

SFL:BSE:237:2019-20

14th February 2020

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

Total No of Pages : 7
On-line submission through Listing Centre

Dear Sir / Madam,

Outcome of the Board Meeting held on 14th February 2020

1. We refer to our Letter No SFL:BSE:232:2019-2020 dated 6th February 2020 intimating you of convening of Board Meeting on **Friday, 14th February 2020** for considering Unaudited Financial Results for the quarter and nine months period ended 31st December 2019.
2. a. In this regard, we wish to inform you that the Board of Directors of the Company have, at their meeting held today, approved the Unaudited Financial Results for the quarter and nine months period ended 31st December 2019 in the format prescribed under Regulations 33(4) of the Listing Regulations.
b. We enclose a copy of the Unaudited Financial Results for the quarter and nine months period ended 31st December 2019 along with the Limited Review Report (**Annexure - 1**)
c. A copy of Limited Review Report given by our Statutory Auditors, M/s P. K Nagarajan & Co., Chartered Accountants, on the Unaudited Financial Results was taken on record.
3. The extract of results in the format prescribed under the Listing Regulations will be published within the stipulated time in the manner laid down under regulation 47(1)(b) in English and Tamil newspapers.
4. The Unaudited financial results have been uploaded in the website of the Company **www.sakthifinance.com** as well as in the website of the BSE Limited in the manner required by them.
5. The Board Meeting commenced at 3.45 p.m and concluded at 5.30 p.m.
6. We request you to take the above documents / information on record.

Yours faithfully
For Sakthi Finance Limited


S. Venkatesh
Company Secretary



Encl:(2)

Statement of Unaudited Financial Results for the Quarter and Nine Months Period ended 31st December 2019

(₹ lakh)

Sl No	Particulars	Quarter Ended			Nine Months Ended	
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Revenue from Operations					
	Interest Income	4,276.29	3,992.01	4,110.20	12,169.87	12,040.07
	Dividend Income	-	-	-	-	-
	Rental Income	5.09	5.48	6.27	16.24	19.12
	Bad debts recovery	52.76	59.00	87.26	121.48	185.35
	Total revenue from operations	4,334.14	4,056.49	4,203.73	12,307.59	12,244.54
2	Other Income					
	Sale of power	28.89	81.87	24.13	174.58	172.82
	Profit on sale of Fixed Instruments	-	-	-	-	0.27
	Miscellaneous income	0.02	0.16	0.27	0.39	2.97
3	Total Income	4,363.05	4,138.52	4,228.13	12,482.56	12,420.60
4	Expenses					
	a. Finance Costs	2,582.27	2,459.05	2,532.22	7,474.37	7,495.37
	b. Fees and commission expense	29.41	63.02	17.23	129.94	82.66
	c. Impairment on Financial Instruments	126.63	104.66	81.61	336.77	307.31
	d. Employee benefits expenses	628.41	641.74	565.38	1,873.56	1,634.40
	e. Depreciation, amortisation and impairment	93.32	93.01	91.34	277.83	262.12
	f. Bad debts write-off	59.84	57.56	98.35	151.56	169.53
	g. Other Administrative Expenses	439.78	390.22	435.21	1,179.33	1,262.90
	Total Expenses	3,959.66	3,809.26	3,821.34	11,423.36	11,214.29
5	Profit/(Loss) before Exceptional items and Tax (3-4)	403.39	329.26	406.79	1,059.20	1,206.31
6	Exceptional items	-	-	-	-	-
7	Profit/(Loss) before tax (5-6)	403.39	329.26	406.79	1,059.20	1,206.31
8	Tax expense:					
	a. Current Tax	110.81	83.34	138.95	345.25	476.53
	b. Deferred Tax	(55.75)	(61.69)	(1.32)	(151.42)	(114.60)
9	Profit after Tax for the period from continuing operations (7-8)	348.33	307.61	269.16	865.37	844.38
10	Other Comprehensive Income:					
	(i) Items that will not be reclassified to profit or loss :					
	a. Fair value changes in Equity instruments	-	(2.21)	(3.93)	(13.60)	(16.42)
	b. Remeasurement (Gain)/ Loss in defined benefit obligations	(8.95)	(9.00)	(3.25)	(27.69)	(18.50)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	2.25	1.88	0.22	6.97	4.66
11	Other Comprehensive Income	(6.70)	(9.33)	(6.96)	(34.32)	(30.26)
12	Total Comprehensive Income for the period (9+11)	341.63	298.28	262.20	831.05	814.12
	Earnings per equity share (Face Value : ₹ 10 each) :					
13	- Basic (₹)	0.68	0.60	0.52	1.66	1.63
	- Diluted (₹)	0.68	0.60	0.52	1.66	1.63



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Notes:

1. The Company has adopted 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 from 1st April 2019 and the effective date of such transition is 1st April 2018. Such 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**").
2. The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14th February 2020.
3. The Statutory Auditors have carried out a limited review on the Unaudited Financial Results for the quarter ended 31st December 2019.
4. 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'.
5. As required under paragraph 32 of Ind AS 101, the profit reconciliation between the figures previously reported under previous GAAP and restated as per Ind AS is as under:

(₹ lakhs)

Particulars	Quarter ended 31st December 2018	Nine months period ended 31st December 2018
	(Unaudited)	(Unaudited)
Net Profit after tax as per Previous GAAP	277.24	963.78
<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	8.18	(2.06)
b. Adoption of EIR for amortization of expenses – Financial Liabilities at amortised cost	(17.12)	(164.86)
c. Expected Credit Loss (ECL) and related adjustments under Ind AS 109	(0.23)	33.68



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d. Re-measurement gain / loss on defined benefit plans recognized in "Other Comprehensive Income" as per Ind AS 19	3.25	18.50
e. Tax adjustments on the above items	(2.16)	(4.66)
Net Profit after tax as per Ind AS	269.16	844.38
Other Comprehensive Income, net of tax	(6.96)	(30.26)
Total Comprehensive Income as per Ind AS	262.20	814.12

6. The Expected Credit Loss on Financial Assets has been provided on an estimated basis.
7. The Company's Secured, Redeemable, Non-Convertible Debentures ("**NCDs**") are secured by mortgage of an identified immovable property and charge on specified hire purchase receivables of the Company with a cover of 100%/110% as per the terms of the issue.
8. 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

14th February 2020
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Extract of Statement of Unaudited Financial Results for the
Quarter and nine months period ended 31st December 2019

(₹ lakh)

Particulars	Quarter Ended		Nine months period ended
	31.12.2019	31.12.2018	31.12.2019
	(Unaudited)	(Unaudited)	(Unaudited)
Total Revenue from Operations (net)	4,334.14	4,203.73	12,307.59
Net Profit / (Loss) for the period (before tax and Exceptional Items)	403.39	406.79	1,059.20
Net Profit / (Loss) for the period before tax (after Exceptional Items)	403.39	406.79	1,059.20
Net Profit / (Loss) for the period after tax (after Exceptional Items)	348.33	269.16	865.37
Other Comprehensive Income (net of tax)	(6.70)	(6.96)	(34.32)
Total Comprehensive Income for the period [comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (net of tax)]	341.63	262.20	831.05
Paid-up equity share capital (Face value : ₹ 10 per share)	5,000.00	5,000.00	5,000.00
Reserves (excluding Revaluation Reserve)	9,481.73 as on 31st March 2019		
Earnings per share (₹ 10 each) (for continuing operations) :			
a. Basic (₹)	0.68	0.52	1.66
b. Diluted (₹)	0.68	0.52	1.66

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 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

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Independent Auditor's Limited Review Report on Review of Unaudited Interim Financial Results of the Company for the Quarter and Nine months Ended 31st December 2019

Review Report To
**The Board of Directors
Sakthi Finance Limited**

1. Report on the Statement of Unaudited Financial Results

We have reviewed the accompanying statement of Unaudited Financial Results of Sakthi Finance Limited ("the Company") for the quarter and nine months ended 31st December, 2019, ("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.

2. Management Responsibility for the Unaudited Financial Results

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended 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.

3. Auditor's Responsibility

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 financial statements are 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.

4. Conclusion

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.

5. Other Matters

We draw attention to the Note of the statement that the figures for the corresponding quarter and nine months ended 31st December 2018 including the reconciliation of Profit under Ind AS of the corresponding quarter and nine months with Profit reported under previous GAAP, as reported in these financial results have been approved by the Company's Board of Directors but have not been subjected to review or audit.

Place: Coimbatore
Date: 14.02.2020

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


**P K Nagarajan
Partner**

**Membership No. 025679
UDIN: 20025679AAAAAE2053**