

SFL:CTLQR(4):062:2021-22

14th July 2021

Catalyst Trusteeship Limited
GDA House
Plot No. 85, Bhusari Colony (Right)
Paud Road
Pune - 411038

Kind Attn: Ms Pallavi Kulkarni
Asst. Vice President

Madam

Certificate for the securities extended to the Debenture holders as at 31st March 2021 in relation to NCD Public Issues made in 2019 and 2020

In continuation of our letter No. SFL:CTLQR Mar 2021:010:2021-22 dated 8th April 2021, we enclose a Certificate from our Statutory Auditors in terms of SEBI Circular No SEBI/HO/MIRSD/ CRADT/CIR/P/2020/230 dated 12th November 2020 for the value of the immovable properties and hire purchase receivables extended as security to the debenture holders for the NCD Public Issues III and IV made during the years 2019 and 2020 respectively, which adequately covers the outstanding amount of debentures as on 31st March 2021.

We request you to take the document on record.

Yours faithfully
For Sakthi Finance Limited


S Venkatesh
Company Secretary
FCS 7012



Encl:(1)

To
The Board of Directors,
Sakthi Finance Limited,
62, Dr. Nanjappa Road,
Coimbatore – 641018.

Sir,

Auditor's Certificate for the asset cover available in respect of listed debt securities of the Company under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations")

We have been requested by Sakthi Finance Limited ("the Company") to provide a certificate to the Debenture Trustee on the asset cover available to the debenture holders for the listed Non-Convertible Debentures ("NCDs") outstanding as at 31st March, 2021 pursuant to the requirement of Regulation 54 read with Regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations")

The accompanying Statement (Annexure A) contains the following details as per requirements of LODR Regulations:

- (i) Statement of asset cover ratio for the Secured NCDs (Table – I)
- (ii) Statement of asset coverage ratio available for the unsecured debt securities (Table – II)

The Company has allotted Secured and Unsecured Redeemable, Non-Convertible Debentures of face value of ₹1,000 each vide;

- (i) Public Issue Prospectus dated 28th March 2019 ("NCD Public Issue III") for ₹ 11,770 lakhs out of which ₹ 7395.20 lakhs are secured.
- (ii) Public Issue Prospectus 07th March 2020 ("NCD Public Issue IV") ₹ 10286.31 lakhs out of which ₹ 8682.61 lakhs are secured.

Management's Responsibility for the statement

The preparation of the accompanying statement is the responsibility of the Management of the Company. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and making estimates that are reasonable in the circumstances.

The Management is also responsible for ensuring that the Company complies with the requirements of the Listing Regulations and for providing all relevant information to BSE Limited, where the NCDs of the Company are listed.

Auditor's Responsibility

Pursuant to the requirements of the Listing Regulations, it is our responsibility to obtain reasonable assurance so as to ascertain whether the statement is in agreement with the audited financial statements for the quarter and year ended 31st March 2021.

The financial statements have been audited by us. Our audit of these financial statements was conducted in accordance with the Auditing, review and other Standards/Pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the review to obtain reasonable assurance about whether the financial statements are free of



material misstatement. Our audit was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

We conducted our examination of the Audited financial statements for the quarter and year ended 31st March, 2021 in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control ("SQC 1") - Quality Control for Firms that perform Audits and Reviews of Historical Financial Information and other Assurance and Related Services Engagements.

Opinion

Based on our examination of books of accounts and other documents as above and the information and explanations given to us, we certify that as on 31st March, 2021;

- a) The Company has vide its Board Resolution and information memorandum/ offer document and under various Debenture Trust Deeds, has issued the following debt securities and listed with BSE Limited.

(₹ in Lakhs)			
ISIN	Type of Issue	Secured/Unsecured	Sanctioned Amt)
INE302E07177	Public Issue III	Secured	646.99
INE302E07185	Public Issue III	Secured	1,344.40
INE302E07193	Public Issue III	Secured	592.26
INE302E07201	Public Issue III	Secured	268.93
INE302E07219	Public Issue III	Secured	800.13
INE302E07227	Public Issue III	Secured	1,909.01
INE302E07235	Public Issue III	Secured	292.14
INE302E07243	Public Issue III	Secured	1,541.34
INE302E08027	Public Issue III	Unsecured	2,084.53
INE302E08035	Public Issue III	Unsecured	106.70
INE302E08043	Public Issue III	Unsecured	2,183.57
INE302E07250	Public Issue IV	Secured	1,691.11
INE302E07268	Public Issue IV	Secured	1,972.55
INE302E07276	Public Issue IV	Secured	811.80
INE302E07284	Public Issue IV	Secured	141.50
INE302E07292	Public Issue IV	Secured	793.53
INE302E07300	Public Issue IV	Secured	1,894.23
INE302E07318	Public Issue IV	Secured	248.73
INE302E07326	Public Issue IV	Secured	1,129.16
INE302E08050	Public Issue IV	Unsecured	738.88
INE302E08068	Public Issue IV	Unsecured	66.60
INE302E08076	Public Issue IV	Unsecured	798.22
Total			22056.31



b) Asset Cover for listed debt securities:

The financial information as on 31st March, 2021 has been extracted from the audited financial statements for the year ended 31st March, 2021 and other relevant records of the Company.

The assets of the Company provide coverage of 1.02 times of the interest and principal amount outstanding with respect to Secured Listed Debt Securities, which is in accordance with the terms of issue/ debenture trust deed (Calculation as per Annexure A - table - I).

The total assets of the Company provide coverage of 1.15 times of the principal amount with respect to unsecured debt securities (Calculation as per Annexure A- table - II)

Restriction on Use

This certificate is addressed to the Board of Directors of the Company for the purpose of forwarding to the Debenture Trustee of the Company solely for enabling the Company to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.



Place: Coimbatore
Date: 14th July, 2021.

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


S P Muthusami
Partner

Membership No. 224171
UDIN: 21224171AAAAIH9418

Annexure A

Based on the examination of books of accounts and the explanations received from the company, we certify that the value of asset cover available to the debenture holders for the Secured NCDs are as under:

Table - I Statement of asset cover ratio for the Secured debt securities (₹ in Lakhs)

S.No	Particulars		Amount
i.	Total assets available for secured Debt Securities - Secured by exclusive charge on assets		
	Property Plant & Equipment (Fixed assets) - movable/immovable property etc.,	94.37*	
	Receivables including interest accrued on Term loan/ Debt Securities etc	-	
	Loans/ advances given (net of provisions, NPAs and sell down portfolio), Debt Securities ,other credit extended etc.,	17,358.80	
	Investment(s)		-
	Cash and cash equivalents and other current/ Non-current assets		-
	Total (A)		174,53.17
ii.	Total borrowing through issue of secured Debt Securities-Secured by exclusive charge on assets		
	Debt Securities (Provide details as per table below)	16,077.81	
	IND - AS adjustment for effective Interest rate on secured Debt Securities	-	
	Interest accrued/payable on secured Debt Securities	1,079.40	
	Total (B)		17,157.21
ii.	Asset Coverage Ratio (A/B)		1.02

*The Value of immovable property has been considered as per the Charge created in favour of Debenture Trustee



ISIN wise details

(₹ in Lakhs)

S.No.	ISIN	Facility	Type of charge	Sanctioned Amount	Outstanding Amount As on 31 st March 2021*	Cover Required*	Assets Required*
1	INE302E07177	Non Convertible Debentures	Exclusive	646.99	646.99	646.99	646.99
2	INE302E07185	Non Convertible Debentures	Exclusive	1,344.40	1603.03	1,603.03	1,603.03
3	INE302E07193	Non Convertible Debentures	Exclusive	592.26	592.26	592.26	592.26
4	INE302E07201	Non Convertible Debentures	Exclusive	268.93	268.93	268.93	268.93
5	INE302E07219	Non Convertible Debentures	Exclusive	800.13	958.44	958.44	958.44
6	INE302E07227	Non Convertible Debentures	Exclusive	1,909.01	1,909.01	1,909.01	1,909.01
7	INE302E07235	Non Convertible Debentures	Exclusive	292.14	292.14	292.14	292.14
8	INE302E07243	Non Convertible Debentures	Exclusive	1,541.34	1,854.76	1,854.76	1,854.76
9	INE302E07250	Non Convertible Debentures	Exclusive	1,691.11	1,691.11	1,691.11	1,691.11
10	INE302E07268	Non Convertible Debentures	Exclusive	1,972.55	2,145.02	2,145.02	2,145.02
11	INE302E07276	Non Convertible Debentures	Exclusive	811.80	811.80	811.80	811.80
12	INE302E07284	Non Convertible Debentures	Exclusive	141.50	141.50	141.50	141.50
13	INE302E07292	Non Convertible Debentures	Exclusive	793.53	865.29	865.29	865.29
14	INE302E07300	Non Convertible Debentures	Exclusive	1,894.23	1,894.23	1,894.23	1,894.23
15	INE302E07318	Non Convertible Debentures	Exclusive	248.73	248.73	248.73	248.73
16	INE302E07326	Non Convertible Debentures	Exclusive	1,129.16	1,233.97	1,233.97	1,233.97
	Total			16,077.81	17,157.21	17,157.21	17,157.21




Table II Statement of asset coverage ratio available for the unsecured Debt Securities

S.No	Particulars	Amount (₹ in Lakhs)	
I	Net assets of the listed entity available for unsecured lenders		
	Property, Plant & Equipment (excluding intangible assets and prepaid expenses)	61,22.29	
	Investments	2,668.28	
	Cash & Bank Balances	1,739.90	
	Other current/ Non-current assets excluding deferred tax assets	11,2952.63	
	Less:		
	Total assets available for secured lenders/creditors on pari passu/exclusive charge basis under the above heads	66,903.27	
	Unsecured current/ non-current liabilities	2,201.58	
	Interest accrued/payable on unsecured borrowings	3,602.51	
	Net assets of the listed entity available for unsecured lenders (A)		50,775.74
II	Total Borrowings (unsecured)		
	Term loan		-
	Non-convertible Debt Securities	5,978.5	
	CC/ OD Limits	-	
	Other Borrowings	38,240.11	
	IND - AS adjustment for effective Interest rate on unsecured borrowings	(226.08)	
	Total (B)		43,992.53
III	Assets Coverage Ratio (A/B)		1.15

Place: Coimbatore
Date: 14th July, 2021



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

S P Muthusami
Partner
Membership No. 224171
UDIN: 21224171AAAAIH9418

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, 2021.

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



Authorized Signatory

Date: July 1, 2021.

