

SAKTHI FINANCE

AN EDIFICE BUILT ON TRUST

SAKTHI FINANCE LIMITED

(CIN : L65910TZ1955PLC000145)

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HALF YEARLY COMMUNICATION

15 November 2016

Dear Debenture holder

In accordance with Regulation 58(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (**Listing Regulations**), we furnish the following information to you:

- a. The Unaudited Financial Results for the quarter and half year ended 30th September 2016 (**Annexure 1**);
- a. Disclosures in accordance with Regulation 52(4) of the Listing Regulations (**Annexure 2**); and
- b. Certificate from Catalyst Trusteeship Limited, the Debenture Trustee, for the public issue of Secured, Redeemable, Non-Convertible Debentures (NCDs), having taken note of the information to be disclosed under Regulation 52(4) of the Listing Regulations for the half year ended 30th September 2016 (**Annexure 3**).

We take this opportunity to thank you for reposing trust in the Company by investing in the listed NCDs of the Company and assure you of our continued service and attention at all times.

Yours faithfully

For Sakthi Finance Limited

(Sd)

S Venkatesh

Company Secretary

Annexure 1

Statement of Unaudited Financial Results for the Quarter and Half Year Ended 30th September 2016

(₹ lakh)

SI No	Particulars	Quarter Ended			Half Year Ended		Year Ended 31.03.2016
		30.9.2016	30.6.2016	30.9.2015	30.9.2016	30.9.2015	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from Operations	4141.39	3981.83	4279.61	8123.22	8135.92	16802.56
	Total income from Operations (net)	4141.39	3981.83	4279.61	8123.22	8135.92	16802.56
2	Expenses						
	a. Employee benefits expense	475.97	415.92	500.64	891.89	889.78	1933.09
	b. Depreciation and amortisation expense	81.64	76.64	72.41	158.28	145.11	285.05
	c. Provisions and write off	145.65	176.34	160.55	321.99	267.33	647.16
	d. Other expenditure	371.70	363.80	379.77	735.50	698.32	1555.85
	e. Contingent Provision against Standard Assets	5.35	4.00	43.00	9.35	44.20	52.45
	Total Expenses	1080.31	1036.70	1156.37	2117.01	2044.74	4473.60
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	3061.08	2945.13	3123.24	6006.21	6091.18	12328.96
4	Other Income	116.15	78.16	123.94	194.31	193.34	404.16
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	3177.23	3023.29	3247.18	6200.52	6284.52	12733.12
6	Finance Costs	2611.71	2544.61	2526.91	5156.32	5043.26	10261.07
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	565.52	478.68	720.27	1044.20	1241.26	2472.05
8	Exceptional Items	-	-	432.12	-	432.12	432.12
9	Profit/(Loss) from ordinary activities before tax (7 - 8)	565.52	478.68	288.15	1044.20	809.14	2039.93
10	Tax expense	188.74	156.26	136.75	345.00	310.74	787.36
11	Net Profit / (Loss) from ordinary activities after tax (9 - 10)	376.78	322.42	151.40	699.20	498.40	1252.57
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	Net Profit/(Loss) for the period (11 - 12)	376.78	322.42	151.40	699.20	498.40	1252.57
14	Paid-up equity share capital (Face Value : ₹ 10 per share)	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00
15	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	-	-	7670.99

16	(i) Earnings per share (not annualised) before extraordinary items:						
	(a) Basic (₹)	0.75	0.64	0.30	1.40	1.00	2.25
	(b) Diluted (₹)	0.75	0.64	0.30	1.40	1.00	2.25
16	(ii) Earnings per share (not annualised) after extraordinary items:						
	(a) Basic (₹)	0.75	0.64	0.30	1.40	1.00	2.25
	(b) Diluted (₹)	0.75	0.64	0.30	1.40	1.00	2.25

STATEMENT OF ASSETS AND LIABILITIES

(₹ lakh)

SI No	Particulars	As at 30.09.2016 (Unaudited)	As at 31.03.2016 (Audited)
(A)	EQUITY AND LIABILITIES		
1	Shareholders' funds:		
	Share Capital	6050.00	6050.00
	Reserves and Surplus	10235.88	9536.67
	Sub-total - Shareholders' funds	16285.88	15586.67
2	Non-current liabilities		
	Long-term Borrowings	57105.54	44251.78
	Deferred Tax Liabilities (net)	527.59	588.67
	Sub-total - Non-current liabilities	57633.13	44840.45
3	Current Liabilities		
	Short-term Borrowings	17947.46	24570.86
	Other Current Liabilities	16878.57	21029.09
	Short-term Provisions	1509.17	1975.92
	Sub-total - Current liabilities	36335.20	47575.87
	TOTAL - EQUITY AND LIABILITIES	110254.21	108002.99
(B)	ASSETS		
1	Non-Current assets		
	Fixed assets	6590.92	6634.50
	Non-current investments	2337.35	2236.35
	Long-term loans and advances	297.32	194.19
	Other non-current assets	401.98	162.17
	Sub-total - Non-current assets	9627.57	9227.21
2	Current assets		
	Current investments	110.99	110.99
	Stock on Hire	90211.12	92178.98
	Trade receivables	216.49	148.81
	Cash and Bank Balances	5230.62	3751.17
	Short-term loans and advances	4547.14	2361.14
	Other current assets	310.28	224.69
	Sub-total - Current assets	100626.64	98775.78
	TOTAL- ASSETS	110254.21	108002.99

Notes:

- The above Unaudited Financial Results for the quarter and half year ended 30th September 2016 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 12th November 2016 and 14th November 2016.
- The Statutory Auditors of the Company have carried out a Limited Review on the Unaudited Financial Results for the quarter and half year ended 30th September 2016.
- The Company is primarily engaged in the business of asset financing and accordingly there is no reportable segment as per Accounting Standard – 17 (AS-17) on "Segment Reporting" specified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies Accounting Rules 2014 and Companies (Accounting Standards) Amendment Rules 2016.
- The Company's Secured, Redeemable, Non-Convertible Debentures (NCDs) are secured by mortgage of immovable properties and hire purchase receivables of the Company with a cover of 100% / 110% as per the terms of the issue.
- Figures for the previous period / year have been regrouped / rearranged 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 November 2016
Coimbatore

Annexure 2

Disclosures in accordance with Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015

1. Credit Rating

The Credit Rating as on 30th September 2016 is as follows:

Instrument	Credit Rating Agency	Credit Rating as on 30th September 2016	Previous Credit Rating
Secured, Redeemable Non-Convertible Debentures	ICRA Limited	[ICRA] BBB (Stable)	[ICRA] BBB (Stable)

No change in the credit rating for the half year ended 30th September 2016.

2. Debt Equity Ratio : 6.96

3. Previous due dates for the payment of interest / principal for the period from 1st April 2016 to 30th September 2016 are given below:

NCD Public Issue – 2015						NCD Public Issue – 2016					
Series / Tranche	ISIN No	Type (Interest / Principal)	Due date of payment	Amount (₹ lakh)	Actual date of payment	Series / Tranche	ISIN No	Type (Interest / Principal)	Due date of payment	Amount (₹ lakh)	Actual date of payment
Option I	INE302E07011	Interest	2nd May 2016	38.69	2nd May 2016	Option I	INE302E07094	Interest	1st July 2016	106.02	1st July 2016
Option III	INE302E07037					Option III	INE302E07110				
Option VI	INE302E07060					Option VI	INE302E07144				
Option I	INE302E07011	Interest	1st June 2016	37.45	1st June 2016	Option I	INE302E07094	Interest	1st August 2016	74.70	1st August 2016
Option III	INE302E07037					Option III	INE302E07110				
Option VI	INE302E07060					Option VI	INE302E07144				
Option I	INE302E07011	Interest	1st July 2016	37.45	1st July 2016	Option I	INE302E07094	Interest	1st September 2016	74.70	1st September 2016
Option III	INE302E07037					Option III	INE302E07110				
Option VI	INE302E07060					Option VI	INE302E07144				
Option I	INE302E07011	Interest	1st August 2016	38.69	1st August 2016	Option I	INE302E07094	Interest	1st October 2016	72.29	1st October 2016
Option III	INE302E07037					Option III	INE302E07110				
Option VI	INE302E07060					Option VI	INE302E07144				
Option I	INE302E07011	Interest	1st September 2016	38.69	1st September 2016	Option I	INE302E07094	Interest	1st October 2016	72.29	1st October 2016
Option III	INE302E07037					Option III	INE302E07110				
Option VI	INE302E07060					Option VI	INE302E07144				
Option I	INE302E07011	Interest	1st October 2016	37.45	1st October 2016	Option I	INE302E07094	Interest	1st October 2016	72.29	1st October 2016
Option III	INE302E07037					Option III	INE302E07110				
Option VI	INE302E07060					Option VI	INE302E07144				

All interest on Non-Convertible Debentures due for payment during the half-year ended 30th September 2016 have been paid on their respective due dates.

4. Next due dates for payment of interest / principal for the period from 1st October 2016 to 31st March 2017 are given below :

NCD Public Issue - 2015					NCD Public Issue - 2016				
Series / Tranche	ISIN No	Type (Interest / Principal)	Due date of payment	Amount (₹ lakh)	Series / Tranche	ISIN NO	Type (Interest / Principal)	Due date of payment	Amount (₹ lakh)
Option I	INE302E07011	Interest	1st November 2016	38.70	Option I	INE302E07094	Interest	1st November 2016	74.70
Option III	INE302E07037				Option III	INE302E07110			
Option VI	INE302E07060				Option VI	INE302E07144			
Option I	INE302E07011	Interest	1st December 2016	37.45	Option I	INE302E07094	Interest	1st December 2016	72.29
Option III	INE302E07037				Option III	INE302E07110			
Option VI	INE302E07060				Option VI	INE302E07144			
Option I	INE302E07011	Interest	2nd January 2017	39.94	Option I	INE302E07094	Interest	2nd January 2016	77.11
Option III	INE302E07037				Option III	INE302E07110			
Option VI	INE302E07060				Option VI	INE302E07144			
Option I	INE302E07011	Interest	1st February 2017	37.45	Option I	INE302E07094	Interest	1st February 2016	72.29
Option III	INE302E07037				Option III	INE302E07110			
Option VI	INE302E07060				Option VI	INE302E07144			
Option I	INE302E07011	Interest	1st March 2017	34.95	Option I	INE302E07094	Interest	1st March 2017	67.47
Option III	INE302E07037				Option III	INE302E07110			
Option VI	INE302E07060				Option VI	INE302E07144			
Option I	INE302E07011	Interest	1st April 2017	909.52	Option I	INE302E07094	Interest	1st April 2017	74.70
Option II	INE302E07029				Option III	INE302E07110			
Option III	INE302E07037				Option VI	INE302E07144			
Option IV	INE302E07045	Interest	1st April 2017	909.52	Option I	INE302E07094	Interest	1st April 2017	74.70
Option VI	INE302E07060				Option III	INE302E07110			
Option VII	INE302E07078				Option VI	INE302E07144			
Option I	INE302E07011	Principal	1st April 2017	1453.03	Option I	INE302E07094	Interest	1st April 2017	74.70
Option II	INE302E07029	Principal	1st April 2017	3363.75	Option III	INE302E07110			
					Option VI	INE302E07144			

5. Outstanding redeemable preference shares : Nil

6. Details of Debenture Redemption Reserve are given below:

Series / Tranche	Amount of issue (₹ lakh)	DRR required to be created (₹ lakh)	DRR created up to 30.09.2016 (₹ lakh)	Funds invested for debentures maturing during the year
NCD Public Issue 2015	10000.00	960.00	960.00	NA
NCD Public Issue 2016	16487.08	NA	NA	NA

7. Net worth : ₹ 13251 lakh

8. Net profit after tax : ₹ 699.20 lakh

9. Earnings per share : ₹ 1.40



CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, **Catalyst Trusteeship Limited** ("Debenture Trustee") hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), provided to us by '**Sakthi Finance Limited.**' for the Half year ended September 30, 2016.

This Certificate is being issued pursuant to the requirements of Regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

**For Catalyst Trusteeship Limited
(Formerly GDA Trusteeship Limited)**

S.B. Kalawade

Authorized Signatory

Date: November 14, 2016



BOOK POST

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