



Sakthi Sugars Limited

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SL/SE/1801/2019

13.8.2019

Dear Sirs,

Sub. : Unaudited Statement of Financial Results (Standalone) for the quarter ended 30th June 2019.

We wish to inform that the Board of Directors of the Company at its meeting held today (13.8.2019) has approved the Unaudited Statement of Financial Results of the Company for the quarter ended 30th June 2019.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we enclose the following:

1. Unaudited Statement of Financial Results of the Company(Standalone) for the quarter ended 30th June 2019 together with Segment Results.
2. A copy of the Limited Review Report of the Statutory Auditors, M/s.P.K.Nagarajan & Co., Coimbatore.

The Board Meeting commenced at 12.30 pm and ended at 1.30 PM.

Thanking you,

Yours faithfully
For SAKTHI SUGARS LIMITED

SENIOR VICE PRESIDENT &
COMPANY SECRETARY

Encl: As above

To:

BSE Limited
Floor - 25,
P.J.Towers
Dalal Street, Fort
MUMBAI - 400 001

The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No.C/1,
G-Block, Bandra Kurla Complex,
Bandra (East)
MUMBAI - 400 051

SAKTHI SUGARS LIMITED

CIN : L15421T21961PLC000396

Regd Office: Sakthiagar PO - 638315, Erode District, Tamilnadu

(Phone: 0422 4322222, 2221551, Fax: 0422 4322488, 2220574)

(E mail : shares@sakthisugars.com, Website : www.sakthisugars.com)

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30.06.2019

Particulars	Three months ended			Year ended
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1. Income				
Revenue from operations	18188.49	25132.56	9424.63	50505.93
Other Income	856.00	14781.04	144.15	15207.84
Total Income	19044.49	39913.60	9568.78	65713.77
2. Expenses				
Cost of material consumed	9567.23	18312.50	4134.07	36996.14
Purchase of stock in trade	84.68	204.44	82.21	393.80
Changes in Inventories of finished goods, work-in-progress and stock in trade	4169.07	-516.91	2883.37	-1137.66
Employee benefits expenses	1490.10	1557.96	1376.03	5862.94
Finance costs	3979.01	13388.04	3923.06	25966.57
Depreciation and amortization expense	1227.11	1275.90	1284.75	5158.53
Other expenses	3307.37	4414.00	2222.66	13969.58
Total Expenses	23824.57	38635.93	15906.15	87209.90
3. Profit/(Loss) before exceptional items and tax (1-2)	-4780.08	1277.67	-6337.37	-21496.13
4. Exceptional Items	--	10173.94	--	5180.09
5. Profit/(Loss) before extraordinary items and tax (3-4)	-4780.08	-8896.27	-6337.37	-26676.22
6. Extraordinary Items	--	--	--	--
7. Profit/Loss before tax (5-6)	-4780.08	-8896.27	-6337.37	-26676.22
8. Tax expenses				
Current Tax	--	--	--	--
Deferred tax	-274.48	262.11	-2191.96	-5274.80
	-274.48	262.11	-2191.96	-5274.80
9. Profit/(Loss) for the period from continuing operations (7-8)	-4505.60	-9158.38	-4145.41	-21401.42
10. Other Comprehensive Income (net of tax)				
i) Items that will not be reclassified to Statement of Profit and Loss	138.47	-103.08	120.00	116.13
ii) Income tax expenses on the above	-48.39	36.02	-41.93	-39.78
11. Total Comprehensive Income	-4415.52	-9225.44	-4067.34	-21325.07
12. Paid-up equity share capital (Face Value of the Shares - Rs. 10 each)	11884.90	11884.90	11884.90	11884.90
13. Other Equity				-7371.16
14. Earnings per equity share of Rs.10/- each:				
1. Basic	-3.72	-7.76	-3.42	-17.94
2. Diluted	-3.72	-7.76	-3.42	-17.94

**SEGMENT WISE UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 30.06.2019**

(Rs. in Lakhs)

Particulars	Quarter ended			Year ended
	30.06.2019 (Unaudited)	31.03.2019 (Audited)	30.06.2018 (Unaudited)	31.03.2019 (Audited)
1. Segment Revenue:- (Sales/Income from Operations)				
a) Sugar	12775.68	20194.70	4315.11	30790.86
b) Industrial Alcohol	2428.37	2972.10	2398.84	8523.73
c) Soya Products	3862.97	3370.53	2994.23	13772.92
d) Power	1795.97	3739.10	567.88	5660.25
	20862.99	30276.43	10276.06	58747.76
Less: Intersegment Revenue	2674.50	5143.87	851.43	8241.83
Sales/Income from Operations	18188.49	25132.56	9424.63	50505.93
2. Segment Results:- (Profit+)/Loss(-) before tax and Finance Cost)				
a) Sugar	-1918.43	-491.14	-2108.02	-6852.51
b) Industrial Alcohol	503.14	-192.19	3.24	-892.74
c) Soya Products	221.59	46.62	318.92	899.50
d) Power	-284.70	612.02	-600.78	-3317.36
	-1478.40	-24.69	-2386.64	-10163.11
Less: i) Finance Cost	3979.01	13388.04	3923.06	25966.57
ii) Other un-allocable expenditure	11.85	21.09	27.67	91.13
iii) Un-allocable income	-689.18	-4537.55	--	-9544.59
Total Profit/Loss before tax	-4780.08	-8896.27	-6337.37	-26676.22
3. Segment Assets:-				
a) Sugar	122738.75	128714.60	114512.59	128714.60
b) Industrial Alcohol	11621.51	11302.95	13017.34	11302.95
c) Soya Products	12445.26	12675.65	13318.93	12675.65
d) Power	30993.29	31315.99	34948.22	31315.99
e) Unallocated	4055.33	4017.95	3764.01	4017.95
	181854.14	188027.14	179561.09	188027.14
4. Segment Liabilities:-				
a) Sugar	58254.84	61723.66	48422.66	61723.66
b) Industrial Alcohol	333.34	459.19	220.30	459.19
c) Soya Products	2051.70	2073.24	891.98	2073.24
d) Power	11771.97	11712.34	12838.23	11712.34
e) Unallocated	110593.37	108568.18	93354.66	108568.18
	183005.22	184536.61	155727.83	184536.61

Note:-

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 13, 2019.
2. The financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') as amended.
3. Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases". The adoption of the standard, does not have any material impact on the financial results of the Company.
4. The financial statement of the Company has been prepared on going concern basis as in the opinion of the directors, there is a reasonable expectation that the Company will continue its operations for the foreseeable future. The Directors have examined the following points in order to ascertain the validity of going concern assumption.
 - (a) The Company has incurred a loss of Rs.4780.08 lakhs during the quarter ended June 30, 2019 and as of that date the Company's accumulated losses amount to Rs.41924.38 lakhs. Further as of that date, Company's current liabilities exceeded its current assets by Rs.107132.47 lakhs. Significant financial ratios are also negative.
 - (b) The Company has defaulted in repayment of dues to financial institutions, banks and Asset Reconstruction Companies for principal amount of Rs.49357.83 lakhs and interest amounting of Rs.49883.45 lakhs since May 2011. The Company has received recall notice from one of the Asset Reconstruction Company for non-payment of principal and interest thereon after the due date by the Company.

The company has taken steps for restructuring its liabilities with banks and other lenders/creditors which will result in significant reduction of the liabilities and revive its ability to continue as a going concern. Further, the company is in the process of selling of investments and certain non-core assets. The management is hopeful of finalizing a restructuring package and sale of those assets soon.

Conditions explained above indicate existence of material uncertainty that may cast significant doubt of the Company's ability to continue as going concern due to which the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. However, considering management plans relating to restructuring of debt, expected improvement in operating activities and proposed sale of investments and non-core assets, the financial statement has been prepared on going concern basis.

5. The figures for the quarter ended March, 31 2019, are the balancing figures between audited figures in respect of the full previous financial year and the published year-to-date figures upto the third quarter of the previous financial year.
6. The figures of previous periods / year have been regrouped/reclassified wherever necessary to make them comparable with those of the current period / year.

FOR SAKTHI SUGARS LIMITED



(M. MANICKAM)

CHAIRMAN AND MANAGING DIRECTOR
DIN : 00102233

COIMBATORE
13.08.2019

Independent Auditor's Report on Review of Interim Financial Results for the quarter ended June 30, 2019

**The Board of Directors of
Sakthi Sugars Limited**

Report on the Statement of Financial Results

1. We have reviewed the accompanying statement of unaudited Financial Results of Sakthi Sugars Limited ("the Company") for the Quarter ended on June 30, 2019 ("the Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended ("Listing Regulations").

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 (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 read SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a report 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 Engagements (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 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 Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Material Uncertainty Related to Going Concern

5. We draw attention to Note 4 of the Statement. The company has incurred net loss of Rs. 4780.08 lakhs during the quarter ended June 30, 2019 and as of that date, the Company's accumulated losses aggregate to Rs. 41924.38 lakhs. Further, as of that date, company's current liabilities exceeded its current assets by Rs. 107132.47 lakhs. These factors along with other matters as set forth in said note raise substantial doubt about the company's ability to continue as a going concern in the foreseeable future. However, the company's financial statement has been prepared on going concern basis as disclosed by management in said note. Our conclusion is not modified in respect of this matter.

Emphasis of Matters

6. Certain banks have classified its advance to company as Non-Performing Assets and are not charging/applying interest accrued. In order to account for all probable liabilities, the management in its best judgement has provided interest including penal interest, as per the terms of original sanction, on such borrowings. The management is of the opinion that the difference in interest, if any, shall be accounted for as and when the interest is charged or adjusted by the banks.
7. We draw your attention to the fact that figures for the quarter ended March 31, 2019, as reported in this statement are the balancing figures between audited figures in respect of the full previous financial year and the published year-to-date figures upto the third quarter of the previous financial year.

Our conclusion is not modified in respect of these matters

For P K NAGARAJAN & CO.,
Chartered Accountants
Firm Registration Number: 016676S


P.K. Nagarajan
Partner

Membership Number: 025679
UDIN: 19025679AAAAAK4707

Coimbatore
August 13, 2019