



Sakthi Sugars Limited

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Fax : +91 422-4322488, 2220574 E-mail : info@sakthisugars.com CIN : L1542ITZ1961PLC000396

SL/SE/853/2020

31.7.2020

Dear Sirs,

Sub: Audited Financial Results (Standalone) for the quarter and year ended 31st March 2020.

We wish to inform that the Board of Directors of the Company at its meeting held today (31.7.2020) has approved, inter alia, the Audited Financial Results of the Company for the quarter and year ended 31st March 2020:

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the following:

1. Audited Financial Results of the Company (Standalone) for the quarter and year ended March 31, 2020 together with Segment Results and Statement of Assets and Liabilities, and Cash Flow Statement.
2. Report of the Statutory Auditors, M/s. P.K.Nagarajan & Co., Coimbatore on the Audited Financial Results.
3. Statement on Impact of Audit Qualification for the financial year ended 31st March 2020.

The meeting of the Board of Directors of the Company commenced at 12.45 PM and concluded at 1.40 PM.

We request you to take the above on records.

Thanking you,

Yours faithfully
For SAKTHI SUGARS LIMITED

Senior Vice President &
Company Secretary

Encl: As above

To:

BSE Limited
Floor - 25,
P.J.Towers
Dalal Street, Fort
MUMBAI - 400 001

The National Stock Exchange of India
Limited
Exchange Plaza, 5th Floor, Plot No.C/1,
G-Block, Bandra Kurla Complex,
Bandra (East)
MUMBAI - 400 051

SAKTHI SUGARS LIMITED
CIN : L15421TZ1961PLC000396

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(Phone: 0422 4322222, 2221551, Fax: 0422 4322488, 2220574)

(E mail : shares@sakthisugars.com, Website : www.sakthisugars.com)

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31.03.2020

(Rs. in Lakhs)

Particulars	Three months ended			Year ended	
	31.03.2020 (Audited)	31.12.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1. Income					
Revenue from operations	22217.49	21873.87	25132.56	80301.01	50505.93
Other Income	5263.89	5883.43	14781.04	12089.63	15207.84
Total Income	27481.38	27757.30	39913.60	92390.64	65713.77
2. Expenses					
Cost of material consumed	16779.47	17190.88	18312.50	55268.43	36996.14
Purchase of stock in trade	238.92	47.60	204.44	428.45	393.80
Changes in inventories of finished goods, work-in-progress and stock in trade	(524.43)	(385.21)	(516.91)	3922.05	(1137.66)
Employee benefits expenses	1645.52	1656.90	1557.96	6171.43	5862.94
Finance costs	9021.83	3592.75	13383.73	20197.10	25947.82
Depreciation and amortization expense	1234.17	1229.45	1275.90	4931.06	5158.53
Other expenses	10959.27	4416.50	4418.31	22306.03	13988.33
Total Expenses	39354.75	27748.87	38635.93	113224.55	87209.90
3. Profit/(Loss) before exceptional items and tax (1-2)	(11873.37)	8.43	1277.67	(20833.91)	(21496.13)
4. Exceptional Items	--	--	10173.94	--	5180.09
5. Profit/(Loss) before extraordinary items and tax (3-4)	(11873.37)	8.43	(8896.27)	(20833.91)	(26676.22)
6. Extraordinary Items	--	--	--	--	--
7. Profit/Loss before tax (5-6)	(11873.37)	8.43	(8896.27)	(20833.91)	(26676.22)
8. Tax expenses					
Current Tax	--	--	--	--	--
Deferred tax	6.43	27.08	262.11	(241.52)	(5274.80)
	6.43	27.08	262.11	(241.52)	(5274.80)
9. Profit/(Loss) for the period from continuing operations (7-8)	(11879.80)	(18.65)	(9158.38)	(20592.39)	(21401.42)
10. Other Comprehensive Income (net of tax)					
i) Items that will not be reclassified to Statement of Profit and Loss	97.42	(202.59)	(103.08)	34.87	116.13
ii) Income tax expenses on the above	6.43	27.08	36.02	(15.43)	(39.78)
11. Total Comprehensive Income	(11775.95)	(194.16)	(9225.44)	(20572.95)	(21325.07)
12. Paid-up equity share capital (Face Value of the Shares - Rs. 10 each)	11884.90	11884.90	11884.90	11884.90	11884.90
13. Other Equity				(27944.11)	(7371.16)
14. Earnings per equity share of Rs.10/- each:					
1. Basic	(9.91)	(0.16)	(7.76)	(17.31)	(17.94)
2. Diluted	(9.91)	(0.16)	(7.76)	(17.31)	(17.94)

**SEGMENT WISE AUDITED FINANCIAL RESULTS
FOR THE YEAR ENDED 31.03.2020**

(Rs. in Lakhs)

Particulars	Quarter ended			Year ended	
	31.03.2020 (Audited)	31.12.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1. Segment Revenue:- (Sales/Income from Operations)					
a) Sugar	16460.49	15069.63	20194.70	55858.71	30790.86
b) Industrial Alcohol	3379.63	3990.08	2972.10	13073.09	8523.73
c) Soya Products	3566.58	4192.55	3370.53	15958.13	13772.92
d) Power	2131.41	3096.69	3739.10	9507.77	5660.25
	25538.11	26348.95	30276.43	94397.70	58747.76
Less: Intersegment Revenue	3320.62	4475.08	5143.87	14096.69	8241.83
Sales/Income from Operations	22217.49	21873.87	25132.56	80301.01	50505.93
2. Segment Results:- (Profit+)/Loss(-) before tax and Finance Cost)					
a) Sugar	(7540.92)	(3079.15)	(495.45)	(13996.78)	(6871.26)
b) Industrial Alcohol	995.45	965.38	(192.19)	3289.97	(892.74)
c) Soya Products	(38.32)	209.26	46.62	577.53	899.50
d) Power	(363.30)	(218.86)	612.02	(993.94)	(3317.36)
	(6947.09)	(2123.37)	(29.00)	(11123.22)	(10181.86)
Less: i) Finance Cost	9021.83	3592.75	13383.73	20197.10	25947.82
ii) Other un-allocable expenditure	685.51	15.04	21.09	725.55	91.13
iii) Un-allocable income	(4781.06)	(5739.59)	(4537.55)	(11211.96)	(9544.59)
Total Profit/Loss before tax	(11873.37)	8.43	(8896.27)	(20833.91)	(26676.22)
3. Segment Assets:-					
a) Sugar	124034.99	126524.77	128714.60	124034.99	128714.60
b) Industrial Alcohol	11361.65	10563.00	11302.95	11361.65	11302.95
c) Soya Products	12399.83	12640.55	12675.65	12399.83	12675.65
d) Power	30391.76	30862.71	31315.99	30391.76	31315.99
e) Unallocated	5058.91	3772.24	4017.95	5058.91	4017.95
	183247.14	184363.27	188027.14	183247.14	188027.14
4. Segment Liabilities:-					
a) Sugar	64440.12	59861.49	61723.66	64440.12	61723.66
b) Industrial Alcohol	1964.77	1152.21	459.19	1964.77	459.19
c) Soya Products	2492.52	2361.97	2073.24	2492.52	2073.24
d) Power	11124.09	11695.07	11712.34	11124.09	11712.34
e) Unallocated	119284.85	114825.09	108568.18	119284.85	108568.18
	199306.35	189895.83	184536.61	199306.35	184536.61

STATEMENT OF ASSETS AND LIABILITIES

(Rs. in lakhs)

Particulars	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
A. ASSETS		
1. NON-CURRENT ASSETS		
(a) Property, Plant and Equipment	99283.85	118866.56
(b) Capital work-in-progress	20.23	--
(c) Right-of-use Assets	112.49	--
(d) Financial Assets		
i) Investments	1656.43	1329.57
ii) Loans	82.86	84.72
iii) Other financial assets	780.11	666.77
(e) Deferred tax assets (Net)	1249.30	1023.21
(f) Other Non-current Assets	3411.58	5165.70
Total Non-current Assets	106596.85	127136.53
2. CURRENT ASSETS		
(a) Inventories	6765.47	11325.30
(b) Biological Assets	7.43	3.18
(c) Financial Assets		
i) Trade receivables	979.28	6760.72
ii) Cash and cash equivalents	892.48	1196.46
iv) Bank Balances Other than Cash and cash equivalents	1.49	128.02
v) Loans	24787.14	14798.04
vi) Other Financial Assets	829.78	108.11
(d) Current tax assets (Net)	390.91	513.76
(e) Other current assets	3998.17	3192.26
(f) Assets Classified as held for Sale	37998.14	23887.97
Total Current Assets	76650.29	61913.82
TOTAL ASSETS (1 and 2)	183247.14	189050.35
B. EQUITY AND LIABILITIES		
1. EQUITY		
(a) Equity Share Capital	11884.90	11884.90
(b) Other Equity	(27944.11)	(7371.16)
Total Equity	(16059.21)	4513.74
2. LIABILITIES		
A. NON-CURRENT LIABILITIES		
(a) Financial Liabilities		
i) Borrowings	9342.71	17013.34
ii) Other Financial Liabilities	349.94	281.25
(b) Provisions	2564.19	2509.59
Total Non-Current Liabilities	12256.84	19804.18
B. CURRENT LIABILITIES		
(a) Financial Liabilities		
i) Borrowings	13478.64	12779.52
ii) Trade Payable		
a) Total outstanding dues of micro and small enterprises	391.12	328.15
b) Total outstanding dues of other than (ii) (a) above	27218.74	25673.01
iii) Other Financial Liabilities	132887.11	115935.74
(b) Other current liabilities	12610.07	9463.69
(c) Provisions	463.83	552.32
Total Current Liabilities	187049.51	164732.43
Total Liabilities	199306.35	184536.61
TOTAL EQUITY AND LIABILITIES	183247.14	189050.35

FOR SAKTHI SUGARS LIMITED



(M. MANICKAM)

CHAIRMAN AND MANAGING DIRECTOR

DIN : 00102233

COIMBATORE
31.07.2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020

(Rs. in Lakhs)

Particulars	Year 2019-20 (Audited)		Year 2018-19 (Audited)	
	A. CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit before tax as per statement of Profit and Loss		(20,833.91)		(26,676.22)
Adjustment for:				
Depreciation of Property, Plant and Equipment	4,931.06		5,158.53	
Finance Costs	20,197.10		25,966.57	
Remission of Interest (or reversal)	--		5,180.09	
Provision for Expected credit loss	6,437.46		--	
Remission/Unclaimed Liability	(689.18)		--	
Reversal of Income receivable	--		1,813.71	
Reversal of Sundry deposit / Capital Advance	1,713.18		1,283.57	
(Profit) / Loss on Sale / Redemption of Investments (Net)	--		8.50	
(Profit) / Loss on Property, Plant and Equipment Sold / Discarded	(4.02)		25.09	
Impairment loss on Non-Financial Assets	675.94		--	
(Gain) / Loss on Fair Valuation of Non Current Investment through Profit and Loss (Net)	(326.85)		145.40	
(Gain) / Loss on Fair Valuation of Current Investment through Profit and Loss (Net)	--		298.84	
Dividend Income	(14.57)		(13.19)	
Interest Income	(10,684.88)	22,235.24	(14,872.94)	24,994.17
Operating Profit before Working Capital / Other Changes		1,401.33		(1,682.05)
Changes in Working Capital:				
Adjustments for (Increase) / Decrease in Operating Assets:				
Inventories/Biological Assets	4,555.58		(478.71)	
Trade Receivables	(656.02)		92.01	
Other Financial Assets	(835.01)		798.32	
Other Current Assets	(790.09)		1,278.44	
Other Non-current Assets	42.80		(24.07)	
Adjustments for Increase / (Decrease) in Operating Liabilities:				
Trade Payables	1,608.70		(47.86)	
Other Financial Liabilities	(3,635.83)		631.28	
Other Current Liabilities	2,870.22		3,089.94	
Other Long Term Liabilities	89.47	3,249.82	163.45	5,502.80
Cash Generated from Operations		4,651.15		3,820.75
Income Tax Paid (Net)		122.85		(236.78)
Net Cash from / (used in) Operating Activities (A)		4,774.00		3,583.97
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Property, Plant and Equipment	(126.70)		(299.51)	
Proceeds from Disposal of Property, Plant and Equipment	32.26		129.12	
Proceeds from Current Investments (Net)	--		66.54	
Dividend received	14.57		13.19	
Interest Income	176.67		161.45	
Loans and Advances - Related Parties	503.29		2,259.68	
Net Cash from / (used in) Investing Activities (B)		600.09		2,330.47

(Rs. in Lakhs)

Particulars	Year		Year	
	2019-20 (Audited)		2018-19 (Audited)	
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Finance Costs Paid	(2,784.27)		(2,994.72)	
Principal Payment of Lease Liabilities	(45.84)		--	
Interest Paid on Lease Liabilities	(23.62)		--	
Long Term Borrowings (Net)	(2,120.53)		(3,240.55)	
Short Term Borrowings (Net)	(367.00)		(54.75)	
Loans from Body corporate (Net)	(463.34)		108.16	
Net Cash from / (used in) Financing Activities (C)		(5,804.60)		(6,181.86)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		(430.51)		(267.42)
Cash and cash equivalents at the beginning of the year		1,324.48		1,591.90
Cash and cash equivalents at the end of the year		893.97		1,324.48
Cash and cash equivalents at the end of the year comprises of				
(a) Cash on hand		23.33		19.35
(b) Balances with banks:				
i) In Current Accounts		868.60		847.11
ii) Margin Money with banks / Security against borrowings		2.04		458.02
Cash and cash equivalents as at the end of the year		893.97		1,324.48

FOR SAKTHI SUGARS LIMITED



(M. MANICKAM)

CHAIRMAN AND MANAGING DIRECTOR

DIN : 00102233

COIMBATORE
31.07.2020

Note:-

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on July 31, 2020.
2. The figures for the last quarter are the balancing figures between the audited figures in respect of the full financial year ended 31st March 2020 and the published year to date figures up to the third quarter ended 31st December 2019.
3. The financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') as amended.
4. The Company has adopted Ind AS 116 "Leases" with effect from April 01, 2019 under modified retrospective approach. Accordingly, comparatives for previous period and year have not been restated. This resulted in recognition of lease liability with an equivalent amount recognized as right-of-use asset as of April 01, 2019. In the statement of profit and loss, depreciation for the right-of-use assets and finance cost for interest accrued on lease liability is being accounted for. The effect of this adoption is not material on the loss for the quarter and year ended March 31, 2020.
5. The Company elected not to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the company has recognized provision for taxation including Deferred Tax and MAT in accordance with the existing tax structure.
6. The Auditors have qualified their report for the year ended 31.03.2020 as under:-

No provision for the expected credit loss/ impairment on interest receivable from an erstwhile associate company of Rs.25219.69 lakhs has been recognized as per the requirement of Ind AS 109 "Financial Instruments". In view of non-recoveries, non-confirmations/reconciliation from the debtor company, initiation of legal action against the interest claim of the company and in absence of clear forward looking information regarding outcome of pending legal actions initiated and time frame and quantum of realisability of the interest receivable, we are unable to determine the amount of expected credit loss/ impairment as per the requirements of Ind-AS 109 "Financial Instruments" and its consequential impact on the loss for the year/accumulated loss.

Board of Directors have considered the qualification made by the Auditors and have addressed the same as under:-

With reference to the Statutory Auditors remarks your Directors wish to state that the Company is confident of obtaining favourable award.

7. The financial statement of the Company has been prepared on going concern basis as in the opinion of the directors, there is a reasonable expectation that the Company will continue its operations for the foreseeable future. The Directors have examined the following points in order to ascertain the validity of going concern assumption.
 - (a) The Company has incurred a loss of Rs.20833.91 lakhs during the year ended March 31, 2020 and as of that date the Company's accumulated losses amount to Rs.58081.81 lakhs resulted in complete erosion of its networth. Further as of that date, Company's current liabilities exceeded its current assets by Rs.110399.22 lakhs. Significant financial ratios are also negative.
 - (b) The Company has defaulted in repayment of dues to SDF, banks and Asset Reconstruction Companies for principal amount of Rs.56848.92 lakhs and interest amounting of Rs.53815.49 lakhs since February 2012. The Company has received recall notice from one of the Asset Reconstruction Company for non-payment of principal and interest thereon after the due date by the Company.

The company has taken steps for restructuring its liabilities with banks and other lenders/creditors which will result in significant reduction of the liabilities and revive its ability to continue as a going concern. Further, the company is in the process of selling investments, certain non-core assets and group of core assets subject to approval of Banks, Asset Reconstruction Companies and Members as may be required. The management is hopeful of finalizing a restructuring package and sale of assets soon.

Conditions explained above indicate existence of material uncertainty that may cast significant doubt of the Company's ability to continue as going concern due to which the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. However, considering management's plans relating to restructuring of debt, expected improvement in operating activities and proposed sale of investments, non-core assets and group of core assets, the financial statement has been prepared on going concern basis.

8. The Covid-19 pandemic has not made a material impact on the sugar industry as its outbreak was almost at the fag end of crushing period for the season. The Company's factories remained shut down for almost one month due to dislocation of labour force. After resuming operation, crushing of the backlog of sugar cane available was completed with slight reduction in recovery, the effect of which is not significant.

Since sugar industry is agro based and labour intensive, availability of working labour plays a major role in carrying out the agricultural operation on which success of sugar industry depends. It is not possible to assess the overall impact of covid-19 at present.

9. The figures of previous periods / year have been regrouped/reclassified wherever necessary to make them comparable with those of the current period / year.

COIMBATORE
31.07.2020

FOR SAKTHI SUGARS LIMITED



(M. MANICKAM)
CHAIRMAN AND MANAGING DIRECTOR
DIN : 00102233

Independent Auditor's Report on Financial Results for the year ended March 31, 2020

**The Board of Directors of
Sakthi Sugars Limited**

Qualified Opinion

1. We have audited the accompanying financial results of Sakthi Sugars Limited ("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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us these financial results:
 - (a) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - (b) except for the effect/possible effect of the matter described in basis for qualified opinion paragraph below, 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 the net loss and other comprehensive income and other financial information for the quarter and year ended March 31, 2020.

Basis for Qualified Opinion

3. No provision for the expected credit loss/ impairment on interest receivable from an erstwhile associate company of Rs. 25219.69 lakhs has been recognized as per the requirement of Ind AS 109 "Financial Instruments". In view of non-recoveries, non-confirmations/reconciliation from the debtor company, initiation of legal action against the interest claim of the company and in absence of clear forward looking information regarding outcome of pending legal actions initiated and time frame and quantum of realisability of the interest receivable, we are unable to determine the amount of expected credit loss/ impairment as per the requirements of Ind-AS 109 "Financial Instruments" and its consequential impact on the financial results.
4. 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 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 financial results 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 qualified opinion.



Material Uncertainty Related to Going Concern

5. We draw attention to Note 7 of the financial results. The company has incurred net loss of Rs.20833.91 lakhs during the year ended March 31, 2020 and as of that date, the Company's accumulated losses aggregate to Rs. 58081.81 lakhs resulted in complete erosion of net worth. Further, as of that date, company's current liabilities exceeded its current assets by Rs. 110399.22 lakhs. These factors along with other matters as set forth in said note raise substantial doubt about the company's ability to continue as a going concern in the foreseeable future. However, the company's financial statement has been prepared on going concern basis as disclosed by management in said note. Our opinion is not modified in respect of this matter.

Emphasis of Matter

6. Certain banks have classified its advance to company as Non-Performing Assets and are not charging/applying interest accrued. In order to account for all probable liabilities, the management in its best judgement has provided interest including penal interest, as per the terms of original sanction, on such borrowings. The management is of the opinion that the difference in interest, if any, shall be accounted for as and when the interest is charged or adjusted by the banks. Our opinion is not modified in respect of this matter.

Management Responsibilities for the Financial Results

7. These 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 financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Company in accordance with the recognition and measurement principles laid down in the 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. 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 financials statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the financial results by the Directors of the Company, as aforesaid.
8. In preparing the financial results, 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 Company's financial reporting process.



Auditor's Responsibilities for the Audit of Financial Results

10. 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.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- (a) 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.
 - (b) 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
 - (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - (d) 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 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.
 - (e) 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.
12. 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.



P.K. NAGARAJAN & CO

Chartered Accountants
ICAI FRN : 016676S

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13. 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

14. We draw your attention to Note 2 of the financial results regarding the figures for the quarter ended March 31, 2020, which are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial year.

15. The financial results dealt with by this report has been prepared for the express purpose of filing with Stock Exchanges. These results are based on and should be read with the audited financial statements of the Company for the year ended March 31, 2020 on which we issued a modified audit opinion vide our report dated July 31, 2020.

For P K NAGARAJAN & CO.,
Chartered Accountants
Firm Registration Number: 016676S



Coimbatore
July 31, 2020


P K Nagarajan
Partner

Membership Number: 025679
UDIN: 20025679AAAABJ8445

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020

(Rs. In Lakhs)



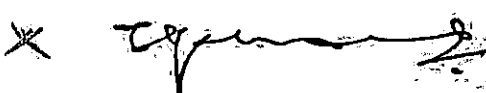

I.	Sl.No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	92,390.64	92,390.64
	2	Total Expenditure (including exceptional items)	113,224.55	113,224.55
	3	Net Profit/(Loss)	(20,833.91)	(20,833.91)
	4	Earnings Per Share (in Rs.)	(17.31)	(17.31)
	5	Total Assets	183,247.14	183,247.14
	6	Total Liabilities	183,247.14	183,247.14
	7	Net Worth	(16,684.45)	(16,684.45)
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II	Audit Qualification (each audit qualification separately):			
	Audit Qualification - I			
	a.	Details of Audit Qualification		
		<p>No provision for the expected credit loss/ impairment on interest receivable from an erstwhile associate company of Rs. 25219.69 lakhs has been recognized as per the requirement of Ind AS 109 "Financial Instruments". In view of non-recoveries, non-confirmations/reconciliation from the debtor company, initiation of legal action against the interest claim of the company and in absence of clear forward looking information regarding outcome of pending legal actions initiated and time frame and quantum of realisability of the interest receivable, we are unable to determine the amount of expected credit loss/ impairment as per the requirements of Ind-AS 109 "Financial Instruments" and its consequential impact on the financial results.</p>		
	b.	Type of Audit Qualification: Qualified Opinion/Disclaimer of Opinion/Adverse Opinion		
		Qualified opinion.		
	c.	Frequency of qualification: Whether appeared first time/repetitive/since howlong continuing		
		First time.		
	d.	For Audit Qualification where the impact is quantified by the Auditor, Management's views:		
		Not applicable.		

e. *For Audit Qualifications(s) where the impact is not quantified by the auditor:*

(i) Management's estimation on the impact of audit qualification:
 The impact is unascertainable

(ii) If management is unable to estimate the impact, reasons for the same
 The Management is confident of obtaining favourable award and considers the full amount is recoverable. Hence, no provision is made.

(iii) Auditors' Comments on (i) or (ii) above:
 The Auditors Report is qualified for non-provision of expected credit loss as per Ind AS-109.

III	Signatories	
CEO/Managing Director		M. Manickam Chairman and Managing Director
CFO		C.R. Sankar Chief Financial Officer
Audit Committee Chairman		C. Rangamani Chairman of the Audit Committee
Statutory Auditors		P.K. Nagarajan Partner Membership Number: 025670 M/s P.K. Nagarajan & Co.



Place : Coimbatore

Date : 31.07.2020