

EVEREST ORGANICS LIMITED

CIN : L24230TG1993PLC015426

An ISO 9001:2015 & WHO GMP Certified Company

Corporate Office : # 1st Floor, Lakeview Plaza, Plot No.127 & 128, Amar Co-operative Society,
Opp. Madhapur Police Station Road, Near Durgam Cheruvu, Madhapur, Hyderabad - 500 033.
Tel : 040- 40040783

Ref. EOL/SEC/COMP/017/2022-23

To,
Corporate Relationship Department,
Bombay Stock Exchange Limited,
P. J. Towers, Dalal Street Fort
Mumbai - 400001

Dated: 27.05.2022

Subject: Audited Financial Results for the fourth quarter and year ended 31.03.2022:

Scrip Code: 524790

Dear Sir,

Pursuant to provisions of Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith the copy of the Audited Financial Results of the Company for the fourth quarter and financial year ended March 31, 2022 as recommended by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on May 27, 2022 including the Statements of Assets & Liabilities, Statement of Cash Flows along with the Auditors' Report issued by the Statutory Auditors with modified opinion, given in Statement on Impact of Audit Qualifications pursuant to Regulation 33(3)(d) of the Listing Regulations is also enclosed herewith as **Annexure – I**.

The Board Meeting commenced at 9.00 a.m. and concluded at 4:50 p.m.

Kindly acknowledge its receipt and take it on record.

Thanking You,

Yours sincerely

For Everest Organics Limited


Rekha Singh
Company Secretary

Encl: As above



Regd. Office & Factory : Aroor Village, Sadasivpet Mandal, Sangareddy Dist. Telangana - 502291.

Tel. : 08455 - 250186, 250113, 250115 Fax : 08455-250114

Website : www.everestorganicsltd.com

EVEREST ORGANICS LIMITED (CIN : L24230TG1993PLC015426)						
STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH,2022						
(Rs.in Lakhs)						
S.No.	Particulars	Quarter Ended			Year Ended	
		31st Mar, 2022 (Audited)	31st Dec, 2021 (UnAudited)	31st Mar, 2021 (Audited)	31st Mar, 2022 (Audited)	31st Mar, 2021 (Audited)
	INCOME					
1	Revenue from Operations	5,509.86	4,687.00	4,504.19	20,004.66	18,156.69
	Other Income	44.57	12.26	24.70	221.12	106.16
	Total income	5,554.43	4,699.26	4,528.89	20,225.78	18,262.85
2	Expenses :					
	Cost of Material Consumed	3,500.05	3,784.38	2,616.29	14,035.67	11,599.34
	Purchases of stock in trade	-	-	-	-	-
	Changes in inventories of finished goods, Work-in-progress and stock-in-trade	268.14	(666.63)	22.35	(451.14)	(822.40)
	Employee benefits expenses	426.99	401.69	470.21	1,632.61	1,526.37
	Finance Cost	100.00	56.51	97.30	310.28	325.63
	Depreciation and amortisation expenses	77.46	105.05	92.57	379.67	337.46
	Other expenses	1,140.61	1,001.39	963.28	4,144.77	3,569.10
	Total Expenses	5,513.24	4,682.39	4,262.00	20,051.85	16,535.50
3	Profit/(Loss) before Exceptional Items and tax (1-2)	41.18	16.87	266.88	173.93	1,727.36
4	Exceptional Items	-	-	-	-	-
5	Profit/(Loss) before tax (3-4)	41.18	16.87	266.88	173.93	1,727.36
6	Extraordinary Items	-	-	-	-	-
7	Profit/(Loss) before tax (5+6)	41.18	16.87	266.88	173.93	1,727.36
8	Tax expenses					
	1) Current Tax	7.00	3.00	47.00	29.00	302.00
	2) Deferred Tax	5.20	7.37	(0.30)	30.56	53.86
9	Profit/(Loss) for the period from Continuing Operation (7-8)	28.98	6.48	220.18	114.37	1,371.50
10	Profit (loss) from discontinued operation	-	-	-	-	-
11	Tax expense of discontinued operations	-	-	-	-	-
12	Profit (loss) from discontinued operations after tax	-	-	-	-	-
13	Profit (loss) for the period (9+12)	28.98	6.48	220.18	114.37	1,371.50
14	Profit or loss for the period attributable to					
	Shareholders of the Company	28.98	6.48	220.18	114.37	1,371.50
	Non-Controlling Interest	-	-	-	-	-
15	Other Comprehensive Income	-	-	-	-	-
A	(i) Items that will not be reclassified to profit or loss	-	-	-	-	-
	(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	-	-	-	-	-
	Total Other Comprehensive Income	-	-	-	-	-
16	Total Comprehensive Income for the period (13+15)	28.98	6.48	220.18	114.37	1,371.50
17	Total Comprehensive Income for the period attributable to:(Comprising Profit (loss) and other Comprehensive Income for the Period	-	-	-	-	-
	Shareholders of the Company	-	-	-	-	-
	Non-Controlling Interest	-	-	-	-	-
18	Paid-up equity share capital (Ordinary Shares of Rs. 10/- each)	800.00	800.00	800.00	800.00	800.00
19	Reserves excluding Revaluation Reserves	3,879.70	3,862.95	3,857.56	3,879.70	3,857.56
20(i)	Earnings/ (loss) Per Equity Share for Continuing Operations (Not Annualised)-(Rs.)					
	Basic	0.36	0.08	2.75	1.43	17.14
	Diluted	0.36	0.08	2.75	1.43	17.14
20(ii)	Earnings/ (loss) Per Equity Share for Discontinued Operations (Not Annualised)-(Rs.)					
	Basic	-	-	-	-	-
	Diluted	-	-	-	-	-
20(iii)	Earnings/ (loss) Per Equity Share for Discontinued And Continuing Operations (Not Annualised)-(Rs.)					
	Basic	0.36	0.08	2.75	1.43	17.14
	Diluted	0.36	0.08	2.75	1.43	17.14
Note:						
1 The above financial results for the Quarter and Year ended 31st March,2022 were reviewed and recommended by the Audit committee in its meeting held on 27th May,2022 and thereafter approved and taken on record by the Board of Directors in its meeting held on the same day.						
2 During the 4th quarter ended as on 31st March,22, the company made sales turnover of Rs.5509.86 Lakhs which comprises of Domestic Turnover of Rs.4341.98 Lakhs and Export Turnover of Rs.1167.88 Lakhs.						
3 The Company Operates in only one reportable business segment, that is Active Pharmaceuticals Ingredients (API) and their Intermediates.						
4 172404 equity shares of Everest Organics Ltd are still lying under "Everest Organics Limited Unclaimed Suspense Account" as on 31.03.2022.						
5 Figures for the previous periods have been regrouped/rearranged/recast wherever considered necessary.						
For Identification Purpose only						
Dr.S.K.SIRSI Chief Executive Officer DIN: 06921012						
Place: Hyderabad Date: 27th May, 2022						

For Identification Purpose only

for EVEREST ORGANICS LIMITED
On behalf of the Board of Directors

Dr. S.K. SINGH
Chief Executive Officer
DIN: 06921012

Place: Hyderabad
Date: 27th May, 2022



EVEREST ORGANICS LTD (CIN : L24230TG1993PLC015426)				
STATEMENT OF ASSETS & LIABILITIES AS ON 31-03-2022 (Audited)				
(Rs.in Lakhs)				
	Particulars		As at 31-Mar-2022	As at 31-Mar-2021
1	ASSETS			
	Non-current assets			
	(a) Property, Plant and Equipment		4,896.99	4,356.65
	(b) Capital Work-in-Progress		803.00	7.53
	(c) Financial Assets			
	(i) Investments		8.45	8.45
	[d] Other Non-Current Assets		303.76	240.01
	Total Non Current Assets (A)		6,012.20	4,612.64
2	Current assets			
	(a) Inventories		4,149.07	3,292.42
	(b) Financial assets			
	(i) Investments		-	-
	(ii) Trade receivables		6,856.83	5,061.91
	(iii) Cash and cash equivalents		65.15	166.17
	(c) Other Current Assets		716.74	404.66
	Total Current Assets (B)		11,787.80	8,925.16
	TOTAL ASSETS [(C) = (A) +(B)]		17,800.00	13,537.80
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital		800.00	800.00
	(b) Other Equity		3,879.70	3,857.56
	Total Equity (D)		4,679.70	4,657.56
	LIABILITIES			
1	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings		1,098.56	581.44
	(b) Deferred Tax Liabilities (Net)		388.90	358.34
	(b) Other Non-Current Liabilities		376.61	204.38
	Total Non Current Liabilities (E)		1,864.07	1,144.16
2	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings		2,779.46	1,708.45
	(ii) Trade Payables			
	a) Total outstanding dues of micro enterprises and small enterprises		769.00	864.12
	b) Total outstanding dues creditors other than micro enterprises and small enterprises		7,183.91	4,610.21
	(b) Other current liabilities		450.43	204.87
	(c) Provisions		44.43	46.44
	(d) Current tax liabilities (net)		29.00	302.00
	Total Current Liabilities (F)		11,256.23	7,736.08
	TOTAL EQUITY AND LIABILITIES [(G) = (D)+(E)+(F)]		17,800.00	13,537.80

For Identification Purpose only

For and on behalf of the Board
EVEREST ORGANICS LIMITED



Dr.S.K.SIRISHA
Chief Executive Officer
DIN: 06921012



Place: Hyderabad
Date: 27-05-2022

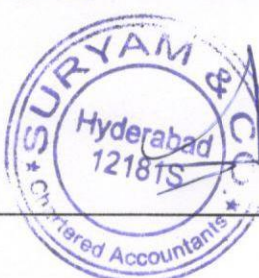
Everest Organics Limited
Cash Flow Statement for the Year ended 31-03-2022

(Rs.in Lakhs)

Particulars	Year Ended 31.03.22	Year Ended 31.03.21
Cash Flow from Operating Activities		
Profit After Tax and Extraordinary Items	114.37	1,371.50
Adjustments	-	-
Depreciation and Amortisation expenses	379.67	337.46
Provision for Gratuity	-	-
Interest and Financial Charges paid	310.28	325.63
Write off of Property, Plant and Equipment	-	-
Excess/(Short) provision for Taxation	(12.23)	(14.15)
Prior period Adjustments	-	-
Interest Earned	(5.40)	(10.94)
Operating Profit/(Loss) before working capital charges	786.69	2,009.50
Adjustments for:		
(Increase)/Decrease in Trade receivables	(1,794.92)	(632.31)
(Increase)/Decrease in Inventories	(856.66)	(552.46)
Increase/(Decrease) in Current Financial Liabilities-Borrowings & Others	1,071.01	374.86
Increase/(Decrease) in Trade Payables	2,478.58	(175.34)
Increase/(Decrease) in Other Current Liabilities	243.56	61.03
Increase/(Decrease) in Current Tax Liabilities	(242.44)	128.86
(Increase)/Decrease in Financial Assets Loans/Other Current Assets	(312.09)	139.16
Cash Generated from Operations	1,373.74	1,353.30
Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment including CWIP	(1,715.47)	(684.95)
Change in Other Non Current Assets	(63.75)	(149.49)
Change in Other Non Current Liabilities	172.23	(238.31)
Profit on sale of Property, Plant and Equipment	-	-
Dividend and Dividend Distribution Tax paid	(80.00)	(120.00)
Interest earned	5.40	10.94
Cash used in Investing Activities	(1,681.60)	(1,181.81)
Cash Flow from Financing Activities		
Increase/(Decrease) Non Current Financial Liabilities- Borrowings	517.12	120.19
Increase/(Decrease) Share Capital, Share Premium & Share Warrants	-	-
Securities premium received on issue of equity shares	-	-
Money Received against Share Warrants	-	-
Interest and Financial Charges paid	(310.28)	(325.63)
	206.84	(205.44)
Net Increase/(Decrease) in Cash & Cash Equivalents	(101.02)	(33.95)
Opening Cash & Cash Equivalents	166.16	200.12
Closing Cash & Cash Equivalents	65.15	166.16

For Identification purpose only

Place: Hyderabad
Date: 27-05-2022



For and on behalf of the Board
EVEREST ORGANICS LIMITED

Dr. S.K. SIRISHA
Chief Executive Officer
DIN: 06921012



ANNEXURE-I

Statement on Impact of Audit Qualifications (for Audit Report with modified opinion) submitted along with Audited Financial Results - (Standalone) submitted by Everest Organics Limited (CIN: L2423TG1993PLC015426)


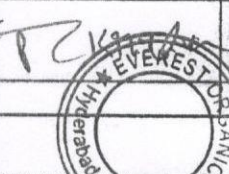
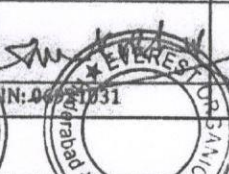
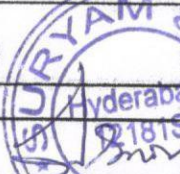
L24231G1993PLC0154261

				Amount Rs. In lakhs	
I.	S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)	
			F.Y 2021-22	F.Y 2021-22	
	1.	Turnover/ Total Income	20,225.78	20,225.78	
	2.	Total Expenditure	20,051.85	20,051.85	
	3.	Net Profit (excluding Extraordinary Income)	173.93	173.93	
	4.	Earnings Per Share (Amount in Rs. only)	1.43	1.43	
	5.	Total Assets	17,800.00	17,800.00	
	6.	Total Liabilities	17,800.00	17,800.00	
	7.	Net Worth	4,679.70	4,679.70	
	8.	Any other financial item(s) (as felt appropriate by the management)			
II. Audit Qualification (each audit qualification separately)					
	S. No.	Particulars	Qualification-1		
	a)	Details of Audited Qualification, Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion	The revocation order of Telangana State Pollution Control Board (TSPCB) dated 4th February 2022 in connection with the closure order dated 22nd Dec 2020, stipulates that, the company cannot exceed its production capacity indicated in its order No. TSPCB/RCP/SRD/CFO& HWA/HO/ 2017-2714, Dt. 22-11-2017. However, the company is operating at a substantially enhanced level of actual production without necessary approvals from TSPCB in the form of Consent For Establishment (CFE) for starting the establishment, followed by the consequent Consent For Operation (CFO). Such non-compliance could impact the going concern of the company in the form of Closure Order from TSPCB.		
	b)	Type of Audit Qualification Whether appeared first time/repetitive/ since how long continuing	First Time		
	c)	Frequency of Qualification	First Time		
	d)	For Audit Qualifications where the impact is quantified by the auditor, Management's view	Not Applicable		
	e)	For Audit Qualification(s) where the impact is not quantified by the auditor	Management is in process of receiving approvals for such enhanced capacity of production. The Company made application for necessary approvals and upon payment of appropriate fees, the approvals will be granted. Hence, effect on going concern of the company would not arise.		
		(i) Management's estimation on the impact of audit qualification:			

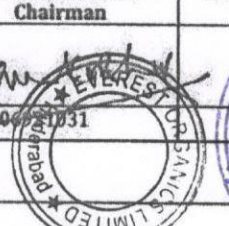
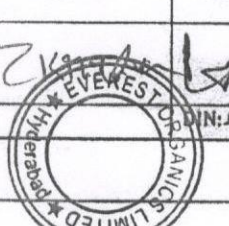
	(ii) If management is unable to estimate the impact, reasons for the same:	Not Applicable
	Auditors' Comments on (i) or (ii)	
S. No.	Particulars	Qualification-2
a)	Details of Audited Qualification, Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion	Turnover recognized during the year, includes Rs.478.49 Lakhs for which, the control over the goods have not been passed on to the respective customers though dispatches were made on or before 31.03.2022. As the same is not in accordance with Ind-AS 115 on Income Recognition, the same should not have been considered as turnover. Accordingly, the total Turnover has been overstated during the quarter by Rs.479.29 Lakhs. Consequently, the Net Profit for the year and reserves under the balance sheet as at the end of the year have been overstated by Rs 26.13 lakhs. Now adjusted profit for the year would come to Rs. 88.24 Lakhs and adjusted profit for the quarter would come to Rs. 2.85 Lakhs.
b)	Type of Audit Qualification Whether appeared first time/repetitive/ since how long continuing	First Time
c)	Frequency of Qualification	First Time
d)	For Audit Qualifications where the impact is quantified by the auditor, Management's view	Sales made at the year end were subsequently shipped and control over goods has been transferred to the respective customers. Management is of opinion that, as the control has been transferred and sale is completed. Accordingly, the revenue and profitability are certain of realisation and does not have any impact on revenue and profit of the company.
e)	For Audit Qualification(s) where the impact is not quantified by the auditor	Not Applicable
	Management's estimation on the impact of audit qualification:	Not Applicable
	If management is unable to estimate the impact, reasons for the same:	Not Applicable
	Auditors' Comments on (i) or (ii)	Not Agreed
S. No.	Particulars	Qualification-3
a)	Details of Audited Qualification, Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion	Company has made provision for the Liability on account of Gratuity payable, based on own the Management's own assessment, instead of basing on actuarial assessment. Further, the company has not obtained any confirmation from the Life Insurance Corporation of India in this regard during the past one year. Hence the impact on the profit for the year and the consequential impact on the Reserves and Surplus of the company as on the balance Sheet date are not ascertainable.
b)	Type of Audit Qualification	First Time

	Whether appeared first time/repetitive/ since how long continuing	
c)	Frequency of Qualification	First Time
d)	For Audit Qualifications where the impact is quantified by the auditor, Management's view	Not Applicable
e)	For Audit Qualification(s) where the impact is not quantified by the auditor	
	Management's estimation on the impact of audit qualification:	In the opinion of the Management, the Company has made adequate provision for the gratuity liability. However, the management will take up the actuarial valuation soon and will review there on.
	If management is unable to estimate the impact, reasons for the same:	Not Applicable
	Auditors' Comments on (i) or (ii)	
S. No.	Particulars	Qualification-4
a)	Details of Audited Qualification, Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion	The company has made Rs.5509.86 Lakhs of turnover for the quarter ended 31st March 2022. The sundry debtors as at 31st March 2022 stood at Rs.6840.52 Lakhs. Against this outstanding balance of Sundry Debtors confirmations were received only for Rs.1480.98 lakhs by this date.
b)	Type of Audit Qualification Whether appeared first time/repetitive/ since how long continuing	First Time
c)	Frequency of Qualification	First Time
d)	For Audit Qualifications where the impact is quantified by the auditor, Management's view	Not Applicable
e)	For Audit Qualification(s) where the impact is not quantified by the auditor	We made communications to all the debtors for confirmation of balances and accounts, and the information from some of them is yet awaited. We are sure of obtaining the balance confirmations for remaining parties also. As soon as we receive, we will reconcile with the company's books of accounts and will furnish the same.
	Management's estimation on the impact of audit qualification:	
	If management is unable to estimate the impact, reasons for the same:	Not Applicable
	Auditors' Comments on (i) or (ii)	
S. No.	Particulars	Qualification-5
a)	Details of Audited Qualification, Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion	The company has adopted cash basis of accounting, as regards sales Commission payable to the sales agents. Hence the impact on the profit for the year and the consequential impact on the Reserves and Surplus of the company as on the balance Sheet date are not ascertainable.
b)	Type of Audit Qualification	First Time

		Whether appeared first time/repetitive/ since how long continuing	
	c)	Frequency of Qualification	First Time
	d)	For Audit Qualifications where the impact is quantified by the auditor, Management's view	Not Applicable
	e)	For Audit Qualification(s) where the impact is not quantified by the auditor	The liability for Sales Commission arises only after realisation of amount from sales made and on receipt of the bill from the agent. Realisation happens only after credit period has been exhausted after sales made. Sales made through agency referrals is very less. In the view of management, there are no bills which are pending for accounting the liability thereon.
		Management's estimation on the impact of audit qualification:	Not Applicable
		If management is unable to estimate the impact, reasons for the same:	Not Applicable
		Auditors' Comments on (i) or (ii)	

S. No.	Particulars	Qualification-6	
a)	Details of Audited Qualification, Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion	Company has replaced certain plant and equipment during the year under report. The resultant deletion of the replaced assets/equipment has not been carried out. The disclosure requirements as regards the assets kept aside for sale are being ascertained and recorded.	
b)	Type of Audit Qualification Whether appeared first time/repetitive/ since how long continuing	First Time	
c)	Frequency of Qualification	First Time	
d)	For Audit Qualifications where the impact is quantified by the auditor, Management's view	The company has taken up the expansion activity of the production facilities and in the process, some of the existing assets are relocated and new assets are also installed. The company accounts for deletions when the management is of the opinion that, the asset is no longer reusable and is sold. In the opinion of management, there are no assets which has become useless, requiring them to be discarded or sold. Further, the revision of the Fixed Assets Register and the codification of assets are in progress.	
e)	For Audit Qualification(s) where the impact is not quantified by the auditor	Not Applicable	
	Management's estimation on the impact of audit qualification:	Not Applicable	
	If management is unable to estimate the impact, reasons for the same:	Not Applicable	
	Auditors' Comments on (i) or (ii)	Not Applicable	
III. Signatories			
CEO	CFO	Audit Committee Chairman	Statutory Auditor
			
06921012		06921031	
Place: Hyderabad			
Date: 27.09.2022			

Place: Hyderabad
Date: 27.09.2022





Independent Auditor's Report on the Quarterly Financial Results and year to date results of the company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015, as amended.

**To
The Board of Directors,
Everest Organics Limited.**

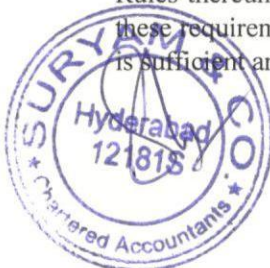
Report on the Audit of the Financial Results.

Opinion

1. We have audited the annual financial results of Everest Organics Limited (hereinafter referred to as the "Company") for the year ended March 31, 2022, which includes the Statement of assets and liabilities and the Statement of cash flows as at March 31, 2022 and the Income Statement for the year ended on that date, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial results:
 - (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - (ii) subject to the qualification matter paragraph hereunder, give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2022 and the statement of assets and liabilities and the statement of cash flows as at and for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Results' 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 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 opinion.

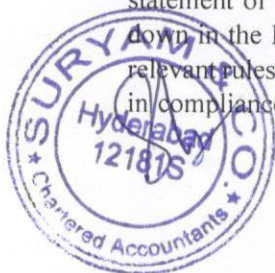


4. Qualification matter paragraph:

- (i) The revocation order of Telangana State Pollution Control Board (TSPCB) dated 4th February 2022 in connection with the closure order dated 22nd Dec 2020, stipulates that, the company cannot exceed its production capacity indicated in its order No. TSPCB/RCP/SRD/CFO&HWA/HO/ 2017-2714, Dt. 22-11-2017. However, the company is operating at a substantially enhanced level of actual production without necessary approvals from TSPCB in the form of Consent For Establishment (CFE) for starting the establishment, followed by the consequent Consent For Operation (CFO). Such non-compliance could impact the going concern of the company in the form of Closure Order from TSPCB. According to the explanations given to us, the management of the Company is in the process of addressing the issue.
- (ii) During the period under report, the turnover recognized by the Company includes Rs.478.49 Lakhs for which, the control over the goods have not been passed on to the respective customers though dispatches were made on or before 31.03.2022. As the same is not in accordance with Ind-AS 115 on Income Recognition, the same should not have been considered as turnover. Accordingly, the total Turnover has been overstated during the quarter by Rs.479.29 Lakhs. Consequently, the Net Profit for the year and reserves under the balance sheet as at the end of the year have been overstated by Rs 22.48 lakhs.
- (iii) During the quarter under report, the Company has not made any provision for the Liability on account of Gratuity payable. Further, the company has provided for gratuity payable during the year based on the Management's assessment as against an actuarial Valuation. Further, the company has not obtained any confirmation from the Life Insurance Corporation of India in this regard during the past one year. Hence the impact on the profit for the year and the consequential impact on the Reserves and Surplus of the company as on the balance Sheet date are not ascertainable.
- (iv) The company has made Rs.5509.86 Lakhs of turnover for the quarter ended 31st March 2022. The sundry debtors as at 31st March 2022 stood at Rs.6840.52 Lakhs. Against this outstanding balance of Sundry Debtors confirmations were received only for Rs.1480.98 lakhs by this date.
- (v) The company has adopted cash basis of accounting, as regards sales Commission payable to the sales agents. Hence the impact on the profit for the year and the consequential impact on the Reserves and Surplus of the company as on the balance Sheet date are not ascertainable.
- (vi) The Company has replaced certain plant and equipment during the year under report. The resultant deletion of the replaced assets/equipment has not been carried out. The revision of the Fixed Assets Register and the codification of assets are in progress. The disclosure requirements as regards the assets kept aside for sale are being ascertained and recorded. We were explained that, these issues shall be dealt upon sale of such assets and will have no impact on the profit for the year and the consequential impact on the Reserves and Surplus of the company as on the balance Sheet date.

Board of Directors' Responsibilities for the Financial Results

- 5. The statement of results has been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company and the statement of assets and liabilities and the statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 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. The Board of Directors of the



Company are responsible for 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the financial statements by the Directors of the Company, as aforesaid.

6. In preparing the Statement, the Board of Directors of the Company are responsible for assessing the ability of the Company 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.
7. The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Results

8. Our objectives are to obtain reasonable assurance about whether the financial results as a whole are 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 SAs 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 these financial Statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement in the financial Statements, 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 adequate internal financial controls with reference to financial statements in place 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 Board of Directors.
 - Conclude on the appropriateness of the Board of Directors 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 ability of the Company to continue as a going concern. If we conclude that a material

