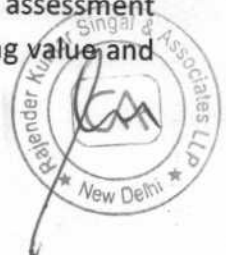
We draw your attention to:

- (1) In reference to Note No.14 to the standalone financial result of the company, the company has entered into sale purchase agreement with Herba Foods S.L.U. as on 07th of April 2021 relating to sale of Indo-European Foods Limited, a U.K. based subsidiary company. The total consideration for said deal is GBP 4,376,725 (inclusive of deferred consideration of GBP 566,000). It is the event after the reporting period, that provide evidence of conditions that existed at the end of reporting period. The company has adjusted its impact and recognised as impairment loss on investment by amounting of Rs 441.54 lakh during the reporting period.
- (2) 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 standalone financial result of the company for the year ended 31th March 2021.

- (3) In reference to Note No 11 in the standalone financial result of the company, 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 listed. The consequential effect the above, on the standalone financial result of the company is not ascertainable.
- (4) 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 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 11th August 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 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. However, company has entered settlement agreement for above these operational creditors and said operational creditors have agreed to withdraw the application filed against the company before NCLT subject to realization of their dues.
- (5) Note no. 9 of the standalone financial result stating that 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. In response, the company is contesting the matter and has filed its reply before DRT-III, Delhi, wherein DRT has provided the next date of hearing on 12th August 2021.
- (6) In reference to note no. 12 to the standalone financial result which explain management's assessment of impairment of assets due to Covid-19 pandemic situation. As per assessment of the management, the recoverable amount of assets is higher than its carrying value and hence no impairment of assets need to be recorded in the financial statement.



Our opinion is not modified in respect of the above matters.

Responsibilities of Management and Those Charged with Governance for the Statement

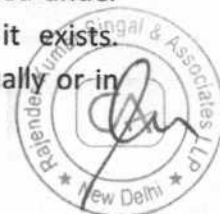
This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

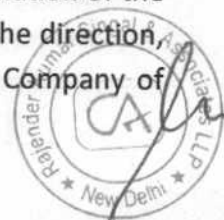
Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in



the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of the Company of



which we are the independent auditors. For the subsidiaries included in the Statement, which have been audited by other auditors or not have been audited by other auditors, such other auditors or management remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

- (1) The annual financial results included the results for the quarter ended 31st March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Place: Delhi

Date: 20.07.2021

For Rajender Kumar Singal and Associates LLP.

(Chartered Accountants)

Firm Reg. No. 016379N

(Shashi Pal Rawat)

PARTNER

M.No. 413795

ICAI UDIN No. 21413795AAAAAZ3953

Kohinoor Foods Ltd.

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, 2021 [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	4435	4435
	2.	Total Expenditure	4945	14687
	3.	Net Profit/(Loss)	(510)	(10252)
	4.	Earnings Per Share	(1.38)	(27.75)
	5.	Total Assets	29362	29362
	6.	Total Liabilities	29362	29362
	7.	Net Worth	(50716)	(74206)
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification:			
	1. Note No. 8 of 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 and an offer of one time settlement submitted to the banks by the company and the interest shown by prospective investors in the company. However, in view of default in re-payment of borrowings, 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.			
	2. As stated in note no 6 of the standalone financial result, loss of the company is understated by Rs 9742.10 lakhs (approx.) due to non-provisioning of interest on bank loans for the financial year 2020-21(Rs 8296.18 lakhs (approx.) for the year ended March 31 st 2020) and aggregating to Rs 23490.56 lakh (approx.) from the date on which the account of the company was classified as NPA to the period covered under audit. 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, the aggregate amount not provided in books of account of the company is not ascertainable with accuracy.			



Kohinoor Foods Ltd.

3. In reference to note no. 13 to the statement, during the financial year 2019-20 the management had made an ad-hoc provision of Rs 5316.36 lakh for bad & doubtful debts on domestic debtors of rice on the ground that debtors were facing financial difficulties due to covid-19 situation. In current financial year 2020-21 management entered into settlement agreement with few debtors and on the basis of such settlement agreement and other estimation made by the management, the actual bad debts come out to be Rs. 5478.46 lakh. The short provision of bad debts amounting to Rs. 162.10 lakh has been written off by the company during the financial year 2020-21. In light of the circumstances such as dispute with debtors, write -off significant debtors as bad debts, goods re-purchased from debtors, and 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.
4. The Management of the company has written back balances of few creditors by amounting to Rs 1044.23 lakh. The management of the company has provided confirmation of few creditors. However, in light of the circumstances such as absence of any basis of such balances being written back, non-receipt of confirmation from some creditors, non-receipt of direct confirmations by the auditor from confirming parties, we are unable to comment on actual liability to creditors (including squared up accounts). Further impact of such balance written back is recognized income under the head exceptional item by amount Rs 852.85 lakh (net of provision for bad debts and balance written off). In the absence of any concrete evidence of written back, we are unable to comment any possible effect on standalone financial result of the company.
5. During the period under audit, the company entered into sale and purchase transactions with the creditors and debtors respectively and has recognized Revenue without negating the effect of re-purchase of goods from debtors and re-sale of goods 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. Further it cannot be identified at which point of time performance obligation is satisfied due to uncertainty about transfer of risk & reward, absence of customer specification, absence of acceptance of goods by customer and absence of sales return policy. In light of above circumstances, revenue recognition by the company is not in line with Ind AS 115. Further customer's ability to pay the consideration deteriorates significantly, it indicates the significant changes in fact and circumstances, entity should re-assess the criteria for accounts for contract with customer. In the absence of above records, we are unable to comment its impact on Standalone financial result of the company.

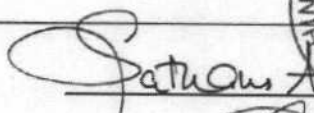

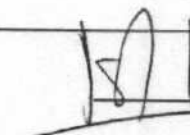
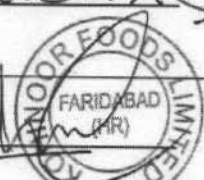






Kohinoor Foods Ltd.

	a. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion
	b. Frequency of qualification: Appearing since Last Financial Year.
	c. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: For Audit qualification no. 2, mentioned above - The Company has not provided interest to the extent of Rs. 9742.10 lakhs approx. upto 31.03.2021 on bank loans which were classified as non-performing assets during the year from the date they were declared NPA.
	d. For Audit Qualification(s) where the impact is not quantified by the auditor For Audit Qualifications other than qualification no. 2 mentioned above.
	(i) Management's estimation on the impact of audit qualification: It is difficult to estimate the impact of audit qualifications.
	(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.
	(ii) Auditors' Comments on (i) or (ii) above: Refer detail of audit qualification {para-II (a)} above.



Kohinoor Foods Ltd.

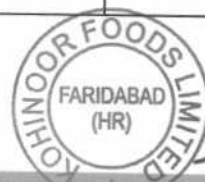
III.	<u>Signatories:</u>	
	• Mr. Satnam Arora: CEO/Managing Director	 
	• Mr. Kamal Deep Chawla: CFO	 
	• Mrs. Mani Chandra Bhandari: Audit Committee Chairman	 
	• Rajender Kumar Singal & Associates LLP: Statutory Auditor	 
Place: Faridabad		
Date: 26 th July, 2021		

Kohinoor Foods Ltd.

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021.

(Rs. in Lacs)

Sl. No.	Particulars	QUARTER ENDED			CONSOLIDATED	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		AUDITED	UN-AUDITED	AUDITED	AUDITED	AUDITED
I	Revenue from Operation	8,164	5,228	7,230	26,569	21,526
II	Other Income	269	-	50	419	51
III	Total Income (I+II)	8,433	5,228	7,280	26,988	21,576
IV	Expenses					
	Cost of material consumed	6,518	2,735	4,785	17,955	14,447
	Purchase of stock-in-trade	705	-	-	705	-
	(Increase)/Decrease in Inventories of finished goods, stock-in-trade and work-in-progress	31	(48)	(161)	7	(76)
	Employee benefits expense	551	439	618	1,779	1,935
	Finance Costs	209	97	520	477	678
	Depreciation and amortisation expense	245	258	302	1,012	1,212
	Other Expenses	97	1,174	1,918	3,328	5,270
	Total expenses (IV)	8,486	4,655	7,982	25,394	23,465
V	Profit/ (Loss) before exceptional items and tax (III-IV)	(53)	573	(702)	1,594	(1,889)
VI	Exceptional Items	(877)	-	5,447	(877)	15,790
VII	Profit/ (Loss) before tax (V-VI)	824	573	(6,150)	2,471	(17,679)
VIII	Tax Expense					
	(1) Current Tax	-	-	-	-	-
	(2) Income Tax for Prior Years	-	-	835	-	835
	(3) Deferred tax	48	-	(144)	48	(144)
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)	776	573	(6,841)	2,423	(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)	776	573	(6,841)	2,423	(18,371)
XIV	Other Comprehensive Income					
	A (i) Items that will not be reclassified to profit or loss	5		12	5	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)	781	573	(6,829)	2,428	(18,359)
XVI	Earning per Equity share (for continuing operation):					
	(1) Basic	2.11	1.55	(18.42)	6.55	(49.52)
	(2) Diluted	2.11	1.55	(18.42)	6.55	(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	2.11	1.55	(18.42)	6.55	(49.52)
	(2) Diluted	2.11	1.55	(18.42)	6.55	(49.52)



Kohinoor Foods Ltd.

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2021

(Amount in Lacs)

Sl No.	Particulars	CONSOLIDATED	
		AS AT 31.03.2021 AUDITED	AS AT 31.03.2020 AUDITED
	ASSETS		
1	Non-current assets		
	Property, Plant and Equipment	17,880	18,989
	Capital work-in-progress	3	-
	Financial Assets		
	Investments	0	10
	Other Non Current Assets	70	90
	Deferred tax assets (net)	457	499
	Total Non-Current Assets	18,410	19,588
2	Current Assets		
	Inventories	3,743	2,506
	Financial Assets		
	Investments	10	0
	Trade receivables	8,436	9,119
	Cash and cash equivalents	153	430
	Other Financial Assets	2	2
	Other current assets	4,816	2,894
	Total Current Assets	17,160	14,952
	Total Assets	35,569	34,539
	EQUITY AND LIABILITIES		
	Equity		
	Equity Share capital	3,707	3,707
	Other Equity	(54,632)	(57,103)
	Total Equity	(50,925)	(53,395)
	LIABILITIES		
	Non-current liabilities		
	Financial Liabilities		
	Borrowings	1,870	1,960
	Provisions	101	134
	Total Non-Current Liabilities	1,972	2,093
2	Current liabilities		
	Financial Liabilities		
	Borrowings	77,443	76,989
	Trade payables	3,173	4,808
	Other financial liabilities	1,222	1,601
	Other current liabilities	2,669	2,430
	Provisions	17	13
	Total Current Liabilities	84,522	85,841
	Total Equity and Liabilities	35,569	34,539



Kohinoor Foods Ltd.

Consolidated Cash Flow Statement for the year ended 31st March 2021

Particulars	(Rs. in Lacs)	
	For the Period Ended 31-Mar-2021	For the Period Ended 31-Mar-2020
A. Cash Flow From Operating Activities		
Net Profit before tax	2,471.13	(17,679.22)
Adjustments for :		
Depreciation and Amortisation Expenses	1,011.79	1,212.42
Finance cost	477.44	677.90
Interest income	(2.77)	(0.24)
(Profit)/Loss on Sale/Deletion of Fixed Assets	13.43	(15.42)
Income from Key Man Insurance Policy	(45.12)	(47.16)
Impairment loss on Assets	130.79	-
Bad Debts/Provision for Bad Debts	(877.34)	15,790.37
Operating profit before working capital changes	3,179.35	(61.36)
Adjustments for		
Decrease/(Increase) in Inventories	(1,236.73)	(169.85)
Decrease/(Increase) in Trade Receivables	1,560.66	(3,730.43)
Decrease/(Increase) in other Receivables	(1,902.76)	292.57
Increase/(Decrease) in Trade payables	(1,635.30)	(1,715.67)
Increase/(Decrease) in other payables	(164.75)	278.59
Un realized Foreign Exchange Gain/Loss	37.06	(374.65)
Cash generated from operations	(162.48)	(5,480.80)
Income tax paid	-	(835.22)
Net Cash from operating activities	(162.48)	(6,316.03)
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment's	(49.42)	-
Sale of property, plant and equipment's		4,390.22
Interest Received	2.77	0.24
Income from Key Man Insurance Policy	45.12	47.16
Net cash from Investment activities	(1.53)	4,437.62
Cash Flow from Financing Activities		
Increase/(Decrease) in short term borrowings	453.50	2,168.04
Increase/(Decrease) in Long term borrowings	(89.20)	459.64
Interest paid	(477.44)	(677.90)
Net cash flow from financing activities	(113.14)	1,949.79
Net Increase/(Decrease) in Cash and Cash Equivalents	(277.15)	71.38
- Cash & Cash equivalent at beginning of the year	430.20	358.83
- Cash & Cash equivalent at end of the year	153.05	430.20
	(277.15)	71.38

Notes

The above cash flow statement has been prepared under the 'Indirect Method' as set out in Ind AS7, Statement of Cash Flow.




Kohinoor Foods Ltd.


NOTE:

- 1) The Audited Consolidated Financial Results have been reviewed by Audit committee and approved by the Board of Directors in their meeting held on 20th July, 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 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. 2435 lacs for the Quarter, Rs. 9742 Lacs for the year ended 31-03-2021 and Rs. 23490 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) 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.
 - 9) 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.
 - 10) The Company in its Board Meeting held on 04.10.2018, has allotted 18,30,000 equity shares on conversion of warrants into equity, issued on preferential basis. After allotment the company has filed application for listing of 18,30,000 equity shares to both the Stock Exchanges (NSE & BSE) and application is under process, and due to these shares are not yet dematerialised.
 - 11) The Company has issued 58,14,000 Convertible Warrants into Equity Shares to Promoters on Preferential basis on 04th October 2018, out of the above the Promoters opted to exercise the option of 18,30,000 Convertible Warrants into Equity Shares. For the remaining 39,84,000 Convertible Warrants into Equity Shares, the company has neither received any request for conversion of Share warrants into Equity Shares, nor has received any balance sums payable on such conversion option being exercised by any of the Share Warrant holder. Therefore as per SEBI (ICDR) Regulations, 2009, the consideration therefore paid by such Warrant Holders at the time of issuance of share warrants amounting to Rs. 756.96 Lacs stand forfeited.
 - 12) The outbreak of Covid 19 has severely impacted business globally including India. The company had some short term impact on operation and recoverability of amount due from Debtors due to Covid 19 and the lockdown imposed by the government. However, it will not have significant long term impact on the operation of the company. The management has made assessment of impairment of assets due to covid 19 pandemic situation. As per assessment of the management, the recoverable amount of assets is higher than its carrying value and hence no impairment of assets need to be recorded in the financial statements.
- Exceptional items include write back of provision for Bad & Doubtful debts made during last year after adjusting the net effect of balances written off during the current year.
- 14) **Events after the Balance sheet date**

The company has made disinvestment of its entire shareholding in its wholly owned subsidiary in U.K , "Indo European Foods Limited" after the balance sheet date. The excess of carrying value over the sale consideration has been recognised as impairment loss during the current year.
 - 15) 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.
 - 16) The figures of previous quarter/year have been regrouped / rearranged whenever considered necessary.

Place : Faridabad
Date : 20th July, 2021

By order of the Board
For Kohinoor Foods Limited

Satnam Arora
Jt. Managing Director
DIN No. 00010667



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

Qualified Opinion.

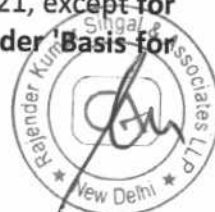
We have audited the accompanying Consolidated financial result ("the statement") of Kohinoor Foods Limited ("the Holding Company") and its subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group"), for the year ended 31st March 2021, attached herewith, being submitted by the holding company pursuant to the requirements of regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 auditor of subsidiary company and other financial information of subsidiary as referred to in "Other Matter" paragraphs of the aforesaid financial result:

- (i) Includes the annual financial results of the following subsidiaries

Subsidiary Company	Country
a. Indo European Food Limited	U.K.
b. Kohinoor Foods, USA Inc.	U.S.A
c. Sachdeva Brothers Private Limited	India

- (ii) Present financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, except for the effects/possible effects of the matters described in paragraph under 'Basis for Qualified Opinion',
- (iii) give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated net loss after tax and other comprehensive income/loss of the Company as at March 31st, 2021, except for the effects/possible effects of the matters described in paragraph under 'Basis for Qualified Opinion'.



Basis for Qualified opinion

1. Note No. 8 of 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 and an offer of one time settlement submitted to the banks by the company and the interest shown by prospective investors in the company. However, in view of default in re-payment of borrowings, 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.
2. As stated in note no 6 of the consolidated financial result, loss of the holding company is understated by Rs 9742.10 lakhs (approx.) due to non-provisioning of interest on bank loans for the financial year 2020-21(Rs 8296.18 lakhs (approx.) for the year ended March 31st 2020) and aggregating to Rs 23490.56 lakh (approx.) from the date on which the account of the company was classified as NPA to the period covered under audit. 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, the aggregate amount not provided in books of account of the holding company is not ascertainable with accuracy.
3. In reference to note no. 13 to the statement, during the financial year 2019-20 the management of holding company had made an ad-hoc provision of Rs 5316.36 lakh for bad & doubtful debts on domestic debtors of rice on the ground that debtors were facing financial difficulties due to covid-19 situation. In current financial year 2020-21 management entered into settlement agreement with few debtors and on the basis of such settlement agreement and other estimation made by the management, the actual bad debts come out to be Rs. 5478.46 lakh. The short provision of bad debts amounting to Rs. 162.10 lakh has been written off by the company during the financial year 2020-21. In light of the circumstances such as dispute with debtors, write -off significant debtors as bad debts, goods re-purchased from debtors, and 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 company.



4. The Management of the holding company has written back balances of few creditors by amounting to Rs 1044.23 lakh. The management of the company has provided confirmation of few creditors. However, in light of the circumstances such as absence of any basis of such balances being written back, non-receipt of confirmation from some creditors, non-receipt of direct confirmations by the auditor from confirming parties, we are unable to comment on actual liability to creditors (including squared up accounts). Further Impact of such balance written back is recognized income under the head exceptional item by amount Rs 852.85 lakh (net of provision for bad debts and balance written off). In the absence of any concrete evidence of written back, we are unable to comment any possible effect on consolidated financial result of the company.
5. During the period under audit, the holding company entered into sale and purchase transactions with the creditors and debtors respectively and has recognized Revenue without negating the effect of re-purchase of goods from debtors and re-sale of goods 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. Further it cannot be identified at which point of time performance obligation is satisfied due to uncertainty about transfer of risk & reward, absence of customer specification, absence of acceptance of goods by customer and absence of sales return policy. In light of above circumstances, revenue recognition by the company is not in line with Ind AS 115. Further customer's ability to pay the consideration deteriorates significantly, it indicates the significant changes in fact and circumstances, entity should re-assess the criteria for accounts for contract with customer. In the absence of above records, we are unable to comment its impact on consolidated financial result of the company.
6. We have not been provided the audited financial statements/ financial information of USA based subsidiary company M/S Kohinoor Foods USA, Inc. and India based subsidiary company M/S. Sachdeva Brothers Private limited. The management of the holding company consolidated the above financial statements 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 financial statements.

We conducted our audit in accordance with the standard on auditing ("SA") specified under section 143(10) of the Act. Our responsibilities under those standards are further describes in the Auditor's Responsibilities for the audit of the statement section of our report. We are independent of the company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are



relevant to our audit of the financial statements under the provisions of the act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw your attention to:

- (1) In reference to Note No.14 to the consolidate financial result of the company, the company has entered into sale purchase agreement with Herba Foods S.L.U. as on 07th of April 2021 relating to sale of Indo-European Foods Limited, a U.K. based subsidiary company. The total consideration for said deal is GBP 4,376,725 (inclusive of deferred consideration of GBP 566,000). It is the event after the reporting period, that provide evidence of conditions that existed at the end of reporting period. The company has adjusted its impact and recognised as impairment loss on investment by amounting of Rs 441.54 lakh during the reporting period.
- (2) The holding 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 Consolidated financial statement for the year ended 31th March 2021.
- (3) In reference to Note No 11 in the consolidated financial result of the company, 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 listed. The consequential effect the above, on the consolidated financial result of the company is not ascertainable.
- (4) 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 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 11th August 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 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. However, company has entered settlement agreement for above these operational creditors and said operational creditors have agreed to withdraw the application filed against the company before NCLT subject to realization of their dues.

- (5) Note no. 9 of the consolidated financial result stating that 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. In response, the company is contesting the matter and has filed its reply before DRT-III, Delhi, wherein DRT has provided the next date of hearing on 12th August 2021.
- (6) In reference to note no. 12 of the statement which explain management's assessment of impairment of assets due to COVID 19 pandemic situation. As per assessment of the management, the recoverable amount of assets is higher than its carrying value and hence no impairment of assets need to be recorded in the financial statements.

Our opinion is not modified in respect of the above matters.

Responsibilities of Management and Those Charged with Governance for the Statement

This Statement has been prepared on the basis of the consolidated annual audited financial statements and has been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and



presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the respective Board of Directors of the companies included the group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included the group is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of the Company of which we are the independent auditors. For the subsidiaries included in the Statement, which have been audited by other auditors or not have been audited by other auditors, such other auditors or management remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the holding company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

(1) We did not audit the annual financial statements of one (1) subsidiary M/S Indo European Food Ltd., whose financial statement/information (before eliminating intra-group balances



and transactions) reflects total assets of Rs 11949.54 lacs as at 31 March 2021, total revenues of Rs 22552.54 lacs, total net profit after tax of Rs 2497.69 lacs, and cash outflows (net) of Rs 303.69 lacs for the year ended on that date, as considered in the accompanying Statement. These annual financial statement / financial result has been audited by other auditor, whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiary is based solely on the audit reports of such other auditor.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

(2) We did not audit the financial statements of two (2) subsidiaries, whose annual financial statements/financial information (before eliminating intra-group balances and transactions) reflect total assets of Rs 3.78 lacs as at 31 March 2021, total revenues of Rs Nil, total net loss after tax of Rs 1.87 lacs and net cash outflow of Rs 0.46 lacs for the year ended on that date, as considered in the accompanying Statement. These annual financial statements/financial results are unaudited and have been furnished to us by the Holding Company's management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information.

(3) The annual consolidated financial results included the results for the quarter ended 31st March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Place: Delhi

Date: 20.07.2021

For Rajender Kumar Singal and Associates LLP.

(Chartered Accountants)

Firm Reg. No. 016379N



(Shashi Pal Rawat)

PARTNER

M.No. 413795

ICAI UDIN NO. 21413795AAAABA4604

Kohinoor Foods Ltd.

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

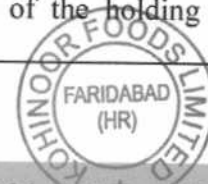
Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

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	26988	26988
	2.	Total Expenditure	25560	34302
	3.	Net Profit/(Loss)	2428	(7314)
	4.	Earnings Per Share	6.55	(19.73)
	5.	Total Assets	35569	35569
	6.	Total Liabilities	35569	35569
	7.	Net Worth	(50925)	(74415)
	8.	Any other financial item(s) (as felt appropriate by the management)		

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

- Note No. 8 of 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 and an offer of one time settlement submitted to the banks by the company and the interest shown by prospective investors in the company. However, in view of default in re-payment of borrowings, 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.
- As stated in note no 6 of the consolidated financial result, loss of the holding company is understated by Rs 9742.10 lakhs (approx.) due to non-provisioning of interest on bank loans for the financial year 2020-21(Rs 8296.18 lakhs (approx.) for the year ended March 31st 2020) and aggregating to Rs 23490.56 lakh (approx.) from the date on which the account of the company was classified as NPA to the period covered under audit. 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, the aggregate amount not provided in books of account of the holding company is not ascertainable with accuracy.



Kohinoor Foods Ltd.

3. In reference to note no. 13 to the statement, during the financial year 2019-20 the management of holding company had made an ad-hoc provision of Rs 5316.36 lakh for bad & doubtful debts on domestic debtors of rice on the ground that debtors were facing financial difficulties due to covid-19 situation. In current financial year 2020-21 management entered into settlement agreement with few debtors and on the basis of such settlement agreement and other estimation made by the management, the actual bad debts come out to be Rs. 5478.46 lakh. The short provision of bad debts amounting to Rs. 162.10 lakh has been written off by the company during the financial year 2020-21. In light of the circumstances such as dispute with debtors, write -off significant debtors as bad debts, goods re-purchased from debtors, and 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 company.
4. The Management of the holding company has written back balances of few creditors by amounting to Rs 1044.23 lakh. The management of the company has provided confirmation of few creditors. However, in light of the circumstances such as absence of any basis of such balances being written back, non-receipt of confirmation from some creditors, non-receipt of direct confirmations by the auditor from confirming parties, we are unable to comment on actual liability to creditors (including squared up accounts). Further Impact of such balance written back is recognized income under the head exceptional item by amount Rs 852.85 lakh (net of provision for bad debts and balance written off). In the absence of any concrete evidence of written back, we are unable to comment any possible effect on consolidated financial result of the company.
5. During the period under audit, the holding company entered into sale and purchase transactions with the creditors and debtors respectively and has recognized Revenue without negating the effect of re-purchase of goods from debtors and re-sale of goods 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. Further it cannot be identified at which point of time performance obligation is satisfied due to uncertainty about transfer of risk & reward, absence of customer specification, absence of acceptance of goods by customer and absence of sales return policy. In light of above circumstances, revenue recognition by the company is not in line with Ind AS 115. Further customer's ability to pay the consideration deteriorates significantly, it indicates the significant changes in fact and circumstances, entity should re-assess the criteria for accounts for contract with customer. In the absence of above records, we are unable to comment its impact on consolidated financial result of the company.
6. We have not been provided the audited financial statements/ financial information of USA based subsidiary company M/S Kohinoor Foods USA, Inc. and India based subsidiary company M/S. Sachdeva Brothers Private limited. The management of the holding company consolidated the above financial statements on the basis of unaudited financial statement of these subsidiaries we are unable to comment on adjustment that may have

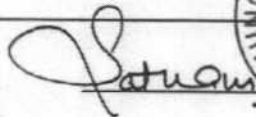
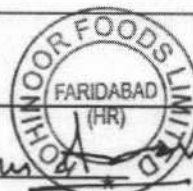
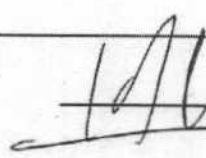






Kohinoor Foods Ltd.

	been required to these consolidated financial statements.
	a. Type of Audit Qualification : Qualified Opinion
	b. Frequency of qualification: Appearing since Last Financial Year.
	c. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: For Audit qualification no. 2, mentioned above - The Company has not provided interest to the extent of 9742.10 lakhs approx. upto 31.03.2021 on bank loans which were classified as non-performing assets during the year from the date they were declared NPA.
	d. For Audit Qualification(s) where the impact is not quantified by the auditor: For Audit Qualifications other than qualification no. 2 mentioned above.
	(i) Management's estimation on the impact of audit qualification: It is difficult to estimate the impact of audit qualifications.
	(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.
	(ii) Auditors' Comments on (i) or (ii) above: Refer detail of audit qualification {para-II (a)} above.



Kohinoor Foods Ltd.

III.	<u>Signatories:</u>	
	• Mr. Satnam Arora: CEO/Managing Director	 
	• Mr. Kamal Deep Chawla: CFO	 
	• Mrs. Mani Chandra Bhandari: Audit Committee Chairman	 
	• Rajender Kumar Singal & Associates LLP: Statutory Auditor	 
Place: Faridabad		
Date: 26 th July, 2021		