



Sakthi Sugars Limited

180, Race Course Road, Post Box No. 3775, Coimbatore - 641 018. Phone : + 91 422-2221551, 4322222
Fax : +91 422-4322488, 2220574 E-mail : info@sakthisugars.com CIN : L1542ITZ1961PLC000396

SL/SE/1058/2022

25.5.2022

Dear Sirs,

Sub: Audited Financial Results (Standalone) for the quarter and year ended 31st March 2022.

We wish to inform that the Board of Directors of the Company at its meeting held today (25.5.2022) has approved, inter alia, the Audited Financial Results of the Company for the quarter and year ended 31st March 2022:

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

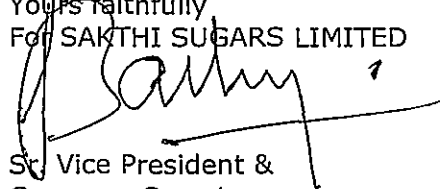
1. Audited Financial Results of the Company (Standalone) for the quarter and year ended March 31, 2022 together with Segment Results and Statement of Assets and Liabilities, and Cash Flow Statement.
2. Report of the Statutory Auditors, M/s. P.K.Nagarajan & Co., Coimbatore on the Audited Financial Results.
3. Statement on Impact of Audit Qualification for the financial year ended 31st March 2022.

The meeting of the Board of Directors of the Company commenced at 11.45 AM and concluded at 1.30 PM.

We request you to take the above on records.

Thanking you,

Yours faithfully
For SAKTHI SUGARS LIMITED


Sr. 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, COIMBATORE

CIN : L15421TZ1961PLC000396

Regd Office: Sakthinagar PO - 638315, Erode District, Tamilnadu

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

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

EXTRACT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2022

(Rs. In Lakhs)

Sl.No	Particulars	Quarter Ended		Year Ended	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
		(Audited)	(Audited)	(Audited)	(Audited)
1	Total Income from Operations	31471.10	22500.52	78802.35	63338.33
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(4903.66)	(4127.43)	(21903.61)	(21537.93)
3	Net Profit / (Loss) for the period before Tax (after Exceptional and/or Extraordinary items)	1987.57	7059.34	(15012.38)	(10351.16)
4	Net Profit / (Loss) for the period after Tax (after Exceptional and/or Extraordinary items)	1986.82	7044.79	(15016.49)	(11626.50)
5	Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	1980.60	7002.55	(15032.47)	(11720.92)
6	Equity Share Capital	11884.90	11884.90	11884.90	11884.90
7	Earnings per Share (of Rs.10/- each) (for continuing operations)				
	- Basic	1.67	5.93	(12.63)	(9.78)
	- Diluted	1.67	5.93	(12.63)	(9.78)

Note : The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Stock Exchange websites (BSE: www.bseindia.com and NSE: www.nseindia.com) and on the Company's website (www.sakthisugars.com).

For SAKTHI SUGARS LIMITED



(M. MANICKAM)

CHAIRMAN AND MANAGING DIRECTOR

DIN : 00102233

Place : Coimbatore

Date : 25.05.2022



SAKTHI SUGARS LIMITED
CIN : L15421TZ1961PLC000396

Regd Office: Sakthinagar PO - 638315, Erode District, Tamilnadu
(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 31.03.2022

(Rs. in Lakhs)

Particulars	Quarter Ended			Year Ended	
	31.03.2022 (Audited)	31.12.2021 (Unaudited)	31.03.2021 (Audited)	31.03.2022 (Audited)	31.03.2021 (Audited)
1. Income					
Revenue from operations	31471.10	14753.72	22500.52	78802.35	63338.33
Other Income	905.93	298.98	493.09	1730.79	1018.74
Total Income	32377.03	15052.70	22993.61	80533.14	64357.07
2. Expenses					
Cost of material consumed	22517.68	10658.20	15736.71	55200.90	44440.19
Purchase of stock in trade	36.35	13.84	5.77	82.84	77.39
Changes in inventories of finished goods, work-in-progress and stock in trade	(2816.68)	(841.94)	(158.42)	(4048.99)	306.88
Employee benefits expenses	1714.08	1509.58	1630.26	5913.55	5807.53
Finance costs	6453.14	6046.87	5236.04	23414.81	19639.65
Depreciation and amortization expense	2593.83	973.18	960.75	5500.41	3885.39
Other expenses	6782.29	3224.90	3709.93	16373.23	11737.97
Total Expenses	37280.69	21584.63	27121.04	102436.75	85895.00
3. Profit/(Loss) before exceptional items and tax (1-2)	(4903.66)	(6531.93)	(4127.43)	(21903.61)	(21537.93)
4. Exceptional Items	(6891.23)	--	(11186.77)	(6891.23)	(11186.77)
5. Profit/(Loss) before extraordinary items and tax (3-4)	1987.57	(6531.93)	7059.34	(15012.38)	(10351.16)
6. Extraordinary Items	--	--	--	--	--
7. Profit/Loss before tax (5-6)	1987.57	(6531.93)	7059.34	(15012.38)	(10351.16)
8. Tax expenses					
Current Tax	--	--	--	--	--
Deferred tax	0.75	10.46	14.55	4.11	1275.34
	0.75	10.46	14.55	4.11	1275.34
9. Profit/(Loss) for the period from continuing operations (7-8)	1986.82	(6542.39)	7044.79	(15016.49)	(11626.50)
10. Other Comprehensive Income (net of tax)					
i) Items that will not be reclassified to Statement of Profit and Loss	(6.97)	(40.81)	(56.79)	(20.09)	(120.46)
ii) Income tax expenses on the above	0.75	10.46	14.55	4.11	26.04
11. Total Comprehensive Income	1980.60	(6572.74)	7002.55	(15032.47)	(11720.92)
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				(54697.50)	(39665.03)
14. Earnings per equity share of Rs.10/- each: (not annualised for quarterly figures)					
1. Basic	1.67	(5.50)	5.93	(12.63)	(9.78)
2. Diluted	1.67	(5.50)	5.93	(12.63)	(9.78)



**SEGMENT WISE AUDITED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED 31.03.2022**

(Rs. in Lakhs)

Particulars	Quarter Ended			Year Ended	
	31.03.2022 (Audited)	31.12.2021 (Unaudited)	31.03.2021 (Audited)	31.03.2022 (Audited)	31.03.2021 (Audited)
1. Segment Revenue:- (Sales/Income from Operations)					
a) Sugar	24760.50	6507.54	16013.93	49207.14	38490.49
b) Industrial Alcohol	3994.09	2308.74	2778.13	11036.98	9515.47
c) Soya Products	5851.38	6571.84	4862.48	24425.11	19070.79
d) Power	5183.50	1713.81	2350.48	11262.84	6607.84
	39789.47	17101.93	26005.02	95932.07	73684.59
Less: Intersegment Revenue	8318.37	2348.21	3504.50	17129.72	10346.26
Sales/Income from Operations	31471.10	14753.72	22500.52	78802.35	63338.33
2. Segment Results:- (Profit+)/Loss(-) before tax and Finance Cost)					
a) Sugar	(183.94)	(1601.66)	16.86	(4129.87)	(5392.22)
b) Industrial Alcohol	592.37	426.12	1057.48	2385.50	3180.19
c) Soya Products	275.78	1106.96	30.22	3301.97	1350.60
d) Power	(137.48)	(410.98)	16.53	(1013.96)	(985.32)
	546.73	(479.56)	1121.09	543.64	(1846.75)
Less: i) Finance Cost	6453.14	6046.87	5236.04	23414.81	19639.65
ii) Other un-allocable expenditure	13.16	12.61	12.48	55.74	57.43
iii) Un-allocable income	(7907.14)	(7.11)	(11186.77)	(7914.53)	(11192.67)
Total Profit/Loss before tax	1987.57	(6531.93)	7059.34	(15012.38)	(10351.16)
3. Segment Assets:-					
a) Sugar	124799.81	123913.29	122362.14	124799.81	122362.14
b) Industrial Alcohol	10090.19	9878.38	11255.87	10090.19	11255.87
c) Soya Products	13785.21	13302.38	14003.96	13785.21	14003.96
d) Power	28882.79	28840.28	29581.78	28882.79	29581.78
e) Un-allocable Assets	3689.51	4452.99	4038.04	3689.51	4038.04
	181247.51	180387.32	181241.79	181247.51	181241.79
4. Segment Liabilities:-					
a) Sugar	45012.55	56405.03	59591.66	45012.55	59591.66
b) Industrial Alcohol	2190.36	2072.95	1749.11	2190.36	1749.11
c) Soya Products	1329.88	3389.64	4510.85	1329.88	4510.85
d) Power	12527.70	11865.42	11805.44	12527.70	11805.44
e) Un-allocable Liabilities	162999.63	151447.48	131364.86	162999.63	131364.86
	224060.12	225180.52	209021.92	224060.12	209021.92

Note:-

- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 25, 2022.
- The figures for the quarter ended March 31, 2022, and March 31, 2021, are 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 respective financial year which were subjected to limited review.
- 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.
- The company has de-recognised disposal group from assets classified as held for sale on account of revised sale plan as detailed in note no.5 for the year ended March 31, 2022.
 - The company had not provided depreciation on the assets forming part of disposal group since their classification as held for sale in accordance with Ind AS 105. Had the company charged depreciation on those assets, the profit for the quarter ended March 31, 2021 would have been lower by Rs.221.71 lakhs and loss for the quarter ended December 31, 2021 and year ended March 31, 2021 would have been higher by Rs.206.14 lakhs and 821.17 lakhs respectively.
 - The company, on de-recognition of disposal group part of Sugar segment from assets classified as held for sale, has charged the entire depreciation of Rs.1639.41 lakhs during the period/year ended March 31, 2022.
- The Board of Directors of the Company have approved the sale of Sugar, Distillery and Soya units at Dhenkanal and Soya unit at Pollachi in their meeting held on April 25, 2022, at competitive prices, for the purpose of raising funds to reduce the liabilities, subject to shareholder and other regulatory approvals.

In the absence of reasonable certainty of taxable income in future years, for the year ended 31.03.2022, the Company has created deferred tax asset on carried forward losses/unabsorbed depreciation and other items to the extent of deferred tax liability. From FY 2019-20, the Company has adopted the policy of recognition of deferred tax asset to the extent of deferred tax liability.



7. The Auditors have qualified their report for the quarter and year ended March 31, 2022 as under:-
- No provision for the expected credit loss/ impairment on interest receivable from an erstwhile associate company of Rs. 25219.69 lakhs have 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. This matter has been qualified in our audit report for the year ended March 31, 2021.
This matter was also qualified by the auditor's in their report on the financial statements for the year ended March 31, 2020 and March 31, 2021.
 - Asset Reconstruction Company (India) Limited (the "ARCIL") has invoked the pledge of 6,38,59,394 Equity shares of Sakthi Auto Component Limited held by the Company during the year ended March 31, 2021. Pending valuation, disposal of shares by the ARCIL and based on the legal opinion obtained, the investment continues to be shown as part of assets classified as held for sale by the Company. Since the shares have been transferred to ARCIL and related agreement is expired, we are unable to determine on the extent of adjustments if any required to be made on the value of investments, loan balances, impairment, and its impact on the financial results.
Board of Directors have considered the qualifications made by the Auditors and have addressed the same as under:-
 - The Company is confident of obtaining favourable award and hence ECL is not provided.
 - The ARCIL has invoked the security over the pledged shares vide its pledge invocation notice dated March 8, 2021. The subject shares have been transferred to ARCIL on March 10, 2021. ARCIL has not valued the shares and appropriated such value amongst the lenders. In view of the non-appropriation of value of shares by ARCIL amongst lenders and as per legal opinion obtained Equity shares continue to be shown as asset classified as held for sale.
8. 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.
- The Company has incurred a net loss of Rs.15032.47 lakhs during the year ended March 31, 2022 and as of that date the Company's accumulated losses aggregate to Rs.84835.20 lakhs resulted in complete erosion of its network. Further as of that date, Company's current liabilities exceeded its current assets by Rs.105248.42 lakhs. Significant financial ratios are also negative.
 - The Company has defaulted in repayment of dues to SDF, banks and Asset Reconstruction Companies for principal amount of Rs.28491.07 lakhs and interest amounting of Rs.75246.34 lakhs since February 2012.
 - In terms of Share Pledge Agreement M/s. Asset Reconstruction Company (India) Limited (the "ARCIL") have transferred in their name 6,38,59,394 Equity shares of M/s. Sakthi Auto Component Limited (the "SACL") held by the Company.
- The 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.
- 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 certain investments, non-core assets, group of core assets and units in Dhenkanal and Pollachi as mentioned in note no.5 above subject to approval of Banks, Asset Reconstruction Companies and Members of the Company, as may be required. The management is hopeful of finalizing a restructuring package and sale of assets soon.
- The Company has settled dues to Axis Bank Limited, Indian Overseas Bank and Punjab National Bank during the year. The measures taken by the company for settlement of dues with other lenders are also in final stages. In light of the above, the financial statement has been prepared on going concern basis.
9. Exceptional items for the year ended March 31, 2022 represent remission of secured liabilities as per agreements.
10. The company has reviewed the possible impact of COVID-19 on its operations of the company. There has been no material impact on the business of the company.
11. The figures of previous periods/year have been re-grouped/ re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 1, 2021.

FOR SAKTHI SUGARS LIMITED



(M. MANICKAM)

CHAIRMAN AND MANAGING DIRECTOR

DIN : 00102233

COIMBATORE
25.05.2022



STATEMENT OF ASSETS AND LIABILITIES

(Rs. in lakhs)

Particulars	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
A. ASSETS		
1. NON-CURRENT ASSETS		
(a) Property, Plant and Equipment	97439.38	95641.51
(b) Capital work-in-progress	63.83	60.79
(c) Right-of-use Assets	--	56.24
(d) Biological assets other than bearer plants	8.40	--
(e) Financial Assets		
i) Investments	1657.60	1962.64
ii) Loans	73.95	69.90
iii) Other financial assets	795.68	729.76
(f) Deferred tax assets (Net)	--	--
(g) Other Non-current Assets	3368.78	3318.17
Total Non-current Assets	103407.62	101839.01
2. CURRENT ASSETS		
(a) Inventories	11403.89	8033.58
(b) Biological Assets	8.59	4.32
(c) Financial Assets		
i) Trade receivables	1231.72	1323.90
ii) Cash and cash equivalents	1663.53	350.02
iii) Bank Balances Other than Cash and cash equivalents	63.18	31.64
iv) Loans	24761.32	24761.61
v) Other Financial Assets	204.89	971.35
(d) Current tax assets (Net)	458.94	409.82
(e) Other current assets	6806.88	5631.81
(f) Assets Classified as held for Sale	31236.96	37884.73
Total Current Assets	77839.90	79402.78
TOTAL ASSETS (1 and 2)	181247.52	181241.79
B. EQUITY AND LIABILITIES		
1. EQUITY		
(a) Equity Share Capital	11884.90	11884.90
(b) Other Equity	(54697.50)	(39665.03)
Total Equity	(42812.60)	(27780.13)
2. LIABILITIES		
A. NON-CURRENT LIABILITIES		
(a) Financial Liabilities		
i) Borrowings	37576.31	9390.79
ii) Other Financial Liabilities	123.79	215.18
(b) Provisions	2632.70	2737.35
(c) Other non-current liabilities	639.00	1080.00
Total Non-Current Liabilities	40971.80	13423.32
B. CURRENT LIABILITIES		
(a) Financial Liabilities		
i) Borrowings	56251.48	82348.69
ii) Lease liabilities	--	67.17
iii) Trade Payable		
a) Total outstanding dues of micro and small enterprises	632.00	478.17
b) Total outstanding dues of other than (iii) (a) above	10067.55	21497.84
iv) Other Financial Liabilities	88215.53	74912.46
(b) Other current liabilities	27435.63	15816.65
(c) Provisions	486.13	477.62
Total Current Liabilities	183088.32	195598.60
Total Liabilities	224060.12	209021.92
TOTAL EQUITY AND LIABILITIES	181247.52	181241.79

FOR SAKTHI SUGARS LIMITED



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

COIMBATORE
25.05.2022



Independent Auditor's Report on Financial Results for the Quarter and Year Ended March 31, 2022

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, 2022, 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, 2022.

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. This matter has been also qualified in our audit report for the year ended March 31, 2021.
4. Asset Reconstruction Company (India) Limited (the "ARCIL") has invoked the pledge of 6,38,59,394 Equity shares of Sakthi Auto Component Limited held by the Company during the year ended March 31, 2021. Pending valuation, disposal of shares by the ARCIL and based on the legal opinion obtained, the investment continues to be shown as part of assets classified as held for sale by the company. Since the shares have been transferred to ARCIL and related OTS agreement is expired, we are unable to determine on the extent of adjustments if any required to be made on the value of investments, loan balances, impairment, and its impact on the financial results.



5. 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

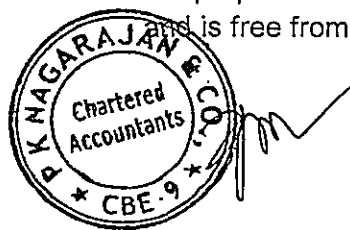
6. We draw attention to Note 8 of the financial results. The company has incurred net loss of Rs. 15032.47 lakhs during the year ended March 31, 2022, and as of that date, the Company's accumulated losses aggregate to Rs. 84835.20 lakhs resulted in complete erosion of its net worth. Further, as of that date, company's current liabilities exceeded its current assets by Rs. 105248.42 lakhs. Significant financial ratios are also negative. 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

7. Certain lenders have classified their 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

8. 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

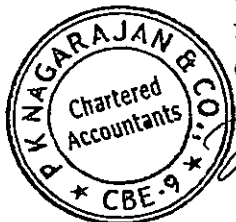


for the purpose of preparation of the financial results by the Directors of the Company, as aforesaid.

9. 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.
10. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Results

11. 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.
12. 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.
13. 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.
14. 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

15. The annual financial results include the results for the quarter ended March 31, 2022 being the balancing figure 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.

Coimbatore
May 25, 2022

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



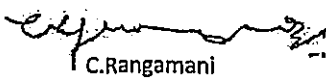



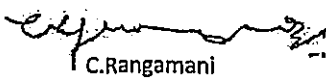



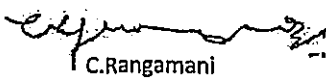



A handwritten signature in black ink, appearing to read "S P Muthusami".

S P Muthusami
Partner
Membership Number: 224171
UDIN: 22224171AJOFXN4568

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022

(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	80,533.14	80,533.14
	2	Total Expenditure (including exceptional items)	1,02,436.75	1,02,436.75
	2	Exceptional Items	(6,891.23)	(6,891.23)
	3	Net Profit/(Loss)	(15,012.38)	(15,012.38)
	4	Earnings Per Share (in Rs.)	(12.63)	(12.63)
	5	Total Assets	1,81,247.52	1,81,247.52
	6	Total Liabilities	1,81,247.52	1,81,247.52
	7	Net Worth	(43,437.84)	(43,437.84)
	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.	<i>Details of Audit Qualification</i>		
		<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.	<i>Type of Audit Qualification: Qualified Opinion/Disclaimer of Opinion/ Adverse Opinion</i>		
		Qualified opinion.		
	c.	<i>Frequency of qualification: Whether appeared first time/repetitive/since howlong continuing</i>		
		Repetitive from the financial year ended March 31, 2020.		
	d.	<i>For Audit Qualification where the impact is quantified by the Auditor, Management's views:</i>		
		Not applicable		

	<p>e. <i>For Audit Qualifications(s) where the impact is not quantified by the auditor:</i></p> <p><i>(i) Management's estimation on the impact of audit qualification:</i> The impact is unascertainable</p> <p><i>(ii) If management is unable to estimate the impact, reasons for the same</i> The Management is confident of obtaining favourable award and considers the full amount is recoverable. Hence, no provision is made.</p> <p><i>(iii) Auditors' Comments on (i) or (ii) above:</i> The Auditors Report is qualified for non-provision of expected credit loss as per Ind AS-109.</p>								
III	<table border="1"> <tr> <td data-bbox="261 545 849 741">CEO/Managing Director</td> <td data-bbox="849 545 1394 741">  M. Manickam Chairman and Managing Director </td> </tr> <tr> <td data-bbox="261 741 849 937">CFO</td> <td data-bbox="849 741 1394 937">  S. Veluswamy Chief Financial Officer </td> </tr> <tr> <td data-bbox="261 937 849 1116">Audit Committee Chairman</td> <td data-bbox="849 937 1394 1116">  C. Rangamani Chairman of the Audit Committee </td> </tr> <tr> <td data-bbox="261 1116 849 1355">Statutory Auditors</td> <td data-bbox="849 1116 1394 1355">  S P Muthusami Partner Membership Number: 224171 M/s P.K. Nagarajan & Co., </td> </tr> </table>	CEO/Managing Director	 M. Manickam Chairman and Managing Director	CFO	 S. Veluswamy Chief Financial Officer	Audit Committee Chairman	 C. Rangamani Chairman of the Audit Committee	Statutory Auditors	 S P Muthusami Partner Membership Number: 224171 M/s P.K. Nagarajan & Co.,
CEO/Managing Director	 M. Manickam Chairman and Managing Director								
CFO	 S. Veluswamy Chief Financial Officer								
Audit Committee Chairman	 C. Rangamani Chairman of the Audit Committee								
Statutory Auditors	 S P Muthusami Partner Membership Number: 224171 M/s P.K. Nagarajan & Co.,								

Place : Coimbatore

Date : 25.05.2022