

# SURYALAKSHMI COTTON MILLS LTD

(AN IS/ISO 9001 : 2015 & ISO 14001 : 2015 CERTIFIED COMPANY)

June 27, 2020.

To National Stock Exchange of India Limited "Exchange Plaza" Bandra-Kurla Complex Bandra (East) <b>MUMBAI - 400 051</b>  Scrip Code : SURYALAXMI	To Department of Corporate Services, BSE Limited, 1 <sup>st</sup> floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal street, Fort, <b>MUMBAI 400 001.</b>  Scrip No.: 521200
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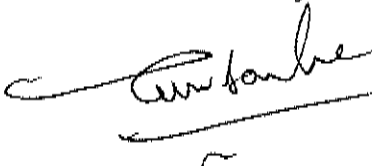
Dear Sir,

**Ref.: SURYALAXMI**

**Reg.: Audited financial results for the quarter and year ended 31/03/2020.**

As per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith enclosing a copy of the Annual Audited Financial Results along with statements of Assets & Liabilities, Cash Flow and Audit Report for the year ended 31/03/2020, which were taken on record by the Board of Directors at their meeting held on 27/06/2020. We hereby confirm that the Statutory Auditors of the Company i.e., K.S.Rao & Co., Chartered Accountants have issued the Audit Reports on Standalone and Consolidated Financial Statements of the Company for the Financial year ended March 31, 2020 with unmodified opinion. The Board regretted its inability to recommend any Dividend in view of the losses made in the year.

We wish to inform you that the Board recommended reappointment of Sri Paritosh Agarwal (DIN :00008738) as Managing Director of the Company for a period of five years from w.e.f. 21/06/2020 to 20/06/2025 subject to approval of shareholders at the ensuing Annual General meeting. A brief profile of Sri Paritosh Agarwal is enclosed as Annexure. In this connection we hereby affirm that Sri Paritosh Agarwal is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.



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GOVERNMENT RECOGNISED EXPORT HOUSE

Regd. Office : Surya Towers, 6th Floor, 105 Sardar Patel Road, Secunderabad - 500 003. Telangana, INDIA

CIN Number : L17120TG1962PLC000923

Phone : +91-40-27885200, 27819856 / 57

E-MAIL : slcmtd@suryalakshmi.com WEBSITE : www.suryalakshmi.com



# SURYALAKSHMI COTTON MILLS LTD

(AN IS/ISO 9001 : 2015 & ISO 14001 : 2015 CERTIFIED COMPANY)

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We also wish to inform you that the Board recommended reappointment of Sri R.S.Agarwal (DIN :00012594) as an Independent Director of the Company for a period of five years not liable to retire by rotation for a second term of 5 years subject to approval of shareholders at the ensuing Annual General meeting. A brief profile of Sri R.S.Agarwal is enclosed as Annexure. In this connection we hereby affirm that Sri R.S.Agarwal is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

We also wish to inform you that the Board recommended reappointment of Sri Navrang Lal Tibrewal (DIN :00030151) as an Independent Director of the Company for a period of five years not liable to retire by rotation for a second term of 5 years subject to approval of shareholders at the ensuing Annual General meeting. A brief profile of Sri Navrang Lal Tibrewal is enclosed as Annexure. In this connection we hereby affirm that Sri Navrang Lal Tibrewal is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

The meeting of the Board of Directors of the Company commenced at 12.30 p.m. and concluded at 3.35 p.m.

This is for your information and records.

Thanking you,

Yours faithfully,  
for SURYALAKSHMI COTTON MILLS LIMITED

  
E.V.S.V.SARMA  
COMPANY SECRETARY



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## ANNEXURE

### **Brief profile of Sri Paritosh Agarwal.**

Sri Paritosh Agarwal, aged 47, a Graduate, is the Managing Director of the Company (first appointment to the Board on 06/09/1994). He has adequate exposure in all the aspects of textile industry having acquired hands on experience in marketing, exports and production in the group Companies. He played a major role in setting up the Denim Division and building up the export business of the Company and has extensively traveled abroad and acquired deep knowledge of the International Markets.

### **Brief profile of Sri R.S.Agarwal**

*aged 77yrs*  
Sri R.S.Agarwal (DIN: 00012594), (B.Sc., B.E. (Chemical Engineering)) started his career in 1965 and after serving in various capacities with a leading paper mill of Northern India for nine years and with Industrial Development Bank of India (IDBI) for 28 years, retired as Executive Director of IDBI.

Sri R.S.Agarwal is presently on the boards of The Ramco Cements Limited, Ramco Industries Limited and Ramco Systems Limited. His rich and diverse experience will immensely benefit the Company. Sri R.S.Agarwal holds NIL equity shares in the Company.

### **Brief profile of Sri Navrang Lal Tibrewal**

*aged 83yrs*  
Sri Navrang Lal Tibrewal (DIN :00030151) is an Advocate by profession and was appointed as a Judge of the Rajasthan High Court in 1990. He was appointed as the acting Chief Justice of Rajasthan High Court in May, 1998 and was subsequently appointed as the Governor of Rajasthan and he retired as such in January, 1999. His rich and diverse experience will immensely benefit the Company.

Sri Navrang Lal Tibrewal holds NIL equity shares in the Company.



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**SURYALAKSHMI COTTON MILLS LIMITED**

Regd. office : Surya towers, 6th Floor, 105 S.P Road, Secunderabad - 500003. Ph.:040-27885200  
email : slcmiltd@suryalakshmi.com; website : www.suryalakshmi.com; CIN - L17120TG1962PLC000923

**AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED MARCH 31, 2020**

(Rs. In lakhs)

Particulars	For the Quarter Ended			For the Year Ended	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	Audited	Unaudited	Audited	Audited	Audited
I Revenue from operations	12,948.70	14,490.87	19,596.96	53,886.82	66,536.02
II Other income	100.84	94.60	21.05	323.74	623.06
III Total Revenue(I+II)	13,049.54	14,585.47	19,618.00	54,210.55	67,159.07
IV Expenses					
Cost of materials consumed	8,278.17	8,439.76	8,231.16	32,332.42	36,273.53
Purchase of stock in trade	(5.10)	1.26	1,469.60	5,007.15	1,469.60
Change in inventories of finished goods, stock in trade and work in progress	(608.21)	340.00	5,131.76	(3,323.22)	3,577.37
Employee benefit Expenses	1,250.77	1,385.24	1,267.53	5,131.72	3,885.07
Finance costs	741.45	844.84	759.43	3,279.89	3,402.40
Depreciation and amortisation expenses	549.83	558.28	576.78	2,202.19	2,297.25
Other expenses	3,201.83	3,386.52	2,941.74	11,878.25	15,164.88
Total Expenses(IV)	13,408.73	14,955.91	20,377.98	56,508.40	68,070.09
V Profit/(loss) before exceptional items and tax(III-IV)	(359.19)	(370.44)	(759.97)	(2,297.85)	(911.02)
VI Exceptional Items	14.51	(13.84)	(62.88)	2.49	19.05
VII Profit/(loss) before tax (V+VI)	(344.69)	(384.28)	(822.85)	(2,295.36)	(891.97)
VIII Tax expense:					
Current tax - MAT for the current year	-	-	-	-	-
Deferred tax	(96.74)	(114.22)	(602.32)	(687.73)	(421.75)
Earlier years tax	-	-	-	-	-
IX Profit/(loss) for the period from continuing operations (VII-VI)	(247.95)	(270.06)	(220.54)	(1,607.63)	(470.22)
X Profit/(loss) from discontinued operations	(1,722.58)	(256.20)	(209.20)	(2,274.37)	(533.76)
XI Tax expense on discontinued operations	(535.77)	(78.24)	(69.69)	(704.54)	(160.15)
XII Profit/(loss) from discontinued operations (after tax) (X-XI)	(1,186.81)	(177.96)	(145.51)	(1,569.83)	(373.61)
XIII Profit/(loss) for the period (IX+XII)	(1,434.76)	(448.02)	(366.05)	(3,177.47)	(843.83)
XIV OTHER COMPREHENSIVE INCOME					
A-(i) Items that will not be reclassified to the profit or loss	(192.62)	0.12	(16.89)	(191.56)	(45.16)
(ii) Income tax on items that will not be reclassified to the profit or loss	60.11	-	4.70	60.11	13.81
B-(i) Items that will be reclassified to the profit or loss	-	-	-	-	-
(ii) Income tax on items that will be reclassified to the profit or loss	-	-	-	-	-
Total Other Comprehensive Income (net of taxes)	(132.51)	0.12	(12.19)	(131.45)	(31.35)
XV Total Comprehensive Income for The Period (XIII+XIV)	(1,567.27)	(447.89)	(378.24)	(3,308.92)	(875.19)
XVI Earnings per Equity share (for continuing operations) -Basic and diluted (In Rs.)	(1.49)	(1.62)	(1.32)	(9.64)	(2.82)
XVII Earnings per Equity share (for discontinued operations) -Basic and diluted (In Rs.)	(7.12)	(1.07)	(0.87)	(9.42)	(2.24)
XVIII Earnings per Equity share (for discontinued & continuing operations) -Basic and diluted (In Rs.)	(8.61)	(2.69)	(2.20)	(19.06)	(5.06)
Weighted average number of equity shares (Face Value of Rs. 10)	1,66,72,290	1,66,72,290	1,66,72,290	1,66,72,290	1,66,72,290



Notes:

1. The above results for the quarter ended 31st March 2020, were reviewed by Audit Committee and approved by the Board of Directors at the meeting held on 27th June, 2020 and Statutory Auditors have audited them.

2. The figures of the Current quarter and quarter ended 31st March, 2019 are the balancing figures between the audited figures of the full financial year ended 31st March, 2020 and 31st March, 2019, respectively and the published year to date figures upto third quarter ended 31st December, 2019 and 31st December, 2018, respectively

3 (i). The manufacturing activities which were suspended in the 4th week of March, 2020, were partially resumed only in 2nd week of May, 2020. The operations have not yet become normal on account of non availability of labour and also very poor consumer interest due to COVID-19 affected public sentiments. The denim division has not resumed operations as the domestic markets for denim in Delhi /Mumbai are yet to open up. The impact of COVID-19 on the operations and profitability of the Company will unfold only in the coming months after the markets open up and travel restrictions are eased internationally. (ii) The company has not provided for any allowance for the expected credit losses on trade receivables and has not provided any loss provision on the Inventory as the management believes that their value will be realised over the normal course of business and there is no impact due to COVID 19 on the collectibility of these assets.

4(i) As the Company's Garment Division has become unviable on account of lack of demand /reduced margins due to cheaper imports of Garments from Bangladesh, Sri Lanka, etc., under FTA, higher labour cost, the Company has decided to closed from 31/03/2020. Accordingly as required by the Ind AS 105 the operating results of the Garment Division have been regrouped and shown separately under Profit / Loss from discontinued operations. The loss of Rs. 13.78 crores on valuation of Garment assets held for sale (other than land), at lower of the (i) carrying value and (ii) Fair Market Value (FMV) as of 31st March 2020, is included within the loss from discontinued operations for the quarter and year ended 31st March 2020.

(ii) The Company has stopped operating its Captive Power Plant with effect from 1st November, 2019 and decided to draw its power requirement from MSEDCL for its Denim manufacturing unit at Ramtek Maharashtra

5. The company adopted Ind AS 116 Leases w.e.f 1st April 2019 and accordingly recognised all right of use (ROU) assets and recorded corresponding lease liabilities. The results include depreciation on ROU assets for a tune of Rs. 7.08 lakh for quarter ended 31st March 2020 and 31st December 2019 and Rs. 26.3 lakh for year ended 31st March 2020 and interest expense on lease liabilities (pertaining to ROU assets) for a tune of Rs. 0.65lakh, Rs. 0.81lakh and Rs. 2.95 lakhs for quarter ended 31st March 2020, 31st December 2019 and year ended 31st March 2020 included within finance costs. Method adopted modified retrospective

6. Expenses are recognised in statement of profit and loss using a classification based on the nature of expense method as per para 99 of Ind AS 1, Presentation of financial statements

7. The above mentioned income from operations are disclosed net of GST collected on sales.

8. Previous period figures have been regrouped/reclassified, wherever necessary, to conform to the current period presentation to comply with Ind AS.

9. In terms of SEBI Circular CIR/CFD/CMD56/2016 dated May 27, 2016, the Company hereby declares that the Auditors have issued Audit Report with unmodified opinion on annual audited financial results for the financial year ended 31st March, 2020.



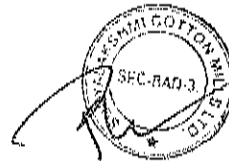
for and On behalf Of Board

*Paritosh Agarwal*  
PARITOSH AGARWAL  
MANAGING DIRECTOR

Place : Secunderabad  
Date : 27.06.2020

**AUDITED SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER/YEAR ENDED MARCH 31, 2020**

Particulars	(Rs. in lakhs)				
	For the Quarter Ended			For the Year Ended	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	Audited	Unaudited	Audited	Audited	Audited
<b>1. Segment Revenue</b>					
a) Spinning					
b) Denim manufacturing	7,737.85	9,159.41	10,459.42	35,415.76	39,903.03
c) Power Plant	6,577.53	6,949.30	10,161.12	25,490.57	35,369.53
d) Unallocated	1.58	0.17	375.21	388.02	2,826.08
Total	2.16	20.48	24.09	48.15	115.13
Less: Inter Segment Revenue	14,319.12	16,129.36	21,019.84	61,342.50	78,213.78
<b>Total Revenue</b>	<b>1,269.58</b>	<b>1,543.89</b>	<b>1,401.84</b>	<b>7,131.95</b>	<b>11,054.71</b>
	<b>13,049.54</b>	<b>14,585.47</b>	<b>19,618.00</b>	<b>54,210.55</b>	<b>67,159.07</b>
<b>2. Segment Results (Profit)(+)/Loss (-) before Tax and finance charges from each segment)</b>					
a) Spinning					
b) Denim manufacturing	864.97	561.02	697.25	2,744.97	2,583.42
c) Power Plant	(383.00)	(10.28)	(733.42)	(1,425.17)	(248.32)
Total	(86.42)	(111.08)	(52.25)	(382.88)	59.30
Less: i) Finance charges	395.55	439.66	(88.42)	936.92	2,394.40
ii) Other Un-allocable Expenditure net off	741.45	844.84	759.43	3,279.89	3,402.40
Add: Un-allocable income	1.21	20.90	24.99	47.62	116.03
<b>Total Profit before Tax from continuing operations</b>	<b>(344.69)</b>	<b>(384.28)</b>	<b>(822.85)</b>	<b>(2,295.36)</b>	<b>(891.97)</b>
<b>3. Segment Assets</b>					
a) Spinning					
b) Denim manufacturing	24,342.52	26,916.16	27,024.99	24,342.52	27,024.99
c) Power Plant	31,084.51	34,149.88	30,485.86	31,084.51	30,485.86
d) Garment (held for sale)	11,219.58	11,342.56	11,766.62	11,219.58	11,766.62
e) Unallocated	3,874.56	5,020.78	5,602.83	3,874.56	5,602.83
Total	2,112.82	3,594.60	3,016.30	2,112.82	3,016.30
	<b>72,633.98</b>	<b>81,023.99</b>	<b>77,896.59</b>	<b>72,633.98</b>	<b>77,896.59</b>
<b>4. Segment Liabilities</b>					
a) Spinning					
b) Denim manufacturing	13,470.62	17,157.57	18,468.70	13,470.62	18,468.70
c) Power Plant	17,184.42	19,544.17	13,500.96	17,184.42	13,500.96
d) Garment (relating to assets held for sale)	12,567.61	12,546.09	12,418.95	12,567.61	12,418.95
e) Unallocated	5,041.84	5,843.35	5,870.06	5,041.84	5,870.06
Total	706.12	702.19	665.63	706.12	665.63
	<b>48,970.61</b>	<b>55,793.36</b>	<b>50,924.30</b>	<b>48,970.61</b>	<b>50,924.30</b>



**AUDITED BALANCE SHEET AS AT 31st MARCH 2020**

(Rs. In Lakhs)

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, Plant and Equipment	33,692.81	38,008.97
(b) Capital work-in-progress	186.68	139.64
(c) Intangible assets	21.34	21.34
(d) Financial Assets		
(i) Loans	573.99	572.59
(ii) Other financial assets	-	0.74
(e) Other non-current assets	(0.00)	661.07
	<b>34,474.83</b>	<b>39,404.36</b>
<b>Current assets</b>		
(a) Inventories	15,669.90	13,035.22
(b) Financial Assets		
(i) Investments	5.21	4.11
(ii) Trade receivables	12,296.87	16,824.34
(iii) Cash and cash equivalents	384.21	171.61
(iv) Bank balances other than (iii) above	956.21	755.00
(v) Loans	20.14	38.95
(vi) Others financial assets	6,013.09	5,546.37
(c) Current tax asset (Net)	139.70	131.65
(d) Other current assets	1,391.71	1,985.01
(e) Assets held for sale	1,282.11	
	<b>38,159.14</b>	<b>38,492.25</b>
<b>Total Assets</b>	<b>72,633.97</b>	<b>77,896.60</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share capital	1,844.53	1,844.53
(b) Other Equity	21,818.85	25,127.77
	<b>23,663.38</b>	<b>26,972.30</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	11,399.11	12,575.82
(b) Provisions	797.36	659.55
(c) Deferred tax liabilities (Net)	2,496.28	3,948.66
(d) Other Non Current Liabilities	19.69	26.26
	<b>14,712.44</b>	<b>17,210.29</b>
<b>Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	18,163.22	19,339.98
(ii) Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises: and	22.21	38.81
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	10,732.30	8,531.74
(iii) Other financial liabilities	3,788.52	5,018.51
(b) Other current liabilities	1,216.70	408.50
(c) Provisions	335.20	376.46
(d) Current tax liabilities (Net)	-	-
	<b>34,258.15</b>	<b>33,714.01</b>
<b>Total Equity and Liabilities</b>	<b>72,633.97</b>	<b>77,896.60</b>



1. The above Balance sheet Property Plant and Equipment includes Right Of Use assets (included within Property, Plant and Equipment) estimated at Rs. 23.31 lakhs and corresponding lease liabilities (included within Non current borrowings) estimated at Rs. 24.4 lakhs as of 31st March 2020 on account of adoption of Ind AS 116 Leases w.e.f 1st April 2019.

2. Non Current Assets Held for Sale presented above as of 31st March 2020 pertains to the assets of Garments division which are planned to be disposed off on account of the company's decision to close down the garments division. These are valued at lower of the (i) carrying value and (ii) Fair Market Value (FMV) as of 31st March 2020.

(\* ) Trade receivable includes Rs.303.25 Lacs, inventories includes Rs.516.49 Lacs, other financial Assets includes Rs.311.81 Lacs and other financial & current liabilities includes Rs.500 Lacs towards advance received against Land sale and Rs.342.94 Lacs towards other current liabilities of Garment Division (Current Assets & Liabilities of Discontinued operations)

**SURYALAKSHMI COTTON MILLS LIMITED**

CIN No: L17120TG1962PLC000923

Regd. office : Surya towers, 6th Floor, 105 S.P Road, Secunderabad - 500 003

**Cash Flow Statement for the year ended 31st March 2020**

Particulars	(Rs. In lakhs)	
	Year ended 31-Mar-2019	Year ended 31-Mar-2019
<b>A Cash flow from Operating Activities:</b>		
Profit Before tax from continuing operation	(2,295.36)	(1,425.73)
Adjustments for:		
Profit/(loss) from discontinued operations before tax	(2,274.37)	-
Loss on valuation of assets held for sale at Fair Market Value	1,392.27	-
Depreciation and Amortisation (Incl. Depreciation on discontinued opera	2,411.43	2,576.08
Actuarial Gain/(loss) on Defined Benefit plans	(192.66)	(44.26)
Loss/ (Gain) on sale of tangible assets (net)	(14.51)	(27.06)
Interest Income	(87.93)	(150.10)
Finance Costs	3,279.89	3,734.86
	2,218.77	4,663.79
<b>Operating profit before working capital changes</b>		
Adjustments for (increase)/decrease in operating assets		
Inventories	(2,634.69)	4,044.13
Trade Receivables	4,527.47	909.38
Loans - Non current	(1.40)	(68.74)
Loans - current	18.81	(0.69)
Other financial assets - current	(662.42)	(150.66)
Other financial assets - Non current	0.74	51.51
Other non financial assets - current	593.30	(185.07)
Other non financial assets - Non current	-	6.31
Adjustments for increase/(decrease) in operating liabilities		
Trade Payables	2,183.96	(1,468.24)
Other financial liabilities	48.52	206.66
Short term provisions	(41.26)	41.00
Long term provisions	137.80	59.52
Other Non financial liabilities	(41.81)	(280.81)
<b>Cash generated from operations</b>	6,347.79	7,828.09
Income tax paid	(8.05)	(16.10)
<b>Net Cash flow from/(used in) operating activities</b>	6,339.74	7,811.99
<b>B Cash flow from Investing Activities:</b>		
Purchase of Property, plant and Equipment & Intangible assets and		
Capital Advances & Capital Creditors	(210.47)	(463.13)
Proceeds from sale of Property, plant and equipment	874.00	60.29
Interest Income Received	82.42	152.90
<b>Net Cash flow from/(used in) Investing activities</b>	745.95	(249.94)
<b>C Cash flow from Financing Activities:</b>		
Proceeds / (Repayments) of short term borrowings	(1,176.76)	(2,134.50)
Proceeds from Long term borrowings	-	-
Repayment of Long term borrowings	(2,302.33)	(1,577.67)
Interest and other borrowing costs paid	(3,389.47)	(3,780.61)
Equity Dividend (including DDT) paid	(4.53)	(1.95)
<b>Net Cash flow from/(used in) financing activities</b>	(6,873.09)	(7,494.73)
<b>Net Increase in Cash and Cash equivalents (A+B+C)</b>	212.61	67.32
<b>Cash and Cash equivalents at the beginning of the year</b>	171.61	104.29
<b>Cash and Cash equivalents at the beginning of the year</b>	384.21	171.61







CHARTERED ACCOUNTANTS

**Independent Auditors' Report on Annual Financial Results of Surya Lakshmi Cotton Mills Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To the Board of Directors of  
Surya Lakshmi Cotton Mills Limited

**Opinion**

We have audited the financial results for the year ended 31 March 2020, in the accompanying "Statement of Financial Results for the Quarter and Year ended March 31, 2020" of **Surya Lakshmi Cotton Mills Limited** being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the financial results for the year ended March 31, 2020:

- i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended; 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 loss and other financial information for the year ended 31 March 2020.

**Basis for Opinion on the Audited Financial Results for the year ended March 31, 2020**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Management's Responsibilities for the Statements**

This Statement of annual financial results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended March 31, 2020 have been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the financial results for the quarter and year ended March 31, 2020 that give a true and fair view of the net loss and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate





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accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities**

#### **(a) Audit of the Financial Results for the year ended March 31, 2020**

Our objectives are to obtain reasonable assurance about whether the financial results for the year ended March 31, 2020 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.

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 Annual 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 control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- 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





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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 Annual financial results, including the disclosures, and whether the Annual Financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial results of the company to express an opinion on the Annual financial Results.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

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 Matters

The statements includes the results for the quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subjected to limited review by us. Our report on the statement is not modified in respect of this matter.

Place: Hyderabad

Date: 27/06/2020

for K. S. RAO & Co

Chartered Accountants

Firm Registration No: 003109S

(P. GOVARDHANA REDDY)

Partner

Membership no: 029193

UDIN: 20029193 HYD/11 F S 7 2020

