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Scripcode and Company Name	511066 - SAKTHI FINANCE LTD.
Subject / Compliance Regulation	Board Meeting Outcome for Outcome Of The Board Meeting Held On 30Th July 2020
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
Total No of Pages : 24

Dear Sir / Madam,

Outcome of the Board Meeting held on 30th July 2020

We request you to refer our Letter SFL:BM:062:2020-21 dated 22nd July 2020 intimating you of convening of Board Meeting on 30th July 2020 for consideration of audited financial results for the year ended 31st March 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 :

1. AUDITED FINANCIAL RESULTS

Audited Financial Results for the quarter and year ended 31st March 2020 in the prescribed format under Regulation 33(4) of the SEBI Listing Regulations 2015.

In this regard, we enclose copies of the following documents:

SI No	Particulars	Annexure
1	Detailed Audited Financial Results for the quarter and year ended 31st March 2020	A
2	Independent Auditor's Report from the Statutory Auditors, M/s P K Nagarajan & Co., FRN :016676S) Chartered Accountants, Coimbatore on the audited financial results for the year ended 31st March 2020	B
3	Disclosures under Regulation 52(4) of the SEBI Listing Regulations 2015	C
4	Declaration under Regulation 33(3)(d) of the SEBI Listing Regulations 2015	D





A copy of Noting certificate from the Debenture Trustee as required under Regulation 52(5) of SEBI Listing Regulations 2015 will be sent separately.

The extract of Audited Financial Results in the prescribed format under the SEBI Listing Regulations 2015 will be published within the stipulated time as laid down under regulation 47(1)(b) in English and Tamil newspapers. The audited financial results have been uploaded on the website of the Company www.sakthifinance.com as well as in the website of BSE Limited in the manner required.

2. Recommendation of Equity Dividend

The Board of Directors have recommended an equity dividend of Rs 0.60 per share (6% on the face value of Rs 10) aggregating to Rs 388.26 lakhs which is subject to the approval of members at the ensuing annual general meeting.

3. Confirmation of Interim Dividend on Preference Shares

The Board of Directors also confirmed the Interim Dividend of ₹ 9 per share (9% on the face value of ₹ 100 each) paid on Redeemable Cumulative Preference Shares (Unlisted) as final dividend on such shares.

4. Issue of Preference Shares on Private Placement Basis

The Board of Directors approved issue of Redeemable Cumulative Preference Shares of ₹ 100 each for an amount not exceeding ₹ 1,500 lakhs on private placement basis. The details of disclosure as required under Regulation 30 is given in the **Annexure - E**. The approval of the members is being obtained for this purpose at the General Meeting.

The Board Meeting commenced at 4.00 p.m and concluded at 5.45 p.m.

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

Yours faithfully

For Sakthi Finance Limited

S.Venkatesh
Company Secretary
M. No: FCS 7012



Encl:(5)

Statement of Audited Financial Results for the Quarter and Year ended 31st March 2020

(₹ lakh)

Sl No	Particulars	Quarter Ended			Year Ended	
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from Operations					
	Interest Income	4,343.91	4,145.66	3,908.88	16,158.72	15,614.06
	Fees and Commission	107.89	138.62	372.39	483.89	732.64
	Rental Income	4.89	5.09	5.87	21.13	24.99
	Bad debts recovery	28.96	52.76	30.29	150.44	215.64
	Sale of power	33.85	28.89	44.84	208.43	217.66
	Total revenue from operations	4,519.50	4,371.02	4,362.27	17,022.61	16,804.99
2	Other Income					
	Profit on sale of Property, Plant and Equipments	-	-	1.20	-	1.47
	Miscellaneous income	0.01	0.02	0.36	0.40	3.33
3	Total Income	4,519.51	4,371.04	4,363.83	17,023.01	16,809.79
4	Expenses					
	a. Finance Costs	2,635.03	2,582.27	2,531.17	10,109.40	10,026.54
	b. Fees and commission expense	44.31	29.41	11.15	174.25	93.81
	c. Impairment on Financial Assets	241.11	186.47	161.88	729.44	638.72
	d. Employee benefits expenses	760.01	628.41	832.07	2,633.57	2,466.47
	e. Depreciation, amortisation and impairment	187.78	93.32	176.60	465.61	438.72
	f. Other Administrative Expenses	309.43	447.78	477.95	1,509.71	1,766.22
	Total Expenses	4,177.67	3,967.66	4,190.82	15,621.98	15,430.48
5	Profit/(Loss) before Exceptional items and Tax (3-4)	341.84	403.38	173.01	1,401.03	1,379.31
6	Exceptional items	-	-	-	-	-
7	Profit/(Loss) before tax (5-6)	341.84	403.38	173.01	1,401.03	1,379.31
8	Tax expense:					
	a Current Tax	104.36	110.81	106.77	449.61	583.30
	b Deferred Tax	(15.10)	(55.75)	(46.88)	(166.52)	(161.48)
9	Profit after Tax for the period from continuing operations (7-8)	252.58	348.32	113.12	1,117.94	957.49
10	Other Comprehensive Income:					
	(i) Items that will not be reclassified to profit or loss :					
	a) Fair value changes in Equity instruments	(8.78)	0.00	(10.12)	(22.38)	(26.54)
	b) Remeasurement Gain / (Loss) in defined benefit obligation	50.51	(8.95)	12.43	22.82	(6.07)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(12.95)	2.25	(3.13)	(5.98)	1.53
11	Other Comprehensive Income	28.78	(6.70)	(0.82)	(5.54)	(31.08)
12	Total Comprehensive Income for the period (9+11)	281.36	341.62	112.30	1,112.40	926.41
13	Earnings per equity share (Face Value : ₹ 10 each) :					
	- Basic (₹)	0.55	0.68	0.22	2.19	1.85
	- Diluted (₹)	0.55	0.68	0.22	2.19	1.85



Sakthi Finance Limited
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AUDITED BALANCE SHEET

(₹ lakh)

Particulars	As at 31-03-2020	As at 31-03-2019
	(Audited)	(Audited)
ASSETS		
Financial Assets		
Cash and cash equivalents	1,112.79	3,359.77
Bank Balances other than cash and cash equivalents	469.39	695.04
Derivative financial instruments	-	-
Receivables :		
(a) Trade Receivables	246.05	121.53
(b) Other Receivables	-	-
Loans	107,046.18	92,654.12
Investments	2,659.80	2,783.09
Other Financial assets	2,044.27	1,743.13
Non-Financial Assets		
Inventories	-	-
Current tax assets (net)	36.80	50.06
Deferred tax Assets (net)	-	-
Investment Property	284.41	289.01
Biological assets other than bearer plants	-	-
Property, Plant and Equipment	6,316.65	6,474.51
Right of use assets	1,331.08	1,430.93
Other Intangible assets	114.95	190.33
Intangible assets under development	15.07	-
Other non-financial assets	323.78	270.46
Total Assets	122,001.22	110,061.98
LIABILITIES AND EQUITY		
LIABILITIES		
Financial Liabilities		
Payables		
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	6.87	0.33
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	160.76	185.23
(II) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	101.99	251.05
Debt Securities	36,030.67	26,308.25
Borrowings (Other than Debt Securities)	21,218.20	20,793.20
Deposits	19,046.38	18,348.07
Subordinated Liabilities	24,638.78	25,825.96
Other financial liabilities	1,720.71	1,726.69
Non-Financial Liabilities		
Current tax liabilities (net)	-	-
Provisions	121.73	104.19
Deferred tax liabilities (net)	215.71	376.25
Other non-financial liabilities	91.89	105.29
EQUITY		
Equity Share capital	6,470.59	5,000.00
Other Equity	12,176.94	11,037.47
Total Liabilities and Equity	122,001.22	110,061.98



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CASH FLOW STATEMENT

(₹ lakh)

Particulars	Year Ended	
	31.03.2020	31.03.2019
	(Audited)	(Audited)
A. Cash flow from Operating activities		
Profit before tax	1,401.03	1,379.31
Adjustment to reconcile profit before tax to net cash flows		
Non-cash expenses		
Depreciation, amortisation and impairment	465.61	438.72
Impairment on Hire Purchase Loan	545.14	337.13
Bad debts and write offs	170.29	264.64
Remeasurement gain/(loss) on defined benefit plans	22.82	(6.07)
Impairment on investments	2.80	2.70
Impairment on Trade receivables	11.21	34.25
Amortization of fees and Commission on financial liability	174.10	143.60
Income/expenses considered separately		
Income from investing activities	(253.59)	(300.27)
Net gain/loss on derecognition of property, plant and equipment	1.50	(1.47)
Finance costs	10,109.40	10,026.54
Operating profit before working capital changes	12,650.31	12,319.08
Movements in Working Capital:		
Decrease/(increase) in loans	(15,107.49)	(3,784.75)
Decrease / (increase) in Trade receivables	(135.73)	(50.99)
Decrease / (increase) in other financial assets	(301.14)	24.14
Decrease / (increase) in other non-financial assets	(94.37)	(14.34)
Increase / (decrease) in Trade Payables	(17.93)	67.67
Increase / (decrease) in Other Payables	(149.06)	110.97
Increase / (decrease) in other financial liabilities	39.06	135.80
Increase / (decrease) in Lease liabilities	18.31	43.76
Increase / (decrease) in other non-financial liabilities	(13.40)	15.00
Increase / (decrease) in Provisions	17.54	(69.85)
Cash generated from operations	(15,744.20)	(3,522.59)
Income taxes paid (net of refunds)	(436.35)	(690.31)
Interest received on Bank deposits	21.19	81.22
Finance costs paid	(10,070.99)	(9,986.93)
Net Cash flows from / (used in) operating activities (A)	(13,580.04)	(1,799.53)
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(100.39)	(211.45)
Purchase of investments at amortised cost	(51.88)	(389.91)
Proceeds from sale of investments at amortised cost	150.00	136.00
Proceeds from sale of property, plant and equipment and intangible assets	0.90	2.55
Interest income received from investment at amortised cost	232.40	219.05
Increase in earmarked balances with banks	225.65	691.62
Net cash flows from / (used in) investing activities (B)	456.69	447.86



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(₹ lakh)

Particulars	Year Ended	
	31.03.2020	31.03.2019
	(Audited)	(Audited)
C. Cash flow from Financing activities		
Proceeds from issue of equity shares	2,500.00	-
Issue Expense of Debt Securities	(358.51)	(98.65)
Proceeds from borrowings through debt securities	16,056.50	4,528.00
Repayment of borrowings through debt securities	(6,377.61)	(9,194.98)
Proceeds from borrowings through Deposits	4,461.38	3,528.57
Repayment of borrowings through Deposits	(3,846.90)	(2,292.39)
Proceeds from borrowings other than debt securities	4,500.00	1,221.91
Repayment of borrowings other than debt securities	(3,580.66)	(4,375.94)
Proceeds from borrowings through subordinated liabilities	10,122.00	12,858.60
Repayment of borrowings through subordinated liabilities	(11,355.92)	(8,955.74)
(Increase) / decrease in loan repayable on demand	(494.37)	4,465.89
Lease liability paid	(146.75)	(135.74)
Dividend paid (including tax)	(602.78)	(602.78)
Net cash flows from financing activities (C)	10,876.38	946.74
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(2,246.98)	(404.92)
Cash and cash equivalents at the beginning of the year	3,359.77	3,764.70
Cash and cash equivalents at the end of the year	1,112.79	3,359.78
Net cash provided by / (used in) operating activities includes		
Interest received	15,905.13	11,623.90
Interest paid	(10,070.99)	(9,986.93)
Net cash provided by / (used in) operating activities	5,834.14	1,636.97
Cash and cash equivalents at the end of the year		
i) Cash in hand	38.58	1,004.97
ii) Cheques on hand	977.21	2,050.30
iii) Balances with banks (of the nature of cash and cash equivalents)	97.00	304.50
Total	1,112.79	3,359.77



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Notes:

1. The audited financial results 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. The Company has adopted the Ind AS from 1st April 2019 and the effective date of such transition is 1st April 2018 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under Section 133 of the Act read with relevant rules issued thereunder and the other accounting principles generally accepted in India.
2. The 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 on 1st April 2018. The corresponding adjustments pertaining to comparative previous year / quarter as presented in these financial results have been restated / reclassified to conform with current year / quarter presentation.
3. The above audited financial results for the quarter and the year ended 31st March 2020 along with restated comparative financial results for the quarter / year ended 31st March 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 30th July 2020.
4. The financial results for the quarter and year ended 31st March 2020 have been audited by the Statutory Auditors of the Company.
5. The Board of Directors have recommended an equity dividend of Rs. 0.60 per share (6 % on the face value of Rs. 10) aggregating Rs. 388.26 lakh, which is subject to approval of members at the ensuing Annual General Meeting.
6. The COVID-19 pandemic has resulted in significant decrease in economic activities throughout the Country as well as Global. The Government of India and respective State Government announced a strict curfew and lockdown across the country to control the spread of virus. This had a consequential impact on the regular operations of the company. Further, during March 2020, the Reserve Bank of India ("**RBI**") also announced moratorium for the loans extended by the Company for the three months period falling due between March 2020 and May 2020 to all the eligible borrowers.

Further the RBI has extended the moratorium for another three more months period till August 2020. This moratorium is on voluntary basis mutually agreed by the borrower and the company.

Considering the Guidance provided by the RBI and the Institute Chartered Accountants of India ("**ICAI**") in regard to COVID-19 situation, extension of such moratorium benefit to borrowers as per COVID-19 RBI package, by itself, is not considered to be a factor for significant increase in



credit risk as per Ind AS 109. Further, estimates and associated assumptions applied in preparing the financial statement especially in respect of expected credit loss on loans are based on historical data and other emerging/forward looking factors, macro-economic parameters including those arising on account of COVID-19 Pandemic.

In respect of the Company's loan outstanding, the extent of impact of COVID 19 pandemic on Company's operations and financial metrics, including impact on impairment provisions on loans will further depend on Government and regulatory guidelines and future developments which are uncertain and incapable to estimate at this stage.

7. 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'.
8. The Company has adopted modified retrospective approach for transition to Ind AS 116 "Leases" on lease contracts existing on 1st April 2018 and accordingly, the comparative figures for the year ended 31st March 2019 have been adjusted for the impact. The adoption of this Ind AS 116 does not have any material impact on the financial results for the quarter and year ended 31st March 2020. The company has recognized Right-of-use Assets and Lease Liabilities of ` 1,331.08 Lakhs and ` 443.17 Lakhs respectively as on 31st March 2020 and have been included under "Right-of-use Asset" and "Other Financial Liabilities" respectively.
9. In terms of the requirement as per the RBI notification no. RBI/2019-2020/170 DOR(NBFC).CC.PD.No109/22.10.106/2019-20 date 13th March 2020 on Implementation of Ind AS, Non-Banking Financial Companies are required to create an impairment reserve for any short fall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning(IRACP) norms (including provision on standard assets). As such the impairment allowances under Ind AS 109 made by the company exceeds the total provisions required under IRACP (including standard assets provisioning) as at 31st March 2020 and accordingly ,there is no amount is required to be transferred to impairment reserve.
10. Pursuant to the Taxation Laws (Amendment) Bill 2019,passed on November 2019,the company had exercised the option permitted under section 115 BAA of the Income Tax Act,1961 to compute income tax at revised rate (i.e 25.17%) from the current financial year and accordingly, the Company had re-measured deferred tax as at 1st April 2019.
11. As required under paragraph 32 of Ind AS 101, the net profit and Equity reconciliation between the figures reported under previous GAAP and restated as per Ind AS are as under:



a. Statement of reconciliation of net profit

(` lakhs)

Particulars	Quarter ended 31 March 2019	Year ended 31 March 2019
Net Profit after tax as per Previous GAAP	232.57	1,196.35
<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	(0.33)	(2.39)
b. Adoption of EIR for amortization of expenses – Financial Liabilities at amortised cost	(22.81)	(187.68)
c. Expected Credit Loss (ECL) and related adjustments under Ind AS 109	(41.10)	(7.42)
d. Re-measurement gain / loss on defined benefit plans recognized in “Other Comprehensive Income” as per Ind AS 19	(28.60)	(10.10)
e. Adoption of Ind AS 116 for lease payments	(64.96)	(64.96)
f. Fair Value of equity instruments at fair value through other Comprehensive Income	26.54	26.54
g. Adjustments on account of De-recognition of Intangible assets	(49.40)	(49.40)
h. Tax adjustments on the above items	61.21	56.55
Net Profit after tax as per Ind AS	113.12	957.49
Other Comprehensive Income, net of tax	(0.82)	(31.08)
Total Comprehensive Income as per Ind AS	112.30	926.41

b. Statement of reconciliation of Equity under Ind AS with Previous GAAP

(` lakhs)

Particulars	Year ended 31st March 2019
Equity reported as per previous GAAP	11,217.69
Adoption of Effective Interest Rate (EIR) for amortization of Income and Expenditure – Financial Assets at amortized cost	(369.43)
Adoption of EIR for amortization of expenses – Financial Liabilities at amortised cost	98.35
Expected Credit Loss (ECL) and related adjustments under Ind AS 109	(121.17)
Re-measurement gain / loss on defined benefit obligation plan as per Ind AS 19	(42.55)
Impact of Application of Ind AS 116 for lease payments from the date of transition	(64.96)
Adoption of fair value as deemed cost for Property, Plant and Equipment	903.28



(` lakhs)

Particulars	Year ended 31st March 2019
Adjustments on account of De-recognition of Intangible assets.	(347.12)
Tax adjustments on above	(236.62)
Other Equity as per Ind AS	11,037.47

12. During the quarter and year ended 31st March 2019, the Company has raised an amount not exceeding of ` 2500.00 lakhs by way of preferential issue of 1,47,05,882 equity shares at ` 17 per share from promoter group companies and other corporate body. The allotment was made on 13th March 2020. The listing and Trading approval have been received on 27th May 2020 and 3rd June 2020 respectively. The entire proceeds of the issue were utilized for the purpose for which the amount was raised.
13. The Company made a Public Issue of Secured and Unsecured, Redeemable, Non-Convertible Debentures ("NCDs") up to ` 100 crore with an option to retain over-subscription up to ` 100 crore, aggregating ` 200 crore. The NCDs of ` 10,286.31 lakhs were allotted to the eligible allottees on 8th May 2020. The listing and trading approval from BSE Limited have been received on 11th May 2020. The entire proceeds of the NCD issue were used for the purposes as stated in the Prospectus and there is no unutilised amount pertaining to this issue.
14. 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.
15. The Company does not fall under the definition of large corporate as per SEBI Circular SEBI/HO/DDHS/CIR/P/2018/144 dated 26th November 2018 and as such furnishing of necessary disclosures do not arise.
16. The Expected Credit Loss on Financial Assets has been provided on an estimated basis.
17. The figures for the last quarter of the current year and 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.
18. 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

30th July 2020
Coimbatore -18

Sakthi Finance Limited
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Extract of Statement of Audited Financial Results for the
Quarter and Year ended 31st March 2020

(₹ lakh)

Particulars	Quarter Ended		Year Ended	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
	(Audited)	(Audited)	(Audited)	(Audited)
Total Revenue from Operations (net)	4,519.50	4,362.27	17,022.61	16,804.99
Net Profit / (Loss) for the period (before tax and Exceptional Items)	341.84	173.01	1401.03	1,379.31
Net Profit / (Loss) for the period before tax (after Exceptional Items)	341.84	173.01	1401.03	1,379.31
Net Profit / (Loss) for the period after tax (after Exceptional Items)	252.58	113.12	1117.94	957.49
Other Comprehensive Income (net of tax)	28.78	(0.82)	(5.54)	(31.08)
Total Comprehensive Income for the period [comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (net of tax)]	281.36	112.30	1,112.40	926.41
Paid-up equity share capital (Face value : ₹ 10 per share)	6,470.58	5,000.00	6,470.58	5,000.00
Reserves (excluding Revaluation Reserve)	-	-	10,440.98	9,481.74
Earnings per share (₹ 10 each) (for continuing operations) :				
a. Basic (₹)	0.55	0.22	2.19	1.85
b. Diluted (₹)	0.55	0.22	2.19	1.85

Notes :

- The above is an extract of the detailed format of the Audited Financial Results filed with Stock Exchange under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The full format of the Audited 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

30th July 2020
Coimbatore - 18

ANNEXURE-B

Independent Auditors' Report on Financial Results for the Quarter / Year ended
March 31, 2020

To

The Board of Directors of Sakthi Finance Limited

Opinion

We have audited the accompanying financial results of Sakthi Finance Limited (the "Company") for the quarter and year ended 31st March 2020, together with the notes thereon, 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 ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the total comprehensive income and other financial information for the quarter and year ended 31st March 2020.



Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the “Act”). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Results 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 together with the ethical requirements that are relevant to our audit of the financial results 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 6 to the accompanying Ind AS Financial Results, which explains the impact of the COVID 19 pandemic and management assessment of the probable material impact on Company’s operations and financial metrics, including the non-fulfillment of the obligations by the customers due to lock-down, extended moratorium allowed by Government and other restrictions related to Covid-19 situation.

Our opinion is not modified in respect of this matter.



Management's Responsibilities for the Financial Results

The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the total comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under 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 financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, 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 Financial Results

Our objectives are to obtain reasonable assurance about whether the financial results as a whole are 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 SAs 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 these financial results.

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

- Identify and assess the risks of material misstatement of the financial results, 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 adequate internal financial controls system 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 Board of Directors.



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 financial results 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.

- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent 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

The comparative financial information for the quarter and year ended 31st March 2019, included in the Statement, are based on the previously issued audited financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us vide our report May 29, 2019 expressed an unmodified opinion on those financial statements as adjusted for differences in the accounting principles adopted by the Company on transition to the Ind AS.



We draw your attention to Note No.17 of the financial results regarding the figures for the quarter ended 31st March 2020, which are the balancing figures between audited figures in respect of the full financial year and the published unaudited financial results for the nine months ended 31st December 2019.

The Financial Results dealt with by this report has been prepared for the express purpose of filing with Stock Exchanges. These results are based on and should be read with the audited financial statements of the company for the year ended 31st March 2020 on which we issued an unmodified audit opinion vide our report dated 30th July 2020.

For P K NAGARAJAN & CO.,

Chartered Accountants

Firm Registration Number: 016676S



P.K. Nagarajan

Partner

Membership Number: 025679

UDIN: 20025679AAAABF4964

Coimbatore

30.07.2020

Sakthi Finance Limited
Coimbatore – 18

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

1. Credit Rating

The Credit Rating as on 31st March 2020 is as follows:

Instrument	Credit Rating Agency	Credit Rating as on 31st March 2020	Previous Credit Rating
Secured, Redeemable Non-Convertible Debentures	ICRA Limited	[ICRA] BBB (under watch with developing implications)	[ICRA] BBB (Stable)

2. a) **Asset Cover available** : 1.18
b) **Debt Equity Ratio** : 6.49

3. **Previous due date for the payment of interest / repayment of principal for non-convertible debt securities for the period from 1st October 2019 to 31st March 2020 are given below:**

NCD Public Issue – 2016

Option	ISIN	Type (Interest / Principal)	Amount (₹ lakh)	Due date of payment	Actual date of payment
Option VI	INE302E07144	Interest	56.37	1st November 2019	1st November 2019
Option VI	INE302E07144	Interest	56.37	2nd December 2019	2nd December 2019
Option VI	INE302E07144	Interest	56.37	2nd January 2020	2nd January 2020
Option VI	INE302E07144	Interest	54.55	1st February 2020	1st February 2020
Option VI	INE302E07144	Interest	54.55	2nd March 2020	2nd March 2020
Option VI	INE302E07144	Interest	54.55	1st April 2020	1st April 2020



NCD Public Issue – 2019

Option	ISIN	Type (Interest / Principal)	Amount (₹ lakh)	Due date of payment	Actual date of payment
Option I	INE302E07177	Interest	5.21	1st November 2019	1st November 2019
Option III	INE302E07193	Interest	4.89	1st November 2019	1st November 2019
Option VI	INE302E07227	Interest	16.17	1st November 2019	1st November 2019
Option IX	INE302E08027	Interest	18.10	1st November 2019	1st November 2019
Option I	INE302E07177	Interest	5.04	2nd December 2019	2nd December 2019
Option III	INE302E07193	Interest	4.73	2nd December 2019	2nd December 2019
Option VI	INE302E07227	Interest	15.65	2nd December 2019	2nd December 2019
Option IX	INE302E08027	Interest	17.51	2nd December 2019	2nd December 2019
Option I	INE302E07177	Interest	5.21	2nd January 2020	2nd January 2020
Option III	INE302E07193	Interest	4.89	2nd January 2020	2nd January 2020
Option VI	INE302E07227	Interest	16.17	2nd January 2020	2nd January 2020
Option IX	INE302E08027	Interest	18.10	2nd January 2020	2nd January 2020
Option I	INE302E07177	Interest	5.21	1st February 2020	1st February 2020
Option III	INE302E07193	Interest	4.89	1st February 2020	1st February 2020
Option VI	INE302E07227	Interest	16.17	1st February 2020	1st February 2020
Option IX	INE302E08027	Interest	18.10	1st February 2020	1st February 2020
Option I	INE302E07177	Interest	4.87	2nd March 2020	2nd March 2020
Option III	INE302E07193	Interest	4.56	2nd March 2020	2nd March 2020
Option VI	INE302E07227	Interest	15.13	2nd March 2020	2nd March 2020
Option IX	INE302E08027	Interest	16.93	2nd March 2020	2nd March 2020
Option I	INE302E07177	Interest	5.21	1st April 2020	1st April 2020
Option III	INE302E07193	Interest	4.89	1st April 2020	1st April 2020
Option IV	INE302E07201	Interest	23.69	1st April 2020	1st April 2020
Option VI	INE302E07227	Interest	16.17	1st April 2020	1st April 2020
Option VII	INE302E07235	Interest	26.42	1st April 2020	1st April 2020
Option IX	INE302E08027	Interest	18.09	1st April 2020	1st April 2020
Option X	INE302E08035	Interest	9.89	1st April 2020	1st April 2020

All interest on Non-Convertible Debentures due for payment during the half-year ended 31st March 2020 have been paid on their respective due dates.



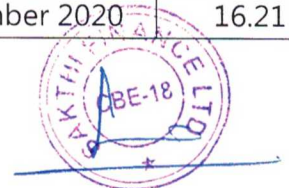
4. Next due date for payment of interest / principal for non convertible debt securities for the period from 1st April 2020 to 30th September 2020 are given below:

NCD Public Issue – 2016

Option	ISIN	Type (Interest / Principal)	Due date of payment	Amount (₹ lakh)
Option VI	INE302E07144	Interest	1st May 2020	56.52
Option VI	INE302E07144	Principal	18th May 2020	6050.28
Option VII	INE302E07151	Principal	18th May 2020	956.17
Option VIII	INE302E07169	Principal	18th May 2020	4033.60
Option VI	INE302E07144	Interest	18th May 2020	28.88
Option VII	INE302E07151	Interest	18th May 2020	107.60
Option VIII	INE302E07169	Interest	18th May 2020	2155.58

NCD Public Issue – 2019

Option	ISIN	Type (Interest / Principal)	Due date of payment	Amount (₹ lakh)
Option I	INE302E07177	Interest	1st May 2020	5.05
Option III	INE302E07193	Interest	1st May 2020	4.75
Option VI	INE302E07227	Interest	1st May 2020	15.69
Option IX	INE302E08027	Interest	1st May 2020	17.56
Option I	INE302E07177	Interest	1st June 2020	5.22
Option III	INE302E07193	Interest	1st June 2020	4.90
Option VI	INE302E07227	Interest	1st June 2020	16.21
Option IX	INE302E08027	Interest	1st June 2020	18.15
Option I	INE302E07177	Interest	1st July 2020	5.05
Option III	INE302E07193	Interest	1st July 2020	4.75
Option VI	INE302E07227	Interest	1st July 2020	15.69
Option IX	INE302E08027	Interest	1st July 2020	17.56
Option I	INE302E07177	Interest	1st August 2020	5.22
Option III	INE302E07193	Interest	1st August 2020	4.90
Option VI	INE302E07227	Interest	1st August 2020	16.21
Option IX	INE302E08027	Interest	1st August 2020	18.15
Option I	INE302E07177	Interest	1st September 2020	5.22
Option III	INE302E07193	Interest	1st September 2020	4.90
Option VI	INE302E07227	Interest	1st September 2020	16.21



Option	ISIN	Type (Interest / Principal)	Due date of payment	Amount (₹ lakh)
Option IX	INE302E08027	Interest	1st September 2020	18.15
Option I	INE302E07177	Interest	1st October 2020	5.05
Option III	INE302E07193	Interest	1st October 2020	4.75
Option VI	INE302E07227	Interest	1st October 2020	15.69
Option IX	INE302E08027	Interest	1st October 2020	17.56

NCD Public Issue – 2020

Option	ISIN	Type (Interest / Principal)	Due date of payment	Amount (₹ lakh)
Option I	INE302E07250	Interest	1st June 2020	10.56
Option III	INE302E07276	Interest	1st June 2020	5.20
Option VI	INE302E07300	Interest	1st June 2020	12.46
Option IX	INE302E08050	Interest	1st June 2020	4.98
Option I	INE302E07250	Interest	1st July 2020	13.20
Option III	INE302E07276	Interest	1st July 2020	6.50
Option VI	INE302E07300	Interest	1st July 2020	15.56
Option IX	INE302E08050	Interest	1st July 2020	6.22
Option I	INE302E07250	Interest	1st August 2020	13.64
Option III	INE302E07276	Interest	1st August 2020	6.72
Option VI	INE302E07300	Interest	1st August 2020	16.09
Option IX	INE302E08050	Interest	1st August 2020	6.43
Option I	INE302E07250	Interest	1st September 2020	13.64
Option III	INE302E07276	Interest	1st September 2020	6.72
Option VI	INE302E07300	Interest	1st September 2020	16.09
Option IX	INE302E08050	Interest	1st September 2020	6.43
Option I	INE302E07250	Interest	1st October 2020	13.20
Option III	INE302E07276	Interest	1st October 2020	6.50
Option VI	INE302E07300	Interest	1st October 2020	15.57
Option IX	INE302E08050	Interest	1st October 2020	6.22

4. Outstanding redeemable preference shares : Nil



5. Details of Debenture Redemption Reserve are given below:

Series / Tranche	Amount of issue (₹ lakh)	DRR required to be created (₹ lakh)	DRR created up to 31.03.2020 (₹ lakh)	Funds invested for debentures maturing during the year (₹ lakh)
Public Issue 2016	16,487.08	As per the Companies (Share Capital and Debenture) Rules 2016 read with the Companies Act 2013, DRR is not required to be created for Public Issue of debentures by NBFCs (Listed) registered with RBI under Section 45IA of the RBI (Amendment) Act 1997		Not Applicable
Public Issue 2019	11,770.00			

6. Net worth : ₹ 15,698.66 lakh

7. Net profit after tax : ₹ 1,117.94 lakh

8. Earnings per Share : ₹ 2.19



SFL:BSE:066.:2020-21

30th July 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

Declaration pursuant to Regulation 33(3)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, (Listing Regulations 2015)

I, Dr S Veluswamy, Director (Finance and Operations) of Sakthi Finance Limited having its Registered Office at No. 62, Dr. Nanjappa Road, Coimbatore - 641 018, hereby declare that the Statutory Auditors of the Company, M/s P K Nagarajan & Co. Chartered Accountants (Firm Registration No: 0166765), have issued an Audit Report with an unmodified opinion on the Audited Financial Results of the Company for the year ended 31st March 2020.

This declaration is given in compliance of Regulation 33(3)(d) of the Listing Regulations 2015, as amended by the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, by notification No SEBI/LAD-NRO/GN/2016-17 /001 dated 25th May 2016 and Circular No CIR/CFD/CMD/56/2016 dated 27th May 2016.

We request you to take this declaration on record.

Yours faithfully

For Sakthi Finance Limited



Dr S Veluswamy

Director (Finance and Operations)

Disclosure pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations") relating to the issue and allotment of Redeemable, Cumulative Preference Shares ("RCPS")

SI No	Disclosure Requirement	Details
a	Size of the issue	₹ 15 crores
b	Whether proposed to be listed? If yes, name of the Stock Exchange	No. The RCPS will not be listed in BSE Limited
c	Tenor of the instrument (with Date of allotment and date of maturity)	3 years from the date of allotment
d	Coupon / interest offered, Schedule of payment of coupon / interest and principal	9% per cent per annum
e	Charge / Security, if any created over the assets	No charge will be created on the assets
f	Special Right/ interest / privileges attached to the instrument and changes thereof	Not applicable
g	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	Not applicable
h	Details 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	Not applicable
i	Details of redemption of preference shares indicating the manner of redemption (whether out of profits or out of fresh issue) and debentures	Redemption RCPS will be made out of profits of the company or out of the fresh issue of shares to be made for the purpose of redemption, as may be appropriate at the time of redemption

For Sakthi Finance Limited




S Venkatesh
Company Secretary
FCS 7012

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 (without independent verification thereof) 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** (“**the Company**”) for the half year ended on March 31st, 2020.

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

MADHURA
ROHIT GOKHALE

Digitally signed by
MADHURA ROHIT GOKHALE
Date: 2020.07.31 11:37:04
+05'30'

Authorized Signatory

Dt: 31.07.2020

