

SFL:BM0:087:2022-23

11th August 2022

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

Total NO of Pages : 31
On-line submission through Listing Centre

Dear Sir / Madam,

Outcome of the Board Meeting

We request you to refer our letter dated SFL:BM3:082:2021-22 dated 3 August 2022 intimating you of the Board Meeting to consider the Unaudited Financial Results (“UFR”) for the quarter ended 30th June 2022.

The Board of Directors have, at their meeting held today (i.e. **11th August 2022**), considered and approved the following proposals and in this regard, we enclose/ provide the following documents / details.

1. Unaudited Financial Results

SI No	Particulars	Annexure No
1	Unaudited Financial Results for the quarter ended 30th June 2022	A
2	Limited Review Report from the Statutory Auditors, M/s C S K Prabhu & Co., (FRN :002485S), Chartered Accountants, Coimbatore on the unaudited financial results for the year quarter 30th June 2022	B
3	Disclosures under Regulation 52(4) of the SEBI Listing Regulations 2015	C
4	A Security Cover Certificate for the Secured and Unsecured, listed public issue NCDs from the Statutory Auditors, M/s C S K Prabhu & Co, Chartered Accountants as required under Regulation 54(3) read with Regulation 56(1)(d) of the Listing Regulations	D



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.

2. Sixty Fifth Annual General Meeting

The Sixty Fifth Annual General Meeting ("AGM") of the Members of the Company will be held on **Wednesday, 28th September 2022 at 4.00 p.m** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

3. Fixation of Record Date

The Board of Directors have fixed **Wednesday, 21st September 2022** as the Record Date for the purpose of payment of dividend and also as cut-off date for the purpose of e-Voting.

4. Issue of Securities

a. Issue of Redeemable, Cumulative Preference Shares on private placement basis for an amount not exceeding ₹ 15 Crores

The Board of Directors have approved issue of Redeemable, Cumulative Preference Shares of Rs 100 each, in one or more tranches, on private placement basis for an amount not exceeding ₹ 15 crores. This proposal is subject to the approval of members at the ensuing AGM.

b. Issue of Secured and Unsecured Redeemable Non-Convertible Debentures ("NCDs") and Other Debt Securities on private placement basis for an amount not exceeding ₹ 750 crore

The Board of Directors have approved issue of Secured and Unsecured, Redeemable, Non-Convertible Debentures and Other Debt Securities, in one or more tranches on private placement basis during the period of one year commencing from the date of 65th Annual General Meeting ("AGM") for an amount not exceeding ₹ 750 crores. This proposal is subject to the approval of members at the ensuing AGM. The said borrowings are within the overall borrowing limits approved by members under Section 180(1)(c) of the Companies Act 2013.



The details as required under Regulation 30 of the Listing Regulations for 4 (a) and (b) are set out in **Annexure – E**.

5. Appointment of Statutory Auditors of the Company, namely, M/s. CSK Prabhu & Co, Chartered Accountants for a period of 2 years to hold office from conclusion of ensuing 65th AGM until the conclusion of 67th AGM of the Company.

M/s. CSK Prabhu & Co, Chartered Accountants (ICAI FRN: 002835S) were appointed as Statutory Auditors of the Company to hold office from 64th AGM until the conclusion of the ensuing 67th AGM of the Company by the Members at their AGM held on 30 September 2021 in conformity with RBI Circular dated 27th April 2021. Detailed intimation relating to the appointment of Statutory Auditors was intimated by the Company by its letter dated 3rd September 2021 to BSE Limited, a copy of which is also enclosed (**Annexure – F**). There is no change in the Statutory Auditors of the Company.

6. Appointment Dr G Sundar as Chief Risk Officer (“CRO”) of the Company with effect from 11 August 2022. The brief profile of CRO is set out in **Annexure – G.**

The Board Meeting commenced at 4.30 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
FCS 7012



Encl: (7)

Statement of Audited Financial Results for the Quarter ended 30th June 2022

(₹ lakhs)

Sl No	Particulars	Quarter Ended			Year Ended
		30-06-2022	31-03-2022	30-06-2021	31.03.2022
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Revenue from Operations				
	Interest Income	4,467.33	4,430.79	4,157.99	17,566.97
	Rental Income	7.73	7.41	5.60	29.62
	Fees and Commission	96.67	117.91	35.27	321.49
	Bad debts recovery	11.86	21.51	-	37.75
	Sale of power from windmills	56.56	27.55	47.83	177.88
	Total revenue from operations	4,640.15	4,605.17	4,246.69	18,133.71
2	Other Income				
	Miscellaneous income	0.22	1.30	-	1.40
3	Total Income	4,640.37	4,606.47	4,246.69	18,135.11
4	Expenses				
	a. Finance Costs	2,744.52	2,696.97	2,540.86	10,775.85
	b. Fees and commission expenses	26.65	38.13	43.64	183.02
	c. Impairment on Financial Instruments	214.21	232.83	264.67	1,034.37
	d. Employee benefits expenses	769.77	744.88	676.81	2,895.60
	e. Depreciation, amortisation and impairment	133.01	128.78	119.53	491.07
	f. Other Administrative Expenses	394.19	423.20	246.29	1,463.16
	Total Expenses	4,282.35	4,264.79	3,891.80	16,843.07
5	Profit/(Loss) before Exceptional items and Tax (3-4)	358.02	341.68	354.89	1,292.04
6	Exceptional items	-	-	-	-
7	Profit/(Loss) before tax (5-6)	358.02	341.68	354.89	1,292.04
8	Tax expense:				
	a Current Tax	165.08	127.66	184.85	601.09
	b Deferred Tax	(66.50)	(45.74)	(97.50)	(260.93)
9	Profit after Tax for the period from continuing operations (7-8)	259.44	259.76	267.54	951.88
10	Other Comprehensive Income:				
	(i) Items that will not be reclassified to profit or loss :				
	a) Fair value changes in Equity instruments	13.38	(9.34)	49.42	22.78
	b) Remeasurement Gain / (Loss) in defined benefit obligations	0	19.80	0.00	13.95
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0	(4.98)	0.00	(3.51)
11	Other Comprehensive Income	13.38	5.48	49.42	33.22
12	Total Comprehensive Income for the period (9+11)	272.82	265.24	316.96	985.10
13	Earnings per equity share (Face Value : ₹ 10 each) :				
	- Basic (₹)	0.42	0.41	0.49	1.52
	- Diluted (₹)	0.42	0.41	0.49	1.52



Sakthi Finance Limited
Coimbatore – 18

Notes:

1. The above Unaudited 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.
2. The above unaudited financial results for the quarter ended 30th June 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 11th August 2022.
3. The Statutory Auditors of the Company have conducted a limited review on the UFR for the quarter ended 30th June 2022.
4. 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 dated 13th March 2020 on implementation of Ind AS, Non-Banking Financial Companies are required to create an impairment reserve for any shortfall 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 2022 and accordingly, there is no amount required to be transferred to impairment reserve.
5. Reserve Bank of India ("**RBI**") has, by its circular No RBI/2021-22/125.DOR.STR.REC68/21.04.048/2021-22, required certain changes on Income Recognition, Asset Classification and Provisioning norms ("**IRACP norms**") relating to Advances. Further RBI issued another Circular No RBI/2021-22/158. DOR.STR.REC.85/21.04.048/2021-22 giving time till 30th September 2022. Accordingly, the Company will take steps to implement the updated norms under IRACP with effect from 1st October 2022.
6. The Company had filed prospectus on 5th April 2022 for Public Issue of Secured, Redeemable, Non-Convertible Debentures ("**NCDs**") for an amount not exceeding ₹ 50 crore with an option to retain over-subscription for an amount not exceeding ₹ 50 crore, aggregating ₹ 100 crore. The issue opened on 11th April 2022 and early closed on 25th April 2022 and subscribed fully. The NCDs were allotted on 29th April 2022 to valid applicants by NCD Issuance Committee. The Listing documents were filed on 30th April 2022 and the Trading approval received from BSE Limited on 2nd May 2022 for trading in NCDs with effect from 4th May 2022. The proceeds of NCD are being used for the objects mentioned in the Prospectus dated 5th April 2022.
7. 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.



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8. 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.
9. 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'.
10. 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 of the previous year.
11. Disclosures as required by Regulation 52(4) of the Listing Regulations 2015 is enclosed in **Appendix I**.
12. The figures for the previous year have been regrouped / rearranged / re-classified, wherever necessary to conform to the current period presentation.

11th August 2022
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By Order of the Board
For Sakthi Finance Limited

M Manickam
Chairman
DIN : 00102233

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**Extract of Statement of Unaudited Financial Results for the
Quarter ended 30th June 2022**

(₹ lakh)

Particulars	Quarter Ended			Year Ended
	30-06-2022	31-03-2022	30-06-2021	31-03-2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Total Revenue from Operations (net)	4640.15	4605.17	4,246.69	18,133.71
Net Profit / (Loss) for the period (before tax and Exceptional Items)	358.02	341.68	354.89	1,292.04
Net Profit / (Loss) for the period before tax (after Exceptional Items)	358.02	341.68	354.89	1,292.04
Net Profit / (Loss) for the period after tax (after Exceptional Items)	259.44	259.76	267.54	951.88
Other Comprehensive Income (net of tax)	13.38	5.48	49.42	33.22
Total Comprehensive Income for the period [comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (net of tax)]	272.82	265.24	316.96	985.10
Paid-up equity share capital (Face value : ₹ 10 per share)	6470.59	6,470.59	6,470.59	6,470.59
Reserves (excluding Revaluation Reserve)	-	-	-	10,814.28
Securities Premium	1,429.80	1,429.80	1,429.80	1,429.80
Net worth	17,424.63	17,095.14	16,281.45	17,095.14
Paid up Debt Capital/ Outstanding Debt	5.92	6.08	6.41	6.08
Outstanding Redeemable Preference Shares	NA	NA	NA	NA
Debt Equity Ratio	6.28	6.22	6.20	6.22
Earnings per share (₹ 10 each) (for continuing operations) :				
a. Basic (₹)	0.42	0.41	0.49	1.52
b. Diluted (₹)	0.42	0.41	0.49	1.52
Capital Redemption Reserve	NA	NA	NA	NA
Debenture Redemption Reserve	NA	NA	NA	NA
Debt Service Coverage Ratio	NA	NA	NA	NA
Interest Service Coverage Ratio	NA	NA	NA	NA

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 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.
- Disclosures in accordance with Regulation 52(4) of the Listing Regulations have been submitted to BSE Limited and the disclosures can be accessed on the BSE website ([URL : www.bseindia.com/corporates](http://www.bseindia.com/corporates)).

By Order of the Board
For Sakthi Finance Limited



M Manickam

M Manickam
Chairman
DIN : 00102233

11th August 2022
Coimbatore - 18



ANNEXURE-B

Limited Review Report on Unaudited Financial Results of Sakthi Finance Limited for the quarter ended 30 June, 2022 under Regulation 33 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

**Review Report to
Board of Directors
Sakthi Finance Limited,
62, Dr.Nanjappa Road, Coimbatore – 641018**

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 30 June 2022 ("**the Statement**").

Management Responsibility for the Unaudited Financial Results

2. This Statement, which is the responsibility of the Company's Management and approved by its Board of Directors, has 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 Companies Act, 2013 ("**the Act**") read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Listing Regulations**"). Our responsibility is to express a conclusion on the Statement based on our review.

Auditor's Responsibility

3. We conducted our review of the statement 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 Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



Contd....2.....



Limited Review Report on Unaudited Financial Results of Sakthi Finance Limited for the quarter ended 30 June, 2022 under Regulation 33 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)

Conclusion


4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matter

5. The numbers and details pertaining to the Quarter ended 30 June 2021 has been traced from the review report of Predecessor Auditor dated 14 August 2021, in terms of Regulation 33 and Regulation 52 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our report is not modified in respect of this matter.

For CSK Prabhu & Co
Chartered Accountants
ICAI Firm Registration No.002485S




CSK Prabhu (Membership No.: 019811)
Partner

UDIN: 22019811A0VLEF4637

Place : Coimbatore

Date : 11-08-2022

Appendix - I

Compliance related to disclosure of certain ratios and other financial information as required under Regulation 52(4) of the Listing Regulations

(₹ lakhs)

Sl No	Particulars	Quarter Ended			Year Ended
		30th June 2022	31st March 2022	30th June 2021	31st March 2022
1	Debt - Equity Ratio (Refer Note 2)	6.28	6.22	6.20	6.22
2	Debt Service Coverage Ratio	NA	NA	NA	NA
3	Interest Service Coverage Ratio	NA	NA	NA	NA
4	Outstanding Redeemable Preference Shares	NA	NA	NA	NA
5	Capital Redemption Reserve	NA	NA	NA	NA
6	Debenture Redemption Reserve	NA	NA	NA	NA
7	Net Worth (Refer Note 3)	17,424.63	17,095.14	16,281.45	17,095.14
8	Net Profit / (Loss) after Tax	259.44	259.76	267.54	951.88
9	Earnings per Share:				
	- Basic	0.42	0.41	0.49	1.52
	- Diluted	0.42	0.41	0.49	1.52
10	Current Ratio	NA	NA	NA	NA
11	Long Term debt to Working Capital	NA	NA	NA	NA
12	Bad Debts to Accounts Receivable Ratio	NA	NA	NA	NA
13	Current Liability Ratio	NA	NA	NA	NA
14	Total Debts to Total Assets (Refer Note 4)	0.77	0.77	0.75	0.77
15	Debtor Turnover	NA	NA	NA	NA
16	Inventory Turnover	NA	NA	NA	NA
17	Operating Margin (%)	NA	NA	NA	NA
18	Net Profit Margin (%) (Refer Note 5)	5.59	5.64	6.30	5.64
	Sector specific equivalent ratios, as applicable				
	i) Gross Non-performing Assets (GNPA) % (Refer Note 6)	5.20	5.18	5.65	5.18



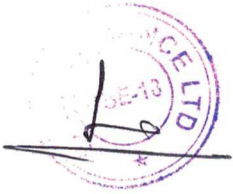
Sakthi Finance Limited
Coimbatore – 18

(₹ lakhs)

Sl No	Particulars	Quarter Ended			Year Ended
		30th June 2022	31st March 2022	30th June 2021	31st March 2022
	ii) Net Non-Performing Assets (NNPA) (%) (Refer Note 7)	2.09	2.12	2.74	2.12
	iii) Provision Coverage Ratio (PCR %) (Refer Note 8)	61.06	60.37	52.85	60.37
	iv) Capital Adequacy Ratio (%) (Refer Note 9)	21.66	21.56	22.52	21.56

Notes :

1. Certain ratios/line items marked with remark "NA" are not applicable since the Company is a Non Banking Financial Company registered with the Reserve Bank of India
2. Debt - Equity ratio = [Debt Securities + Borrowings (Other than Debt Securities) + Deposits + Subordinated Liabilities] / [Equity Share Capital + Other equity]
3. Net worth = [Equity shares capital + other equity]
4. Total debts to total assets = [Debt Securities + Borrowings (Other than Debt Securities) + Deposits + Subordinated Liabilities] / Total assets
5. Net profit margin (%) = Profit after tax / Total Income
6. Gross Non-performing Assts (GNPA) % = Gross Stage III assets / Gross loan assets
7. Net Non-performing Assts (NNPA) % = [Gross Stage III assets - Impairment loss allowance for Stage III assets] / [Gross Loan Assets - Impairment loss allowance for Stage III assets]
8. Provision Coverage Ratio (PCR %) = Impairment loss allowance for Stage III assets / Gross Stage III assets
9. Capital Adequacy Ratio has been computed as per relevant RBI guidelines





CSK PRABHU & CO
Chartered Accountants

PARTNERS

CSK PRABHU BCom FCA

MAHESH PRABHU BCom FCA DISA

SWETHA G N MCom FCA

ANNEXURE-D

Independent Auditor's Report on Security Cover and Compliance with all Covenants as at June 30, 2022 under Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) for submission to Catalyst Trusteeship Limited (the 'Debenture Trustee')

To

**The Board of Directors
Sakthi Finance Limited
62, Dr. Nanjappa Road
Coimbatore - 641 018.**

1. This report is issued in accordance with the terms of the Engagement Letter Dated 01 August 2022, with Sakthi Finance Limited (hereinafter the "**Company**" or the "**Listed Entity**").

2. We, CSK Prabhu & Co, Chartered Accountants (ICAI FRN:002485S), are the Statutory Auditors of the Company and have been requested by the Company to examine the accompanying Statement showing 'Security Cover as per the terms of Information Memorandum and Debenture Trust Deed and Compliance with Covenants' for listed non-convertible debt securities as at June 30, 2022' (the "**Statement**"), which has been prepared by the Company from the Financial Statements and other relevant records and documents maintained by the Company as at and for the quarter ended June 30, 2022 pursuant to the requirements of the Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (the "**SEBI Regulations**"), and has been initialed by us for identification purpose only.

This Report is required by the Company for the purpose of submission with Catalyst Trusteeship Limited (the "**Debenture Trustee**") of the Company to ensure compliance with the SEBI Regulations in respect of its listed non-convertible debt securities as at June 30, 2022 ("**Debentures**"). The Company has entered into agreements with the Debenture Trustee ("**Debenture trust Deed**") in respect of such Debentures, as indicated in the Statement.



Management's Responsibility

3. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and for providing all relevant information to the Debenture Trustee and for complying with all the covenants as prescribed in the Debenture Trust Deed.

Auditor's Responsibility

5. Pursuant to the requirements of the SEBI Regulations, it is our responsibility to provide limited assurance as to whether:

- a) The Company has maintained hundred percent Security Cover or Security Cover as per the terms of the information memorandum and Debenture Trust Deed; and
- b) the Company is in compliance with all the covenants as mentioned in the Debenture Trust Deed as indicated in the Statement.

6. We have reviewed the Financial Statements of the Company for the quarter ended June 30, 2022. Our review of such Financial Statements was conducted in accordance with the Standards on Review Engagement and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review may bring significant matters affecting the interim financial information to the auditor's attention, but it does not provide all of the evidence that would be required in an audit.



7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

8. 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.

9. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.

10. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in Paragraph 5 above. The procedures performed vary in nature and timing form, and are less extant than for a reasonable assurance. Consequently, the level of assurance obtained is substantially lower that the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we have performed the following procedures in relation to the Statement.

a) Obtained and read the Debenture Trust Deeds and Prospectus on a test check basis and noted that the Security Cover percentage required to be maintained by the Company in respect of Debentures, as indicated in Part A of the Statement.

b) Traced and agreed the principal amount of the Debenture outstanding as on June 30, 2022 to the Financial Statements of the Company as at June 30, 2022 referred to in paragraph 6 above and other relevant records maintained by the Company

c) Obtained and read the particulars of Security Cover required to be provided in respect of Debentures as indicated in the Debenture Trust Deeds and the Prospectus on a test check basis and compared it with the information furnished in Part A of the Statement.



d) Traced the value of assets indicated in Part A of the Statement to the Financial Statements of the Company as at June 30, 2022, referred to in paragraph 6 above, and other relevant records maintained by the Company.

e) Obtained the list and value of assets placed under lien or encumbrance for the purpose of obtaining any other loan and determined that such assets are not included in the calculation of Security Cover in respect of listed non-convertible debt securities.

f) Examined and verified the arithmetical accuracy of the computation of Security Cover indicated in Part A of the Statement.

g) Compared the Security Cover with the Security Cover required to be maintained as per Trust Deeds/ Prospectus on a test basis.

h) The management has represented and confirmed that the Company has complied with all covenants including affirmative, informative, special and negative covenants, as prescribed in the Debenture Trust Deed, as at and for the three months ended June 30, 2022. We have relied on the same.

i) Performed necessary inquiries with the Management and obtained necessary representations.

Conclusion

11. Based on the procedures performed by us, as referred to in Paragraph 10 above and according to the information and explanations received and management representations obtained, nothing has come to our attention that causes us to believe that:

a) The Company has not maintained hundred percent Security Cover or Security Cover as per the terms of the offer document and Debenture Trust deed; and

b) The Company is not in compliance with all the covenants as mentioned in the Debenture Trust Deed as on June 30, 2022.



Restriction on Use

12. The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in Paragraph 2 above and to be submitted with the accompanying Statement to the Debenture Trustee and is not to be used or referred to for any other person. 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. We have no responsibility to update this certificate for events and circumstances occurring after the date of this report.

For CSK PRABHU & CO
Chartered Accountants
Firm Registration Number : 002485S



CSK PRABHU

PARTNER

MEMBERSHIP NO:019811

UDIN: 22019811A0USJN3676



Coimbatore
11-08-2022

PART A
SECURITY COVER CERTIFICATE
SECURITY COVER AS PER THE TERMS OF PROSPECTUS AND DEBENTURE
TRUST DEEDS AND COMPLIANCE WITH COVENANTS FOR LISTED
NON-CONVERTIBLE DEBT SECURITIES AS AT JUNE 30, 2022

Based on examination of books of account and other relevant records/documents, we hereby certify that:

- a) The listed entity has vide its Board Resolution and Prospectus and under various Debenture Trust Deeds, has issued the following listed debt securities:

Sl No	ISIN	Type of Issue	Secured / Unsecured	Amount (Rs lakh)
1	INE302E07227	Public Issue III	Secured	1,909.01
2	INE302E07235	Public Issue III	Secured	292.14
3	INE302E07243	Public Issue III	Secured	1,541.34
4	INE302E08027	Public Issue III	Unsecured	2,084.53
5	INE302E08035	Public Issue III	Unsecured	106.70
6	INE302E08043	Public Issue III	Unsecured	2,183.57
7	INE302E07276	Public Issue IV	Secured	811.80
8	INE302E07284	Public Issue IV	Secured	141.50
9	INE302E07292	Public Issue IV	Secured	793.53
10	INE302E07300	Public Issue IV	Secured	1,894.23
11	INE302E07318	Public Issue IV	Secured	248.73
12	INE302E07326	Public Issue IV	Secured	1,129.16
13	INE302E08050	Public Issue IV	Unsecured	738.88
14	INE302E08068	Public Issue IV	Unsecured	66.60
15	INE302E08076	Public Issue IV	Unsecured	798.22
16	INE302E07334	Public Issue V	Secured	2,948.94



17	INE302E07342	Public Issue V	Secured	3,213.84
18	INE302E07359	Public Issue V	Secured	1,663.12
19	INE302E07367	Public Issue V	Secured	1,595.15
20	INE302E07375	Public Issue V	Secured	3,566.23
21	INE302E07383	Public Issue V	Secured	2,106.90
22	INE302E08084	Public Issue V	Unsecured	3,088.94
23	INE302E08092	Public Issue V	Unsecured	1,670.53
24	INE302E07409	Public Issue VI	Secured	826.37
25	INE302E07417	Public Issue VI	Secured	1,235.12
26	INE302E07425	Public Issue VI	Secured	412.01
27	INE302E07433	Public Issue VI	Secured	681.25
28	INE302E07441	Public Issue VI	Secured	227.64
29	INE302E07458	Public Issue VI	Secured	126.30
30	INE302E07466	Public Issue VI	Secured	4,374.51
31	INE302E07474	Public Issue VI	Secured	2,116.80
Total				44,593.59

b) Security Cover for listed debt securities:

- i) The financial information as on 30-06-2022 has been extracted from the books of accounts for the quarter ended 30-06-2022 and other relevant records of the listed entity.
- ii) The assets of the listed entity provide coverage of 1.07 times of the interest and principal amount, which is in accordance with the terms of issue/debenture trust deed (calculation as per statement of Security Cover ratio for the Secured debt Securities – Table -I)
- iii) The total assets of the listed entity provide coverage of 1.14 times of the principal, which is in accordance with the terms of issue (calculation as per statement of Security Coverage ratio available for the unsecured debt securities – Table II).



Table I: Security Cover in respect of Secured Debt Securities

As at 30th June 2022

S No	Particulars		Amount Rs. In Lakhs
i.	Total assets available for secured Debt Securities - (secured by exclusive charge on assets)	A	
	Property Plant & Equipment (Fixed Assets) - movable /Immovable property etc		94.37 #
	Loans / advances given (net provisions, NPAs and sell down portfolio) Debt Securities other credit extended etc.,		37,570.08
	Receivables including interest accrued on Term loan/Debt Securities etc		Nil
	Investment(s)		Nil
	Cash and cash equivalents and other current / Non-current assets		Nil
	Total (A)		37,664.45
ii .	Total borrowing through issue of secured Debt Securities- Secured by exclusive charge on assets	B	
	Debt Securities (Provide details as per table below)		33,855.62
	IND AS adjustment for effective interest rate on secured Debt Securities		(566.30)
	Interest accrued/payable on secured Debt Securities		1,732.65
	Total (B)		35,021.97
iii.	Security Coverage Ratio (A/B) - (100% or higher as per terms of offer document/information memorandum/debenture trust deed)	(A/B)	107.55%

The value of immovable property has been considered as per the charge created in favour of Debenture Trustee



ISIN Wise Details

S. No	Series	ISIN	Facility	Type of Charge	Sanctioned Amount (Rs lakh)	Interest Accrued (Rs lakh)	Outstanding Amount (Rs lakh)	Cover Required (Rs lakh)	Assets Required (Rs lakh)
1	NCD Public Issue - III	INE302E07227	Non Convertible Debentures	Exclusive	1,909.01	-	1,909.01	1,909.01	1,909.01
2	NCD Public Issue - III	INE302E07235	Non Convertible Debentures	Exclusive	292.14	7.30	299.44	299.44	299.44
3	NCD Public Issue - III	INE302E07243	Non Convertible Debentures	Exclusive	1,541.34	558.28	2,099.62	2,099.62	2,099.62
4	NCD Public Issue - IV	INE302E07276	Non Convertible Debentures	Exclusive	811.80	-	811.80	811.80	811.80
5	NCD Public Issue - IV	INE302E07284	Non Convertible Debentures	Exclusive	141.50	3.45	144.95	144.95	144.95
6	NCD Public Issue - IV	INE302E07292	Non Convertible Debentures	Exclusive	793.53	182.48	976.01	976.01	976.01
7	NCD Public Issue - IV	INE302E07300	Non Convertible Debentures	Exclusive	1,894.23	-	1,894.23	1,894.23	1,894.23
8	NCD Public Issue - IV	INE302E07318	Non Convertible Debentures	Exclusive	248.73	6.22	254.95	254.95	254.95
9	NCD Public Issue - IV	INE302E07326	Non Convertible Debentures	Exclusive	1,129.16	266.96	1,396.12	1,396.12	1,396.12
10	NCD Public Issue - V	INE302E07334	Non Convertible Debentures	Exclusive	2,948.94	-	2,948.94	2,948.94	2,948.94
11	NCD Public Issue - V	INE302E07342	Non Convertible Debentures	Exclusive	3,213.84	291.24	3,505.08	3,505.08	3,505.08
12	NCD Public Issue - V	INE302E07359	Non Convertible Debentures	Exclusive	1,663.12	-	1,663.12	1,663.12	1,663.12
13	NCD Public Issue - V	INE302E07367	Non Convertible Debentures	Exclusive	1,595.15	148.48	1,743.63	1,743.63	1,743.63
14	NCD Public Issue - V	INE302E07375	Non Convertible Debentures	Exclusive	3,566.23	-	3,566.23	3,566.23	3,566.23
15	NCD Public Issue - V	INE302E07383	Non Convertible Debentures	Exclusive	2,106.90	201.32	2,308.22	2,308.22	2,308.22
16	NCD Public Issue - VI	INE302E07409	Non Convertible Debentures	Exclusive	826.37	-	826.37	826.37	826.37
17	NCD Public Issue - VI	INE302E07417	Non Convertible Debentures	Exclusive	1,235.12	18.12	1,253.24	1,253.24	1,253.24
18	NCD Public Issue - VI	INE302E07425	Non Convertible Debentures	Exclusive	412.01	-	412.01	412.01	412.01



19	NCD Public Issue - VI	INE302E07433	Non Convertible Debentures	Exclusive	681.25	10.29	691.54	691.54	691.54
20	NCD Public Issue - VI	INE302E07441	Non Convertible Debentures	Exclusive	227.64	-	227.64	227.64	227.64
21	NCD Public Issue - VI	INE302E07458	Non Convertible Debentures	Exclusive	126.30	1.96	128.26	128.26	128.26
22	NCD Public Issue - VI	INE302E07466	Non Convertible Debentures	Exclusive	4,374.51	-	4,374.51	4,374.51	4,374.51
23	NCD Public Issue - VI	INE302E07474	Non Convertible Debentures	Exclusive	2,116.80	36.55	2,153.35	2,153.35	2,153.35
Total					33,855.62	1,732.65	35,588.27	35,588.27	35,588.27

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Table II Statement of Security Coverage ratio available for the Unsecured Securities

As at 30th June 2022

S No	Particulars		Amount Rs. In Lakhs
i.	Net assets of the listed entity available for unsecured lenders	A	
	· Property Plant & Equipment (excluding intangible assets and prepaid expenses)		5,927.37
	· Investments		2,099.82
	· Cash & Bank Balances		3,818.54
	- Loans		1,12,173.83
	· Other current/ Non-current assets excluding deferred tax assets		5,148.76
	Less:		
	Total assets available for secured lenders/creditors on pari passu/exclusive charge basis under the above heads		74,814.41
	· Unsecured current/ non-current liabilities		1,640.07
	· Interest accrued/payable on unsecured borrowings		5,386.01
	Net assets of the listed entity available for unsecured lenders (A)		47,327.83
ii.	Total Borrowings (unsecured)	B	
	· Term loan		Nil
	· Non-convertible Debt Securities		10,737.97
	· CC/ OD Limits		Nil
	· Other Borrowings		30,923.11
	· IND - AS adjustment for effective Interest rate on unsecured borrowings		(230.54)
	Total (B)		41,430.53
iii.	Security Coverage Ratio (A/B) - (100% or higher as per terms of offer document/information memorandum/debenture trust deed)	(A/B)	114.23%



- c) Compliance of all the covenants/terms of the issue in respect of listed debt securities of the listed entity

We have examined the compliances made by the listed entity in respect of the covenants/terms of the issue of the listed debt securities (NCD's) and certify that such covenants/terms of the issue have been complied by the listed entity.

For CSK PRABHU & CO
Chartered Accountants
Firm Registration Number : 002485S



CSK PRABHU
PARTNER
MEMBERSHIP NO:019811
UDIN: 22019811 A0USJN3676



Coimbatore
11-08-2022

Disclosure in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (“Listing Regulations”) for issue of Securities on private placement basis

a. Issue of Redeemable, Cumulative Preference Shares on private placement basis for an amount not exceeding ₹ 15 Crores (as applicable)

Sl No	Disclosure requirement	Details
1	Size of the Issue	15,00,000 Redeemable, Cumulative, Preference Shares ("RCPSs") of face value of ₹ 100 each at par, for an amount not exceeding ₹ 15 crores
2	Whether proposed to be listed? (If yes, name of the stock exchange(s))	No
3	Tenure of the Instrument - date of the allotment and date of maturity	Not exceeding three years. Date of allotment and maturity will be decided by the Board of Directors from time to time
4	Coupon / interest offered, schedule of payment of coupon / interest and principal	Not exceeding 10% per annum
5	Charge / Security, if any, created over the assets	Not applicable
6	Special Rights / interest / privileges attached to the instrument and changes thereof	Nil
7	Delay in payment of interest / principal amount for a period of	Does not arise





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	more than three months from the due date or default in payment of interest / principal	
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	Does not arise
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 RCPS will be made out of the profits of the company or out of fresh issue of RCPS

For Sakthi Finance Limited


S Venkatesh
Company Secretary and
Chief Compliance Officer
FCS 7012

Sakthi Finance Limited

62, Dr. Nanjappa Road, Coimbatore - 641 018, Tamilnadu, India.

Ph : (0422) 2231471 - 474, 4236200 Fax : (0422) 2231915 | www.sakthifinance.com | CIN : L65910TZ1955PLC000145



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b. Issue of Secured and Unsecured Redeemable Non-Convertible Debentures ("NCDs") and Other Debt Securities on private placement basis for an amount not exceeding ₹ 750 crore

Sl No	Disclosure requirement	Details
1	Size of the Issue	For an amount not exceeding Rs 750 crores to be issued on private placement basis to the intending investors
2	Whether proposed to be listed? (If yes, name of the stock exchange(s))	No
3	Tenure of the Instrument - date of the allotment and date of maturity	Not exceeding 20 years. Date of allotment and maturity will be decided by the Board of Directors from time to time
4	Coupon / interest offered, schedule of payment of coupon / interest and principal	Not exceeding 12% per annum
5	Charge / Security, if any, created over the assets	Security will be created for the NCDs by extending the hire purchase receivables / immovable properties of the Company and consequently, the charge will also be created in favour of the Debenture Trustees
6	Special Rights / interest / privileges attached to the instrument and changes thereof	Nil
7	Delay in payment of interest / principal amount for a period of more than three months from	Does not arise



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Since 1955

	the due date or default in payment of interest / principal	
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	Not applicable
9	Details of redemption of preference shares indicating the manner of redemption (whether out of profits or out of fresh issue) and debentures	Not applicable

For Sakthi Finance Limited



S Venkatesh
Company Secretary and
Chief Compliance Officer
FCS 7012

Sakthi Finance Limited

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SFL:SAPPMT:095:2021-22

3rd September 2021

BSE Limited
(Stock Code : 511066)
25 Floor
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai - 400 001

Submitted through BSE On-line filing portal

Dear Sir / Madam,

Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations") - Change of Statutory Auditors

1. We wish to inform that RBI has, by its Circular dated 27th April 2021, stipulated the "Guidelines for appointment of statutory auditors of Banks and NBFCs" ("**RBI Guidelines**"). In view of the above Guidelines, the Company is required to appoint a statutory auditor for a continuous period of three years, subject to the fulfilment of eligibility norms and the prescribed independence criteria.
2. In compliance of the above Guidelines, the Board of Directors of the Company have, by a resolution dated 3 September 2021:
 - a. taken note of the letter dated 3rd September 2021 received from M/s. P K Nagarajan & Co, current Statutory Auditors of the Company intimating their intention to resign as statutory auditors of the Company since they have completed more than three years of continuous audit and are ineligible to continue as auditors. The format for resignation of auditors required under SEBI Circular dated 18 October 2019 is given in the **Annexure - A**; and
 - b. considered and recommended for approval of the members at the ensuing 64th Annual General Meeting ("**AGM**") scheduled on 30th September 2021, the appointment of M/s. C S K Prabhu & Co (ICAI Registration No: 002485S), Chartered Accountants, Coimbatore as the Statutory Auditors of the Company for three years from the conclusion of 64th AGM up to the conclusion of 67th AGM.
3. Information as required under Regulation 30, Part A of Schedule III to Listing Regulations is set out in the **Annexure -B**.
4. We request you to take the above information on record.

Yours faithfully
For Sakthi Finance Limited


S Venkatesh
Company Secretary
FCS 7012



Enc: (2)

Annexure A

Name of the Entity Sakthi Finance Limited ("the Company")

Details of Statutory Auditor

Name P.K.Nagarajan & Co
Address 16, 3rd Floor, Kalidas Road, Ram Nagar,
Coimbatore- 641009
Phone Number 0422 2231416
Email pknagarajanandco@gmail.com

Details of Association with the Company:

Date on which Statutory Auditor was appointed 25th September 2017
Date on which term of Statutory Auditor was scheduled to expire 25th September 2022
Prior to resignation, latest limited review report submitted by the auditor and date of its submission Limited Review Report for the quarter ended 30th June 2021 dated 14th August 2021

Details of Resignation

As per RBI Guidelines on Appointment of Statutory Auditors of NBFC, our firm is not eligible to continue as Statutory Auditors

1. We hereby confirm that the information given in this letter and its attachments is correct and complete.
2. We hereby confirm that there is no other material reason other than those provided above for resignation of our firm

For P K Nagarajan & Co.,
Chartered Accountants
Firm Registration Number: 0166765

Coimbatore
3rd September 2021



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

S P Muthusami
Partner
Membership Number: 224171

Information as required under Regulation 30 - Part A of Schedule III to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Sl No	Requirement	Disclosure
1	Reason for change	<p><u>Reason for resignation of M/s. P K Nagarajan & Co, Chartered Accountants, Statutory Auditors:</u> In terms of the RBI Guidelines dated 27 April 2021 on Appointment of Statutory Auditors of Banks and NBFCs, M/s. P K Nagarajan and Co, Chartered Accountants, current Statutory Auditors have, by their letter dated 3 September 2021, informed their intention to resign as statutory auditors of the Company as they have completed more than three years of continuous audit and are ineligible to continue as auditors. They have issued the limited review report on the unaudited financial results of the Company for the quarter ended 30th June 2021 and their resignation will be effective from the date of acceptance of their resignation by the Board.</p> <p><u>Reason for appointment of M/s. C S K Prabhu & Co, Chartered Accountants</u> In terms of RBI Circular, M/s P K Nagarajan and Co, Chartered Accountants will be ineligible to continue as Statutory Auditors of the Company. Accordingly, the Board of Directors have, in compliance of RBI Circular, considered and recommended the appointment of M/s. C S K Prabhu & Co, Chartered Accountants (ICAI Registration No: 002485S) as the Statutory Auditors of the Company for the approval of members.</p>
2	Date of appointment / Term of appointment	M/s. C S K Prabhu & Co, Chartered Accountants (ICAI Registration No: 002485S) will hold office for a period of three consecutive years from the conclusion of 64th Annual General Meeting till the conclusion of 67th Annual General Meeting, subject to the approval of the members of the Company.
3	Brief Profile	<p>M/s CSK Prabhu & Co is a firm of Chartered Accountants headquartered in Coimbatore. The firm was founded in the year 1978 by Sri. C.S.K. Prabhu, FCA, Chartered Accountant. The 41 years old firm has 3 partners. The Firm provides Audit, Assurance, Taxation and Consultancy Services.</p> <p>The firm has experience in the following Sectors: Manufacturing, Textiles, Infotech, Finance and Banking, Retail and Trading, Jewelry, Food Processing, FMCG, Healthcare, NGO / NPO Charity and Education, Energy, Capital Goods, Chemical and Fertilizers, Automobile Machinery and Construction etc.</p> <p>The firm holds a valid Peer Review Certificate from the Peer Review Board of ICAI, New Delhi.</p>

For SAKTHI FINANCE LIMITED

S. VENKATESH
Company Secretary
M. No: FCS7012

Sakthi Finance Limited

02, Dr. Nanjappa Road, Coimbatore - 641 018, Tamilnadu, India.

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Brief profile of Dr G Sundar, Chief Risk Officer

- ▶ Dr G Sundar is aged 66 years
- ▶ Earlier served as Vice President of the Company and presently acting as Adviser – Risk Management and Strategic Initiatives of the Company
- ▶ Holds the following qualifications:
 - Doctorate in Management from Bharathiyar University
 - MBA in Marketing Management from Annamalai University
 - M A in English Literature, Madras University
 - Post Graduate Diploma in Capital Management and Investment Analysis, Alagappa University and
 - Post Graduate Diploma in Psychological Counselling, TN Open University
- ▶ Has forty years of experience in Credit, Receivables Management, Legal and Risk Management functions in Banking and Non-Banking Financial Companies

