

# Jitendra K Agarwal & Associates

## Chartered Accountants

**Independent Auditor's Report on Quarterly and year to date audited Financial Results of National Oxygen Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended**

**To the Board of Directors of National Oxygen Limited**

**Report on the audit of the financial results**

### **Opinion**

We have audited the accompanying statement of quarterly and year to date financial results of **National Oxygen Limited** (hereinafter referred to as the "Company") for the quarter and year ended March 31, 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India ("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 financial results read with notes therein:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net (Loss) / profit and other comprehensive income and other financial information for the quarter ended March 31, 2020 and year ended March 31, 2020 respectively.

### **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 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the financial results.

### **Management's and Board of Directors' Responsibilities for the financial results**

These financial results have been prepared on the basis of the annual financial statements. The Company's Management and the Board of Directors are responsible for the preparation and presentation of these financial results that give a true and fair view of the net profit / (Loss) and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of 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; 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.





# JKVS & CO.

## Chartered Accountants

In preparing the financial results, 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 Company's Management and the Board of Directors are responsible for overseeing the company's financial reporting process.

### Auditor's Responsibilities for the Audit of the financial results

Our objectives are to obtain reasonable assurance about whether the financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial 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 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 through a separate report on the complete set of financial statements 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 in the financial results made by the Management and Board of Directors.
- 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 financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.





# JKVS & CO.

## Chartered Accountants

Materiality is the magnitude of misstatements in the Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Statement 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 Statement.

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 financial results include the results for the quarter ended March 31, 2020 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, as required under the Listing Regulations.

Place: New Delhi  
Dated: June 20, 2020



For JKVS & Co.,  
Chartered Accountants  
Firm's Regn No.: 318086E

A handwritten signature in blue ink, appearing to read "Sajal Goyal".

**Sajal Goyal**  
Partner

Membership No. 523903  
UDIN: 20523903AAAAAR9087

<b>National Oxygen Limited</b>						
Regd. Office: No.18, 1st Floor, Ardhant Jashn, No38(121) Rukmani Lakshmpathy Salai, Egmore, Chennai - 600 008.						
CIN : L24111TN1974PLC08819						
Statement of Audited Financial Results for the Quarter and year ended 31st March 2020						
(Rs. In Lakhs)						
Sl.No.	PARTICULARS	Quarterly			Year to date	
		3 Months ended 31.03.2020	Preceding 3 month ended 31.12.2019	Corresponding 3 Months of the previous period ended 31.03.2019	Year to date figures for the current period ended 31.03.2020	Year to date figures for the Previous year ended 31.03.2019
		Refer Note 5	Unaudited	Refer Note 5	Audited	Audited
<b>1</b>	<b>INCOME FROM OPERATIONS</b>					
a)	Revenue from Operations	1047.91	1099.94	1159.30	4393.33	4620.80
b)	Other Income	4.74	12.58	6.66	26.93	28.54
<b>1</b>	<b>TOTAL INCOME (a+b)</b>	<b>1052.65</b>	<b>1112.52</b>	<b>1165.96</b>	<b>4420.26</b>	<b>4649.34</b>
<b>2</b>	<b>EXPENSES</b>					
a)	Cost of Materials Consumed	23.02	8.86	19.95	59.54	83.17
b)	Purchase of Stock-in trade	1.30	0.00	0.00	37.54	0.00
c)	Changes in Inventories of Finished goods, work-in-progress and stock-in-trade	(13.52)	(5.77)	(7.68)	(10.93)	(12.24)
d)	Employee benefit expenses	85.51	90.75	76.15	348.94	333.50
e)	Financial costs	114.95	139.26	114.65	480.34	490.05
f)	Depreciation & amortisation expense	88.25	82.73	87.57	341.40	353.45
g)	Other expenses					
i)	Power & fuel	651.90	697.93	670.20	2677.98	2746.85
ii)	Other Expenditure	144.83	163.05	174.03	640.60	611.68
<b>2</b>	<b>TOTAL EXPENSES (2)</b>	<b>1096.24</b>	<b>1176.81</b>	<b>1134.87</b>	<b>4575.41</b>	<b>4606.46</b>
<b>3</b>	<b>Profit / (Loss) before exceptional items and Tax (1-2)</b>	<b>(43.59)</b>	<b>(64.29)</b>	<b>31.09</b>	<b>(155.15)</b>	<b>42.88</b>
<b>4</b>	<b>Exceptional Items</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>313.73</b>
<b>5</b>	<b>Profit / (Loss) before Tax from continuing operations (3-4)</b>	<b>(43.59)</b>	<b>(64.29)</b>	<b>31.09</b>	<b>(155.15)</b>	<b>356.61</b>
<b>6</b>	<b>Tax expense:</b>					
(a)	Current tax	0.00	0.00	0.00	0.00	0.45
(b)	Deferred tax	1.36	0.00	(0.13)	1.36	(0.13)
<b>7</b>	<b>Net Profit / (Loss) for the period from continuing operations (5-6)</b>	<b>(44.95)</b>	<b>(64.29)</b>	<b>31.22</b>	<b>(156.51)</b>	<b>356.29</b>
<b>8</b>	<b>Profit / (Loss) for the period (7)</b>	<b>(44.95)</b>	<b>(64.29)</b>	<b>31.22</b>	<b>(156.51)</b>	<b>356.29</b>
<b>9</b>	<b>Other Comprehensive Income (Net of tax) :</b>					
A.	Items that will not be reclassified to profit or loss (Net of tax)	3.54	0.00	(0.35)	3.54	(0.35)
B.	Items that will be reclassified to profit or loss (Net of tax)	0.00	0.00	0.00	0.00	0.00
	<b>Total Other Comprehensive Income (Net of tax) (8 a + 8 b):</b>	<b>3.54</b>	<b>0.00</b>	<b>(0.35)</b>	<b>3.54</b>	<b>(0.35)</b>
<b>13</b>	<b>Total Comprehensive Income for the period (11+12)</b>	<b>(48.49)</b>	<b>(64.29)</b>	<b>31.57</b>	<b>(160.05)</b>	<b>356.64</b>
<b>14</b>	<b>Paid Up Equity Share Capital (Face value-Rs.10/-)</b>	<b>480.23</b>	<b>480.23</b>	<b>480.23</b>	<b>480.23</b>	<b>480.23</b>
<b>15</b>	<b>Other Equity</b>				<b>(1133.99)</b>	<b>(973.93)</b>
<b>16</b>	<b>Earnings per Equity Share</b>					
	Earning per Share (of Rs.10/-each not annualised) on Continuing operations Basic and Diluted	(0.94)	(1.34)	0.65	(3.26)	7.42
<b>Notes:</b>	<p>1 The above audited financial results, Statement of Assets and Liabilities and Cash Flow Statement for the quarter ended March 31,2020 has been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 20.06.2020, and have been reviewed by the statutory auditors. However, the Comparative Cash Flow Statement for the year ended March 31, 2020 is approved by the Board of Directors of the Company but not subjected to review by the statutory auditors.</p> <p>2 Effective April 1, 2019, the company has adopted Ind AS 116 " Leases " using the modified retrospective method of transition.The effect on adoption of Ind AS 116 on the results of the company was insignificant.</p> <p>3 The operations of the Company were continued with limited capacity utilization during the nationwide lock down period due to COVID-19 since its products fall in the essential items category. As per the current assessment of the Company, no material impact is expected due to COVID - 19 on the carrying amounts of Property, Plant and Equipment, and current assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of COVID-19 which may be different from that estimated as at the date of approval of these financial results.</p> <p>4 The company has only one reportable primary business segment ie., Industrial Gases.</p> <p>5 The figures for the quarter ended March 31,2020 and March 31,2019 are the balancing figure between the audited figures of the full financial year and the published year to date figures upto the 3rd quarter of respective financial years which were subject to Limited Review by the Statutory Auditor of the Company</p> <p>6 Previous period's figures have been regrouped wherever necessary.</p>					
Place : CHENNAI Date : 20-06-2020		For NATIONAL OXYGEN LIMITED <b>Gajanand Saraf</b> Digitally signed by Gajanand Saraf Date: 2020.06.20 12:09:09 +05'30' Gajanand Saraf Chairman				





## National Oxygen Limited

Regd. Office: No.18, 1st Floor, Arहत Jashn, No38(121) Rukmani Lakshmi pathy Salai, Egmore, Chennai - 600 008.

### Statement of Assets and Liabilities as at 31st March, 2020

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
	Audited	Audited
<b>ASSETS</b>		
<b>(1) Non-Current Assets</b>		
a. Property, Plant & Equipments	2901.20	3190.74
b. Capital Work-in-Progress	2.65	2.65
c. Investment Property	-	-
d. Intangible Assets	0.02	0.02
<b>e. Financial Assets</b>		
i) Investments	18.70	16.51
ii) Loan	-	-
ii) Other financial assets	77.92	34.67
f. Other Non Current Assets		
<b>Total Non Current Assets</b>	<b>3000.49</b>	<b>3244.59</b>
<b>(2) Current Assets</b>		
a. Inventories	45.85	26.45
<b>b. Financial Assets:</b>		
(i) Investments	-	-
(ii) Trade Receivables	490.25	421.89
(iii) Cash and Cash Equivalents	2.73	3.27
(iv) Other Bank Balances	102.39	87.86
(v) Loans	-	-
(vi) Other Financial Assets	119.40	84.81
c. Current Tax Assets (Net)	7.83	6.42
d. Other Current Assets	53.32	42.97
<b>Total Current Assets</b>	<b>821.77</b>	<b>673.67</b>
<b>Total Assets</b>	<b>3822.26</b>	<b>3918.26</b>
<b>EQUITY AND LIABILITIES</b>		
<b>(3) Equity</b>		
(i) Equity Share Capital	480.23	480.23
(ii) Other Equity	(1133.99)	(973.93)
<b>Total Equity</b>	<b>(653.76)</b>	<b>(493.70)</b>
<b>(4) Liabilities</b>		
<b>Non-Current Liabilities</b>		
<b>a. Financial Liabilities :</b>		
i) Borrowings	3265.61	3046.89
ii) Other Financial Liabilities	89.45	87.95
b. Deferred Tax Liabilities (Net)	-	-
c. Provisions	69.46	58.31
d. Other Long-term Liabilities		
<b>Total Non-Current Liabilities</b>	<b>3424.52</b>	<b>3193.15</b>
<b>Current Liabilities</b>		
<b>a. Financial Liabilities :</b>		
i) Borrowings	586.33	550.31
ii) Trade Payables	336.91	243.09
iii) Other Current Financial Liabilities	119.67	417.70
b. Provisions	-	0.00
c. Other Current Liabilities	8.59	7.71
d. Current Tax Liabilities	-	-
<b>Total Current Liabilities</b>	<b>1051.50</b>	<b>1218.81</b>
<b>Total Equity and Liabilities</b>	<b>3822.26</b>	<b>3918.26</b>

Place : CHENNAI  
Date : 20-06-2020



For NATIONAL OXYGEN LIMITED

Gajanan  
d Saraf

Digitally signed  
by Gajanan Saraf  
Date: 2020.06.20  
12:09:56 +05'30'

GAJANAND SARAF  
CHAIRMAN

***National Oxygen Limited***

Regd. Office: No.18, 1st Floor, Aribant Jashn, No38(121) Rukmani Lakshmpathy Salai, Egmore, Chennai - 600 008.

**Cash Flow Statement for the year ended 31st March 2020**

(Rs. in Lakhs)

	Year ended 31-03-2020	Year ended 31-03-2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before Tax	(155.15)	356.61
Adjustment for :		
Finance Costs	480.34	490.05
Depreciation and Amortization Expenses	341.40	353.45
Remeasurement of Post employment benefit obligations	(4.91)	0.48
Provision for Doubtful Loans, Advances and Debts (Net)	-	21.25
Exceptional Gains	-	(313.73)
(Profit) / Loss on sale of Fixed Assets (Net)	(3.36)	(15.95)
Interest & Dividend Income	(11.54)	(8.10)
Operating profit before working capital changes	<u>646.78</u>	<u>884.06</u>
<u>Changes in working Capital:</u>		
Inventories	(19.39)	(4.90)
Trade and other Receivables	(156.56)	(57.37)
Long Term Liabilities and Provisions	12.66	11.39
Trade and other Payables	1.39	(46.32)
Cash generation from Operations	<u>484.88</u>	<u>786.87</u>
Payment of Direct Taxes	(1.41)	(2.25)
<b>Net Cash generated/ (used) - Operating Activities</b>	<u><b>483.46</b></u>	<u><b>784.62</b></u>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(52.82)	(42.77)
Purchase of Investment	(2.20)	(5.08)
Sale of Fixed Assets	4.32	351.90
Interest Received	11.54	8.10
<b>Net Cash Generated/ (Used) - Investing Activities</b>	<u><b>(39.15)</b></u>	<u><b>312.14</b></u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-term Borrowings	225.92	-
Repayment of Long-term Borrowings	(211.92)	(608.82)
Proceeds/ (Repayment) of Short-term Borrowings (Net)	36.02	12.66
Finance Cost Paid	(480.34)	(490.05)
Dividend Paid (including Dividend Distribution Tax)	-	-
<b>Net Cash Generated/ (Used) - Financing Activities</b>	<u><b>(430.32)</b></u>	<u><b>(1,086.21)</b></u>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<u><b>13.99</b></u>	<u><b>10.55</b></u>
Add : Opening Cash and Cash Equivalents	91.13	80.57
<b>Closing Cash and Cash Equivalents</b>	<u><b>105.12</b></u>	<u><b>91.13</b></u>

Place : CHENNAI  
Date : 20-06-2020



For NATIONAL OXYGEN LIMITED

Gajanand Saraf  
Digitally signed by Gajanand Saraf  
Date: 2020.06.20 12:10:34 +05'30'

**GAJANAND SARAF**  
**CHAIRMAN**