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BSE ACKNOWLEDGEMENT

Acknowledgement Number	1034455
Date and Time of Submission	9/14/2019 2:48:54 PM
Scripcode and Company Name	511066 - SAKTHI FINANCE LTD.
Subject / Compliance Regulation	Outcome of Board Meeting
Submitted By	S.Venkatesh
Designation	Company Secretary & Compliance Officer

Disclaimer : - Contents of filings has not been verified at the time of submission.

SFL:BM3:137:2019-20

14th September 2019

BSE Limited
(Scrip Code : 511066)
Floor 25, P J Towers
Dalal Street, Fort
Mumbai – 400 001

On-line submission through Listing Centre

Dear Sir / Madam,

Outcome of Board Meeting held on 14th September 2019

We request you to refer to our letter SFL:BM3:132:2019-20 dated 5th September 2019 intimating you of convening Board Meeting on 14th September 2019 for consideration of Unaudited Financial Results for the quarter ended 30th June 2019.

We now wish to inform that the Board of Directors of the Company have, at their meeting held today (i.e., **Saturday, 14th September 2019**), approved the Unaudited Financial Results ("**under IND AS**") for the quarter ended 30th June 2019 in the prescribed format under Regulation 33 of the Listing Regulations.

In this regard, we enclose the following documents:

- Unaudited Financial Results for the quarter ended 30th June 2019 (**Annexure - 1**)
- A copy of Limited Review Report given by our Statutory Auditors, M/s P. K Nagarajan & Co., Chartered Accountants, on the Unaudited Financial Results (**Annexure - 2**)

The extract of results in the prescribed format under Listing Regulations will be published within the stipulated time in the manner laid down under regulation 47(1)(b) in English and Tamil newspapers.

The unaudited financial results would be also made available on the website of the Company, www.sakthifinance.com as well as on the website of the BSE Limited.

The Board Meeting commenced at 11.45 a.m and concluded at 2.30 p.m.

We request you to take the above documents / information on record.

Yours faithfully
For Sakthi Finance Limited


S. Venkatesh
Company Secretary
M No: FCS 7012



Statement of Unaudited Financial Results for the Quarter Ended 30th June 2019

(₹ lakh)

Sl No	Particulars	Quarter Ended	
		30-06-2019	30-06-2018
		(Unaudited)	(Unaudited)
1	Revenue from Operations		
	Interest Income	3,901.57	3,995.01
	Dividend Income	-	-
	Rental Income	5.67	6.57
	Sale of power	63.82	59.76
	Bad debts recovery	9.72	7.56
	Total revenue from operations	3,980.78	4,068.90
2	Other Income :		
	Profit on sale of fixed Assets	-	0.27
	Miscellaneous income	0.21	0.19
3	Total Revenue	3,980.99	4,069.36
4	Expenses		
	a. Finance Costs	2,433.05	2,478.57
	b. Fees and compensation expense	37.51	29.54
	c. Impairment on Financial Assets	105.48	146.24
	d. Employee benefits expense	603.41	545.90
	e. Depreciation and amortisation expenses	91.50	84.67
	f. Bad debts write off	34.16	29.31
	e. Other Administrative Expenses	349.33	396.76
	Total Expenses	3,654.44	3,710.99
5	Profit/(Loss) before Exceptional items and Tax (3-4)	326.55	358.37
6	Exceptional items	-	-
7	Profit/(Loss) before tax (5-6)	326.55	358.37
8	Tax expense:		
	a. Current Tax	151.09	172.09
	b. Deferred Tax	(33.98)	(84.41)
9	Profit after Tax for the period from continuing operations (7-8)	209.44	270.69
10	Other Comprehensive Income :		
	A (i) Items that will not be reclassified to profit or loss :		
	a) Fair value changes in Equity instruments	(11.39)	(13.27)
	b) Remeasurement Gain/(Loss) in defined benefit obligation	(9.74)	(8.98)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	2.84	2.61
	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	-	-
11	Other Comprehensive Income	(18.29)	(19.64)
12	Total Comprehensive Income for the period (9+11)	191.15	251.05
13	Earnings per Equity Share (Face Value : Rs 10 each) :		
	- Basic (₹)	0.38	0.50
	- Diluted (₹)	0.38	0.50

[Handwritten Signature]



Sakthi Finance Limited
Coimbatore – 18

Notes:

1. The Company has adopted the Indian Accounting Standards ("**Ind AS**") notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules 2016. The Company has adopted Ind AS from 1st April 2019 with effective transition date of 1st April 2018.

Such transition to Ind AS has been carried out from the previous Accounting Standards notified under the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended), guidelines issued by the Reserve Bank of India ("**the RBI**") and other generally accepted accounting principles in India (collectively referred to as "**the Previous GAAP**"). Accordingly, the impact of transition has been recorded in the opening reserves as at 1st April 2018 and the corresponding adjustments pertaining to comparative previous period/quarter as presented in these financial results have been restated/ reclassified in order to conform to current period presentation.

These financial results have been drawn up on the basis of Ind AS that are applicable to the Company as at 30th June 2019 based on the Notification issued by the Ministry of Corporate Affairs ("**MCA**") on 30th March 2016. Any application guidance/clarifications/ directions issued by RBI or other regulators will be implemented as and when they are issued/ applicable.

2. The unaudited financial results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14th September 2019.
3. In compliance with Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("**Listing Regulations**"), the Statutory Auditors have carried out a limited review of financial results for the quarter ended 30th June 2019.
4. As permitted by SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016, the Company has opted to avail exemption for submission of Ind AS compliant financial results for the quarter ended 31st March 2019 and previous year ended 31st March 2019. Further, the financial results for the quarter ended 30th June 2018 have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results for the quarter ended 30th June 2018 provide a true and fair view of the Company's affairs.
5. As required under paragraph 32 of Ind AS 101, the profit reconciliation between the figures previously reported under previous GAAP and restated as per Ind AS is as under:



Particulars	Quarter ended 30th June 2018
Net Profit after tax as per Previous GAAP	329.80
<u>Adjustments resulting in increase / (decrease) in net profit after tax reported under Previous GAAP:</u>	
a. Adoption of Effective Interest Rate (EIR) for amortization of Income and Expenditure – Financial Assets at amortised cost	(8.86)
b. Adoption of EIR for amortization of expenses – Financial Liabilities at amortised cost	(71.36)
c. Expected Credit Loss (ECL) and related adjustments under Ind AS 109	26.30
d. Re-measurement gain / (loss) on defined benefit plans recognized in "Other Comprehensive Income" as per Ind AS 19	8.98
e. Tax adjustments on the above items	(14.18)
Net Profit after tax as per Ind AS	270.69
Other Comprehensive Income, net of tax	(19.64)
Total Comprehensive Income as per Ind AS	251.05

6. The Expected Credit Loss on Financial Assets has been provided on an estimated basis.
7. The Company is primarily engaged in the business of financing and accordingly there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
8. The Company's Secured, Redeemable, Non-Convertible Debentures ("NCDs") are secured by mortgage of identified immovable properties and charge on specified hire purchase receivables of the Company with a cover of 100%/110% as per the terms of the issue.
9. The figures for the previous year have been regrouped / re-arranged / re-classified, wherever necessary to conform to the current period presentation.

By Order of the Board
For Sakthi Finance Limited



M. Balasubramaniam
Vice Chairman and Managing Director
DIN 00377053

14th September 2019
Coimbatore

**Extract of Statement of Unaudited Financial Results for the
Quarter ended 30th June 2019**

(₹ lakh)

Particulars	Quarter Ended	
	30-06-2019	30-06-2018
	(Unaudited)	(Unaudited)
Total Revenue from Operations (net)	3,980.99	4,069.36
Net Profit / (Loss) for the period (before tax and Exceptional Item)	326.55	358.37
Net Profit / (Loss) for the period before tax (after Exceptional Items)	326.55	358.37
Net Profit / (Loss) for the period after tax (after Exceptional Items)	209.44	270.69
Other Comprehensive Income (net of tax)	(18.29)	(19.64)
Total Comprehensive Income for the period [comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (net of tax)]	191.15	251.05
Paid-up equity share capital (Face value : ₹ 10 per share)	5,000.00	5,000.00
Reserves (excluding Revaluation Reserve)	-	-
Earnings Per Share (₹ 10 each) (for continuing operations):		
a. Basic (₹)	0.38	0.50
b. Diluted (₹)	0.38	0.50

Notes :

- The above is an extract of the detailed format of the Unaudited Financial Results filed with Stock Exchange under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The full format of the Unaudited Financial Results are available on the BSE Ltd website (URL: www.bseindia.com/corporates) and company's website www.sakthifinance.com.

By Order of the Board
For Sakthi Finance Limited

14th September 2019
Coimbatore - 18



M. Balasubramaniam
M. Balasubramaniam
Vice Chairman and Managing Director
DIN 00377053

**LIMITED REVIEW REPORT ON UNAUDITED FINANCIAL RESULTS
OF THE COMPANY FOR THE QUARTER ENDED 30TH JUNE 2019**

To
Board of Directors
Sakthi Finance Limited

1. Report on the Statement of Unaudited Financial Results

We have reviewed the accompanying statement of Unaudited Financial Results ("the Statement") of Sakthi Finance Limited ("the Company") for the quarter ended June 30, 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Management Responsibility for the Unaudited Financial Results

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

3. Auditor's Responsibility

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 financial 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.

4. Other Matter

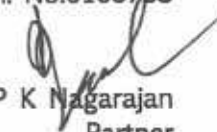
We draw attention to Note 5 of the statement, the figures for the corresponding quarter ended 30th June 2018 including the reconciliation of Profit under Ind AS of the corresponding quarter with Profit reported under previous GAAP, as reported in these financial results have been approved by the Company's Board of Directors but have not been subjected to review.

5. Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Coimbatore
Date: 14.09.2019

For P K Nagarajan & Co.,
Chartered Accountants
Firm Regn. No:016676S


P K Nagarajan
Partner
M.No. 025679

UDIN: 19025679AAAAAO6368