

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors of
Chemcon Speciality Chemicals Limited

Report on the Audit of Annual Financial Results

Opinion

We have audited the accompanying annual financial results of Chemcon Speciality Chemicals Limited (hereinafter referred to as the "Company") for the year ended March 31, 2021, 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 annual financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give 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 net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the *Auditors' Responsibilities for the Audit of the Annual Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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's Responsibilities for the annual financial results

These annual financial results have been prepared on the basis of the annual financial statements. The Company's Board of Directors is responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the Indian Accounting Standards prescribed under Section 133 of the



Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the annual financial results

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

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

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



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the annual 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 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 annual financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matters

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

For, K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No. 106237W



Neela R. Shah
Partner
Membership No. 045027
UDIN: 21045027AAAADR5219
Place: Vadodara
Date: May 31, 2021





CHEMCON SPECIALITY CHEMICALS LIMITED

(An ISO 9001:2015 and ISO 14001:2015 Certified Company)

Regd. Office : Block Number 355, Manjusar Kulpad Road, Manjusar Village, Taluka Savli, Vadodara 391775, Gujarat.
Email : investor.relations@csopl.com | Website : www.csopl.com | Tel : +91 265 2981195 | CIN : U24231GJ1988PLD11652

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

(in ₹ lacs)

	Particulars	Quarter Ended			Year Ended	
		31-03-2021 (Audited)	31-12-2020 (Unaudited)	31-03-2020 (Unaudited)	31-03-2021 (Audited)	31-03-2020 (Audited)
	Income					
I	Revenue From Operations	7,147.81	6,480.64	5,185.75	24,348.72	26,205.16
II	Other Income	312.59	121.51	192.07	463.53	396.50
III	Total Income	7,460.40	6,602.15	5,377.82	24,812.25	26,601.66
	Expenses					
	Cost of Material Consumed	2,688.95	2,610.13	3,852.71	11,304.78	15,337.07
	Changes in inventories of finished goods, work-in-progress	967.56	498.54	(1,042.40)	511.94	(446.35)
	Employee benefit expenses	432.02	463.74	329.74	1,588.97	1,404.97
	Finance Cost	69.76	63.44	114.84	363.31	468.43
	Depreciation and Amortisation expenses	195.29	141.31	133.38	607.62	461.96
	Other Expenses	977.05	624.08	688.13	2,830.05	2,883.33
	Total expenses (IV)	5,330.63	4,401.23	4,076.39	17,206.68	20,109.41
V	Profit / (Loss) Before Exceptional Items and Tax (III-IV)	2,129.77	2,200.91	1,301.42	7,605.57	6,492.25
VI	Exceptional Items	-	-	-	-	-
VII	Profit / (Loss) Before Tax (V-VI)	2,129.77	2,200.91	1,301.42	7,605.57	6,492.25
VIII	Tax Expense	579.69	553.30	322.14	1,965.75	1,607.00
	Current Tax					
	- Current tax	582.07	550.64	326.91	1,956.90	1,637.98
	- Taxes for earlier years	-	-	2.05	1.47	3.08
	Deferred Tax	(2.38)	2.66	(6.83)	7.38	(34.06)
IX	Net Profit / (Loss) for the period (VII-VIII)	1,550.08	1,647.61	979.29	5,639.82	4,885.25
X	Other Comprehensive Income	(8.30)	1.05	12.17	(5.23)	48.66
	a) (i) Items that will not be reclassified to profit / loss	(11.08)	1.40	16.26	(6.98)	65.03
	(ii) Income tax relating to items that will not be reclassified to profit or loss	2.79	(0.35)	(4.09)	1.76	(16.37)
	b) (i) Items that will be reclassified to profit / Loss	-	-	-	-	-
XI	Total Comprehensive income for the period (IX+X)	1,541.78	1,648.66	991.45	5,634.59	4,933.91
XII	Earning Per equity Share (FV Rs 10/- Per share) basic & Diluted (In Rs.)**	4.23	4.50	3.08	16.48	15.37
XIII	Equity Share Capital	3,663.07	3,663.07	3,177.78	3,663.07	3,177.78
XIV	Other Equity	-	-	-	31,706.26	11,459.15

** EPS is not annualized for the quarter ended March 31, 2021, quarter ended December 31, 2020, and quarter ended March 31, 2020.

Place : Vadodara
Date : 31-05-2021



By order of the Board
For Chemcon Speciality Chemicals Limited
(Signature)
Ajmal Kumar Aggarwal
Chairman & Managing Director
DIN: 00139199





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Email : investor.relations@cspl.com | Website : www.cspl.com | Tel : +91 265 2881195 | CIN : U24231GJ1988PLC011652

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

(in ₹ Lacs)

	Particulars	AS AT 31-03-2021 (Audited)	AS AT 31-03-2020 (Audited)
I	ASSETS		
	Non-Current Assets		
	a) Property, Plant & Equipment		
	b) Capital Work-in-Progress	6,547.08	4,741.89
	c) Right-Of-Use Asset	851.77	374.19
	d) Intangible assets	141.96	133.22
	e) Financial Assets	1.59	2.00
	i) Other Financial Assets		
	ii) Other Financial Assets	4,029.96	47.79
	f) Other Non-Current Assets	392.77	24.03
	Total Non - Current Assets	11,907.23	5,323.23
	Current Assets		
	a) Inventories		
	b) Financial Assets	5,897.15	4,807.52
	i) Trade Receivables		
	ii) Cash and Cash Equivalents	9,477.28	8,894.68
	iii) Bank Balances Other than a) above	2,436.00	107.96
	iv) Other Financial Assets	9,748.94	1,302.80
	c) Current Tax Assets (Net)	989.78	137.96
	d) Other Current Assets	56.96	306.37
	i) Other Current Assets	435.21	1,799.24
	Total Current Assets	28,451.31	17,355.99
	TOTAL ASSETS	40,358.53	22,579.22
II	EQUITY AND LIABILITIES		
	Equity		
	a) Equity Share Capital	3,663.07	3,177.78
	b) Other Equity	31,706.26	11,459.15
	Total Equity	35,369.33	14,636.93
	Liabilities		
	Non-Current Liabilities		
	a) Financial Liabilities		
	i) Borrowings	182.44	1,459.93
	ii) Lease Liabilities	106.10	82.38
	b) Non-current Provisions	15.94	5.56
	c) Deferred Tax Liabilities (Net)	168.40	225.70
	Total Non-Current Liabilities	472.88	1,773.56
	Current Liabilities		
	a) Financial Liabilities		
	i) Borrowings	-	2,867.48
	ii) Trade Payables		
	-Total outstanding dues of micro and small enterprises	59.36	387.20
	-Total outstanding dues of creditors other than micro enterprises and small enterprises	2,189.25	2,185.03
	iii) Other Financial Liabilities	1,643.74	450.09
	iv) Lease Liabilities	31.30	41.14
	b) Other current Liabilities	275.88	237.74
	c) Short term Provisions	0.05	0.25
	d) Current Tax Liabilities (Net)	306.14	-
	Total Current Liabilities	4,516.32	6,188.93
	TOTAL EQUITY AND LIABILITIES	40,358.53	22,579.22

Place : Vadodra
Date : 31-05-2021



By order of the Board
For Chemcon Speciality Chemicals Limited
(Signature)
Chairman & Managing Director
DIN: 00139199





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

(In ₹ lacs)

	Particulars	YEAR ENDED 31-03-2021 (Audited)	YEAR ENDED 31-03-2020 (Audited)
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit Before Tax	7,605.57	6,492.25
	Adjustment for:		
	Depreciation and Amortization expense	550.18	429.37
	Depreciation on Right of use assets	57.44	32.64
	(Profit)/ Loss on assets sold	5.12	5.58
	Finance Cost	363.31	468.43
	Interest received from Banks/ Others	(325.68)	(79.80)
	Expected Credit Loss Allowance	3.64	8.90
	Unrealised exchange rate difference (net)	(18.50)	(120.82)
	Operating Profit before Working Capital Changes	8,241.08	7,236.51
	Adjustment for:		
	Change in Trade receivables	(573.98)	(2,371.56)
	Change in Other Non-current financial assets	(2.16)	3.75
	Change in Other current financial assets	(261.82)	(3.40)
	Change in Other assets	998.09	(893.75)
	Change in Inventories	(1,089.62)	(216.13)
	Change in Trade payables	(307.37)	(314.35)
	Change in Other financial liabilities	1,014.60	(703.34)
	Change in Other current liabilities and provisions	41.93	179.46
	Cash generated from Operations	8,060.74	2,917.19
	Less : Income tax paid/(Refund) (including TDS) (net)	1,557.76	1,721.48
	Net Cash generated from Operating Activities (A)	6,502.98	1,195.71
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant & Equipment, Investment Property & Intangibles	(3,185.84)	(1,561.31)
	Short-term bank deposit	(8,446.09)	(212.25)
	Term deposits with maturity more than 12 months	(3,980.00)	-
	Sale proceeds of Property, Plant & Equipment	37.45	126.90
	Interest received from Banks/ Others	325.68	79.80
	Net Cash used in Investing Activities (B)	(15,248.80)	(1,566.86)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Finance cost	(292.74)	(438.34)
	Transaction Cost Incurred for IPO	(1,099.16)	(240.37)
	Proceeds from issue of Shares	16,500.00	-
	Proceeds/(Repayment) of Short term Borrowings	(2,867.48)	(106.28)
	Proceeds of Long term Borrowings	30.00	1,395.92
	(Repayment) of Long term Borrowings	(1,128.44)	(149.39)
	Payments of interest portion of lease liabilities	(15.63)	(8.86)
	Payments of principal portion of lease liabilities	(52.09)	(42.56)
	Net Cash used in Financing Activities (C)	11,074.46	410.12
	Net (Decrease)/ Increase in Cash & Cash Equivalents (A) + (B) + (C)	2,328.64	38.97
	Cash & Cash Equivalents at the beginning of the year	107.36	68.39
	Cash & Cash Equivalents at the end of the year	2,436.00	107.36

Notes : Cash and cash equivalents comprises of :-

	Particulars	YEAR ENDED 31-03-2021 (Audited)	YEAR ENDED 31-03-2020 (Audited)
(i)	Balance with Banks	2,431.15	102.27
(ii)	Cash on hand	4.86	5.09
		2,436.00	107.36

Place : Vadodara
Date : 31-05-2021



By order of the Board
For Chemcon Speciality Chemicals Limited

Kamal Mehta, Chartered Accountant
Chairman & Managing Director
DIN: 00139199





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Notes :

1. These financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 and read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
2. The above results have been reviewed by Audit Committee and the Board of Directors have approved the above results at their meeting held on 31st May, 2021. The above results were audited by the Statutory Auditors.
3. The Company is in the business of manufacturing of Specialty Chemicals for Pharmaceutical and Oilfield Chemicals (Completion Fluids) Industries. There is only one reportable segment in accordance with Ind AS 108 - Operating Segments.
4. The Company has offered through the Initial Public Offer (IPO) 93,57,943 Equity Shares having face value of Rs. 10/- each at an issue price of Rs. 340/- per Equity Share, comprising offer for sale of 45,00,000 equity shares by Selling Shareholders and Fresh Issue of 48,52,943 equity shares. These equity shares were allotted on 29th September, 2020 and were listed on 1st October, 2020 on BSE Limited and National Stock Exchange of India Limited.
5. The utilisation of the net IPO proceeds is summarised below:

Particulars	(in ₹ Lacs)		
	Original Cost (as per Prospectus)	Revised Cost	Utilisation upto 31-03-2021
Capital expenditure towards expansion of Manufacturing facility	4,103.33	4,103.33	1,095.88
Incremental working capital requirement	9,000.00	9,000.00	3,007.45
General corporate purposes*	1,875.50	1,931.60	5,000.00
Total	14,978.83	15,034.93	586.46

* The revision in General corporate purposes expenses is on account of reduction in offer expenses on actual booking as compared to estimated IPO Proceeds which were utilised as at March 31, 2021 were temporarily invested in deposits with scheduled commercial bank.

6. The Statement also includes the results for the quarter ended March 31, 2020 presented based on the information compiled by the management in accordance with Ind AS, which have not been subjected to review by auditors. However, the management has exercised necessary due diligence to ensure that the financial results for these periods provide a true and fair view of the Company's affairs.
7. Covid-19 pandemic has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in markets across the globe. The Company has considered relevant internal and external sources of information and its impact on the recoverability of financial and non-financial assets while preparation of these financial results. The Company will continue to closely monitor any material changes to future economic conditions.
8. The figures for the corresponding previous periods have been regrouped wherever considered necessary to conform to the figures represented in the current period.
9. The figures of 3 months ended 31st March 2021 and corresponding 3 months ended on 31st March 2020 are the balancing figures between the audited figures in respect of full financial year and year to date figures up to the third quarter of the respective financial years.
10. The above financial results of the Company are available on the Company's website www.cspl.com and also on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com), where the shares of the Company are listed.

Place : VADODARA
Date : 31-05-2021

By order of the Board
For Chemcon Speciality Chemicals Limited
Chairman & Managing Director
DIN: 00139159

