



# Khaitan CHEMICALS AND FERTILIZERS LTD.

CIN : L24219MP1982PLC004937

Apollo Arcade, 3rd Floor, ½, Old Palasia, INDORE - 452018 (M.P.) Phone : 4753666  
Fax : 0731-4753655, E-mail : khaitanind@gmail.com, Website : www.khaitanchemfert.com

KCFL/2021/

May 12, 2021

The Manager (Listing)  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra-Kurla Complex,  
Bandra (East), MUMBAI- 400 001  
NSE Symbol : **KHAICHEM**

The Manager (DCS)  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, MUMBAI- 400 001  
BSE Scrip Code : **507794**

## Sub: Outcome of 2<sup>nd</sup> Board Meeting.

Dear Sir/Madam,

In terms of the provisions of Regulation 30 read with Part - A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We wish to inform you that the Board of Directors of the Company has approved the Audited Financial Results for the year ended on March 31, 2021, in their meeting held on 12.05.2021. The details are as under:

The Company has posted a net profit of Rs.2,486.67 lacs for the year ended March 31, 2021 as compared to net profit of Rs.1,508.05 lacs for the year ended March 31, 2020. Total income has increased from Rs.43,937.95 lacs for the year ended March 31, 2020 to Rs.48,770.31 lacs for the year ended March 31, 2021.

We are enclosing herewith a copy of Audited Financial Results for the year ended March 31, 2021 alongwith Independent Auditors Report and a declaration to the effect that the Auditor's Report contains an un-modified opinion.

In compliance with the provisions of Regulation 33(3)(d) of the LODR Regulations, the Company hereby declares that the Statutory Auditors, NSBP & Co., Chartered Accountants, New Delhi have issued the Audit Reports with unmodified opinion on Financial Results of the Company for the year ended March 31, 2021.

We wish to further inform you that, the Board of Directors have declared interim dividends of Re.0.10 (10%) per equity share in its meeting held on November 2, 2020. **The Board of Directors have also proposed to recommend a final dividend of Re.0.15 (15%) per equity share in its meeting held on May 12, 2021**, taking the total dividend to Re.0.25 (25%) per equity share (face value of Re. 1/- per share) for the financial year 2020-2021, subject to approval of the Members of the Company in ensuing Annual General Meeting, previous year Re. 0.20 (20%) per equity share (face value of Re. 1/- per share).

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# **Khaitan** CHEMICALS AND FERTILIZERS LTD.

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The meeting of the Board of Directors commenced at 12:30 p.m. and concluded at 4:25 pm.

This intimation is also being uploaded on the Company's website at <http://www.khaitanchemfert.com>

We request you to take the above information on your record.

Thanking you,

Yours faithfully,

**for KHAITAN CHEMICALS AND FERTILIZERS LIMITED**

**CS KAMLESH JOSHI**

**(Company Secretary & General Manager)**

**KHAITAN CHEMICALS AND FERTILIZERS LIMITED**

CIN: L24219MP1982PLC004937

Regd. Office: A.B.Road, Village- Nimrani, Khargone, 451569 (M.P.)

Email: khaitanchemfert@gmail.com; Website: www.khaitanchemfert.com

Phone: 0731-4237926, 4753666; Fax: 0731-4753655

**Statement of Audited Financial Results for the quarter and year ended March 31, 2021**

(Amount Rs. in Lakhs)

S. No	Particulars	Quarter Ended		Year ended	
		March 31, 2021	Dec. 31, 2020	March 31, 2020	March 31, 2020
		Audited*	Unaudited	Audited*	Audited
<b>1</b>	<b>Income from operations</b>				
	I. Net Sales / Income from operations	10,533.35	10,874.96	9,537.88	48,715.28
	II. Other income	15.72	4.04	8.28	55.03
	<b>Total Income from Operations ( I+II)</b>	<b>10,549.07</b>	<b>10,879.00</b>	<b>9,546.16</b>	<b>48,770.31</b>
<b>2</b>	<b>Expenses</b>				
	(a) Cost of material consumed	6,197.29	6,818.38	5,185.51	25,639.11
	(b) Purchase of Stock in Trade	0.03	(17.41)	8.96	12.60
	(c) Changes in inventories of finished goods, stock-in-Trade and work-in-progress	(269.66)	(1,552.80)	93.56	1,299.57
	(d) Employees benefits expenses	708.57	753.90	555.27	2,671.89
	(e) Finance costs	300.43	348.74	330.42	1,354.96
	(f) Depreciation and amortisation expense	216.22	205.95	171.93	819.34
	<b>(g) Other expenses</b>				
	Outward transportation	1248.72	1,308.57	963.16	5,611.65
	Others	1962.54	2,030.95	1,498.41	7,503.92
	<b>Total expenses</b>	<b>10,364.14</b>	<b>9,896.28</b>	<b>8,807.22</b>	<b>44,913.04</b>
<b>3</b>	<b>Profit/(loss) before exceptional items and tax (1-2)</b>	<b>184.93</b>	<b>982.72</b>	<b>738.94</b>	<b>3,857.27</b>
<b>4</b>	<b>Exceptional items</b>				
<b>5</b>	<b>Profit/(loss) before tax (3-4)</b>	<b>184.93</b>	<b>982.72</b>	<b>738.94</b>	<b>3,857.27</b>
<b>6</b>	<b>Tax Expense</b>				
	1) Provision for Current tax	29.21	176.61	78.33	693.29
	2) Provision for Deferred tax	38.55	178.88	63.16	669.54
	3) Earlier Year Tax	7.47	-	-	7.77
	<b>Total tax expenses</b>	<b>75.23</b>	<b>355.49</b>	<b>141.49</b>	<b>1,370.60</b>
<b>7</b>	<b>Profit/(loss) for the period (5-6)</b>	<b>109.70</b>	<b>627.23</b>	<b>597.45</b>	<b>2,486.67</b>
<b>8</b>	<b>Other Comprehensive Income (OCI)</b>				
	<b>Items that will not be reclassified to profit or loss</b>				
	Re-measurements gain/(loss) on defined benefit plans	52.35	(12.39)	(49.50)	15.64
	Tax on (i) above	(18.30)	4.33	17.30	(5.47)
	Changes in fair value of financial assets if designated to OCI	40.38	-	(66.08)	40.38
	Less: Deferred Tax on Changes in fair value of financial assets if designated to OCI	(4.05)	-	6.63	(4.05)
	<b>Items that will be reclassified to profit or loss</b>				
	Gains & (Losses) in Cash Flow Hedges	12.84	(68.02)	207.59	(193.20)
	Less: Tax Relating to items that will be reclassified to profit & Loss	(4.48)	23.77	(72.54)	67.51
	<b>Total other comprehensive income, net of tax</b>	<b>78.74</b>	<b>(52.31)</b>	<b>43.40</b>	<b>(79.18)</b>
<b>9</b>	<b>Total Comprehensive Income for the period (7+8)</b>	<b>188.44</b>	<b>574.92</b>	<b>640.85</b>	<b>2,407.49</b>
<b>10</b>	<b>Paid-up equity share capital ( Face Value Per Share Re. 1/-)</b>	<b>969.89</b>	<b>969.89</b>	<b>969.89</b>	<b>969.89</b>
<b>11</b>	<b>Other Equity ( Reserves )</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,452.25</b>
<b>12</b>	<b>Earning Per Share ( of Re. 1/- each)</b>				
	Basic and diluted	<b>0.11</b>	<b>0.65</b>	<b>0.62</b>	<b>2.56</b>

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## Statement of Assets and Liabilities as at March 31, 2021

	As at March 31, 2021 Audited	As at March 31, 2020 Audited
<b>ASSETS</b>		
<b>Non-current Asset</b>		
Property, Plant and Equipment	9903.96	10,101.75
Right of Use Assets	47.91	143.23
Capital work-in-progress	42.62	48.27
Intangible assets	1.07	1.17
Financial Assets		
I) Investments	172.55	132.16
III) Other Financial Assets	357.84	382.84
Income Tax Assets (Net)	44.31	30.71
	<b>10570.26</b>	<b>10,840.13</b>
<b>Current Asset</b>		
Inventories	11216.94	11,291.71
Financial Assets		
i) Trade receivables	4362.29	5,353.22
ii) Cash and cash equivalents	33.90	36.99
iii) Bank balances other (ii) above	589.64	495.76
iv) Loans	7.93	41.63
v) Other financial assets	314.16	803.59
Other current assets	8333.27	10,205.84
	<b>24858.13</b>	<b>28,228.75</b>
<b>TOTAL ASSETS</b>	<b>35428.39</b>	<b>39,068.88</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	969.89	969.89
Other equity	16,452.25	14,335.73
<b>Total Equity</b>	<b>17,422.14</b>	<b>15,305.62</b>
<b>Non current liabilities</b>		
Financial liabilities		
I) Borrowings	1,904.20	1,908.82
II) Other financial liabilities	55.06	50.77
III) Leasing Financial liabilities	53.60	152.50
Provisions	127.73	136.16
Deferred tax liabilities (net)	1,478.38	866.83
	<b>3,618.97</b>	<b>3,115.08</b>
<b>Current liabilities</b>		
Financial liabilities		
I) Borrowings	5,884.66	10,635.58
II) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,767.77	5,167.68
III) Other financial liabilities	1,569.17	2,865.54
Other current liabilities	2,099.15	1,840.21
Provisions	66.53	59.43
Income tax liabilities (net)	-	79.74
	<b>14,387.28</b>	<b>20,648.18</b>
<b>TOTAL EQUITY AND LIABILITY</b>	<b>35,428.39</b>	<b>39,068.88</b>

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Segment Wise Revenues, Results, Assets & Liabilities for the quarter and year ended March 31, 2021						(Amount Rs. in Lakhs)
Under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.						
Sl. No	Particulars	Quarter Ended			Year Ended	
		March 31, 2021	Dec. 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		Audited*	Unaudited	Audited*	Audited	Audited
1	Segment Revenues [Net sale/income from each segment]					
	a) Fertilizers and Chemicals	10,381.89	10,735.24	9,411.64	48,131.56	43,328.59
	b) Soya/ Agri	167.20	147.89	130.11	632.74	556.50
	c) Unallocated (others)	-	(4.13)	4.41	6.01	52.86
	Total	10,549.08	10,879.00	9,546.16	48,770.31	43,937.95
	Less: Inter Segment Revenue					
	Net Sales/ Income from operations	10,549.08	10,879.00	9,546.16	48,770.31	43,937.95
2	Segment Results [Profit/ (Loss) before tax and interest from each segment]					
	a) Fertilizers and Chemicals	544.39	1,439.77	1,151.34	5,550.50	4,204.05
	b) Soya/ Agri	(62.56)	(97.78)	(78.55)	(319.50)	(250.31)
	c) Unallocated (others)	3.54	(10.53)	(3.43)	(18.77)	12.64
	Total	485.37	1,331.46	1,069.36	5,212.23	3,966.38
	Less: i) Interest and other financial expenses	300.43	348.74	330.42	1,354.96	1,810.46
	ii) Other unallocated expenditure net off					
	iii) Unallocated income					
	Total Profit before tax	184.94	982.72	738.94	3,857.27	2,155.92
3	Segment Assets					
	a) Fertilizers and Chemicals	33,220.57	37,651.69	36,926.69	33,220.57	36,926.69
	b) Soya/ Agri	1,368.84	1,398.80	1,630.37	1,368.84	1,630.37
	c) Unallocated (others)	838.98	959.96	511.82	838.98	511.82
	Total	35,428.39	40,010.45	39,068.88	35,428.39	39,068.88
4	Segment Liabilities					
	a) Fertilizers and Chemicals	17,616.26	22,489.66	23,661.78	17,616.26	23,661.78
	b) Soya/ Agri	11.60	(104.11)	11.60	11.60	11.60
	c) Unallocated (others)	378.39	390.88	89.88	378.39	89.88
	Total	18,006.25	22,776.43	23,763.26	18,006.25	23,763.26
5	Capital Employed (3-4)	17,422.14	17,234.02	15,305.62	17,422.14	15,305.62
Notes:						
* Refer note No. 3						
1 The above results were reviewed by the Audit Committee and taken on record by the Board of Directors in its meeting held on May 12, 2021						
2 The financial results for the quarter and year ended March 31, 2021 have been audited by the statutory auditors of the Company. The audit report does not contain any qualifications. The audit report will be filed with the Stock Exchanges website-www.bseindia.com & nseindia.com and will also be available on the Company's website-www.khaitanchemfert.com.						
3 The pandemic of Covid-19 (first and second phase), didn't affect Khaitan Chemicals and Fertilizers Limited, to the extent that it could have since the movement and production of fertilizer was not restricted by the Central Government during the lockdown, especially as Fertilizer is covered under the Essential Commodities Act, 1955 and is crucial for farm produce. Going forward it appears the Government is keen to revive the economy and there are little chances of a country wide lockdown. We are however seeing district-wise lockdowns effected by the state governments while reviewing the local situation. Fertilizer being covered under essential commodities, it is not likely to be restricted. However, the impact of the second wave is yet to be seen. We at our end are taking all precautions to maintain the protocol guidelines laid down by the GOI to keep our employees safe.						
4 Based on the Company's performance, the Board of Directors have declared interim dividends of Re.0.10 per equity share (face value of Re. 1/- per share) in its meeting held on November 2, 2020. The Board of Directors have also pleaded to recommend a final dividend of Re.0.15 per equity share (face value of Re. 1/- per share) in its meeting held on May 12, 2021, taking the total dividend to Re.0.25 per equity share (face value of Re. 1/- per share) for the financial year 2020-2021, subject to approval of the Members of the Company in ensuing Annual General Meeting, previous year Re. 0.20 per equity share (face value of Re. 1/- per share).						
5 The Company has prepaid its entire Term Loan and Corporate Loan of State Bank of India and IDBI as on March 31, 2021.						
6 a) As a consortium lead Banker, the State Bank of India has agreed to release of 8,00,000 Pledged Shares of Khaitan Chemicals and Fertilizers Limited held by Promoter Shri Shailesh Khaitan vide their sanction letter dated 03.11.2020. b) The State Bank of India has further agreed to release of 3,79,95,680 Pledged Shares of Khaitan Chemicals and Fertilizers Limited held by Corporate Guarantor Shradha Projects Limited vide their sanction letter dated 30.04.2021. Pursuant to the release of the above stated shares there will be no shares pledged by the promoters with the banks and financial institutions.						
7 The figures for the last quarter are the balancing figures between the audited figures in respect of full financial year and un-audited published figures in respect of the financial results upto the third quarter of the financial year.						
8 The figures for the corresponding period have been restated wherever necessary to make comparable.						
		DEEPAK KUMAR AGGARWAL	Digitally signed by DEEPAK KUMAR AGGARWAL Date: 2021.05.12 15:36:15 +05'30'			
			By order of the Board for KHAITAN CHEMICALS AND FERTILIZERS  (SHAILESH KHAITAN) CHAIRMAN & MANAGING DIRECTOR DIN : 00041247			
Place: New Delhi						
Date: May 12, 2021						

# KHAITAN CHEMICALS AND FERTILIZERS LIMITED

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

CIN - L24219MP1982PLC004937

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flow from operating activities</b>		
Profit for the year (Before tax)	3,857.27	2,155.92
<b>Adjustments to reconcile net profit to net cash by operating activities</b>		
Depreciation, amortization expense & Lease expenses	819.34	851.52
Provision no longer required written back	(2.42)	(7.69)
Net Loss on sale of property, plant and equipment	15.97	-
Provision for Doubtful debt/Subsidy / Advances	108.18	145.44
Provision for Non Moving Inventory	2.04	66.67
Finance costs	1,354.96	1,810.48
Interest income	(47.61)	(53.60)
	<b>6,107.73</b>	<b>4,968.73</b>
Adjustments for:		
(Increase)/ decrease in inventories	72.74	(2,470.95)
(Increase)/ decrease in trade receivables	848.27	422.05
(Increase)/ decrease in short-term loans	33.70	(2.58)
(Increase)/ decrease in other financial current assets	481.78	(333.87)
(Increase)/ decrease in other current assets	1,713.01	(1,910.48)
(Increase)/ decrease in other non-current Financial assets	25.01	(28.35)
(Decrease)/ increase in short & long term provision	(1.34)	1.59
(Decrease)/ increase in other non current financial liabilities	4.29	(48.09)
(Decrease)/increase in trade payable	(399.96)	75.67
(Decrease)/ increase in other financial current liabilities	62.33	722.20
(Decrease)/ increase in other current liabilities	254.37	547.38
<b>Cash (used in)/from operations</b>	<b>9,201.93</b>	<b>1,943.29</b>
Direct taxes Paid (net of refund)	(767.20)	(336.62)
<b>Net cash flow (used in)/from operating activities</b>	<b>8,434.73</b>	<b>1,606.67</b>
<b>Cash flow from investing activities</b>		
Purchase of Property, plant and equipment including CWIP	(537.90)	(140.96)
Proceeds from sale of Property, plant and equipment	17.42	-
Proceeds of Margin Money Deposits	(91.72)	178.05
Interest received	55.27	65.57
<b>Net cash flow from/ (used in) investing activities</b>	<b>(556.93)</b>	<b>102.66</b>
<b>Cash flow from financing activities</b>		
Repayments of non-current borrowings	(1,282.62)	(955.07)
Repayment of current borrowing (Net)	(4,750.92)	1,133.10
Dividend Paid	(288.81)	(55.84)
Tax on Dividend	-	(9.97)
Interest paid (Including Lease Liabilities Interest)	(1,459.63)	(1,721.61)
Repayment of Lease Liabilities	(98.91)	(95.96)
<b>Net cash Flow from/ (used in) financing activities</b>	<b>(7,880.89)</b>	<b>(1,705.35)</b>
<b>Net increase /(decrease) in cash and cash equivalent (A+B+C)</b>	<b>(3.09)</b>	<b>3.98</b>
Cash and cash equivalent at the beginning of the year	36.99	33.01
<b>Cash and cash equivalent at the end of the year</b>	<b>33.90</b>	<b>36.99</b>
<b>Components of cash and cash equivalent</b>		
Cash on hand	9.47	8.04
With Bank - on current account	24.43	28.95
<b>Total cash and cash equivalent</b>	<b>33.90</b>	<b>36.99</b>

## Note:

- The above cash flow statement has been prepared under the indirect method as set out in Ins -AS 7 specified under section 133 of the Companies Act, 2013
- Figures in brackets denote cash outflow.
- Previous year figures have been regrouped and recasted where ever necessary to confirm the current year classification.

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SHAILESH KHAITAN  
(Chairman & Managing Director)  
DIN: 00041247  
Place : New Delhi

Place: New Delhi  
Date: May 12, 2021



**Khaitan CHEMICALS AND FERTILIZERS LTD.**

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KCFL/2021/

May 12, 2021

The Manager (Listing)  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra-Kurla Complex,  
Bandra (East),  
**MUMBAI- 400 001**  
NSE Symbol : **KHAICHEM**

The Manager (DCS)  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
**MUMBAI- 400 001**  
BSE Scrip Code : **507794**

Dear Sir,

**Sub.: Declaration pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

I, Harsh Vardhan Agnihotri, President & Chief Financial Officer of Khaitan Chemicals and Fertilizers Limited (CIN: L24219MP1982PLC004937) having its Registered Office at A.B. Road, Village Nimrani Dist. Khargone- 451 569 (M.P.), hereby declare that, in terms of the proviso of Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016, vide Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016, the Statutory Auditors of the Company, M/s. N S B P & Co., Chartered Accountants, New Delhi, have issued the Audit Report for Annual Audited Financial Statements with an unmodified opinion for the Financial Year ended March 31, 2021.

This is for your information and record.

Thanking you,

Yours faithfully,  
**for KHAITAN CHEMICALS & FERTILIZERS LTD.**

**(HARSH VARDHAN AGNIHOTRI)**  
**President & Chief Financial Officer**





**Khaitan CHEMICALS AND FERTILIZERS LTD.**

CIN : L24219MP1982PLC004937

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KCFL/2021/

May 12, 2021

The Manager (Listing)  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra-Kurla Complex,  
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**MUMBAI- 400 001**  
NSE Symbol : **KHAICHEM**

The Manager (DCS)  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
**MUMBAI- 400 001**  
BSE Scrip Code : **507794**

## Declaration

{Pursuant to Regulation 33 (3) (d) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015}

We do hereby declare and confirm that the Annual Audited Financial Statements for the year ended 31<sup>st</sup> March, 2021 do not contain any adverse remark / modified opinion, according to the Auditor's Report for that period.

Further we do hereby declare and confirm that the Audit Report for Annual Audited Financial Statements is issued with an unmodified opinion for the Financial Year ended March 31, 2021.

**for N S B P & Co.**  
**Chartered Accountants**  
**Firm's Registration No.: 001075N**

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**Deepak K. Aggarwal**  
**(Partner)**  
**Membership No.: 095541**

**for Khaitan Chemicals and Fertilizers Limited**

**Shailesh Khaitan**  
**(Chairman & Managing Director)**  
**DIN: 00041247**

**Harsh Vardhan Agnihotri**  
**(President & CFO)**  
**PAN No. : ACXPA9315K**

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**Balmukund Dakhera**  
**(Chairman, Audit Committee)**  
**DIN: 05105269**

**Place: New Delhi**  
**Date: 12.05.2021**

Gurugram office:  
207, 2nd Floor, Seva Corporate Park  
M.G. Road, Sector 28,  
Gurugram-122 002 (Haryana)

Regd. Office :  
A.B. Road, Village Nimrani,  
Distt. - KHARGONE - 451 569 (M.P.)  
Phone : 07285-265448, 265447  
Fax : 07285-265449



# **NSBP & CO.**

CHARTERED ACCOUNTANTS

## **Independent Auditor's Report**

**To the Members of Khaitan Chemicals And Fertilizers Limited**

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of **Khaitan Chemicals And Fertilizers Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, thereof ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements 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 (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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Emphasis of Matter**

We draw attention to Note 51 to the financial statement, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lock-down restrictions imposed by the Government and we have therefore, relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at year end.

Our opinion is not modified in respect of these matters.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial

statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p><b>Recoverability position of trade receivables for newly explored markets.</b></p> <p>The company has material trade receivables amounting to Rs. 1,132.39 lakhs outstanding from more than one year.</p> <p>In past, the company has explored certain market against which recovery from trade receivables are still outstanding. Also, recovery is dependent on adequacy of monsoon.</p> <p>As explained by the management that the establishing of a newly explored market takes time and in past monsoon was not adequate.</p> <p>As per the prevailing policy the company has made the adequate provision for expected credit loss.</p> <p>Management has represented that the money will be realised, in due course.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Our procedures on the management's assessment of exploring the new markets and realisation of trade receivables included:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating process and controls designed and implemented by the management including testing of relevant controls;</li> <li>• Gaining an understanding of the procedure adopted in exploring the market;</li> <li>• Obtaining sufficient audit evidence of receipts subsequent to the yearend from the customers.</li> <li>• Assessed management's assumptions used to analyse the recoverability of trade receivables,</li> <li>• Through analyses of ageing of receivables, assessment of significant overdue trade receivables and the provision for impairment of credit receivable as made by the company.</li> </ul> <p>Based on the management estimate, representation received, and the audit procedure applied in respect of new market, we consider the management's assessment as reasonable.</p>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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## Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, thereof.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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; 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of 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 financial 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 system 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 management.
- Conclude on the appropriateness of 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The balance sheet, the statement of profit and loss including other comprehensive income, statement of cash flow and the statement of changes in equity dealt with by this Report are in agreement with the relevant books of account;

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) relevant Rules, 2015, as amended, thereof;
- e) On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its financial statements – Refer Note 37 to the financial statements;
  - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts; and
  - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

For **NSBP & Co.**  
Chartered Accountants  
Firm's Registration No. 001075N

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**Deepak K. Aggarwal**  
**Partner**

**Membership No: 095541**  
**UDIN:- 21095541AAAAEE8540**

Place: New Delhi  
Date: May 12, 2021

**Annexure A to the Independent Auditor's Report to the members of Khaitan Chemicals and Fertilizers Limited on its financial statements dated May 12, 2021.**

**Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section**

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management according to the programme of periodical verification in phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its fixed assets. The discrepancies, if any, noticed on such physical verification have been properly dealt with in the books of accounts.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in the note 4 on Property, plant and equipment to the financial statements, are held in the name of the company except in the following cases where title deeds/lease agreement are not held in the name of the Company {Refer sub –clause (b) &(c) of Note 4}

<b>Nature of Immovable Properties</b>	<b>No. of Properties</b>	<b>Gross Carrying Value (Rs. In Lakhs)</b>	<b>Net Carrying Value (Rs. In Lakhs)</b>
Freehold Land	2	57.47	57.47
Leasehold Land	1	24.86	15.38
<b>Total</b>	<b>3</b>	<b>82.33</b>	<b>72.85</b>

- ii. The inventory of the Company has been physically verified by the management during the year *(except for stock of Rock Phosphate, Sulphur and Single Super phosphate for which stock is taken on estimation basis and for the stock in transit and stock lying with outside parties)*. In our opinion, the frequency of verification is reasonable, the discrepancies noticed on physical verification of the inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Act. Thus, the paragraph 3(iii) (a) to (c) of the Order is not applicable to the Company.
- iv. As per the information and explanation given to us and on the basis of our examination of the records, the company has complied with provision of section 185 and 186 of the Act, with respect to the loans and investment made.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are not applicable to the Company.

- vi. We have broadly reviewed the books of accounts maintained in pursuance to sub section (1) of Section 148 of the Act in respect of single super phosphate fertilizers, sulphuric acid and refined vegetable oil manufactured by the Company and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company is generally regular in depositing its undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, with the appropriate authorities. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of excise, service tax and goods and service tax which have not been deposited on account of any dispute, except the following dues of income tax, sales-tax, duty of customs, value added tax and cess along with the forum where the dispute is pending as follows:

Name of the statute	Nature of the dues	Gross Amount in dispute (in Rs. lakhs)	Amount paid under protest (in Rs lakhs)	Net amount outstanding (in Rs. lakhs)	Period to which the amount relates	Forum where dispute is pending
Mines and Minerals (Development and Regulation) Act, 1957	Royalty on rock phosphate	158.36	39.59	118.77	2004-05	Honourable Supreme Court, Delhi
Commercial Tax Act, 1994	Purchase Tax	64.20	63.38	0.82	2004-2005	High Court of Madhya Pradesh, Jabalpur
UP Trade Tax, 1948	Trade Tax	1.53	0.53	1.00	2006-07	The Deputy Commission Commercial Tax-Jhansi
Custom Act, 1962	Custom Duty	185.47	18.54	166.93	2004-05 to 2008-09	Commissioner Appeal, Mumbai
Central Sales Tax, 1956	Sales Tax	13.80	-	13.80	2017-18	Corporate Circle, Jhansi
U.P. Sales Tax	Sales Tax	4.97	-	4.97	2016-17	Joint Commissioner, Jhansi
Central Sales Tax, 1956	Sales Tax	0.25	-	0.25	2016-17	Corporate Circle, Jhansi
U.P. Sales Tax	Sales Tax	19.18	-	19.18	2017-18	Joint Commissioner, Jhansi
The Gujarat Value Added Tax Act, 2003	Sales Tax	21.18	1.34	19.84	2016-17	Department of commercial tax, Gujrat



The Gujarat Value Added Tax Act, 2003	Sales Tax	56.84	5.94	50.90	2017-18	Department of commercial tax, Gujrat
Income Tax Act, 1962	Income Tax	1.16	-	1.16	2009-10	CIT (Appeal)- New Delhi
Goods and Service Tax Act	GST	1.72	1.72	-	2020-21	GST office – Indore
Goods and Service Tax Act	GST	0.64	0.64	-	2019-20	GST office – Jhansi
Goods and Service Tax Act	GST	0.40	0.40	-	2020-21	GST office – Fathepur (UP)
Income Tax Act, 1962	Income Tax	84.89	16.98	67.91	2011-12	CIT (Appeal)- New Delhi
Income Tax Act, 1962	Income Tax	22.77	-	22.77	2016-17	CIT (Appeal)- New Delhi
Income Tax Act, 1962	Income Tax	21.23	-	21.23	For various year	TDS- CPC
U.P. Sales Tax	Sales Tax	2.66	-	2.66	2011-12	DY. Commissioner, Jhansi
U.P. Sales Tax	Sales Tax	2.57	-	2.57	2012-13	DY. Commissioner, Jhansi
U.P. Central Sales Tax, 1956	Sales Tax	0.69	-	0.69	2013-14	DY. Commissioner, Jhansi
U.P. Entry Tax, 2007	Entry Tax	0.11	-	0.11	2013-14	DY. Commissioner, Jhansi

- viii. According to the information and explanations given to us and as per the books and records examined by us, in our opinion, the company has not defaulted in repayment of loans or borrowings to a financial institution and banks. The Company has not taken any loans from debenture holders and Government.
- ix. In our opinion and on the basis of information and explanations given to us, the company has not raised any monies by way of initial public offer or further public offer (including debt instruments) during the financial year, and the term loan raised by the Company have been applied for the purpose for which they were obtained. Where such end use has been stipulated by the lender(s).
- x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- xii. The company is not a Nidhi company, hence the related reporting requirement of the Order are not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.

- xiv. As the Company has not made any preferential allotment and private placement of shares or fully & partly convertible debentures during the year under review and hence, reporting requirements under clause 3 (xiv) of the Order is not applicable to the Company and, not commented upon.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For NSBP & Co.**  
**Chartered Accountants**  
**Firm Registration No. 001075N**

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Place: New Delhi  
Date: May 12, 2021

**Deepak K. Aggarwal**  
**Partner**  
**Membership No: 095541**  
**UDIN:- 21095541AAAAEE8540**

**“Annexure B” to the Independent Auditor’s Report to the members of Khaitan Chemicals and Fertilizers Limited (‘the Company’) on its financial statements dated May 12, 2021.**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 1(f) of ‘Report on Other Legal and Regulatory Requirements’ section**

We have audited the internal financial controls over financial reporting of **Khaitan Chemicals and Fertilizers Limited** (“the Company”) as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Management and Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in

accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal controls system over financial reporting and such internal controls over financial reporting were operating effectively as at March 31, 2021, based on "the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For NSBP & Co.**  
**Chartered Accountants**  
**Firm Registration No. 001075N**

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Date: May 12, 2021

**Deepak K. Aggarwal**  
**Partner**  
**Membership No: 095541**  
**UDIN:- 21095541AAAAEE8540**

# **NSBP & CO.**

CHARTERED ACCOUNTANTS

**Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of Khaitan Chemicals And Fertilizers Limited, Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**To  
The Board of Directors of  
Khaitan Chemicals And Fertilizers Limited,  
Indore.**

## **Report on the Audit of the Annual Financial Results**

### **Opinion**

We have audited the accompanying annual financial results of **Khaitan Chemicals And fertilizers Limited** (the "Company") for the quarter ended March 31, 2021 and the year to date results for the period April 01, 2020 to March 31, 2021 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

- (i) is presented in accordance with the requirements of the Listing Regulations in this regard; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India, of the net profit, other comprehensive income and other financial information of the Company for the quarter ended March 31, 2021 and the year to date results for the period April 01, 2020 to March 31, 2021.

### **Basis for Opinion**

We conducted our audit of the Statement in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). 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 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.

### **Management and Board of Director's Responsibilities for the Annual Financial Results**

The Statement, which is the responsibility of the Company's management and approved by the Board of Directors has been prepared on the basis of the annual financial statements.

The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of

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the Act, read with relevant Rules issued thereunder and other accounting principles generally accepted in India and in compliance with 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; 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 give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Management and the Board of Directors are 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 are also responsible for overseeing the financial reporting process of the Company.

### **Auditor's Responsibilities for the Audit of the Annual Financial Results**

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 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 the Statement.

As part of an audit in accordance with Standard on Auditing's' (SA), we exercise professional judgment and maintain professional scepticism 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 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 Management and Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Management and 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 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 financial results 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 Statement of the company to express an opinion on the annual financial results.

Materiality is the magnitude of misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Results.

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**

The Statement includes the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the financial year ended March 31, 2021 and the published unaudited year to date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

Our opinion is not modified in respect of above matter.

**For NSBP & Co.**  
**Chartered Accountants**  
**Firm's Registration No. 001075N**

DEEPAK KUMAR AGGARWAL  
Digitally signed by DEEPAK KUMAR AGGARWAL  
Date: 2021.05.12 15:08:05 +05'30'

**DEEPAK K. AGGARWAL**  
**Partner**  
**M. No. 095541**

Place: New Delhi  
Date: May 12, 2021

**UDIN: - 21095541AAAAEH4384**