



SFL:BSE:039:2020-2021

28th May 2020

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

Through : Listing Center

Dear Sir / Madam,

Disclosure of material impact of Covid-19 Pandemic

Pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20 May 2020, we enclose in the Annexure the disclosure of material impact of Covid -19 pandemic on the Company.

We request you to take the information on record.

Yours faithfully
For Sakthi Finance Limited

S Venkatesh
Company Secretary
FCS 7012

Enc : (1)

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

DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDAMIC

Pursuant to the SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20 May 2020 on disclosure of material impact of CoVID-19 pandemic are as follows:

| SI No | Particulars | Disclosures |
|--------------|--|--|
| 1 | Impact of the COVID-19 pandemic on the business | The Company's offices remained partially shut from 25 March 2020 due to lockdown and partially re-opened w.e.f. 2 May 2020, with lockdown continuing, business stands adversely affected |
| 2 | Ability to maintain operations including the factories / units / office spaces functioning and closed down | The Company's operations is linked to commercial vehicle operations of the borrowers. Their inability to operate during lockdown, impacts the company's ability to lend to them |
| 3 | Schedule, if any, for restarting the operations | The Company's operations can be back to normal once the lockdown is lifted completely |
| 4 | Steps taken to ensure smooth functioning of operations | The Company has taken utmost care of its staff, like sanitization, social distancing, mandatory mask wearing, thermal check at the office premises, maintaining proper hygiene. However the marketing operations have not yet started. |
| 5 | Estimation of the future impact of CoVID-19 on its operations | During March – August 2020, being moratorium period, the income and profitability of the Company are likely to be adversely impacted. |
| 6 | Details of impact of CoVID-19 on listed entity's: | |
| 6a | Capital and financial resources | The moratorium imposed by Government has affected the cash flows. However the Company is striving to manage. |
| 6b | Profitability | In view of lockdown, profitability during the year will be impacted |
| 6c | Liquidity position | There are tight liquidity conditions but will be managed |
| 6d | Ability to service debt and other financing arrangements | The Company has serviced all its debt obligations in time till now |

| | | |
|----|---|--|
| 6e | Internal financial reporting and control | The Company has adequate processes for internal financial reporting and control |
| 6f | Demand for services | The Company has extended moratorium to its customers who opt for it as per RBI Directions. Demand for services can start only when the lockdown is lifted completely |
| 7 | Existing contracts / agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business | Borrowers under existing hire purchase agreements will tend to defer their commitments towards repayment in view of the moratorium allowed by Government and it will impact the company's business till the continuance of moratorium period |
| 8 | Other relevant material updates about the listed entity's business. | Nil |

Yours faithfully
For Sakthi Finance Limited

S Venkatesh
Company Secretary
FCS 7012