



# Sakthi Sugars Limited

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

SL\SE\1521\2021

13.11.2021

Dear Sirs,

Sub : Unaudited Statement of Financial Results (Standalone) for the quarter ended 30<sup>th</sup> September 2021.

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We wish to inform that the Board of Directors of the Company at its meeting held today has approved the Unaudited Statement of Financial Results of the Company for the quarter ended 30<sup>th</sup> September 2021.

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

1. Unaudited Statement of Financial Results of the Company (Standalone) for the quarter ended 30<sup>th</sup> September 2021 together with Segment Results, Statement of Assets and Liabilities and Statement of Cash Flows as at that date.
2. A copy of the Limited Review Report of the Statutory Auditors, M/s. P.K.Nagarajan & Co., Coimbatore.

The Board Meeting commenced at 11.45 AM and concluded at 12.30 PM.

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, 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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED 30th SEPTEMBER 2021

(Rs. In Lakhs)

Sl.No	Particulars	Quarter Ended		Period Ended		Year Ended
		30.09.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Total Income from Operations	14480.80	13013.82	32577.53	28841.47	63338.33
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(6056.70)	(5975.58)	(10468.02)	(10687.70)	(21537.93)
3	Net Profit / (Loss) for the period before Tax (after Exceptional and/or Extraordinary items)	(6056.70)	(5975.58)	(10468.02)	(10687.70)	(10351.16)
4	Net Profit / (Loss) for the period after Tax (after Exceptional and/or Extraordinary items)	(6073.17)	(5982.75)	(10460.92)	(10694.96)	(11626.50)
5	Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(6120.98)	(5998.56)	(10440.33)	(10710.98)	(11720.92)
6	Equity Share Capital	11884.90	11884.90	11884.90	11884.90	11884.90
7	Earnings per Share (of Rs.10/- each) (for continuing operations)					
	- Basic	(5.11)	(5.03)	(8.80)	(9.00)	(9.78)
	- Diluted	(5.11)	(5.03)	(8.80)	(9.00)	(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 : 13.11.2021



**SAKTHI SUGARS LIMITED**  
CIN : L15421TZ1961PLC000396

Regd Office: Sakthinagar PO - 638315, Erode District, Tamilnadu  
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**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED 30.09.2021**

(Rs. in Lakhs)

Particulars	Quarter Ended			Period Ended		Year Ended
	30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)
<b>1. Income</b>						
Revenue from operations	14480.80	18096.73	13013.82	32577.53	28841.47	63338.33
Other Income	190.21	335.67	137.91	525.88	238.44	997.51
<b>Total Income</b>	<b>14671.01</b>	<b>18432.40</b>	<b>13151.73</b>	<b>33103.41</b>	<b>29079.91</b>	<b>64335.84</b>
<b>2. Expenses</b>						
Cost of material consumed	9241.16	12783.86	8224.88	22025.02	19708.15	44418.96
Purchase of stock in trade	15.92	16.73	28.19	32.65	53.09	77.39
Changes in inventories of finished goods, work-in-progress and stock in trade	610.17	(1000.54)	1016.58	(390.37)	456.06	306.88
Employee benefits expenses	1297.21	1392.68	1280.14	2689.89	2652.44	5807.53
Finance costs	5591.38	5323.42	4935.63	10914.80	9479.10	19639.65
Depreciation and amortization expense	972.70	960.70	977.97	1933.40	1945.11	3885.39
Other expenses	2999.17	3366.87	2663.92	6366.04	5473.66	11737.97
<b>Total Expenses</b>	<b>20727.71</b>	<b>22843.72</b>	<b>19127.31</b>	<b>43571.43</b>	<b>39767.61</b>	<b>85873.77</b>
<b>3. Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>(6056.70)</b>	<b>(4411.32)</b>	<b>(5975.58)</b>	<b>(10468.02)</b>	<b>(10687.70)</b>	<b>(21537.93)</b>
<b>4. Exceptional Items</b>	--	--	--	--	--	(11186.77)
<b>5. Profit/(Loss) before extraordinary items and tax (3-4)</b>	<b>(6056.70)</b>	<b>(4411.32)</b>	<b>(5975.58)</b>	<b>(10468.02)</b>	<b>(10687.70)</b>	<b>(10351.16)</b>
<b>6. Extraordinary Items</b>	--	--	--	--	--	--
<b>7. Profit/Loss before tax (5-6)</b>	<b>(6056.70)</b>	<b>(4411.32)</b>	<b>(5975.58)</b>	<b>(10468.02)</b>	<b>(10687.70)</b>	<b>(10351.16)</b>
<b>8. Tax expenses</b>						
Current Tax	--	--	--	--	--	--
Deferred tax	16.47	(23.57)	7.17	(7.10)	7.26	1275.34
	<b>16.47</b>	<b>(23.57)</b>	<b>7.17</b>	<b>(7.10)</b>	<b>7.26</b>	<b>1275.34</b>
<b>9. Profit/(Loss) for the period from continuing operations (7-8)</b>	<b>(6073.17)</b>	<b>(4387.75)</b>	<b>(5982.75)</b>	<b>(10460.92)</b>	<b>(10694.96)</b>	<b>(11626.50)</b>
<b>10. Other Comprehensive Income (net of tax)</b>						
i) Items that will not be reclassified to Statement of Profit and Loss	(64.28)	91.97	(22.98)	27.69	(23.28)	(120.46)
ii) Income tax expenses on the above	16.47	(23.57)	7.17	(7.10)	7.26	26.04
<b>11. Total Comprehensive Income</b>	<b>(6120.98)</b>	<b>(4319.35)</b>	<b>(5998.56)</b>	<b>(10440.33)</b>	<b>(10710.98)</b>	<b>(11720.92)</b>
<b>12. Paid-up equity share capital (Face Value of the Shares - Rs. 10 each)</b>	<b>11884.90</b>	<b>11884.90</b>	<b>11884.90</b>	<b>11884.90</b>	<b>11884.90</b>	<b>11884.90</b>
<b>13. Other Equity</b>						(39665.03)
<b>14. Earnings per equity share of Rs.10/- each: (not annualised for quarterly and half yearly figures)</b>						
1. Basic	(5.11)	(3.69)	(5.03)	(8.80)	(9.00)	(9.78)
2. Diluted	(5.11)	(3.69)	(5.03)	(8.80)	(9.00)	(9.78)



**SEGMENT WISE UNAUDITED FINANCIAL RESULTS  
FOR THE PERIOD ENDED 30.09.2021**

(Rs. in Lakhs)

Particulars	Quarter Ended			Period Ended		Year Ended
	30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)
<b>1. Segment Revenue:- (Sales/Income from Operations)</b>						
a) Sugar	6229.23	11709.87	6735.07	17939.10	16843.43	38490.49
b) Industrial Alcohol	2783.01	1951.14	2410.01	4734.15	4647.43	9515.47
c) Soya Products	6256.34	5745.55	4669.17	12001.89	9248.65	19070.79
d) Power	1718.41	2647.12	1548.83	4365.53	3574.86	6607.84
	16986.99	22053.68	15363.08	39040.67	34314.37	73684.59
Less: Intersegment Revenue	2506.19	3956.95	2349.26	6463.14	5472.90	10346.26
<b>Sales/Income from Operations</b>	<b>14480.80</b>	<b>18096.73</b>	<b>13013.82</b>	<b>32577.53</b>	<b>28841.47</b>	<b>63338.33</b>
<b>2. Segment Results:- (Profit+)/Loss(-) before tax and Finance Cost)</b>						
a) Sugar	(1780.53)	(563.73)	(1564.98)	(2344.26)	(2957.97)	(5392.22)
b) Industrial Alcohol	724.10	642.91	478.84	1367.01	1522.37	3180.19
c) Soya Products	908.03	1011.20	461.05	1919.23	851.26	1350.60
d) Power	(298.07)	(167.43)	(392.50)	(465.50)	(594.33)	(985.32)
	(446.47)	922.95	(1017.59)	476.48	(1178.67)	(1846.75)
Less: i) Finance Cost	5591.38	5323.42	4935.63	10914.80	9479.10	19639.65
ii) Other un-allocable expenditure	19.13	10.85	22.41	29.98	30.06	57.43
iii) Un-allocable income	(0.28)	--	(0.05)	(0.28)	(0.13)	(11192.67)
<b>Total Profit/Loss before tax</b>	<b>(6056.70)</b>	<b>(4411.32)</b>	<b>(5975.58)</b>	<b>(10468.02)</b>	<b>(10687.70)</b>	<b>(10351.16)</b>
<b>3. Segment Assets:-</b>						
a) Sugar	122101.93	123005.45	121872.55	122101.93	121872.55	122362.14
b) Industrial Alcohol	10710.93	11514.04	10631.75	10710.93	10631.75	11255.87
c) Soya Products	13616.30	13737.38	12712.29	13616.30	12712.29	14003.96
d) Power	28897.73	29337.87	29827.53	28897.73	29827.53	29581.78
e) Unallocated	4352.26	4296.13	5061.57	4352.26	5061.57	4038.04
	179679.15	181890.87	180105.69	179679.15	180105.69	181241.79
<b>4. Segment Liabilities:-</b>						
a) Sugar	55994.29	54622.18	64710.13	55994.29	64710.13	59591.66
b) Industrial Alcohol	1705.76	1709.33	2108.01	1705.76	2108.01	1749.11
c) Soya Products	3057.44	3411.91	2568.92	3057.44	2568.92	4510.85
d) Power	11744.09	11857.83	11744.98	11744.09	11744.98	11805.44
e) Unallocated	145398.03	142389.10	125743.84	145398.03	125743.84	131364.86
	217899.61	213990.35	206875.88	217899.61	206875.88	209021.92

**Note:-**

- The above statement of unaudited financial results for the quarter and six months ended September 30, 2021 along with notes including the unaudited statement of assets and liabilities and unaudited statement of cash flow, were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 13, 2021. The statutory auditors have carried out a limited review on the above financial results.
- 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 not provided depreciation on the assets forming part of disposal group classified as held for sale in accordance with Ind AS 105. Had the company charged depreciation on those assets, the depreciation for the quarter and period ended September 30, 2021 would have been higher by Rs.206.14 lakhs and Rs.410.05 lakhs respectively.



4. The Auditors have qualified their report for the quarter and period ended September 30, 2021 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 financial results.

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.

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 and hence ECL is not provided.

5. 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.10440.33 lakhs during the period ended September 30, 2021 and as of that date the Company's accumulated losses amount to Rs.80243.06 lakhs resulted in complete erosion of its networth. Further as of that date, Company's current liabilities exceeded its current assets by Rs.115403.62 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.42589.82 lakhs and interest amounting of Rs.72677.54 lakhs since February 2012.

(c) 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 and group of core assets 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 measures taken by the company for one-time settlement of dues are expected to be positively considered by the lenders and steps are being taken to settle their dues. In light of the above, the financial statement has been prepared on going concern basis.

6. The Company had pledged 6,38,59,394 Equity shares held in Sakthi Auto Component Limited (the "SACL") in favour of Asset Reconstruction Company (India) Limited [the "ARCIL"] in terms of Share Pledge Agreement entered into with the ARCIL on March 3, 2020 as security for the credit facilities availed by the Company from ARCIL and various other banks. 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.

7. Exceptional items represent remission of liability accounted as per OTS agreements.

8. 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.

9. 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  
13.11.2021



## STATEMENT OF ASSETS AND LIABILITIES

(Rs. in lakhs)

Particulars	(Rs. in lakhs)	
	As at 30.09.2021 (Unaudited)	As at 31.03.2021 (Audited)
<b>A. ASSETS</b>		
<b>1. NON-CURRENT ASSETS</b>		
(a) Property, Plant and Equipment	93854.33	95641.51
(b) Capital work-in-progress	--	60.79
(c) Right-of-use Assets	28.12	56.24
(d) Financial Assets		
i) Investments	2318.55	1962.64
ii) Loans	78.27	69.90
iii) Other financial assets	811.17	729.76
(f) Other Non-current Assets	3334.88	3318.17
<b>Total Non-current Assets</b>	<b>100425.32</b>	<b>101839.01</b>
<b>2. CURRENT ASSETS</b>		
(a) Inventories	5498.45	8033.58
(b) Biological Assets	6.39	4.32
(c) Financial Assets		
i) Trade receivables	1325.12	1323.90
ii) Cash and cash equivalents	1800.88	350.02
iv) Bank Balances Other than Cash and cash equivalents	27.16	31.64
v) Loans	24793.98	24797.61
vi) Other Financial Assets	965.51	935.35
(d) Current tax assets (Net)	412.29	409.82
(e) Other current assets	6539.32	5631.81
(f) Assets Classified as held for Sale	37884.73	37884.73
<b>Total Current Assets</b>	<b>79253.83</b>	<b>79402.78</b>
<b>TOTAL ASSETS (1 and 2)</b>	<b>179679.15</b>	<b>181241.79</b>
<b>B. EQUITY AND LIABILITIES</b>		
<b>1. EQUITY</b>		
(a) Equity Share Capital	11884.90	11884.90
(b) Other Equity	(50105.36)	(39665.03)
<b>Total Equity</b>	<b>(38220.46)</b>	<b>(27780.13)</b>
<b>2. LIABILITIES</b>		
<b>A. NON-CURRENT LIABILITIES</b>		
(a) Financial Liabilities		
i) Borrowings	12150.27	9390.79
ii) Other Financial Liabilities	221.97	215.18
(b) Provisions	2811.43	2737.35
(c) Other non-current liabilities	8058.49	6923.13
<b>Total Non-Current Liabilities</b>	<b>23242.16</b>	<b>19266.45</b>
<b>B. CURRENT LIABILITIES</b>		
(a) Financial Liabilities		
i) Borrowings	78442.36	82348.69
ii) Lease liabilities	33.59	67.17
iii) Trade Payable		
a) Total outstanding dues of micro and small enterprises	466.96	478.17
b) Total outstanding dues of other than (iii) (a) above	18085.92	21497.84
iv) Other Financial Liabilities	84206.60	75136.02
(b) Other current liabilities	13135.59	9749.96
(c) Provisions	286.43	477.62
<b>Total Current Liabilities</b>	<b>194657.45</b>	<b>189755.47</b>
<b>Total Liabilities</b>	<b>217899.61</b>	<b>209021.92</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>179679.15</b>	<b>181241.79</b>

FOR SAKTHI SUGARS LIMITED



(M. MANICKAM)

CHAIRMAN AND MANAGING DIRECTOR

DIN : 00102233

COIMBATORE  
13.11.2021



(Rs. in Lakhs)

Particulars	Half Year Ended 30.09.2021 (Unaudited)	Half Year Ended 30.09.2020 (Unaudited)	Year Ended 31.03.2021 (Audited)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Finance Costs Paid	(822.00)	(1,252.77)	(2,585.08)
Principal Payment of Lease Liabilities	(33.58)	(27.86)	(55.72)
Interest Paid on Lease Liabilities	(4.70)	(8.60)	(17.21)
Long Term Borrowings (Net)	(1,922.35)	(1,308.83)	(986.52)
Short Term Borrowings (Net)	100.00	600.00	--
Loans from Body corporate (Net)	(192.77)	(14.08)	(20.99)
<b>Net Cash from / (used in) Financing Activities (C)</b>	<b>(2,875.40)</b>	<b>(2,012.14)</b>	<b>(3,665.52)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>1,446.38</b>	<b>188.27</b>	<b>(512.31)</b>
Cash and cash equivalents at the beginning of the year	381.66	893.97	893.97
Cash and cash equivalents at the end of the year	1,828.04	1,082.24	381.66
Cash and cash equivalents at the end of the year comprises of			
(a) Cash on hand	22.79	16.72	18.50
(b) Balances with banks:			
i) In Current Accounts	1,002.22	523.43	299.92
ii) Margin Money with banks / Security against borrowings	803.03	542.09	63.24
Cash and cash equivalents as at the end of the year	1,828.04	1,082.24	381.66

FOR SAKTHI SUGARS LIMITED



(M. MANICKAM)

CHAIRMAN AND MANAGING DIRECTOR

DIN : 00102233

COIMBATORE

13.11.2021



**Independent Auditor's Limited Review Report on unaudited financial results for the quarter and six months ended on September 30, 2021**

To  
The Board of Directors of  
Sakthi Sugars Limited

**Report on the Statement of Unaudited Financial Results**

1. We have reviewed the accompanying statement of unaudited financial results of Sakthi Sugars Limited (the "Company") for the quarter and six months ended on September 30, 2021 (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

**Management Responsibility for the Unaudited Financial Results**

2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Statement based on our review.

**Auditor's Responsibility**

3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Basis for Qualified Conclusion**

4. 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.

**Qualified Conclusion**

5. Based on our review, with the exception of the matter described in Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the Statement prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards and other accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



### Material Uncertainty Related to Going Concern

6. We draw attention to Note 5 of the Statement. The company has incurred net loss of Rs.10440.33 lakhs during the period ended September 30, 2021 and as of that date, the Company's accumulated losses aggregate to Rs. 80243.06 lakhs resulted in complete erosion of net worth. Further, as of that date, company's current liabilities exceeded its current assets by Rs. 115403.62 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 conclusion is not modified in respect of this matter.

### Emphasis of Matters

7. We draw attention to Note 6 of the Statement. 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 held by the Company. 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. Our conclusion on the Statement is not modified in respect of this matter.

8. 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 conclusion on the Statement is not modified in respect of this matter.

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



S P Muthusami  
Partner

Membership Number: 224171  
UDIN: 21224171AAAACK8105

Coimbatore  
November 13, 2021

