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BSE ACKNOWLEDGEMENT

Acknowledgement Number	2076242
Date and Time of Submission	9/15/2020 4:09:06 PM
Scripcode and Company Name	511066 - SAKTHI FINANCE LTD.
Subject / Compliance Regulation	Board Meeting Outcome for Outcome Of Board Meeting Held On 15Th September 2020
Submitted By	S.Venkatesh
Designation	Company Secretary & Compliance Officer

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

SFL:BM3:090:2020-21

15th September 2020

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 the Board Meeting

We request you to refer our letter dated SFL:BM3:085:2020-21 dated 7th September 2020 intimating you of the Board Meeting to consider the Unaudited Financial Results (“UFR”) for the quarter ended 30th June 2020.

The Board of Directors have, at their meeting held today (i.e 15th September 2020), considered and approved the following proposals and in this regard, we enclose the following documents:

A. Unaudited Financial Results

1. Unaudited Financial Results for the quarter ended 30th June 2020 (**Annexure - 1**)
2. A copy of Limited Review Report given by our Statutory Auditors, M/s P. K Nagarajan & Co., Chartered Accountants on the Unaudited Financial Results for the quarter ended 30th June 2020 (**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) of SEBI Listing Regulations in English and Tamil newspapers.

The Unaudited Financial Results would also be 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 2.45 p.m and concluded at ~~3:50~~ 3:50 p.m.

We request you to take the above information on record.

Yours faithfully
For Sakthi Finance Limited


S Venkatesh
Company Secretary
FCS 7012



Encl : (2)

Statement of Unaudited Financial Results for the Quarter Ended 30th June 2020

(₹ lakh)

SI No	Particulars	Quarter Ended			Year Ended
		30-06-2020	31-03-2020	30-06-2019	31-03-2020
		Unaudited	Audited	Unaudited	Audited
1	Revenue from Operations				
	Interest Income	3,981.01	4,343.91	3,796.41	16,158.72
	Rental Income	0.88	4.89	5.67	21.13
	Fees and Commission	9.08	107.89	111.04	483.89
	Bad debts recovery	-	28.96	9.72	150.44
	Sale of power	39.09	33.85	63.82	208.43
	Total revenue from operations	4,030.06	4,519.50	3,986.66	17,022.61
2	Other Income	0.02	0.01	0.21	0.40
3	Total Income	4,030.08	4,519.51	3,986.87	17,023.01
4	Expenses				
	a. Finance Costs	2,559.66	2,635.03	2,433.05	10,109.40
	b. Fees and commission expense	46.13	44.31	37.51	174.25
	c. Impairment on Financial Assets	186.71	241.11	139.64	729.44
	d. Employee benefits expenses	587.83	760.01	603.41	2,633.57
	e. Depreciation, amortisation and impairment	106.15	187.78	91.50	465.61
	f. Other Administrative Expenses	222.23	309.43	355.21	1,509.71
	Total Expenses	3,708.71	4,177.67	3,660.32	15,621.98
5	Profit/(Loss) before Exceptional items and Tax (3-4)	321.37	341.84	326.55	1,401.03
6	Exceptional items	-	-	-	-
7	Profit/(Loss) before tax (5-6)	321.37	341.84	326.55	1,401.03
8	Tax expense:				
	a Current Tax	142.96	104.36	151.09	449.61
	b Deferred Tax	(61.35)	(15.10)	(33.98)	(166.52)
9	Profit after Tax for the period from continuing operations (7-8)	239.76	252.58	209.44	1,117.94
10	Other Comprehensive Income:				
	(i) Items that will not be reclassified to profit or loss :				
	a) Fair value changes in Equity instruments	12.88	(8.78)	(11.39)	(22.38)
	b) Remeasurement Gain/ (Loss) in defined benefit obligation	(9.15)	50.51	(9.74)	22.82
	(ii) Income tax relating to items that will not be reclassified to profit or loss	2.30	(12.95)	2.84	(5.98)
11	Other Comprehensive Income	6.03	28.78	(18.29)	(5.54)
12	Total Comprehensive Income for the period (9+11)	245.79	281.36	191.15	1,112.40
13	Earnings per equity share (Face Value : ₹ 10 each) :				
	- Basic (₹)	0.38	0.55	0.38	2.19
	- Diluted (₹)	0.38	0.55	0.38	2.19

For Sakthi Finance Limited

M. Balasubramaniam
Vice Chairman and Managing Director

Sakthi Finance Limited
Coimbatore – 18

Notes:

1. The above Unaudited Financial Results ("**UFR**") have been prepared in accordance with the Indian Accounting Standards ("**Ind AS**") notified under Section 133 of the Companies Act 2013 ("**the Act**") read with the Companies (Indian Accounting Standards) Rules 2015 and accordingly, these financial results together with the comparative reporting period have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("**Ind AS 34**") prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("**Listing Regulations**"), as amended. Any application guidance / clarifications / directions issued by the Reserve Bank of India will be implemented as and when they are issued/ applicable.
2. The above UFR for the quarter ended 30th June 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 15th September 2020.
3. The Statutory Auditors of the Company have conducted a limited review on the UFR for the quarter ended 30th June 2020.
4. The figures for the last quarter of the previous year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to third quarter.
5. The Company is primarily engaged in the business of financing and accordingly there are no separate reportable segments as identified as per Ind AS 108 on 'Operating Segments'.
6. The Expected Credit Loss on Financial Assets has been provided on an estimated basis.
7. The company has granted moratorium up to six months on the payment of instalments falling due between 1st March 2020 and 31st August 2020 to all the eligible borrowers based on the Board approved moratorium policy in line with the Reserve Bank of India ("**RBI**") guidelines issued on 27th March 2020 and 23rd May 2020 relating to 'COVID-19-Regulatory Package' and RBI guidelines on EMI moratorium dated 17th April 2020. Extension of such moratorium benefit to the borrowers as per the COVID-19 Regulatory package of the RBI by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The Company continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due.



Sakthi Finance Limited
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The COVID-19 pandemic has significantly affected various sectors of Indian economy. The continued lockdown imposed by the Government due to Covid-19 pandemic has affected the Company's business operations. Due to lockdown, the Company's disbursement of loans and recovery of dues from its customers have been affected during the quarter ended 30th June 2020.

Further, for the quarter ended 30th June 2020, as required under RBI guidelines dated 17th April 2020, the Company had made an additional amount of ₹ 23.28 Lakhs towards COVID-19 provision in respect of all moratorium accounts, where asset classification benefits were extended.

8. The Company's Secured, Redeemable, Non-Convertible Debentures ("**NCDs**") are secured by mortgage of identified immovable properties and charge on the specified hire purchase receivables of the Company with a cover of 100%/110% as per the terms of the issue.
9. Previous period / year figures have been regrouped / re-arranged / re-classified, wherever necessary to conform to the current period / year presentation.

By Order of the Board
For Sakthi Finance Limited



M. Balasubramaniam
Vice Chairman and Managing Director
DIN : 00377053

15th September 2020
Coimbatore

Sakthi Finance Limited
No 62, Dr Nanjappa Road, Coimbatore - 18

Extract of Statement of Unaudited Financial Results for the
Quarter ended 30th June 2020

(₹ lakh)

Particulars	Quarter Ended			Year ended
	30-06-2020	31-03-2020	30-06-2019	31-03-2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Total income from Operations (net)	4,030.06	4,519.50	3,986.66	17,022.61
Net Profit / (Loss) for the period (before tax, Exceptional Item and/or Extraordinary Items)	321.37	341.84	326.55	1,401.03
Net Profit / (Loss) for the period before tax (after Exceptional Item and/or Extraordinary Items)	321.37	341.84	326.55	1,401.03
Net Profit / (Loss) for the period after tax (after Exceptional Item and/or Extraordinary Items)	239.76	252.58	209.44	1,117.94
Other Comprehensive Income (net of tax)	6.03	28.78	(18.29)	(5.54)
Total Comprehensive Income for the period [comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after Tax)]	245.79	281.36	191.15	1,112.40
Paid-up equity share capital (Face value : ₹ 10 per share)	6,470.59	6,470.59	5,000.00	6,470.59
Reserves (excluding Revaluation Reserve)	-	9,580.94	-	9,580.94
Earnings Per Share (₹ 10 each) (for continuing operations):				
a. Basic (₹)	0.38	0.55	0.38	2.19
b. Diluted (₹)	0.38	0.55	0.38	2.19

Notes :

- 1 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](http://www.bseindia.com/corporates)) and company's website www.sakthifinance.com.

By Order of the Board
For Sakthi Finance Limited



M. Balasubramaniam
Vice Chairman and Managing Director

DIN 00377053

15th September 2020
Coimbatore - 18

**Independent Auditor's Report on Review of Unaudited Interim Financial Results
for the Quarter Ended 30th June 2020**

To
**The Board of Directors
Sakthi Finance Limited**

Report on the Statement of Unaudited Financial Results

1. We have reviewed the accompanying statement of Unaudited Financial Results of Sakthi Finance Limited ("the Company") for the quarter ended 30th June 2020, ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Management Responsibility for the Unaudited Financial Results

2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 " Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

Auditor's Responsibility

3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statements is 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.

Conclusion

4. 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.

Emphasis of Matter

5. We draw attention to Note 7 of the accompanying statement, which explains the impact of the COVID 19 pandemic and management's assessment of the probable material impact on Company's operations and financial metrics, including company's estimate of impairment of loans and staging of accounts to which moratorium benefits has been granted. Our conclusion is not modified in respect of this matter.

Place: Coimbatore
Date: 15.09.2020

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



C Sundaraeson

Partner

Membership No. 201311

UDIN: 20201311AAAAAP4547