



# SAMBANDAM SPINNING MILLS LIMITED UNIT-1

Registered Office : P.B. No.1, Kamaraj Nagar Colony, Salem 636 014, Tamil Nadu  
(P) +91 427 2240790 (F) +91 427 2240169 (E) corporate@sambandam.com  
website : www.sambandam.com Corporate Identity No. L17111TZ1973PLC000675

Ref: 223/ SSML/CS/ 2018-19

27<sup>TH</sup> May 2018

Bombay Stock Exchange Limited,  
Floor 25, P.J.Towers,  
Dalal Street,  
Mumbai 400 001

Dear Sir,

**Audited Standalone Financial Results of the Company for the Quarter/Year ended 31.03.2018**  
**and Audited Consolidated Financial Results of the Company and**  
**its Associate for the year ended 31.03.2018 along with Auditor's Report**

Pursuant to Regulation 33(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, we are sending herewith Audited Standalone Financial Results of the Company for the Quarter/Year ended 31.03.2018 and Audited Consolidated Financial Results of the Company and its Associate for the year ended 31.03.2018, which have been duly reviewed by the Audit Committee of our Company at the Audit Committee Meeting held on 26.05.2018 and approved by our Board at the Board Meeting held on 27.05.2018 at the mill premises of Sambandam Spinning Mills Limited, Salem, together with Auditor's Report (Unqualified Audit Report) Statutory Auditors of our Company.

We are also uploading the above said Results in our WEB Site 'www.sambandam.com' and also in BSE website <http://listing.bseindia.com>.

In addition to the above information, we provide following information today, while approving the Annual Accounts of our Company for the year ended 31.3.2018, our Board has recommended 20% dividend at Rs.2/- per equity share of Rs.10 each subject to the approval of our Bankers, for declaration of the same by our members at the 44<sup>th</sup> Annual General Meeting of our Company to be held in August 2018.

Kindly acknowledge the receipt of the above.

Thanking You,

Yours faithfully,

***For Sambandam Spinning Mills Ltd.***

  
(S. NATARAJAN)  
Company Secretary



# SAMBANDAM SPINNING MILLS LIMITED UNIT-1

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To

Bombay Stock Exchange Limited,  
Floor 25, P.J.Towers,  
Dalal Street,  
Mumbai 400 001

Dear Sir,

Sub.: Declaration pursuant to Regulation 33 (3) (d) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015

## Declaration

I, S.Devarajan, Chairman and Managing Director of Sambandam Spinning Mills Limited (CIN:L17111TZ1973PLC000675) having its Registered Office at Post Box No.1, Kamaraj Nagar Colony, Salem 636 014, Tamilnadu, India, hereby declare that, the Statutory Auditors of the Company, M/s S.Krishnan - Partner R. Sundararajan & Associates, Chartered Accountants (Firm Registration No.0082825) have issued an Audited Report with unmodified opinion on Audited Financial Results of the Company (Standalone and Consolidated) for quarter and year ended 31<sup>st</sup> March, 2018.

This Declaration is given in compliance to Regulation 33(3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended by the SEBI (Listing Obligations and Disclosure Requirements)(Amendment) Regulations,2016, vide Notification No.SEBI/LAD-NRO/GN/2016-17/001 dated 25<sup>th</sup> May, 2016.

Request you to take this on record.

Yours faithfully,

For **SAMBANDAM SPINNING MILLS LTD.**

  
(S. DEVARAJAN)  
Chairman and Managing Director

SAMBANDAM SPINNING MILLS LIMITED (CIN : L17111TZ1973PLC000678)

Regd. Office : Mill Premises, Kamaraj Nagar Colony, Salem 636 014

e-mail : corporate@sambandam.com Phone 0427 2240790 Web site : www.sambandam.com

STATEMENT OF AUDITED (STANDALONE AND CONSOLIDATED) FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2018

Rs. Lakhs

S.No.	Particulars	Three months ended			Year ended		Year ended	
		STANDALONE			STANDALONE		CONSOLIDATED	
		31/03/2018	31/12/2017	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
		Unaudited			Audited		Audited	
I	Revenue from Operations	5,674.07	4,501.69	6,908.80	19,308.04	20,910.51	19,308.04	20,910.51
II	Other Income	81.77	23.26	2.67	165.64	116.76	165.64	116.76
III	Total Income (I+II)	5,755.84	4,824.95	6,911.47	19,473.68	21,027.27	19,473.68	21,027.27
IV	<b>EXPENSES</b>							
	Cost of materials consumed	3,357.61	2,075.40	3,906.38	11,781.23	12,355.58	11,781.23	12,355.58
	Changes in inventories of finished goods and work-in-progress	(66.38)	477.47	838.50	(166.06)	(48.18)	(166.06)	(48.18)
	Employee benefits expenses	749.42	588.65	551.45	2,387.14	2,216.87	2,387.14	2,216.87
	Finance costs	255.75	196.83	255.85	918.97	1,110.93	918.97	1,110.93
	Depreciation and amortisation expense	258.31	227.01	271.61	1,014.59	1,057.33	1,014.59	1,057.33
	Other expenses	997.58	780.21	916.03	2,910.74	2,979.63	2,910.74	2,979.63
	Total Expenses	5,552.31	4,345.87	6,739.94	18,846.61	19,672.16	18,846.61	19,672.16
V	Profit/(loss) before exceptional items and tax (III-IV)	203.53	179.08	171.53	627.07	1,355.11	627.07	1,355.11
VI	Share of profit/(loss) of associates - net	-	-	-	-	-	10.39	(13.97)
VII	Profit/(loss) before exceptional items and tax (V+VI)	203.53	179.08	171.53	627.07	1,355.11	637.46	1,341.14
VIII	Exceptional Items (Refer note 7)	(283.01)	-	(450.41)	(283.01)	(450.41)	(283.01)	(380.00)
IX	Profit/(loss) before tax (VII-VIII)	(79.48)	179.08	(278.88)	344.06	904.70	354.45	961.14
X	Tax expense:							
	(1) Current tax	163.08	364.34	176.09	724.11	435.12	724.11	435.12
	(2) Deferred tax	(192.45)	(365.00)	12.00	(725.00)	38.00	(725.00)	38.00
XI	Profit/(loss) for the period from continuing operations (IX-X)	(50.11)	179.74	(466.99)	344.95	431.58	355.34	488.02
XII	Profit/(loss) for the period from discontinuing operations	-	-	-	-	-	-	-
XIII	Profit/(loss) for the period (XI + XII)	(50.11)	179.74	(466.99)	344.95	431.58	355.34	488.02
XIV	Other Comprehensive Income							
	(i) Items that will not be reclassified to profit and loss							
	Remeasurement of Defined benefits plan	(3.74)	2.13	2.13	2.64	8.52	2.64	8.52
	(ii) Income tax relating to items that will not be reclassified to profit and loss	1.04	(0.66)	(0.91)	(0.80)	(2.88)	(0.89)	(2.88)
	Total Other Comprehensive Income	(2.66)	1.47	1.22	1.78	5.64	1.75	5.64
XV	Total Comprehensive Income for the period (X+XI)	(52.77)	181.21	(465.77)	346.70	437.22	357.09	493.66
XVI	Earnings per equity share of Rs.10/- each: (not annualised)							
	Basic and Diluted	(1.18)	4.21	(10.98)	8.09	10.12	8.33	11.44
XVII	Paid Up Equity Share Capital ( Face Value Rs. 10/- each)	427.55	427.55	427.55	427.55	427.55	427.55	427.55
XVIII	Networth ( Refer note 8)				8,997.54	8,856.16	8,957.35	8,803.59

For R. Sundararajan & Associates  
Chartered Accountants  
Firm Registration No.08282S

S. Krishnan - Partner  
Membership No.026452

For SAMBANDAM SPINNING MILLS LTD.

(S. DEVARAJAN)  
Chairman and Managing Director





Notes		Rs. lakhs			
		STANDALONE		CONSOLIDATED	
I. STATEMENT OF ASSETS AND LIABILITIES		31/03/2018	31/03/2017	31/03/2018	31/03/2017
Particulars		Audited		Audited	
<b>A.</b>	<b>ASSETS</b>				
	<b>Non current assets</b>				
	Property, plant and equipment	11170.87	12041.29	11170.87	12041.29
	Intangible assets	0.04	0.26	0.04	0.26
	Financial assets				
	Investments	227.51	177.92	187.32	127.35
	Loans	550.00	500.00	550.00	500.00
	Other financial asset	261.43	267.47	261.43	267.47
	Advance tax assets(net)	7.79	10.86	7.79	10.86
	Other non-current assets	290.16	279.91	290.16	279.91
		12507.80	13277.71	12467.61	13227.14
	<b>Current assets</b>				
	Inventories	3733.05	3893.35	3733.05	3893.35
	Financial assets				
	Trade receivables	4528.00	3143.30	4528.00	3143.30
	Cash and cash equivalents	118.36	291.28	118.36	291.28
	Other Bank balances	164.71	44.43	164.71	44.43
	Other financial assets	582.00	464.07	582.00	464.07
	Other current assets	149.02	151.53	149.02	151.53
		9275.14	7987.96	9275.14	7987.96
	<b>Total assets</b>	<b>21782.94</b>	<b>21265.67</b>	<b>21742.75</b>	<b>21215.10</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>				
	<b>Equity</b>				
	Equity share capital	427.55	427.55	427.55	427.55
	Other equity	8569.99	8428.61	8529.80	8378.04
		8997.54	8856.16	8957.35	8805.59
	<b>Non-current liabilities</b>				
	Financial liabilities				
	Borrowings	1594.91	1968.80	1594.91	1968.80
	Other non current liabilities	28.29	28.28	28.29	28.28
	Provisions	235.07	241.41	235.07	241.41
	Deferred tax liabilities (Net)	1060.67	1208.39	1060.67	1208.39
	Other non current liabilities	11.35	9.53	11.35	9.53
		2930.29	3456.41	2930.29	3456.41
	<b>Current liabilities</b>				
	Financial liabilities				
	Borrowings	4763.29	4964.73	4763.29	4964.73
	Trade payables	3576.63	2476.68	3576.63	2476.68
	Provisions	23.92	2.54	23.92	2.54
	Other financial liabilities	1408.07	1385.07	1408.07	1385.07
	Other current liabilities	83.20	124.08	83.20	124.08
		9,855.11	8,953.10	9,855.11	8,953.10
	<b>Total liabilities</b>	<b>12,785.40</b>	<b>12,409.51</b>	<b>12,785.40</b>	<b>12,409.51</b>
	<b>Total equity and liabilities</b>	<b>21,782.94</b>	<b>21,265.67</b>	<b>21,742.75</b>	<b>21,215.10</b>

For R.Sundararajan & Associate  
Chartered Accountants  
Firm Registration No.08282S

S. Krishnan - Partner  
Membership No.026452

For SAMBANDAM SPINNING MILLS LTD.



(S. DEVARAJAN)  
Chairman and Managing Director

- 2 The above audited standalone and consolidated financial results were reviewed by the Audit Committee and then approved by the Board of Directors at its meeting held on May 27, 2018.
- 3 The Board has recommended a dividend of Rs 2 per equity share of Rs 10 each for the year ended March 31, 2018 at their meeting held on May 27, 2018 to be approved by shareholders at the annual general meeting.
- 4 The Company has adopted Indian Accounting Standards (Ind AS) from April 1, 2017 and accordingly above standalone financial results have been prepared in accordance with the recognition and measurement principles under Ind AS laid down prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. The Ind AS compliant financial results for the corresponding quarter and twelve months ended 31 March 2017 have been stated in terms of the Circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016.
- 5 Segment Information:  
The Company is principally engaged in a single business segment viz. yarn based on nature of products, risks, returns and the internal business reporting system, there is no other reportable segment in terms of Ind AS 108 'Operating Segments'.
- 6 Reconciliation of the financial results to those reported under the previous GAAP are summarised as follows:

Particulars	Standalone			Consolidated	
	Net profit reconciliation		Equity reconciliation	Net profit reconciliation	Equity reconciliation
	Quarter ended 31.03.2017	Year ended 31.03.2017	As at 31.03.2017	Year ended 31.03.2017	As at 31.03.2017
<b>Net profit/(loss) / total equity as under previous GAAP</b>	34.92	814.29	8,330.83	870.73	8,280.25
Effect of adjustment of embezzlement of funds	(380.00)	(380.00)	(776.25)	(380.00)	(776.25)
<b>Restated profit/(loss)/ total equity under previous GAAP</b>	(345.08)	434.29	7,554.57	490.73	7,504.00
<b>Adjustments:</b>					
Adjustment for proposed dividend (including tax thereon)	-	-	205.31	-	205.31
Impact on fair valuation of investments	(0.67)	0.79	10.81	0.79	(0.81)
Recognition of EPCO liability	-	(9.53)	(9.53)	(9.53)	(9.53)
Reclassification of actuarial (gains) / losses arising in respect of employee benefit schemes	(2.13)	(8.52)	-	(8.52)	-
Tax Adjustments	(131.03)	2.88	1,083.64	2.88	1,083.64
Others	11.67	11.67	11.35	11.67	11.35
<b>Net profit/(loss) under Ind AS</b>	(467.24)	431.50	-	486.02	-
Other Comprehensive Income (net of tax)	1.47	5.64	-	5.64	-
<b>Total Comprehensive Income under Ind AS</b>	(465.77)	437.22	8,836.16	493.66	8,805.89

a. Under previous GAAP, non current equity investments were measured at historical cost. Under Ind AS all equity securities other than in subsidiaries, joint ventures and associates are to be measured at fair value at the reporting date and changes in fair value is to be recognised in Statement of Profit and Loss.

b. Under previous GAAP, actuarial gains/losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains/losses forms part of the remeasurement of the net defined benefit liability/asset which is recognised in other comprehensive income. Additionally, the tax effect of the same has also been recognised in other comprehensive income as required by Ind AS.

7 Exceptional items consists of:

Particulars	Rs. lakhs							
	Three months ended			Year ended		Year ended		
	STANDALONE			STANDALONE		CONSOLIDATED		
	31/03/2018	31/12/2017	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	
Provision for embezzlement of funds	(283.01)	-	(380.00)	(283.01)	(380.00)	(283.01)	380.00	
Diminution in value of investments	-	-	(70.41)	-	(70.41)	-	-	

8 The Company has adopted the formulae for computing items mentioned in Sl.no. XVIII is given below

Ratio	Formula
Networth	Equity Share capital + Other Equity

10 During the current financial year, and has already reported in the earlier quarter, the Company's management has identified embezzlement of funds aggregating Rs 1344 lakhs by an employee of the Company, whose services have since been terminated. The said amount has been subsequently confirmed by an independent investigation agency. The company has initiated criminal proceedings against the employee including filing of FIR. Pending the recovery procedures, Ind AS financial statement have been adjusted to give effect to the above embezzlement. Out of Rs 1344 lakhs, Rs 35 lakh has been recovered, a sum of Rs 250 lakhs has been considered recoverable and the balance of Rs 1309.26 lakhs has been accounted in the following manner: Rs 396.25 lakhs has been debited to equity as on the transition date of April 1, 2016. Rs.380 lakhs and Rs. 283.01 lakhs have been reflected as 'Provision for embezzlement of funds under exceptional items in the Statement of Profit and Loss for financial years ended March 31, 2017 and March 31, 2018 respectively.

11 The figures for the quarters ended March 31, 2018 and March 31, 2017 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the respective financial year

12 The figures for the previous period have been reclassified/ regrouped wherever necessary.

For Sambandam Spinning Mills Limited

S. Devarajan

Chairman and Managing Director

Salem  
May 27, 2018

For R.Sundararajan & Associates  
Chartered Accountants  
Firm Registration No.08282S

S. Kishan - Partner  
Membership No. 026452

For Sambandam Spinning Mills Ltd.

(S. DEVARAJAN)

Chairman and Managing Director







# R. SUNDARARAJAN & ASSOCIATES

## CHARTERED ACCOUNTANTS


**INDEPENDENT AUDITOR'S REPORT  
TO THE BOARD OF DIRECTORS OF  
SAMBANDAM SPINNING MILLS LIMITED**

1. We have audited the accompanying Statement containing the audited Standalone Financial Results ("Results") of SAMBANDAM SPINNING MILLS LIMITED ("the Company") for the year ended March 31, 2018 together with the notes thereon ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016, which have been initialled by us for identification purpose only.
2. The Statement is the responsibility of the Company's Management and approved by the Board of Directors. We draw attention to Note 11 of the Statement with regard to the results for the quarter ended March 31, 2018 and 2017 being the balancing figure between the audited standalone figures in respect of the full financial year and the published year to date figures up to the third quarter of the respective financial years. The figure up to the end of the third quarter was subject to limited review and not subjected to audit. These standalone financial results are based on the standalone financial statements for the year ended 31 March 2018 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and the published standalone year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016.
3. Our responsibility is to express an opinion on these standalone financial results based on our audit of the standalone financial statements for the year ended 31 March 2018 and our review of standalone financial results for the nine months period ended 31 December 2017.
4. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the results are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Result in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the results.



6. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a reasonable basis for our audit opinion.
7. In our opinion and to the best of our information and according to the explanations given to us:
- (i) The Statement is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016; and
  - (ii) The Annual audited Standalone financial results for the year ended March 31, 2018 as set out in the Statement give a true and fair view of the total comprehensive income (comprising profit/loss and other comprehensive income) and other financial information of the Company for the year ended March 31, 2018 with the accounting principles generally accepted in India.
8. We draw attention to Note 10 of the Statement regarding the Company's identification of instances of embezzlement of its funds by an employee of the Company. The said amount has been subsequently confirmed by an independent investigation agency. The company has initiated criminal proceedings against the employee including filing of FIR. Pending the recovery procedures, the Statement have been adjusted to give effect to the above embezzlement. Out of Rs 1344 lakhs, Rs 35 lakh has been recovered, a sum of Rs 250 lakhs has been considered recoverable and the balance of Rs 1309.26 lakhs has been accounted in the following manner: Rs 396.25 lakhs has been debited to equity as on the transition date of April 1, 2016. Rs.380 lakhs and Rs. 283.01 lakhs have been reflected as 'Provision for embezzlement of funds under exceptional items in the Statement of Profit and Loss for financial years ended March 31, 2017 and March 31, 2018 respectively. Our opinion is not qualified in this matter.
9. The Statement dealt with by this report has been prepared for the express purpose of filing with the BSE Limited. This Statement is based on and should be read with the audited standalone financial statements of the Company for the year ended March 31, 2018 on which we have issued an unmodified opinion vide our report dated May 27, 2018.

R Sundararajan Associates  
Chartered Accountants  
Firm Registration No:008282S

  
S. Krishnan  
Partner  
Membership No 26452  
May 27, 2018  
Salem







# R. SUNDARARAJAN & ASSOCIATES

## CHARTERED ACCOUNTANTS

### INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF SAMBANDAM SPINNING MILLS LIMITED

1. We have audited the accompanying Statement containing the audited Consolidated Financial Results ("Results") of **SAMBANDAM SPINNING MILLS LIMITED** ("Company with substantial interest/ the Company") and its associates for the year ended March 31, 2018 together with the notes thereon ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016, which have been initialled by us for identification purpose only.
2. The Statement is the responsibility of the Company's Management and approved by the Board of Directors. These Consolidated Financial Results are based on the Consolidated Financial Statements for the year ended 31 March 2018 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016.
3. Our responsibility is to express an opinion on these consolidated financial results for the year ended 31 March 2018. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the results are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Result in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the results.
5. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a reasonable basis for our audit opinion.



HO: H No.2, Royal Gokulam, S-2 Ayyappan Street, East Tambaram, Chennai - 600059. PH : 044 22392529

BO: No.1, Club House Road, 'B' Wing of 3rd Floor, Subramanian Building, Chennai - 600002. PH : 044 28461099 Mob: 9790265226

Email: krish\_ca@hotmail.com



6. In our opinion and to the best of our information and according to the explanations given to us:

(i) The Statement includes the share of profits of the following Associate entities:  
(a) SPMM Healthcare Private Limited  
(b) Salem IVF Centre Private Limited

(ii) The Statement is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016; and

(iii) The Annual audited Consolidated financial results for the year ended March 31, 2018 as set out in the Statement give a true and fair view of the total comprehensive income (comprising profit/loss and other comprehensive income) and other financial information of the Company for the year ended March 31, 2018 with the accounting principles generally accepted in India.

7. We draw attention to Note 10 of the Statement regarding the Company's identification of instances of embezzlement of its funds by an employee of the Company. The said amount has been subsequently confirmed by an independent investigation agency. The company has initiated criminal proceedings against the employee including filing of FIR. Pending the recovery procedures, the Statement have been adjusted to give effect to the above embezzlement. Out of Rs 1344 lakhs, Rs 35 lakh has been recovered, a sum of Rs 250 lakhs has been considered recoverable and the balance of Rs 1309.26 lakhs has been accounted in the following manner: Rs 396.25 lakhs has been debited to equity as on the transition date of April 1, 2016. Rs.380 lakhs and Rs. 283.01 lakhs have been reflected as 'Provision for embezzlement of funds under exceptional items in the Statement of Profit and Loss for financial years ended March 31, 2017 and March 31, 2018 respectively. Our opinion is not qualified in this matter.


8. We did not audit the financial statements of two associates whose financial statements reflect the Group's share of net profit of Rs10.39 lakhs as considered in the Results. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Results, in so far as it relates to the amounts and disclosures included in respect of these associates is based solely on the reports of the other auditors.

Our opinion on the Results is not modified in respect of the above matters with regard to our reliance on the work done and the reports of the other auditors and financial statements certified by the Management.



The Statement dealt with by this report has been prepared for the express purpose of filing with the BSE Limited. This Statement is based on and should be read with the audited consolidated financial statements of the Company for the year ended March 31, 2018 on which we have issued an unmodified opinion vide our report dated May 27, 2018.

**R Sundararajan Associates**  
**Chartered Accountants**  
**Firm Registration No:0082825**

  
**S. Krishnan**  
**Partner**  
**Membership No 26452**  
**May 27, 2018**  
**Salem**

