



khaitan (India) Limited
CIN No. L10000WB1936PLC008775

Phone : (033) 4050 5000
Fax : (033) 2288 3961

Ref: KIL: SEC: 17:2022-23
Date: 24/06/2022

To,
The Manager,
Listing Department,
National Stock Exchange of India Limited Exchange
Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla
Complex, Bandra (E), Mumbai - 400 051.
Maharashtra, India
NSE Symbol : KHAITANLTD

To,
The Secretary, Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.
Maharashtra, India
BSE Security Code : 590068

Subject: Clarification for Financial results of "KHAITANLTD" ended March 31, 2022

Dear Sir,

We have received a e-mail dated 23-06-2022, regarding clarification required in Financial results of Khaitan (India) Ltd from NSE. In this regards we would like to submit **Statement on Impact of Audit Qualifications (for audit report with modified opinion) certificate** dated 30-05-2022 for the financial year ended March 31, 2022.

This is for your information and records.

Thanking you

Yours faithfully
For Khaitan (India) Ltd.

Pradip Halder
Company Secretary and Compliance Officer

Encl. as stated





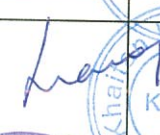
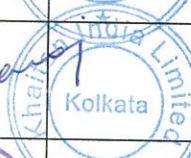

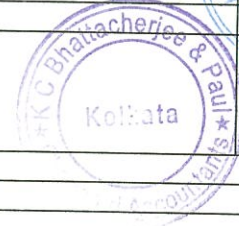
ANNEXURE I

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

(Amount in Rs. Lakhs)

| Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] | | | |
|--|---|---|---|
| I. Sl. No. | Particulars | Audited Figures (as reported before adjusting for qualifications) | Adjusted Figures (audited figures after adjusting for qualifications) |
| 1 | Turnover / Total income | 5,426.87 | 5,426.87 |
| 2 | Total Expenditure | 5,755.41 | 6,044.14 |
| 3 | Net Profit/(Loss) After Tax | -328.54 | -617.27 |
| 4 | Earnings Per Share (in Rs.) | -6.92 | -13.00 |
| 5 | Total Assets | 7,657.39 | 7,368.66 |
| 6 | Total Liabilities | 5,908.74 | 5,908.74 |
| 7 | Net Worth | 1,748.65 | 1,459.92 |
| 8 | Any other financial item(s) (as felt appropriate by the management) | NIL | NIL |
| II. Audit Qualification (each audit qualification separately): | | | |
| a. Details of Audit Qualification: | | | |
| <p>i. Reference is invited to Note No – 4 to the financial results regarding the non-operation of sugar mill of the company for more than 36 months and management decision not to discontinue the operation of the said sugar mill. Pending conclusion of remedial measures that management is planning, the same has been considered as part of continuing business operations.</p> <p>ii. With reference to Note No- 5, Fixed Assets of the Sugar Mill division especially the plant and machinery has not been used for active service for more than 3 years due to non-operation of the sugar mill. Considering the age of the assets and non-usage of machineries for a considerable time, the technical evaluation of the assets needs to be done for ascertainment of impairment provision. Since the technical evaluation is pending, the possible effect of the value of impairment of the assets on the financial results is not currently ascertainable. Had this technical evaluation complete, it may result into variation in the value of assets and consequent change in the amount of accumulated losses.</p> <p>iii. Reference is invited to Note no - 7, in terms of the requirements of Ind AS 109, Financial Instruments, the company has not opted for Expected Credit Loss (ECL) model for estimating the provisions against Trade Receivables. Had the said model of estimation of receivable delinquencies been applied the balances of provisioning against trade receivables might undergone a change. The possible effect of the non-application of the ECL model on the financial statements could not be ascertained.</p> <p>iv. Reference is invited to Note No – 10, Provision for impairment in value of the unquoted investment has not been made. Since in the opinion of the management it is not permanent in nature. Had the impairments against such investment been determined, it could have resulted into variation in the reported balances of investments, reserves and surplus and losses for the year would undergo change.</p> | | | |
| b. Type of Audit Qualification : Qualified Opinion | | | |
| c. Frequency of qualification: Points (i) and (ii) are appearing since Year 2020-21, Point (iii) is appearing since Year 2015-16 and Point (iv) is a new point. | | | |
| d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: | | | |
| iv. | The management is of the view that the value of Investment as shown in the Financials are fair and reasonable considering the fact that dimunition in value is not permanent in nature. | | |



| | |
|---|---|
| e. For Audit Qualification(s) where the impact is not quantified by the auditor: | |
| (i) Management's estimation on the impact of audit qualification: | |
| i. Sugar division is one of the core business divisions of the Company. The management is of the view that as soon as the after impact of Covid-19 pandemic is mitigated the operation shall be resumed. Therefore this segment is considered as a going concern. | |
| ii. The Fixed Assets including Plant and Machinery of the Sugar Mill are regularly maintained and are ready to be used but because of Covid-19 pandemic and its after effect it could not be operated due to non availability of the manpower. The management do not consider that there will be any imparment in the value of Fixed Assets, including Plant and Machinery. | |
| iii. The company has not opted for Expected Credit Loss (ECL) model for estimating the provisions against Trade Receivables, as the management believes that that there will be no material difference in the value of realisation of Trade receivables | |
| (ii) if management is unable to estimate the impact, reasons for the same: | Not Applicable |
| (iii) Auditors' Comments on (i) or (ii) or (iii) or (iv) above: No Comments to offer in addition to Point II (a) | |
| As stated herein above, the impact with respect to above and consequential adjustments cannot be ascertained by the Management and as such cannot be commented upon by us. | |
| III. Signatories: | |
| Sunay Krishna Khaitan Executive Director |   |
| Swapan Kumar Das CFO |   |
| Manoj Chhawchharia Audit Committee Chairman |   |
| For K.C.Bhattacharjee & Paul Chartered Accountants Statutory Auditor |   |
| Place: Kolkata | |
| Date: 30.06.2022 | |