



June 26, 2020

The Manager - Listing Department
National Stock Exchange of India Ltd
'Exchange Plaza', C 1, Block G
Bandra – Kurla Complex, Bandra (E)
Mumbai 400 051

Dear Sir/ Madam,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") - Outcome of the Board Meeting of the Company held on June 26, 2020- reg.

Symbol: PRECOT

The Board of Directors of the Company at their meeting held today i.e. June 26, 2020, has inter alia considered and approved the following matters:-

1. The Board has approved and taken on record the standalone and consolidated audited financial results for the quarter and financial year ended on March 31, 2020 under Regulation 33 of the Listing Regulations- **Annexure I.**
2. Approved the Director's Report along with its annexures and attachments including Management Discussion and Analysis Report and Corporate Governance Report.
3. Approved the notice of the Annual General Meeting for the year 2020.

The above said results, together with Annexure are enclosed with this letter. These are also being made available on the website of the company <http://www.precot.com/investor-relations/>.

The board meeting concluded by 4.40 PM. This is for your information and records.

Thanking you,

For Precot Meridian Limited

S Kavitha
Company Secretary

PRECOT MERIDIAN LIMITED

Regd Office : D Block, 4th Floor, Hanudev Info Park, Nava India Road, Udaiyampalayam, Coimbatore-641 028
Tel : 0091 - 422 - 4321100 Fax : 0091 - 422 - 4321200 Email : co@precot.com
CIN : L17111TZ1962PLC001183 Website : www.precot.com





June 26, 2020

The Manager - Listing Department
National Stock Exchange of India Ltd
'Exchange Plaza', C 1, Block G
Bandra – Kurla Complex, Bandra (E)
Mumbai 400 051

Dear Sir/ Madam,

Sub: Audited Financial Results (Standalone and Consolidated) for the Quarter and Financial Year ended March 31, 2020, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Symbol: PRECOT

This has reference to our intimation dated June 15, 2020, we would like to inform you that the Board of Directors of the Company at their meeting held today i.e. June 26, 2020, has inter alia approved the Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended March 31, 2020.

Pursuant to Regulation 33 of the Listing Regulations, we are enclosing the following:

1. Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended March 31, 2020
2. Declaration for Audit Report with unmodified opinion for Standalone and Consolidated Financial Results for the financial year ended on March 31, 2020
3. Auditors Report on the Audited Financial Results (Standalone and Consolidated)

Thanking you,

For Precot Meridian Limited

S Kavitha

Company Secretary

PRECOT MERIDIAN LIMITED

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Statement of audited financial results for the Quarter and year ended 31-March-20

											₹ in lakhs
S.No	Particulars	Standalone					Consolidated				
		For the Quarter ended			Year ended		For the Quarter ended			Year ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
		Unaudited			Audited		Unaudited			Audited	
1	Income from operations										
	(a) Revenue from operations	17,470	16,897	18,042	69,655	75,694	17,470	16,897	18,042	69,655	75,694
	(b) Other operating revenue	661	764	860	2,957	3,318	661	764	860	2,957	3,318
	(c) Other income	60	74	281	440	629	60	74	281	440	629
	Total Income	18,191	17,735	19,183	73,052	79,641	18,191	17,735	19,183	73,052	79,641
2	Expenses										
	(a) Cost of materials consumed	9,037	10,240	11,612	41,519	46,065	9,037	10,240	11,612	41,519	46,065
	(b) Purchase of stock in trade	89	85	312	476	2,906	89	85	312	476	2,906
	(c) Changes in inventories of finished goods, stock in trade and work-in-progress	1,193	211	(406)	1,015	(1,725)	1,193	211	(406)	1,015	(1,725)
	(d) Employee benefits expense	1,556	1,740	1,985	7,165	7,691	1,556	1,740	1,985	7,165	7,691
	(e) Finance costs	1,107	204	1,038	3,233	4,053	1,107	204	1,038	3,233	4,053
	(f) Depreciation and amortisation expense	845	817	795	3,274	3,137	845	817	795	3,274	3,137
	(g) Other expenses	4,445	4,647	4,757	17,666	18,341	4,445	4,647	4,757	17,666	18,341
	Total expenses	18,272	17,944	20,093	74,348	80,468	18,272	17,944	20,093	74,348	80,468
3	Profit / (Loss) before exceptional items and tax (1-2)	(81)	(209)	(910)	(1,296)	(827)	(81)	(209)	(910)	(1,296)	(827)
4	Exceptional items	-	-	-	-	-	-	-	-	-	-
5	Profit / (Loss) before tax (3+4)	(81)	(209)	(910)	(1,296)	(827)	(81)	(209)	(910)	(1,296)	(827)
6	Tax expenses	-	-	-	357	-	-	-	-	357	-
	Current tax	-	-	-	-	-	-	-	-	-	-
	For earlier years	-	-	-	357	-	-	-	-	357	-
	MAT credit entitlement / (written off)	-	-	-	-	-	-	-	-	-	-
	Deferred Tax	-	-	-	-	-	-	-	-	-	-
7	Profit / (Loss) for the period (5-6)	(81)	(209)	(910)	(1,653)	(827)	(81)	(209)	(910)	(1,653)	(827)
8	Other Comprehensive Income										
	A (i) Items that will not be reclassified to profit or Loss	(810)	(21)	67	(898)	44	(810)	(21)	67	(898)	44
	(ii) Income tax relating to items that will not be reclassified to profit or Loss	-	-	-	-	-	-	-	-	-	-
	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	Total Comprehensive Income for the period (7+8)	(891)	(230)	(843)	(2,551)	(783)	(891)	(230)	(843)	(2,551)	(783)
10	Paid-up equity share capital (Face value Rs. 10/- each)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
11	Earnings Per Share (EPS) (Basic & Diluted) of Rs. 10/-each (not annualised)	(0.67)	(1.74)	(7.58)	(13.78)	(6.89)	(0.67)	(1.74)	(7.58)	(13.78)	(6.89)

Statement of assets and liabilities:					
Particulars		Standalone		Consolidated	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
ASSETS					
(1)	Non-current Assets				
	(a) Property, Plant and Equipment	43,828	48,723	46,249	51,145
	(b) Right of use of assets	724	-	724	-
	(c) Capital work-in-progress	139	236	139	236
	(d) Intangible assets	42	26	42	26
	(e) Financial Assets				
	(i) Investments	1,099	1,845	1,089	1,835
	(ii) Loans	826	726	755	654
	(f) Other non-current assets	187	868	187	868
	Total Non Current Assets	46,845	52,424	49,185	54,764
(2)	Current assets				
	(a) Inventories	12,432	13,275	12,432	13,275
	(b) Financial Assets				
	(i) Trade receivables	8,931	7,980	8,931	7,980
	(ii) Cash and cash equivalents	35	69	35	69
	(iii) Bank balances other than (ii) above	764	721	764	721
	(iv) Loans	56	55	56	55
	(v) Other Financial Assets	51	55	51	55
	(c) Other current assets	1,701	1,800	1,701	1,800
	Total Current Assets	23,970	23,955	23,970	23,955
	TOTAL ASSETS	70,815	76,379	73,155	78,719
EQUITY AND LIABILITIES					
EQUITY					
	(a) Equity Share capital	1,200	1,200	1,200	1,200
	(b) Other Equity	27,476	30,026	29,816	32,366
	Total Equity	28,676	31,226	31,016	33,566
(1)	LIABILITIES				
	Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	12,025	14,666	12,025	14,666
	(ii) Other financial liabilities	677	357	677	357
	(b) Provisions	1,800	2,168	1,800	2,168
	(c) Other non-current liabilities	278	362	278	362
	Total Non Current Liabilities	14,780	17,553	14,780	17,553
(2)	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	17,583	17,740	17,583	17,740
	(ii) Trade payables	4,528	2,905	4,528	2,905
	(iii) Other financial liabilities	4,436	5,958	4,436	5,958
	(b) Other current liabilities	632	841	632	841
	(c) Provisions	180	156	180	156
	Total Current Liabilities	27,359	27,600	27,359	27,600
	TOTAL LIABILITIES	42,139	45,153	42,139	45,153
	TOTAL EQUITY AND LIABILITIES	70,815	76,379	73,155	78,719



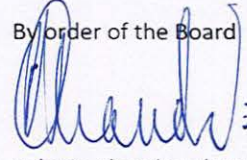
CASH FLOW FROM OPERATING ACTIVITIES	Standalone		Consolidated	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Total Comprehensive Income	(2,550)	(783)	(2,550)	(783)
Adjustments for :				
Depreciation and amortization expense	3,274	3,137	3,274	3,137
Bad Debts Written off	23	2	23	2
Provisions made during the year	(344)	221	(344)	221
Provisions for tax of yearly arrears	357	-	357	-
Provision for Bad & Doubtful Debts	(4)	26	(4)	26
Provision for doubtful advances	30	2	30	2
(Profit)/Loss on Sale of Assets	(87)	(5)	(87)	(5)
(Profit)/Loss on Sale of Investment Property	-	(19)	-	(19)
Gains on derecognition of equity instruments	-	(114)	-	(114)
Interest Income	(254)	(262)	(254)	(262)
Interest Payment	3,224	4,053	3,224	4,053
Exchange Fluctuation (Gain) / Loss on Re-statement	21	(39)	21	(39)
Other adjustments	141	191	141	191
	6,381	7,194	6,381	7,194
Operating Profit before working capital changes	3,831	6,410	3,831	6,410
Adjustments for :				
(Increase) / Decrease in Inventories	843	2,206	843	2,206
(Increase) / Decrease in Trade Receivables	(784)	(743)	(784)	(743)
(Increase) / Decrease in Other Financial Assets	(127)	57	(127)	57
(Increase) / Decrease in Other Assets	453	(37)	453	(37)
Increase / (Decrease) in Trade Payable	1,570	(687)	1,570	(687)
Increase / (Decrease) in Other Financial Liabilities	189	541	189	541
Increase / (Decrease) in Other Liabilities	(591)	(187)	(591)	(187)
	1,553	1,149	1,553	1,149
Cash generated from Operations	5,384	7,561	5,384	7,561
Direct Taxes Refund / (Payable)	(41)	(12)	(41)	(12)
Net Cash Flow from operating activities	5,343	7,548	5,343	7,548
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment (Including WIP)	(1,018)	(1,229)	(1,018)	(1,229)
Advance settled for purchase of Property, Plant and Equipment	8	17	8	17
Sale of Property, Plant and Equipment	2,863	108	2,863	108
(Purchase)/ Sale of Non - Current Investments	746	19	746	19
Interest Received	254	262	254	262
Net Cash flow from / (used in) Investing activities	2,853	(823)	2,853	(823)
C. CASH FLOW FROM FINANCING ACTIVITIES:-				
Unclaimed dividends paid	0	(10)	0	(10)
Interest Paid (Net)	(3,207)	(4,036)	(3,207)	(4,036)
Repayment of Long Term Borrowings	(4,690)	(481)	(4,690)	(481)
Repayment of lease liability	(29)	-	(29)	-
Proceeds / (Repayments) of Unsecured Loan	(1,938)	(1,445)	(1,938)	(1,445)
Proceeds / (Repayments) of loans repayable on demand	1,678	(834)	1,678	(834)
Net Cash Flow used in Financing Activities	(8,186)	(6,807)	(8,186)	(6,807)
Net Increase/Decrease in Cash and Cash Equivalent	10	(83)	10	(83)
Cash and Bank Balances as at				
01.04.2019 and 01.04.2018 (Opening balance)	790	873	790	873
Less: Bank balances not considered as Cash and Cash Equivalents as per Accounting Standard 3	764	721	764	721
Cash and Cash Equivalents as at				
31.03.20 and 31.03.19 (Closing balance)	36	69	36	69



Notes

- 1 The audited results have been subject to review by the statutory auditors, reviewed by the audit committee and approved by the board at its meeting held on 26-June-20.
- 2 The operations of the company primarily relate to only one reportable operating segment namely Textiles. Hence the results are reported under one segment as per Ind AS 108 - "Operating Segments".
- 3 Other Income includes foreign exchange gain arising out of restatement of foreign currency assets and liabilities amounting to ₹ 21.39 Lakhs for the current three months ended 31.03.2020 and loss of ₹ 20.67 Lakhs for the year ended 31.03.2020.
- 4 Figures for the earlier period have been regrouped / reclassified to correspond to the figures for the current period.
- 5 The outbreak of Covid-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The management has considered the possible effects that may result from the pandemic on the recoverability/carrying value of the assets. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets. The management will continue to closely monitor any material changes to future economic conditions. Given the uncertainties, the final impact on Company's assets in future may differ from that estimated as at the date of approval of these financial results.
- 6 Finance cost includes credit of Rs.626.54 lakhs on account of settlement of certain pending litigations pertaining to Central Excise and Service tax under the "Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019". Necessary applications were filed in this regard against which the Company has received discharge certificates against the tax dues from the designated committee. Consequently, the interest liability recognised in earlier years against the disputed liability has been written back.
- 7 The consolidated financial results for the quarter ended March 31, 2019 are being submitted for the first time pursuant to the mandatory requirement with effect from April 1, 2019. Thus, the figures for the quarter ended March 31, 2019, as reported in the financial results are as prepared by the management and were not subject to Limited review.
- 8 The figures of the last quarter are the balancing figures between audited figures for the full financial year and unaudited year to date figures up to the third quarter of the respective financial year.

Place : Coimbatore
Date : 26-June-2020

By order of the Board

Ashwin Chandran (DIN : 00001884)
Chairman & Managing Director



June 26, 2020

The Manager - Listing Department
National Stock Exchange of India Ltd
'Exchange Plaza', C 1, Block G
Bandra – Kurla Complex, Bandra (E)
Mumbai 400 051

Dear Sir,

Sub: Declaration pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") – reg.

Pursuant to Regulation 33 of the Listing Regulations, we hereby confirm and declare that the statutory auditors of the company, M/s VKS Aiyer & Co., Chartered Accountants, have issued an Audit Report with unmodified opinion on Audited financial results of the company (Standalone and Consolidated) for the quarter and financial year ended 31st March, 2020.

This declaration is submitted pursuant to Regulation 33(3)(d) of the Listing Regulations.

This is for your information and records.

Thanking you,

Yours truly,

For Precot Meridian Limited

Ashwin Chandran
Chairman and Managing Director

PRECOT MERIDIAN LIMITED

Regd Office : D Block, 4th Floor, Hanudev Info Park, Nava India Road, Udaiyampalayam, Coimbatore-641 028
Tel : 0091 - 422 - 4321100 Fax : 0091 - 422 - 4321200 Email : co@precot.com
CIN : L17111TZ1962PLC001183 Website : www.precot.com



Independent Auditor's Report on Annual Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors

Precot Meridian Limited

Opinion

We have audited the accompanying standalone financial results ('the Statement') of **Precot Meridian Limited** ('the Company') for the year ended March 31, 2020, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, read with SEBI Circular CIR/CFD/FAC/62/2016 dated July 5, 2016 (hereinafter referred to as 'the SEBI Circular'); and
- ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the net loss, other comprehensive income and other financial information of the Company for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') 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 Statement* 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 ('the ICAI') 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 obtained by us, is sufficient and appropriate to provide a reasonable basis for our opinion.

Management's Responsibilities for the Statement

This Statement has been prepared on the basis of the annual financial statements. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss, other comprehensive income and other financial information of the Company in accordance with 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 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 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 Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Statement, 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 for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Standards on Auditing, specified under section 143(10) of the Act, 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 this Statement.

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

- Identify and assess the risks of material misstatement of the Statement, 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. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;



- Conclude on the appropriateness of the management's 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 Company's ability 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; and
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents 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

This Statement includes the financial results for the quarter ended 31 March 2020, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For VKS Aiyer & Co.,
Chartered Accountants
Firm Registration No: 000066S



V S Srinivasan
Partner
Membership No: 13729
UDIN: 20013729AAAABO5241



Place: Coimbatore
Date: 26.06.2020

Independent Auditor's Report on Consolidated Annual Financial Results of the Company
Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015 (as amended)

To the Board of Directors

Precot Meridian Limited

Opinion

We have audited the accompanying Statement of consolidated annual financial results('the Statement') of **Precot Meridian Limited** (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") for the year ended 31st March 2020 being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. includes the annual financial results of the following entity

S.No	Name of the entity	Relationship
1	Suprem Associates (Partnership firm)	Subsidiary

- ii. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations read with SEBI Circular CIR/CFD/FAC/62/2016 dated 5th July 2016 (herein referred to as 'the SEBI Circular'); and
- iii. gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net loss after tax, other comprehensive income and other financial information of the Group for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') 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 Statement* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') 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 obtained by us is sufficient and appropriate to provide a reasonable basis for our opinion.



Management's Responsibilities for the Statement

This Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net loss and other comprehensive income and other financial information of the Group in accordance with 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, including SEBI circular. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the respective Management of the entities included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Management of the entities included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Standards on Auditing specified, under Section 143(10) of the Act, 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 Statement.



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

- Identify and assess the risks of material misstatement of the Statement, 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. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the group 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 made by the Management;
- Conclude on the appropriateness of the Management's 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 Group 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 Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the Statement including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of, which we are the independent auditors. Our responsibilities in this regard is as described in "Other Matters" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

The Statement include the unaudited Financial Results of a subsidiary, whose Financial information reflects Group's share of total assets of ₹ 2,421.58 lakhs as at 31st March 2020, Group's share of total revenues of ₹ Nil and ₹ Nil and Group's share of total net loss after tax of ₹ Nil and ₹ Nil for the quarter ended 31st March 2020 and for the period from 1st April 2019 to 31st March 2020 respectively, as considered in the Statement. These unaudited interim Financial information have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on such unaudited Financial information. In our opinion and according to the information and explanations given to us by the Management, this Financial information is not material to the Group.

We draw attention to the following:

- a) The Statement include the results for the quarter ended 31st March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which were subject to limited review by us.
- b) The consolidated figures for the quarter ended 31st March 2019, as reported in the financial results have been approved by the Management but have not been subjected to review, since the consolidated financial results of the company are being submitted for the first time pursuant to the mandatory requirement with effect from April 1, 2019.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the financial information certified by the Management.

For VKS Aiyer & Co.,
Chartered Accountants
Firm Registration No: 000066S



V S Srinivasan
Partner
Membership No: 13729
UDIN: 20013729AAAABP9931



Place: Coimbatore
Date: 26.06.2020