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BSE ACKNOWLEDGEMENT

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Scripcode and Company Name	511066 - SAKTHI FINANCE LTD.
Subject / Compliance Regulation	Board Meeting Outcome for Outcome Of Board Meeting February 2021
Submitted By	S.Venkatesh
Designation	Company Secretary & Compliance Officer

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

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 held on 13th February 2021

We refer to our Letter No SFL:BSEBM:182:2020-2021 dated 5th February 2021 intimating you of convening of Board Meeting on **Saturday, 13th February 2021** for considering Unaudited Financial Results for the quarter and nine months period ended 31st December 2020.

In this regard, we wish to inform you that the Board of Directors of the Company have, at their meeting held today, approved the following items:

1. UNAUDITED FINANCIAL RESULTS

- a. We enclose a copy of the Unaudited Financial Results for the quarter and nine months period ended 31st December 2020 along with the Limited Review Report (**Annexure - 1**)
- b. A copy of Limited Review Report given by our Statutory Auditors, M/s P. K Nagarajan & Co., Chartered Accountants, on the Unaudited Financial Results was taken on record.

The extract of results in the format prescribed under the 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 are being uploaded in the website of the Company www.sakthifinance.com as well as in the website of the BSE Limited in the required manner.

2. PUBLIC ISSUE OF NON- CONVERTIBLE DEBENTURES

Public Issue of Secured, Redeemable, Non-Convertible Debentures ("**Secured NCDs**") and Unsecured, Redeemable, Non-Convertible Debentures ("**Unsecured NCDs**") of face value of ₹ 1,000 each for cash at par, for an amount not exceeding ₹ 10,000 lakh (being the "**base issue**") with an option to retain over-subscription up to ₹ 10,000 lakh, aggregating ₹ 20,000 lakh. The Unsecured, Redeemable, Non-Convertible Debentures will be in the nature of sub-ordinated debt and will be eligible for Tier-II Capital.



The details required to be given in terms of Regulation 30 of the SEBI Listing Regulations 2015 in respect of Public Issue are given below:

SI No	Particulars	Details
1	Size of the Issue	Secured and Unsecured, Redeemable, Non-Convertible Debentures ("NCDs") of face value of ₹ 1,000 each at par, aggregating ₹ 10,000 lakh (being the "base issue") with an option to retain over-subscription up to ₹ 10,000 lakh, aggregating ₹ 20,000 lakh. The Unsecured, Redeemable, Non-Convertible Debentures will be in the nature of sub-ordinated debt and will be eligible for Tier II Capital.
2	Whether proposed to be listed? (If yes, name of the stock exchange(s))	Yes, BSE Limited
3	Tenure of the Instrument - date of the allotment and date of maturity	Will be decided by the Board of Directors / NCD Issuance Committee
4	Coupon/interest offered, schedule of payment of coupon / interest and principal	Not exceeding 10%
5	Charge / Security, if any, created over the assets	An identified immovable property and specified Hire Purchase receivables of the Company are offered as security. Security Cover will be 100% of the debenture value.
6	Special Rights / interest / privileges attached to the instrument and changes thereof	Not applicable
7	Delay in payment of interest / principal amount for a period of more than three months from the due date or default in payment of interest / principal	In the event of a payment default or any other event of Default, of the amounts due under the issue, the issuer shall pay an additional interest rate as per the SEBI Debt Regulations 2018 / Companies Act 2013 over and above the applicable Coupon rate from the date of the occurrence of the payment default on the outstanding principal amount of the Debentures until such default is cured or the debentures are redeemed pursuant to such default, as applicable. If the Coupon payment day is a holiday, then the coupon payment has to be made on the immediately succeeding business day

8	Delay of any letter or comments regarding payment / non-payment of interest, principal on due dates, or any other matter concerning the security and /or the assets along with its comments thereon, if any	Nil
9	Details of redemption of preference shares indicating the manner of redemption (whether out of profits or out of fresh issue) and debentures	Redemption of NCDs will be made out of the profits of the company / out of fresh issue of NCDs

3. REDEMPTION OF NON-CONVERTIBLE DEBENTURES ("NCDs")

- a. Redemption of Non-Convertible Debentures ("NCDs") of face value of ₹ 1000 each allotted under Option I and II to the NCD holders on 15th May 2021, pursuant to the Public Issue Prospectus dated 28th March 2019. The details are given below.

Option	ISIN	Scrip Code	Interest Payment Frequency	Redemption remarks	Amount (Principal) (₹ lakhs)
I	INE302E07177	936674	Monthly	100% of the principal amount (plus interest for the month of May 2021 up to 15th May 2021 to be paid along with the redemption proceeds as per the terms and conditions of the Prospectus dated 28th March 2019)	646.99
II	INE302E07185	936676	Cumulative	100% of the principal amount (plus accrued interest up to 15th May 2021 i.e. for 2 years will be paid along with redemption proceeds as per the terms and conditions of the Prospectus dated 28th March 2019)	1,344.40
Total					1,991.39

- b. As per the terms and conditions of the Prospectus dated 28th March 2019, the record date shall be seven days prior to the redemption date. Accordingly, the Company has fixed,

Friday, 30th April 2021, as the record date for the purpose of determining the Debenture holders who are eligible to receive the redemption proceeds along with interest.

- c. As per terms and conditions of the NCD Prospectus dated 28th March 2019, the repayment of maturity amount to debentures holders will be made on **15th May 2021**.

4. APPOINTMENT OF CHIEF COMPLIANCE OFFICER ("CCO") OF THE COMPANY

The Board of Directors at their meeting held today, appointed Sri Srinivasan Anand, Chief Audit Officer as Chief Compliance Officer ("**CCO**") of the Company effective from 13th February 2021.

Brief profile of Sri Srinivasan Anand is given below:

Sri Srinivasan Anand, aged 66 years is an Associate member of The Institute of Chartered Accountants of India. He has more than forty years of experience in Finance and Accounts, Audit and Retail Finance in various capacities. Earlier, he was the Chief Audit Officer of the Company. He is not related to any Directors of the Company.

The Board Meeting commenced at 4.15 p.m and concluded at 6.30 p.m.

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

Yours faithfully
For Sakthi Finance Limited



S. Venkatesh
Company Secretary



Encl:(2)

Sakthi Finance Limited
Coimbatore - 18

Statement of Unaudited Financial Results for the Quarter and Nine Months Period ended 31st December 2020

(₹ lakh)

SI No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from Operations						
	Interest Income	4,247.19	3,979.53	4,145.66	12,207.73	11,814.82	16,158.72
	Fees and Commission	122.09	64.49	138.62	195.66	376.00	483.89
	Rental Income	0.88	0.88	5.09	2.64	16.24	21.13
	Sale of power	26.63	87.60	28.89	153.32	174.58	208.43
	Bad debts recovery	5.03	11.50	52.76	16.53	121.48	150.44
	Total revenue from operations	4,401.82	4,144.00	4,371.02	12,575.88	12,503.12	17,022.61
2	Other Income						
	Profit on sale of Fixed Assets	-	-	-	-	-	-
	Miscellaneous income	0.03	0.42	0.02	0.47	0.39	0.40
3	Total Income	4,401.85	4,144.42	4,371.04	12,576.35	12,503.51	17,023.01
4	Expenses						
	a. Finance Costs	2,645.08	2,589.94	2,582.27	7,794.68	7,474.37	10,109.40
	b. Fees and commission expense	53.44	73.72	29.41	173.29	129.94	174.25
	c. Impairment on Financial Instruments	201.51	198.69	186.47	586.91	488.33	729.44
	d. Employee benefits expenses	655.80	609.26	628.41	1,852.89	1,873.56	2,633.57
	e. Depreciation, amortisation and impairment	106.01	106.34	93.32	318.50	277.83	465.61
	f. Other Administrative Expenses	439.83	249.82	447.78	911.88	1,200.28	1,509.71
	Total Expenses	4,101.67	3,827.77	3,967.66	11,638.15	11,444.31	15,621.98
5	Profit/(Loss) before Exceptional items and Tax (3-4)	300.18	316.65	403.38	938.20	1,059.20	1,401.03
6	Exceptional items	-	-	-	-	-	-
7	Profit/(Loss) before tax (5-6)	300.18	316.65	403.38	938.20	1,059.20	1,401.03
8	Tax expense:						
	a Current Tax	124.81	101.67	110.81	369.44	345.25	449.61
	b Deferred Tax	(49.23)	(40.54)	(55.75)	(151.12)	(151.42)	(166.52)
9	Profit after Tax for the period from continuing operations (7-8)	224.60	255.52	348.32	719.88	865.37	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	9.18	(6.69)	-	15.37	(13.60)	(22.38)
	b) Remeasurement Gain / (Loss) in defined benefit obligation	1.46	(9.31)	(8.95)	(17.00)	(27.69)	22.82
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.37)	2.35	2.25	4.28	6.97	(5.98)
11	Other Comprehensive Income	10.27	(13.65)	(6.70)	2.65	(34.32)	(5.54)
12	Total Comprehensive Income for the period (9+11)	234.87	241.87	341.62	722.53	831.05	1,112.40
13	Earnings per equity share (Face Value : ₹ 10 each) : (Not Annualised)						
	- Basic (₹)	0.36	0.37	0.68	1.12	1.66	2.19
	- Diluted (₹)	0.36	0.37	0.68	1.12	1.66	2.19



Sakthi Finance Limited
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Notes:

1. The above Unaudited Financial Results ("**UFR**") 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 Companies Act 2013 ("**the Act**") read with the relevant rules issued thereunder and other accounting principles generally accepted in India.
2. The above 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 13 February 2021.
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 and nine months ended 31 December 2020.
4. The company is primarily engaged in the business of financing and accordingly, there are no separate reportable segments as per Ind AS 108 on 'Operating Segments' in respect of the Company.
5. The Expected Credit Loss on Financial Assets has been provided on an estimated basis.
6. 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 recognize 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.

The Company has not classified any accounts for which moratorium has been granted as Non-performing assets ("**NPA**") which were not declared as NPA till 31st August 2020 in view of Honourable Supreme Court's Interim Order dated 3rd September 2020 (Public Interest Litigation (PIL) by Gajendra Sharma Vs Union of India & ANR).



7. In terms of RBI Circular No. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/ 2019-20 dated 17th April 2020 on "COVID19 Regulatory Package - Asset Classification and Provisioning", the company had ₹ 4,109 lakhs in SMA/overdue categories, where the moratorium /deferment was extended in terms of paragraph 2 and 3 out of the same, ₹ 478 lakhs were given the asset classification benefits for which an additional provision of ₹ 23.92 lakhs were made during March 2020 and ₹ 23.28 lakhs made during June 2020. Further, no provisions have been adjusted against any slippages during the respective and subsequent accounting periods.
8. The Government of India, Ministry of Finance, vide its notification dated 23rd October 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium was availed or not. Accordingly, during the quarter, the Company has lodged the claim of ₹ 237.75 lakhs with the Nodal Officer, Nodal Cell for Ex-gratia, State Bank of India (only for use of DFS and Lending institutions) for reimbursement of the ex-gratia amount.
9. The Code on Social Security 2020 ("the Code") has been enacted and the effective date from which changes are applicable and the rules thereunder is yet to be notified. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.
10. The Company's Secured, Redeemable, Non-Convertible Debentures ("NCDs") are secured by mortgage on identified immovable properties and a specific charge on hire purchase receivables of the Company with a cover of 100% for Public Issue NCDs and 110% for privately placed NCDs as per the terms and conditions of the issue.
11. The above Unaudited Financial Results are also available on our website www.sakthifinance.com and on the website of BSE Limited, www.bseindia.com.
12. The figures for the previous year / period have been regrouped / re-arranged /re-classified, wherever necessary, to conform to the current period classification / presentation.

By Order of the Board
For Sakthi Finance Limited



13th February 2021
Coimbatore - 18

M Balasubramaniam
Vice Chairman and Managing Director
DIN 00377053

Sakthi Finance Limited
Coimbatore - 18

**Extract of Statement of Unaudited Financial Results for the
Quarter and nine months period ended 31st December 2020**

(₹ lakh)

Particulars	Quarter Ended			Nine months period ended		Year Ended
	31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total Revenue from Operations (net)	4,401.82	4,144.00	4,371.03	12,575.88	12,503.12	17,022.61
Net Profit / (Loss) for the period (before tax and Exceptional Items)	300.18	316.65	403.38	938.20	1,059.20	1,401.03
Net Profit / (Loss) for the period before tax (after Exceptional Items)	300.18	316.65	403.38	938.20	1,059.20	1,401.03
Net Profit / (Loss) for the period after tax (after Exceptional Items)	224.60	255.52	348.32	719.88	865.37	1,117.94
Other Comprehensive Income (net of tax)	10.27	(13.65)	(6.70)	2.65	(34.32)	(5.54)
Total Comprehensive Income for the period [comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (net of tax)]	234.87	241.87	341.62	722.53	831.05	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	5,000.00	6,470.59
Reserves (excluding Revaluation Reserve)	9,580.94 as on 31st March 2020					
Earnings per share (₹ 10 each) (for continuing operations) :						
a. Basic (₹)	0.36	0.37	0.68	1.12	1.66	2.19
b. Diluted (₹)	0.36	0.37	0.68	1.12	1.66	2.19

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

13th February 2021
Coimbatore - 18



By Order of the Board
For Sakthi Finance Limited

M Balasubramaniam
Vice Chairman and Managing Director
DIN 00377053

Independent Auditor's Limited Review Report on unaudited financial results for the quarter and nine months ended on December 31, 2020

To

The Board of Directors of

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 and nine months ended on December 31, 2020 (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder 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 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.

Conclusion

4. Based on our review, 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 Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Other Matter

5. We draw attention to Note 6, 7 and 8 to the accompanying Statement, with respect to moratorium benefit extended to eligible borrowers, the staging/classification of those accounts on December 31, 2020 is based on the days past due status considering the benefit of moratorium period as per COVID-19 Regulatory Package announced by the Reserve Bank of India vide notifications dated March 27, 2020, April 17, 2020 and May 23, 2020. Further, the extent to which the COVID-19 pandemic will impact the financial performance is dependent on future developments, which are highly uncertain. Our conclusion on the Statement is not modified in respect of this matter.

Coimbatore
February 13, 2021

For P K NAGARAJAN & CO.,
Chartered Accountants
Firm Registration Number: 016676S



S P Muthusami
Partner
Membership Number: 224171
UDIN: 21224171AAAABZ1748