

SRI NACHAMMAI COTTON MILLS LIMITED,

Registered Office :

Door No. 181, 'VASANTHAM', 4th Cross Street, New Fairlands,
SALEM - 636 016.

Our Ref : _____

Dated : _____ 29.06.2020

To
BSE Limited.,
Listing Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001

Dear Sir,

Sub: Outcome of Board Meeting Compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclosed herewith a copy of Audited Financial Results for the quarter and year ended 31st March, 2020.

- (a) The results were reviewed by the Audit Committee of the Board of Directors and approved by the Board of Directors at their meeting held today the 29th June, 2020. Statutory Auditors of the Company have carried out the said results and a copy Auditors Report with unmodified opinion is also enclosed.
- (b) Resolution passed for the resignation of CS Sarita Jain.G Company Secretary cum Compliance Officer of the Company.
- (c) Resolution passed for the appointment of CS Harish M as Company Secretary cum Compliance officer of the Company.

This is for your information and record.

Thanking you,

Yours faithfully,

For Sri Nachammai Cotton Mills Limited.,

P. Umayal

P.Umayal,
Chairman cum Managing Director.
Din. 00110260

End: a/a

e-mail : sncm@rediffmail.com
Telephone : (0427) 2330847 & 2330466
Fax : (0427) 2331951
Cell : 98427 - 27766
Website : www.sncmindia.com

*

Sales Tax Internal Area Code No. 149
GSTIN : 33AACCS9491G1Z4
CST. RC. No. 425497 dated 01-08-1993
E.C.C.No. AACCS9491GXM003
CIN : L17115TZ1980PLC000916

SRI NACHAMMAI COTTON MILLS LIMITED,

Registered Office :

Door No. 181, 'VASANTHAM', 4th Cross Street, New Fairlands,
SALEM - 636 016.

Our Ref : 29.06.2019

Dated :

To,
BSE Limited,
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001.

Scrip Code: 521234

Dear Sirs,

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

Declaration

I, P. Umayal, Chairman cum Managing Director of Sri Nachammai Cotton Mills Limited (CIN L17115TZ1980PLC000916) having its Registered Office at Door No.181, 'VASANTHAM' 4th Cross Street, New Fairlands, Salem - 636 016, hereby declare that, the Statutory Auditors of the Company, M/S.V.V.SOUNDARARAJAN & CO, Chartered Accountants (Firm Registration No.003944S) have issued an Audited Report with unmodified opinion on Audited Financial Results of the Company (Standalone) for the quarter and year ended 31st March, 2020.

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

Request you to take this on record.

Yours faithfully,
For Sri Nachammai Cotton Mills Limited

* P. Umayal

P Umayal
Chairman cum Managing Director
Din. 00110260

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SRI NACHAMMAI COTTON MILLS LIMITED

Regd. Office: No.181 "VASANTHAM", 4th Cross Street, New Fairlands, Salem 636 016

CIN: L17115TZ1980PLC000916 Website : www.sncmindia.com

Statement of Standalone Audited Financial Results for the Quarter and year ended 31st March 2020

SL.NO.	PARTICULARS	Quarter ended on			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Audited	Unaudited	Audited	Audited	Audited
		(Rs in Lakhs)				
1	Income from operations					
2	Revenue from operations	4,037.06	3,651.34	4,014.17	14,366.48	15,986.23
3	Other Income	32.94	29.19	36.25	119.63	131.07
4	Total Revenue (1+2)	4,070.00	3,680.53	4,050.42	14,486.11	16,117.30
4	Expenses					
	a) Cost of materials consumed	1,964.11	2,187.51	2,725.87	9,795.95	11,836.11
	b) Purchase of stock-in-trade					
	c) Changes in inventories of finished goods, stock-in-trade & Work-in-progress	900.08	217.91	(99.95)	(448.05)	(1,574.32)
	d) Employees benefit expense	287.33	285.23	180.06	1,245.63	1,300.72
	e) Finance costs	172.61	161.08	137.29	631.67	494.35
	f) Depreciation and amortisation expense	159.56	26.84	34.79	239.98	126.29
	g) Power and fuel expenses	394.65	422.72	432.23	1,728.01	1,785.46
	h) Stores & Spares	160.95	109.34	259.34	557.32	902.47
	i) Other expenses	67.58	251.87	410.20	862.74	1,178.33
	Total expenses	4,106.87	3,662.50	4,079.83	14,613.25	16,049.41
5	Profit / (Loss) exceptional items and tax (3-4)	(36.87)	18.03	(29.41)	(127.14)	67.89
6	Exceptional Items	-	-	-	-	-
7	Profit / (Loss) before tax (5-6)	(36.87)	18.03	(29.41)	(127.14)	67.89
8	Tax Expense					
	(1) Current tax (MAT)	-	-	2.34	-	2.34
	(2) MAT Credit Entitlement	-	-	(2.34)	-	(2.34)
	(3) Deferred tax	7.28	3.67	41.52	29.97	55.34
9	Profit / (Loss) for the period from continuing operations (7 - 8)	(29.59)	21.70	(70.93)	(97.17)	12.55
10	Profit / (Loss) from discontinued operations	-	-	-	-	-
11	Tax expenses of discontinued operations	-	-	-	-	-
12	Profit / (Loss) from discontinued operations after tax (10-11)	-	-	-	-	-
13	Profit/ (Loss) for the period (9+12)	(29.59)	21.70	(70.93)	(97.17)	12.55
14	Other comprehensive Income					
	A) (i) Items that will not be reclassified to profit or loss					
	1. Re-measurements of defined benefit plans	(12.63)	0.50	5.50	(11.13)	2.00
	2. Share of other comprehensive income in associates to the extent not be classified into profit or loss.					
	3. Gain on fair valuation of investments	(0.49)	0.19	(0.05)	(0.83)	(0.41)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	3.34	(0.15)	(0.72)	2.98	(0.10)
	B) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	(9.78)	0.54	4.73	(8.98)	1.49
	Total other comprehensive income of income tax					
15	Total other comprehensive income for the period (13+14) (Comprising Profit/ (Loss) and Other Comprehensive Income for the period)	(39.37)	22.24	(66.20)	(106.15)	14.04
16	Paid-up equity share Capital	428.64	428.64	428.64	428.64	428.64
	Face Value of Rs.10/-)	10.00	10.00	10.00	10.00	10.00
17	Reserve Excluding Revaluation Reserves - Other Equity	-	-	-	1,700.11	1,815.94
18	Earnings Per Equity Share (for continuing operation)					
	- Basic	(0.69)	0.51	(1.65)	(2.26)	0.29
	- Diluted	(0.69)	0.51	(1.65)	(2.26)	0.29
19	Earnings Per Equity Share (for discontinued operation)					
	- Basic	-	-	-	-	-
	- Diluted	-	-	-	-	-
20	Earnings Per Equity Share (for discontinued & continuing operations)					
	- Basic	(0.69)	0.51	(1.65)	(2.26)	0.29
	- Diluted	(0.69)	0.51	(1.65)	(2.26)	0.29

Note:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 29th June 2020. The same have been audited by the Statutory Auditors who have issued an unqualified opinion thereon.
- The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. On transition to Ind AS 116, the Company recognised right-of-use assets amounting to Rs.2,94,81,380/-, lease liabilities amounting to Rs.3,04,49,366/- and Rs.9,67,986/- in retained earnings as at April 1, 2019. The Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019 for measuring the lease liability. During the year ended March 31, 2020, the Company has recognised interest expense on lease liabilities amounting to Rs.22,21,878/- and Rs.1,31,02,835/- on depreciation on right-of-use.
- Figures for the quarter ended 31 March, 2020 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year.

- 4 In view of the lockdown across the country due to the outbreak of COVID pandemic, operations in many of our locations (manufacturing, warehouses, offices, etc.) are scaled down or shut down in compliance with the directives/ orders issued by the Local Panchayat / Municipal Corporation / State / Central Government authorities. As per our current assessment, no significant impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets is expected, and we continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results. Figures for the quarter ended 31 March, 2020 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year.
- 5 Previous period figures have been regrouped to conform with the classification adopted in these financial results.

6 **Statement of Standalone Assets and Liabilities**

Particulars	As at March, 2020	As at March, 2019
Assets		
Non-current assets		
Property, plant and equipment	2848.13	3060.95
Capital work in progress	0.00	0.00
Right of use of Asset	163.79	0.00
Financial Assets		
Investments	64.06	64.89
Other financial assets	36.05	40.14
Deferred tax asset (net)	278.93	245.98
Other non-current assets	78.02	73.80
	3468.98	3485.76
Current assets		
Inventories	7220.91	6673.43
Financial Assets		
Trade receivables	1470.57	1761.15
Cash and cash equivalents	7.05	10.45
Bank balances other than above	174.63	199.94
Loans	0.00	0.00
Other current assets	141.89	165.44
	9015.05	8810.41
Total - Assets	12484.03	12296.17
Equity and Liabilities		
Equity		
Equity share capital	428.64	428.64
Other Equity	1700.11	1815.94
	2128.75	2244.58
Non current liabilities		
Financial Liabilities		
Borrowings	1880.13	1520.60
Other financial liabilities	2020.98	2026.72
Provisions	91.14	72.37
Lease Hold Liability	176.71	-
	4168.96	3619.69
Current liabilities		
Financial Liabilities		
Borrowings	4792.44	4690.02
Trade payables		
Due to Micro, Small & Medium Enterprises	5.03	6.03
Others	980.59	1086.17
Other current liabilities	390.67	634.80
Provisions	17.59	14.88
	6186.32	6431.90
Total - Equity and Liabilities	12484.03	12296.17

By Order of the Board
For SRI NACHAMMAI COTTON MILLS LIMITED

P. Umayal

SALEM
29.06.2020

P.UMAYAL
CHAIRMAN CUM MANAGING DIRECTOR
DIN: 00110260

Statement of cash flows for the year ended March 31, 2020

(All amounts are in INR Millions, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flow From Operating Activities		
Profit before income tax	(127.14)	67.89
Adjustments for		
Depreciation and amortisation expense	239.98	126.29
(Profit)/ Loss on sale of fixed asset	(7.69)	(0.03)
Provision for fall in value of investments	-	-
Provision for doubtful debts and advances	-	-
Fair Value changes of investments considered to profit and loss	-	-
Interest received	(102.75)	(102.95)
Interest expense	631.67	494.35
	634.06	585.55
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	4.09	1.28
(Increase)/ decrease in inventories	(547.47)	(1,026.12)
(Increase)/ decrease in trade receivables	290.58	304.88
(Increase)/ decrease in Other assets	23.36	28.96
Increase/ (decrease) in provisions and other liabilities	(254.11)	497.69
Increase/ (decrease) in trade payables	(106.58)	323.14
	43.95	715.38
Cash generated from operations	(4.22)	(1.24)
Less : Income taxes paid (net of refunds)		
	39.73	714.14
Net cash from operating activities (A)		
Cash Flows From Investing Activities		
Purchase of Property, Plant and Equipment (including movements in CWIP)	(25.74)	(250.28)
Sale proceeds of Property, Plant and Equipment	137.29	0.03
(Purchase)/ disposal proceeds of Investments	-	7.06
(Investments in)/ Maturity of fixed deposits with banks	25.31	(1.59)
Interest income	102.94	102.54
	239.80	(142.23)
Net cash used in investing activities (B)		
Cash Flows From Financing Activities		
Proceeds from/ (repayment of) long term borrowings	359.53	(340.48)
Proceeds from/ (repayment of) short term borrowings	102.42	240.65
Repayment of Lease liability	(127.78)	-
Interest paid	(617.09)	(491.95)
	(282.93)	(591.78)
Net cash from/ (used in) financing activities (C)		
Net decrease in cash and cash equivalents (A+B+C)	(3.39)	(19.87)
Cash and cash equivalents at the beginning of the financial year	10.45	30.32
Cash and cash equivalents at end of the year	7.05	10.46
Notes:		
1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".		
2. Components of cash and cash equivalents		
Balances with banks		
- in current accounts	5.99	9.55
- in demand deposits with original maturity of 3 months	-	-
Cash on hand	1.06	0.90
	7.05	10.45

The accompanying notes form an integral part of the financial statements

For Sri Nachammai Cotton Mills Ltd

P. Umayal

P.Umayal
Chairman cum Managing Director
DIN:00110260

Date:29.06.2020

Place:Salem

V.V. SUNDARARAJAN & CO.,

Chartered Accountants

9/4, II Cross, Maravaneri, Salem - 636 007.

Ph. : 2413220, 2417350, 94437 13220

E-mail : ashokvs@yahoo.com, vvscoy@gmail.com

Date : 29/6/20

Independent Auditors' Report on Quarterly and Annual audited Standalone Financial Results of M/s Sri Nachammai Cotton Mills Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors
Sri Nachammai Cotton Mills Limited
Salem

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying Statement of quarterly and annual Standalone Financial Results of M/s. Sri Nachammai Cotton Mills Limited (the "Company"), for the quarter and year ended March 31, 2020 (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 amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian 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 ended March 31, 2020 and the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results under the provisions of the Companies Act, 2013 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion.



Management's Responsibilities for the Standalone Financial Results

This Statement has been prepared on the basis of the aforesaid standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone 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 Indian Accounting Standards prescribed under Sec. 133 of the Companies Act, 2013 read with the relevant Rules 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 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 the 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 aforesaid Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the aforesaid Statement of Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

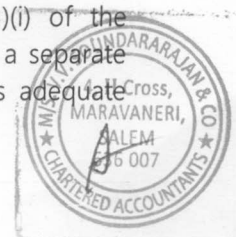
The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the aforesaid Standalone 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 the aforesaid Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the Standalone 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.
- ❖ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Sec. 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate



internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the aforesaid standalone financial results made by the Board of Directors.
- ❖ 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 ability of the Company 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 Statement 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.
- ❖ Evaluate the overall presentation, structure and content of the aforesaid Standalone Financial Results, including the disclosures, and whether the aforesaid Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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

The aforesaid standalone annual financial results include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year to date figures up to the third quarter of the current financial year which were subjected to a limited review by us, as required under the Listing Regulations.

**For M/s. V.V. Soundararajan & Co.,
CHARTERED ACCOUNTANTS,
FRN 003944S**

PARTNER

CA. V.S. ASHOKKUMAR
CHARTERED ACCOUNTANT,
V.V. Soundararajan & Co.,
9/4, Second Cross, Maravaneri,
SALEM-636 007. M. No: 021435.

UDIN 20021435AAAADK5403