



Sakthi Sugars Limited

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SL/SE/3383/2022

14.11.2022

Dear Sirs,

Sub: Unaudited Financial Results (Standalone) for the quarter ended 30.9.2022.

We wish to inform that the Board of Directors of the Company at its meeting held today (14.11.2022) has approved the Unaudited Statement of Financial Results of the Company for the quarter ended 30th September 2022.

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

1. Unaudited Statement of Financial Results of the Company (Standalone) for the quarter ended 30th September 2022 together with Segment Results, Statement of Assets and Liabilities as at that date and Statement of Cash Flows for the half year ended on that date.
2. A copy of the Limited Review Report of the Statutory Auditors, M/s. P.N.Raghavendra Rao & Co., Coimbatore.

The Board Meeting commenced at 11.30 AM and concluded at 1.00 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

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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED 30.09.2022

(Rs. in Lakhs)

Particulars	Quarter Ended			Period Ended		Year Ended
	30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
1. Income						
Revenue from operations	24198.94	30230.37	7346.96	54429.31	19139.23	43167.40
Other Income	162.97	78.03	184.06	241.00	482.07	1589.28
Total Income	24361.91	30308.40	7531.02	54670.31	19621.30	44756.68
2. Expenses						
Cost of material consumed	14331.78	19363.55	4363.48	33695.33	12479.19	26528.45
Purchase of stock in trade	9.40	67.10	9.40	76.50	25.94	73.98
Changes in inventories of finished goods, work-in-progress and stock in trade	1407.05	(393.41)	514.67	1013.64	18.14	(1114.87)
Employee benefits expenses	958.79	1120.29	827.04	2079.08	1790.41	3905.09
Finance costs	2794.27	2548.35	5346.14	5342.62	10435.93	23316.76
Depreciation and amortization expense	925.87	915.31	741.32	1841.18	1473.24	4580.98
Other expenses	5985.69	6723.10	2165.55	12708.79	4821.71	12294.32
Total Expenses	26412.85	30344.29	13967.60	56757.14	31044.56	69584.71
3. Profit/(Loss) before exceptional items and tax (1-2)	(2050.94)	(35.89)	(6436.58)	(2086.83)	(11423.26)	(24828.03)
4. Exceptional Items	(3078.34)	(17495.59)	-	(20573.93)	-	(6891.23)
5. Profit/(Loss) before extraordinary items and tax (3-4)	1027.40	17459.70	(6436.58)	18487.10	(11423.26)	(17936.80)
6. Extraordinary Items	-	-	-	-	-	-
7. Profit/Loss before tax (5-6)	1027.40	17459.70	(6436.58)	18487.10	(11423.26)	(17936.80)
8. Tax expenses						
Current Tax	-	-	-	-	-	-
Deferred tax	(30.45)	25.50	18.52	(4.95)	(7.10)	42.63
	(30.45)	25.50	18.52	(4.95)	(7.10)	42.63
9. Profit/(Loss) for the period from continuing operations (7-8)	1057.85	17434.20	(6455.10)	18492.05	(11416.16)	(17979.43)
10. Profit/(Loss) before tax from Discontinued Operations	(571.56)	(92.74)	379.90	(664.30)	955.27	2924.41
Tax Expense/(Credit) on Discontinued Operations	7.20	0.95	2.05	8.15	-	38.52
Profit/(Loss) for the Period from Discontinued Operations	(564.36)	(91.79)	381.95	(656.15)	955.27	2962.93
11. Profit for the Period (9+10)	493.49	17342.41	(6073.15)	17835.90	(10460.89)	(15016.50)
12. Other Comprehensive Income - Continuing Operations						
i) Items that will not be reclassified to Statement of Profit and Loss	120.99	(101.32)	(72.26)	19.67	27.69	(173.15)
ii) Income tax expenses on the above	(30.45)	25.50	18.52	(4.95)	(7.10)	42.63
	90.54	(75.82)	(53.74)	14.72	20.59	(130.52)
13. Other Comprehensive Income - Discontinued Operations						
i) Items that will not be reclassified to Statement of Profit and Loss	28.59	3.79	7.98	32.38	-	153.06
ii) Income tax expenses on the above	(7.20)	(0.95)	(2.05)	(8.15)	-	(38.52)
	21.39	2.84	5.93	24.23	-	114.54
Total Other Comprehensive Income for the year	111.93	(72.98)	(47.81)	38.95	20.59	(15.98)
14. Total Comprehensive Income	605.42	17269.43	(6120.96)	17874.85	(10440.30)	(15032.48)
15. Paid-up equity share capital (Face Value of the Shares - Rs.)	11884.90	11884.90	11884.90	11884.90	11884.90	11884.90
16. Other Equity						(54697.51)
17. Earnings per equity share (of Rs. 10 each) (in Rs.) (not annualised for quarterly figures)						
i) For Continuing Operations						
a. Basic	0.89	14.67	(5.43)	15.56	(9.61)	(15.13)
b. Diluted	0.89	14.67	(5.43)	15.56	(9.61)	(15.13)
ii) For Discontinued Operations						
a. Basic	(0.47)	(0.08)	0.32	(0.55)	0.80	2.49
b. Diluted	(0.47)	(0.08)	0.32	(0.55)	0.80	2.49
iii) For Continuing and Discontinued Operations						
a. Basic	0.42	14.59	(5.11)	15.01	(8.80)	(12.63)
b. Diluted	0.42	14.59	(5.11)	15.01	(8.80)	(12.63)



SEGMENT WISE UNAUDITED FINANCIAL RESULTS
FOR THE PERIOD ENDED 30.09.2022

(Rs. in Lakhs)

Particulars	Quarter Ended			Period Ended		Year Ended
	30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
1. Segment Revenue:- (Sales/Income from Operations)						
a) Sugar	24622.72	31941.31	6166.15	56564.03	17690.43	40380.28
b) Industrial Alcohol	3317.41	3991.16	1916.34	7308.56	3361.65	7430.62
c) Power	7698.49	10617.93	1718.41	18316.43	4365.53	11262.84
	35638.62	46550.40	9800.90	82189.02	25417.61	59073.74
Less: Intersegment Revenue	11439.68	16320.03	2453.94	27759.71	6278.38	15906.34
Total Segment Revenue	24198.94	30230.37	7346.96	54429.31	19139.23	43167.40
Discontinued Operation	6764.13	9206.18	7133.84	15970.31	13438.30	35634.97
Sales/Income from Operations	30963.07	39436.55	14480.80	70399.62	32577.53	78802.37
2. Segment Results:- (Profit+)/Loss(-) before tax and Finance Cost)						
a) Sugar	(111.48)	1824.00	(1245.51)	1712.53	(1422.80)	(1654.31)
b) Industrial Alcohol	239.28	246.09	471.99	485.37	930.67	1204.25
c) Power	525.02	455.33	(298.07)	980.35	(465.50)	(1013.97)
	652.82	2525.42	(1071.59)	3178.25	(957.63)	(1464.03)
Less: i) Finance Cost	2794.27	2548.35	5346.14	5342.62	10435.93	23316.76
ii) Other un-allocable expenditure	12.06	13.05	19.13	25.12	29.98	55.63
iii) Un-allocable income	(3180.91)	(17495.68)	(0.28)	(20676.59)	(0.28)	(6899.62)
Profit before tax from Continuing Operations	1027.40	17459.70	(6436.58)	18487.10	(11423.26)	(17936.80)
Profit/ (Loss) before tax from Discontinuing Operations	(571.56)	(92.74)	379.90	(664.30)	955.27	2924.41
Total Profit/Loss before tax	455.84	17366.96	(6056.68)	17822.80	(10467.99)	(15012.39)
3. Segment Assets:-						
a) Sugar	84526.23	86428.31	79133.43	84526.23	79133.43	86529.95
b) Industrial Alcohol	8691.83	8289.54	8823.03	8691.83	8823.03	7999.87
c) Power	25367.35	25546.26	25676.58	25367.35	25676.58	25665.84
d) Un-allocable Assets	3838.71	3596.63	4342.64	3838.71	4342.64	3679.85
e) Assets Classified as held for Sale	54431.64	55802.33	61703.53	54431.64	61703.53	57372.01
	176855.76	179663.07	179679.21	176855.76	179679.21	181247.52
4. Segment Liabilities:-						
a) Sugar	34420.57	37809.68	48324.26	34420.57	48324.26	38365.43
b) Industrial Alcohol	1829.33	2008.51	1647.59	1829.33	1647.59	1935.74
c) Power	12533.46	12625.82	11744.09	12533.46	11744.09	12527.70
d) Un-allocable Liabilities	150468.68	149277.81	145398.03	150468.68	145398.03	162999.63
e) Liabilities Classified as held for Sale	2541.48	3484.41	10785.67	2541.48	10785.67	8231.62
	201793.52	205206.23	217899.64	201793.52	217899.64	224060.12

Notes to the Financial Results:

- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 14, 2022.
- 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.
- During the period under review, the Company has approved the sale of Sugar and Distillery units at Dhenkanal and Soya unit at Pollachi, at competitive prices, for the purpose of raising funds to reduce the liabilities.

The company has sold its Sugar and Distillery units at Dhenkanal to Indian Potash Limited for a consideration of Rs. 13410.00 lakhs on November 11, 2022, on slump sale basis.



Results of these units for all the periods presented have been disclosed as results from Discontinued Operations.

The details relating to the discontinued operations are furnished below

(Rs. In Lakhs)

Particulars	Quarter Ended			Period Ended		Year Ended
	30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
Total Income	6,774.90	9,268.20	7,139.97	16,043.10	13,482.10	35,776.48
Total Expenses	7,346.46	9,360.94	6,760.07	16,707.40	12,526.83	32,852.07
Profit/(Loss) Before Tax	(571.56)	(92.74)	379.90	(664.30)	955.27	2,924.41
Tax Expenses	--	0.95	--	8.15	--	38.52
Profit/(Loss) After Tax	(571.56)	(91.79)	379.90	(656.15)	955.27	2,962.93

- The Company has recognised deferred tax asset on carried forward losses/unabsorbed depreciation and other items to the extent of deferred tax liability. Since FY 2019-20, the Company has adopted the policy of recognition of deferred tax asset to the extent of deferred tax liability.
- The Auditors have qualified their report for the quarter and period ended September 30, 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 by the predecessor auditors in their audit report for the year ended March 31, 2022.

This matter was also qualified by the predecessor auditors 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.

- The Company has recorded accumulated losses of Rs.66960.36 lakhs as on September 30, 2022, resulted in complete erosion of its net worth. As of that date, Company's current liabilities exceeded its current assets by Rs.62454.84 lakhs. Significant financial ratios are also negative. These conditions indicate existence of material uncertainty that may cast a significant doubt on the Company's ability to continue as a Going Concern.

During the period under review, the Company has settled entire dues to ARCIL, Bank of India and Edelweiss Financial Services Limited. Subsequent to the reporting period, the company has sold its Sugar and Distillery units in Dhenkanal on November 11, 2022 as stated in note 3 above. Further, the Company is in the process of sale of certain investments, non-core assets and Soya unit in Pollachi to augment funds. In view of the above, the financial results have been prepared on a going concern basis.

- 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 pledge of 6,38,59,394 equity shares of Sakthi Auto Component Limited held by the Company during the year ended March 31, 2021. During the period ended September 30, 2022, the company has settled the entire outstanding to ARCIL and other lenders. Consequently, ARCIL has released 6,38,59,394 equity shares during October 2022 in favour of the Company.
- Exceptional items, represent remission of interest liability on secured borrowings as per agreement.
- The figures of previous periods/year have been re-grouped/ re-classified wherever necessary, to conform to present classification.

FOR SAKTHI SUGARS LIMITED



(M. MANICKAM)

CHAIRMAN AND MANAGING DIRECTOR

DIN : 00102233

COIMBATORE
14.11.2022



STATEMENT OF ASSETS AND LIABILITIES

(Rs. in lakhs)

Particulars	As at	As at
	30.09.2022 (Unaudited)	31.03.2022 (Audited)
A. ASSETS		
1. NON-CURRENT ASSETS		
(a) Property, Plant and Equipment	80616.19	82407.74
(b) Capital work-in-progress	222.20	50.06
(c) Biological assets other than bearer plants	8.57	8.40
(d) Financial Assets		
i) Investments	1696.12	1657.60
ii) Loans	60.80	65.06
iii) Other financial assets	705.16	667.14
(e) Other Non-current Assets	3376.97	3367.08
Total Non-current Assets	86686.01	88223.08
2. CURRENT ASSETS		
(a) Inventories	4674.98	4116.14
(b) Biological Assets	8.19	6.27
(c) Financial Assets		
i) Trade receivables	651.87	635.55
ii) Cash and cash equivalents	501.47	855.90
iii) Bank Balances Other than Cash and cash equivalents	69.87	50.59
iv) Loans	24905.47	24859.29
v) Other Financial Assets	81.45	153.09
(d) Current tax assets (Net)	584.66	454.11
(e) Other current assets	4260.13	4521.47
(f) Assets Classified as held for Sale	54431.66	57372.03
Total Current Assets	90169.75	93024.44
TOTAL ASSETS (1 and 2)	176855.76	181247.52
B. EQUITY AND LIABILITIES		
1. EQUITY		
(a) Equity Share Capital	11884.90	11884.90
(b) Other Equity	(36822.66)	(54697.51)
Total Equity	(24937.76)	(42812.61)
2. LIABILITIES		
A. NON-CURRENT LIABILITIES		
(a) Financial Liabilities		
i) Borrowings	47264.00	37576.31
ii) Other Financial Liabilities	133.13	123.79
(b) Provisions	1771.80	1645.71
(c) Other non-current liabilities	—	639.00
Total Non-Current Liabilities	49168.93	39984.81
B. CURRENT LIABILITIES		
(a) Financial Liabilities		
i) Borrowings	41929.76	56279.99
ii) Trade Payable		
a) Total outstanding dues of micro and small enterprises	527.46	370.85
b) Total outstanding dues of other than (iii) (a) above	6145.71	4344.70
iii) Other Financial Liabilities	63965.97	87923.81
(b) Other current liabilities	37286.53	26502.99
(c) Provisions	227.68	421.37
(d) Liabilities directly associated with Assets classified as held for Sale	2541.48	8231.61
Total Current Liabilities	152624.59	184075.32
Total Liabilities	201793.52	224060.13
TOTAL EQUITY AND LIABILITIES	176855.76	181247.52

FOR SAKTHI SUGARS LIMITED



(M. MANICKAM)

CHAIRMAN AND MANAGING DIRECTOR

DIN : 00102233

COIMBATORE
14.11.2022

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30.09.2022

(Rs. in Lakhs)

Particulars	Half Year Ended 30.09.2022 (Unaudited)	Half Year Ended 30.09.2021 (Unaudited)	Year Ended 31.03.2022 (Audited)
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit before tax as per statement of Profit and Loss	17,822.80	(10,467.99)	(15,012.39)
Adjustment for:			
Depreciation and amortization expense	1,841.18	1,473.24	4,580.98
Finance Costs	5,342.62	10,435.93	23,316.76
Remission of Interest/Liability	(20,573.93)	--	(6,891.23)
Provision for Expected credit loss	--	--	170.22
(Profit) / Loss on Property, Plant and Equipment Sold / Discarded (Net)	(0.17)	--	--
(Gain) / Loss on Fair Valuation of Non Current Investment through Profit and Loss (Net)	(38.52)	(355.90)	(342.32)
Dividend Income	(3.11)	(0.28)	(680.98)
Interest Income	(46.05)	(39.05)	(67.33)
Operating Profit before Working Capital / Other Changes	4,344.82	1,045.95	5,073.71
Changes in Working Capital:			
Adjustments for (Increase) / Decrease in Operating Assets:			
Inventories/Biological Assets	(560.93)	(154.80)	(1,613.65)
Trade Receivables	(16.32)	45.59	(9.76)
Other Financial Assets	33.62	(88.66)	541.17
Other Current Assets	216.91	(466.70)	(1,643.83)
Other Non-current Assets	(5.63)	(18.45)	(57.35)
Adjustments for Increase / (Decrease) in Operating Liabilities:			
Trade Payables	1,876.55	249.70	(9,210.29)
Other Financial Liabilities	40.70	(4,511.64)	(102.24)
Other Current Liabilities	10,478.34	1,467.71	17,031.33
Other Long Term Liabilities	(460.86)	1,237.13	(7,395.86)
Cash Generated from Operations	15,947.20	(1,194.17)	2,613.23
Income Tax Paid (Net)	(130.55)	(4.43)	(47.94)
Net Cash from / (used in) Operating Activities (A)	15,816.65	(1,198.60)	2,565.29
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment	(221.94)	(49.44)	(453.61)
Proceeds from Disposal of Property, Plant and Equipment	0.35	0.42	4.63
Assets / Liabilities of Discounted operations	(2,749.76)	4,235.70	459.56
Investment in Long Term Investments (Net)	--	--	647.26
Dividend received	3.11	0.28	680.98
Interest Income	46.05	39.05	67.33
Loans and Advances - Related Parties	(1.75)	(2.37)	29.12
Net Cash from / (used in) Investing Activities (B)	(2,923.94)	4,223.64	1,435.27



(Rs. in Lakhs)

Particulars	Half Year Ended 30.09.2022 (Unaudited)	Half Year Ended 30.09.2021 (Unaudited)	Year Ended 31.03.2022 (Audited)
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Finance Cost	(7,650.22)	(822.00)	(3,398.44)
Principal Payment of Lease Liabilities	--	(33.58)	(67.17)
Interest Paid on Lease Liabilities	--	(4.70)	(9.40)
Proceeds from Long Term Borrowings	18,113.75	3,135.72	25,879.57
Repayment of Long Term Borrowings	(27,878.23)	(5,058.07)	(25,485.64)
Short Term Borrowings (Net)	1,500.00	100.00	100.00
Loans from Body corporate (Net)	2,686.84	(192.77)	(191.36)
Net Cash from / (used in) Financing Activities (C)	(13,227.86)	(2,875.40)	(3,172.44)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(335.15)	149.64	828.12
Cash and cash equivalents at the beginning of the year	906.49	78.37	78.37
Cash and cash equivalents at the end of the year	571.34	228.01	906.49
Cash and cash equivalents at the end of the year comprises of			
(a) Cash on hand	41.77	12.86	43.35
(b) Balances with banks:			
i) In Current Accounts	423.09	175.26	811.27
ii) Margin Money with banks / Security against borrowings	106.48	39.89	51.87
Cash and cash equivalents as at the end of the year	571.34	228.01	906.49

FOR SAKTHI SUGARS LIMITED



(M. MANICKAM)

CHAIRMAN AND MANAGING DIRECTOR

DIN : 00102233

COIMBATORE

14.11.2022



P.N. RAGHAVENDRA RAO & CO

Chartered Accountants

Founder P.N. Raghavendra Rao

No. 23/2, Viswa Paradise Apartments IInd Floor, Kalidas Road, Ramnagar, Coimbatore - 641 009

☎ : 0422 2232440, 2236997 ✉ : info@pnrandco.in 🌐 : www.pnrandco.in

Ref. No.

Date :

Independent Auditor's Limited Review Report on unaudited financial results for the quarter and six months ended on September 30, 2022

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, 2022 (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



A handwritten signature in black ink, appearing to be 'P.N. Raghavendra Rao'.

P.N. RAGHAVENDRA RAO & CO

Chartered Accountants

Founder P.N. Raghavendra Rao

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Ref. No.

Date :

Instruments" and its consequential impact on the financial results. This matter has been qualified by the predecessor auditors in their audit report for the year ended March 31, 2022.

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 6 of the Statement. The company has recorded accumulated losses of Rs. 66960.36 lakhs as on September 30, 2022, resulted in complete erosion of its net worth. Further, as of that date, company's current liabilities exceeded its current assets by Rs. 62454.84 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.

Other Matter

7. The Comparative financial statements of the Company for the corresponding quarter and six months ended September 30, 2021 and previous quarter ended June 30, 2022 were reviewed by the predecessor auditors and the year ended March 31, 2022 was audited by the predecessor auditors who expressed a modified opinion on those financial statements. Our conclusion on the statement is not modified in respect of this matter.



For P N Raghavendra Rao & Co.,
Chartered Accountants
Firm Registration Number: 0033285

P R Vittel
Partner

Coimbatore
November 14, 2022

Membership Number: 018111
UDIN: 22018111BCZXT6193