

Date: 16.06.2021

To,  
Department of Corporate Services  
BSE Limited  
P.J. Towers, Dalal Street,  
Mumbai-400001  
SME Platform

Sub: Outcome of the Board Meeting

**Script Code: 543284**

Dear Sir(s),

Pursuant to Regulation 33 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 this is to inform you that the Board of Directors of the Company at its Meeting held today i.e. June 16, 2021, *inter-alia* considered and:

1. Approved the Audited Financial Statements of the Company for the financial year ended March 31, 2021.
2. Approved the Audited Financial Results of the Company for the quarter and financial year ended March 31, 2021.
3. Approved Employee Stock Option Scheme of the Company.

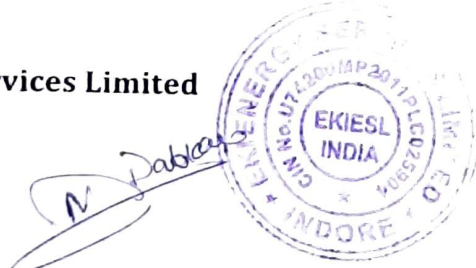
Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audited Standalone Financial Results of the Company for the quarter and year ended 31st March, 2021 along with Statutory Auditor Report(s) with unmodified opinion on the said Standalone Financial Results are enclosed herewith.

The Board Meeting commenced at 03.00 P.M. and concluded at 05.10 P.M.

Kindly take the above information on records.

Thanking you

Yours Faithfully  
For **EKI Energy Services Limited**



**Manish Dabkara**  
Chairman & Managing Director

**EKI ENERGY SERVICES LIMITED**

Regd. Office : EnKing Embassy, Plot 48, Scheme No. 78 Part II, Vijay Nagar, Indore 452010 MP

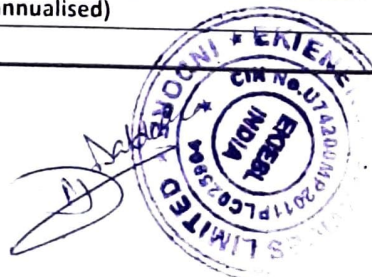
CIN: U74200MP2011PLC025904

E-Mail: business@enkingint.org, Web : www.enkingint.org

**AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED ON 31ST MARCH, 2021**

(Rs. in lakhs except EPS)

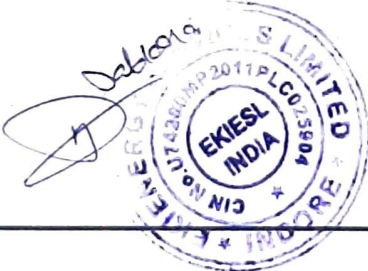
Sr No	Particulars	Year Ended	
		(Audited)	(Audited)
		31.03.2021	31.03.2020
1	<b>Income</b>		
	(a) Revenue from Operations	19,078.98	6,590.44
	(b) Other Income	22.85	8.29
	<b>Total Income from operations</b>	<b>19,101.83</b>	<b>6,598.73</b>
2	<b>Expenses:</b>		
	a) Cost of Materials consumed	-	-
	b) Purchase of Stock-in-trade	14,967.27	5,310.38
	c) Changes in Inventory of Finished goods, Work-in-progress and Stock-in-trade		
	d) Employee Benefits Expenses	847.77	451.02
	e) Finance Costs	25.20	8.88
	f) Depreciation and Amortisation expense	38.60	19.82
	g) Other expenses	731.42	214.16
	<b>Total Expenses</b>	<b>16,610.26</b>	<b>6,004.26</b>
3	<b>Profit / (Loss) from ordinary activities before Exceptional items and tax (1-2)</b>	<b>2,491.57</b>	<b>594.47</b>
4	Exceptional Items	-	-
5	<b>Profit / (Loss) before tax (3-4)</b>	<b>2,491.57</b>	<b>594.47</b>
6	<b>Tax Expense</b>		
	- Current tax	627.46	143.28
	- Deferred tax	(5.40)	(0.08)
	<b>Total Tax Expenses</b>	<b>622.06</b>	<b>143.20</b>
7	<b>Profit / (Loss) for the period from continuing operations (5-6)</b>	<b>1,869.51</b>	<b>451.27</b>
8	<b>Profit/(loss) from discontinued operations</b>	-	-
9	<b>Tax expenses for discontinued operations</b>	-	-
10	<b>Profit/(loss) from discontinued operations (after tax) (8-9)</b>	-	-
11	<b>Profit/(loss) for the period (7+10)</b>	<b>1,869.51</b>	<b>451.27</b>
12	<b>Other Comprehensive Income, net of income tax</b>		
	(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>Total Other Comprehensive Income, net of income tax</b>	-	-
13	<b>Total Comprehensive Income for the period (11+12)</b>	<b>1,869.51</b>	<b>451.27</b>
14	<b>Paid-up equity share capital ( face value of Rs 10/- per share )</b>	<b>5,050,000.00</b>	<b>500,000.00</b>
15	<b>Other Equity (excluding Revaluation Reserve)</b>	<b>1,985.12</b>	<b>615.62</b>
16	<b>Earning per share (of Rs 10/- each ) (not annualised)</b>		
	Basic/ Diluted EPS	37.02	8.94





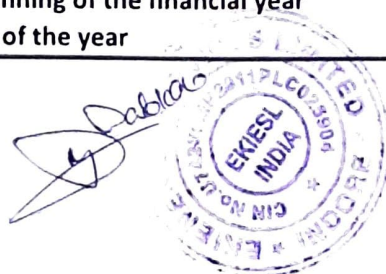
<b>2</b>	<b>Current liabilities</b>		
(a)	Financial Liabilities		
	(i) Borrowings	56.01	1.89
	(ii) Trade payables		
	A.Total Outstanding dues of micro enterprises and small enterprises	11.33	16.16
	B.Total Outstanding dues of creditors other than micro enterprises and small enterprises	1,225.91	704.20
	(iii) Other financial liabilities		
(b)	Other current liabilities	40.78	12.98
(c)	Provisions	64.61	20.00
(d)	Current tax liabilities (Net)	-	-
	<b>Sub- total - Current Liabilities</b>	<b>1,398.64</b>	<b>755.23</b>
	<b>TOTAL- LIABILITIES</b>	<b>1,474.72</b>	<b>846.27</b>
	<b>TOTAL- EQUITY AND LIABILITIES</b>	<b>3,964.84</b>	<b>1,466.89</b>

**Notes:**

1)	The above Financial results were reviewed by the Audit Committee in its meeting held on June 16, 2021 and taken on record by the board of directors at its meeting held on June 16, 2021.
2)	The Company has assessed the Impact of COVID-19 on its financial statements based on the internal and external information upto the date of approval of these financial statements and the Company expects to recover the carrying amounts of as investments, trade receivables, and inventories. The Company will continue to monitor the future economic conditions and assess its impact on as financial statements.
3)	The above financial result have been prepared in accordance with the recognition and measurement principles stated therein prescribed under section 133 of the Companies Act 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
4)	The company has exercised the option of availing lower tax rate available under section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment), Act, 2019 with effect from AY 2020-21. Accordingly, the company has provided for income taxes for the quarter and year ended March, 31,2021 and remeasured the accumulated balance of the deferred tax liability as at March 31, 2020, based on the lower tax rate.
5)	Segment-wise reporting as defined in Ind AS-17 is applicable.
6)	The figures of the previous period / year have been re-stated/ re-grouped / re-arranged/ reclassified and / or recasted wherever found necessary.
	<p style="text-align: right;">On behalf of the Board of Directors For EKI Energy Services Limited</p> <p style="text-align: right;">Manish Kumar Dabkara Managing Director (DIN-03496566)</p> <p>Place: Indore Date: 16/06/2021</p> 

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

	Particulars	For the year ended	
		31.03.2021	31.03.2020
		(Audited)	(Audited)
A.	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Profit before income tax	2491.57	594.47
	Adjustments for		
	Depreciation and amortisation expense	38.60	19.82
	Loss/(Profit) on sale of Fixed Assets	-	-
	Financial Charges	25.20	8.88
	Other Non Operating Income	-22.85	-8.29
	Prior period Adjustment	-	-
	Reclassification of remeasurement of employee benefits	-	-
	<b>Operating Profit before working capital changes</b>	<b>2532.52</b>	<b>614.88</b>
	Adjustment for working capital changes:		
	(Decrease)/Increase in Trade payables and other Liabilities	589.29	770.88
	(Increase)/Decrease in Inventories	-	-
	(Increase) in Trade Receivable	(223.68)	(183.06)
	(Increase) in Financial and Other Assets	(702.64)	(454.45)
	<b>Cash generated from operations</b>	<b>2195.49</b>	<b>748.25</b>
	Income taxes paid	627.46	143.28
	<b>Net cash inflow from operating activities</b>	<b>1568.03</b>	<b>604.97</b>
B.	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	Payments for property, plant and equipment	(20.88)	(141.28)
	Proceeds from sale of property, plant and equipment	0.95	0.07
	Decrease / (Increase) in Non Current Investment	(152.62)	(295.96)
	Decrease / (Increase) in Current Investment	(33.03)	(8.84)
	Decrease / (Increase) in Other Non-Current Assets	(30.87)	(7.12)
	Other non Operating Income	22.85	8.29
	<b>Net cash outflow from investing activities</b>	<b>(213.60)</b>	<b>(444.84)</b>
C.	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	Increase / (Decrease) in Long-Term Borrowings	(14.96)	91.04
	Increase / (Decrease) in Short-Term Borrowings	54.12	(113.51)
	Interest paid	(25.20)	(8.88)
	Dividends paid to company's shareholders	0.00	0.00
	<b>Net cash inflow (outflow) from financing activities</b>	<b>13.96</b>	<b>(31.35)</b>
	<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1368.40</b>	<b>128.78</b>
	<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>191.97</b>	<b>63.19</b>
	<b>Cash and cash equivalents at the end of the year</b>	<b>1560.37</b>	<b>191.97</b>





## **INDEPENDENT AUDITORS' REPORT**

To the Members of EKI ENERGY SERVICES LIMITED

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **OPINION**

We have audited the accompanying financial statements of **EKI ENERGY SERVICES LIMITED** ("the Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March 2021, the Statement of Profit & Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the applicable rules and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2021, the profit and its cash flows of the year ended on that date.

#### **BASIS OF OPINION**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those standards are further described in 'the Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance the ethical requirements that are relevant to our audit of the financial statements as per the Code of Ethics issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 2013, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for the financial year ended 31<sup>st</sup> March 2021. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**INFORMATION OTHER THAN THE FINANCIAL STATEMENTS & AUDITORS' REPORT THEREON**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' 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 in the 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.

**MANAGEMENT'S RESPONSIBILITY 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 state of affairs (financial position), profit or loss (financial performance), and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 also responsible for overseeing the Company's financial reporting process.

**AUDITORS' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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 Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 auditors' 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 auditors' 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 Standalone Financial Statements for the financial year ended 31<sup>st</sup> March 2021 and are therefore the key audit matters. We describe these matters in our auditors' 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 & REGULATORY REQUIREMENTS**

1. In our opinion, the managerial remuneration for the year ended 31<sup>st</sup> March 2021, has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. 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 purpose of our audit;
  - 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 and the Statement of Cash Flow 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 Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 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 the financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure-B" to this report;



g) With respect to the other matters to be included in the Auditors' 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:

- 1) The Company does not have any pending litigations which could have any impact on its financial position in the financial statements;
- 2) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- 3) There are no amounts which are required to be transferred to Investor Education and Protection Fund by the Company during the year ended on 31<sup>st</sup> March 2021.



For D.N. JHAMB AND COMPANY  
Chartered Accountants  
Firm Reg. No. 019675C

CA. (D.) DEVKI NANDAN JHAMB  
Partner  
Membership No. 079696

Place: Indore

Date: 16<sup>th</sup> June 2021

UDIN: 21079696AAAAFM6686

**ANNEXURE: "A"**

*REFERRED TO PARA 2 UNDER THE HEADING OF "REPORT ON OTHER LEGAL & REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF EKI ENERGY SERVICES LIMITED FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2021.*

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- a) In respect of the Company's fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a regular program for physical verification of its fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) The title deeds of all the immovable properties are held in the name of the Company.
- b) The Company is engaged in the business of climate change & sustainability advisory and carbon offsetting. In this nature of business, inventory is not available in physical form and thus, its physical verification is impractical. Accordingly, provisions under clause 3(ii) of the Order are not applicable to the Company.
- c) According to the information and explanations given to us, the Company has granted unsecured loan to its director, covered in the register maintained under section 189 of the Act, in respect of which:
  - (i) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (ii) The schedule of repayment of principle and payment of interest was not stipulated upon, but complete repayment of amount advanced by the Company has been made as at the reporting date.
  - (iii) There is no overdue amount remaining outstanding as at the year end.
- d) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.



- e) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- f) The Company is not required to maintain cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- g) In respect to statutory dues:
- 1) According to the records of the Company and information and explanations given to us, the Company is regular in depositing undisputed statutory dues with the appropriate authorities including provident fund, employees' state insurance fund, income-tax, sales tax, goods & service tax, duty of custom, duty of excise, value added tax, cess or any other statutory dues as applicable to it. There were no such undisputed amounts payable as at the last day of financial year 2020-21 for a period of more than six months from the date they became payable.
  - 2) There are no cases where the dues of income tax and sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute.
- h) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowing to banks or financial institutions. The Company has not obtained any loans and borrowings from government and has not issued any debentures.
- i) In our opinion and according to the information and explanations given to us, although during the financial year 2020-21, the Company was in the process of issuing initial public offer and getting listed in the stock exchange, it did not raise any money by way of initial public offer in the reporting period. The Company did not raise any money by way of further public offer (including debt instruments). Money raised by the Company by way of term loan was applied for the purpose for which they were raised.
- j) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- k) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- l) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable to the Company.



- m) In our opinion, according to the information and explanations given to us and on the basis of our examination of records of the Company, the transactions with the related parties are in compliance with Sections 177 and 188 of Act, wherever applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- n) In our opinion, according to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence, provisions of clause 3(xiv) of the Order are not applicable to the Company.
- o) In our opinion and according to the information and explanations given to us, the Company has not made / entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3(xv) of the Order are not applicable to the Company.
- p) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.



For D.N. JHAMB AND COMPANY  
Chartered Accountants  
Firm Reg. No. 019675C

CA (Dr.) DEVKI NANDAN JHAMB  
Partner  
Membership No. 079696

Place: Indore  
Date: 16<sup>th</sup> June 2021  
UDIN: 21079696AAAFM6686

**ANNEXURE: "B"**

*REFERRED TO IN PARA 3(f) UNDER THE HEADING OF "REPORT ON OTHER LEGAL & REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF EKI ENERGY SERVICES LIMITED FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2021.*

**Report on the Internal Financial Controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the Internal Financial Control Over Financial Reporting of EKI ENERGY SERVICES LIMITED ("the Company") as of 31st March 2021 in conjunction with our audit of the financial statements of the company for the year ended on that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). 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 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 Companies Act, 2013.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 requirement 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, 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.



For D.N. JHAMB AND COMPANY  
Chartered Accountants  
Firm Reg. No. 019675C

CA. (Dr.) DEVKI NANDAN JHAMB  
Partner  
Membership No. 079696

Place: Indore

Date: 16<sup>th</sup> June 2021

UDIN: 21079696AAAFM6686