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BSE ACKNOWLEDGEMENT

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Date and Time of Submission	8/14/2021 3:17:31 PM
Scripcode and Company Name	511066 - SAKTHI FINANCE LTD.
Subject / Compliance Regulation	Board Meeting Outcome for Outcome Of Board Meeting Held On 14Th August 2021
Submitted By	S.Venkatesh
Designation	Company Secretary & Compliance Officer

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

SFL:BM3:076:2021-22

14th August 2021

BSE Limited
(Scrip Code : 511066)
Floor 25, P J Towers
Dalal Street, Fort
Mumbai – 400 001

Total No of Pages: 8 (including covering letter)

On-line submission through Listing Centre

Dear Sir / Madam,

Outcome of the Board Meeting

We request you to refer our letter dated SFL:BM3:071:2021-22 dated 6th August 2021 intimating you of the Board Meeting to consider the Unaudited Financial Results (“UFR”) for the quarter ended 30th June 2021.

The Board of Directors have, at their meeting held today (**i.e. 14th August 2021**), considered and approved the following proposals and in this regard, we enclose the following documents:

Unaudited Financial Results

1. Unaudited Financial Results for the quarter ended 30th June 2021 (**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 2021 (**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 12.00 noon and concluded at 3.00 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)

Sakthi Finance Limited
Coimbatore - 18

Statement of Unaudited Financial Results for the Quarter Ended 30th June 2021

(₹ lakh)

SI No	Particulars	Quarter Ended			Year Ended
		6/30/2021	3/31/2021	6/30/2020	3/31/2021
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Revenue from Operations				
	Interest Income	4,157.99	4,390.23	3,981.01	16,597.96
	Rental Income	5.60	0.88	0.88	3.52
	Fees and Commission	35.27	117.57	9.08	313.23
	Bad debts recovery	-	20.48	-	37.01
	Sale of power	47.83	27.75	39.09	181.07
	Total revenue from operations	4,246.69	4,556.91	4,030.06	17,132.79
2	Other Income				
	Profit on sale of Fixed Assets	-	-	-	-
	Miscellaneous income	-	0.40	0.02	0.87
3	Total Income	4,246.69	4,557.31	4,030.08	17,133.66
4	Expenses				
	a. Finance Costs	2,508.24	2,621.26	2,559.66	10,415.94
	b. Fees and commission expense	43.64	14.79	46.13	188.08
	c. Impairment on Financial Financial Instruments	264.67	200.80	186.71	787.71
	d. Employee benefits expenses	676.81	751.31	587.83	2,604.20
	e. Depreciation, amortisation and impairment	119.53	103.20	106.15	421.70
	f. Other Administrative Expenses	278.91	546.71	222.23	1,458.59
	Total Expenses	3,891.80	4,238.07	3,708.71	15,876.22
5	Profit/(Loss) before Exceptional items and Tax (3-4)	354.89	319.24	321.37	1,257.44
6	Exceptional items				
		-	-	-	-
7	Profit/(Loss) before tax (5-6)	354.89	319.24	321.37	1,257.44
8	Tax expense:				
	a Current Tax	184.85	138.98	142.96	508.42
	b Deferred Tax	(97.50)	(25.65)	(61.35)	(176.77)
9	Profit after Tax for the period from continuing operations (7-8)	267.54	205.91	239.76	925.79
10	Other Comprehensive Income:				
	(i) Items that will not be reclassified to profit or loss :				
	a) Fair value changes in Equity instruments	49.42	(3.43)	12.88	11.94
	b) Remeasurement (Gain)/ Loss in defined benefit obligation	-	19.19	(9.15)	2.19
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(4.83)	2.30	(0.55)
11	Other Comprehensive Income	49.42	10.93	6.03	13.58
12	Total Comprehensive Income for the period (9+11)	316.96	216.84	245.79	939.37
13	Earnings per equity share (Face Value : ₹ 10 each) :				
	- Basic (₹)	0.49	0.34	0.38	1.45
	- Diluted (₹)	0.49	0.34	0.38	1.45



Sakthi Finance Limited
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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**") 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 30 June 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 13th August 2021 and 14th August 2021 respectively.
3. The Statutory Auditors of the Company have conducted a limited review on the UFR for the quarter ended 30 June 2021.
4. Consequent to the outbreak of COVID-19 pandemic, the Indian Government had announced nationwide lockdown in March 2020. Subsequently, the lockdown was lifted in a phased manner. The second wave of the pandemic from March 2021 was severe in India forced for another phase of lockdown in various states across the country. The impact depends upon vaccination process /safety protocols etc. The continued lockdown imposed by the State government due to Covid-19 pandemic has affected the Company's business operations in terms of disbursement of loans during the quarter.

The Company has considered the impact of COVID 19 in the expected credit loss model of impairment based on the Company's historical experience and other emerging forward-looking factors on account of the pandemic. The actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

5. 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 30th June 2021 and accordingly, there is no amount is required to be transferred to impairment reserve.

6. Expected Credit Loss on Financial Assets has been provided on estimated basis.
7. a) In terms of RBI Circular No. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 in relation to the a) Resolution Framework for COVID-19-related Stress, disclosure as follows:

Type of Borrowers	Number of accounts where resolution plan has been implemented under this window	Exposure to such accounts before implementation of the plan (Amount in ₹ Lakhs)	Aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any including between invocation of the plan and implementation	Increase in provision on account of implementation of resolution plan (Amount in ₹ Lakhs)
Personal Loans	135	832.30	-	-	83.23
Corporate Loans	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	135	832.30	-	-	83.23

- b) During the quarter ended 30th June 2021, the Company has not received any request for implementation of resolution plan in terms of Resolution Framework 2.0 as per RBI circulars RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22/31 and RBI/2021-22/32 dated 5th May 2021.
8. The Company's NCD Public Issue, pursuant to the Prospectus dated 25th June 2021 for Public Issue of Secured and Unsecured, Redeemable, Non-Convertible Debentures for ₹ 20,000 lakhs, opened on 29 June 2021 and closed on 23 July 2021. The Company has allotted 15,09,418 Secured, Redeemable, Non-Convertible Debentures ("NCDs") of ₹ 1,000 each and 4,75,947 Unsecured, Redeemable, Non-Convertible Debentures of ₹ 1,000 each on 29th July 2021 in consultation with BSE Limited, the Designated Stock Exchange. The proceeds of the issue are yet to be used for the objects stated in the Prospectus.



(Handwritten signature)

9. 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% of outstanding (principal and interest accrued thereon) as per the terms of the issue.
10. The Company has allotted 3,31,000, 8.25% Redeemable Cumulative Preference shares of ₹ 100 each at par on private placement basis during the quarter ended 30th June 2021. The Company had classified it as sub-ordinated liabilities in accordance with Ind AS 32.
11. 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'.
12. 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.
13. 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.
14. Previous period / year figures 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

14th August 2021
Coimbatore



Sakthi Finance Limited
Coimbatore - 18

Extract of Statement of Unaudited Financial Results for the
Quarter ended 30th June 2021

(₹ lakh)

Particulars	Quarter Ended			Year ended
	6/30/2021	3/31/2021	6/30/2020	3/31/2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Total income from Operations (net)	4,246.69	4,556.91	4,030.06	17,132.79
Net Profit / (Loss) for the period (before tax, Exceptional Item and/or Extraordinary Items)	354.89	319.24	321.37	1,257.44
Net Profit / (Loss) for the period before tax (after Exceptional Item and/or Extraordinary Items)	354.89	319.24	321.37	1,257.44
Net Profit / (Loss) for the period after tax (after Exceptional Item and/or Extraordinary Items)	267.54	205.91	239.76	925.79
Other Comprehensive Income (net of tax)	49.42	10.93	6.03	13.58
Total Comprehensive Income for the period [comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after Tax)]	316.96	216.84	245.79	939.37
Paid-up equity share capital (Face value : ₹ 10 per share)	6,470.58	6,470.58	6,470.58	6,470.58
Reserves (excluding Revaluation Reserve)	10,174.18 (as at 31st March 2021)			
Earnings Per Share (₹ 10 each) (for continuing operations) :				
a. Basic (₹)	0.49	0.34	0.38	1.45
b. Diluted (₹)	0.49	0.34	0.38	1.45

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

14th August 2021
Coimbatore - 18

Independent Auditor's Report on Review of Unaudited Financial Results for the Quarter Ended June 30, 2021

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 ended June 30, 2021, ("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 4 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. Our conclusion is not modified in respect of this matter.



Coimbatore
August 14, 2021

For P K Nagarajan & Co.,
Chartered Accountants
Firm Registration Number: 016676S

A handwritten signature in blue ink, appearing to read "S P Muthusami".

S P Muthusami
Partner
Membership Number: 224171
UDIN: 21224171AAAAIV9063