



Sakthi Sugars Limited

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SL/SE/1726/2020

11.11.2020

Dear Sirs,

Sub : Unaudited Statement of Financial Results (Standalone) for the quarter ended 30th September 2020.

We wish to inform that the Board of Directors of the Company at its meeting held today has approved the Unaudited Statement of Financial Results of the Company for the quarter ended 30th September 2020.

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 September 2020 together with Segment Results, Statement of Assets and Liabilities and Statement of Cash Flows as at that date.
2. A copy of the Limited Review Report of the Statutory Auditors, M/s. P.K.Nagarajan & Co., Coimbatore.

The Board Meeting commenced at 11.45 AM and concluded at 12.30 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 : L15421TZ1961PLC000396

Regd Office: Sakthinagar 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 AND PERIOD ENDED 30.09.2020

(Rs. in Lakhs)

Particulars	Three months ended			Period ended		Year ended
	30.09.2020 (Unaudited)	30.06.2020 (Unaudited)	30.09.2019 (Unaudited)	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)	31.03.2020 (Audited)
1. Income						
Revenue from operations	13013.82	15827.65	18021.16	28841.47	36209.65	80301.01
Other Income	137.91	100.53	86.31	238.44	942.31	12089.63
Total Income	13151.73	15928.18	18107.47	29079.91	37151.96	92390.64
2. Expenses						
Cost of material consumed	8224.88	11483.27	11730.85	19708.15	21298.08	55268.43
Purchase of stock in trade	28.19	24.90	57.25	53.09	141.93	428.45
Changes in inventories of finished goods, work-in-progress and stock in trade	1016.58	(560.52)	662.62	456.06	4831.69	3922.05
Employee benefits expenses	1280.14	1372.30	1378.91	2652.44	2869.01	6171.43
Finance costs	4935.63	4543.47	3611.34	9479.10	7590.35	20197.10
Depreciation and amortization expense	977.97	967.14	1240.33	1945.11	2467.44	4931.06
Other expenses	2663.92	2809.74	3615.06	5473.66	6922.43	22306.03
Total Expenses	19127.31	20640.30	22296.36	39767.61	46120.93	113224.55
3. Profit/(Loss) before exceptional items and tax (1-2)	(5975.58)	(4712.12)	(4188.89)	(10687.70)	(8968.97)	(20833.91)
4. Exceptional Items	--	--	--	--	--	--
5. Profit/(Loss) before extraordinary items and tax (3-4)	(5975.58)	(4712.12)	(4188.89)	(10687.70)	(8968.97)	(20833.91)
6. Extraordinary Items	--	--	--	--	--	--
7. Profit/Loss before tax (5-6)	(5975.58)	(4712.12)	(4188.89)	(10687.70)	(8968.97)	(20833.91)
8. Tax expenses						
Current Tax	--	--	--	--	--	--
Deferred tax	7.17	0.09	(0.55)	7.26	(275.03)	(241.52)
	7.17	0.09	(0.55)	7.26	(275.03)	(241.52)
9. Profit/(Loss) for the period from continuing operations	(5982.75)	(4712.21)	(4188.34)	(10694.96)	(8693.94)	(20592.39)
10. Other Comprehensive Income (net of tax)						
i) Items that will not be reclassified to Statement of Profit and Loss	(22.98)	(0.30)	1.57	(23.28)	140.04	34.87
ii) Income tax expenses on the above	7.17	0.09	(0.55)	7.26	(48.94)	(15.43)
11. Total Comprehensive Income	(5998.56)	(4712.42)	(4187.32)	(10710.98)	(8602.84)	(20572.95)
12. Paid-up equity share capital (Face Value of the Shares - Rs. 10 each)	11884.90	11884.90	11884.90	11884.90	11884.90	11884.90
13. Other Equity						(27944.11)
14. Earnings per equity share of Rs.10/- each:						
1. Basic	(5.05)	(3.97)	(3.52)	(9.01)	(7.24)	(17.31)
2. Diluted	(5.05)	(3.97)	(3.52)	(9.01)	(7.24)	(17.31)



**SEGMENT WISE AUDITED FINANCIAL RESULTS
FOR THE PERIOD ENDED 30.09.2020**

(Rs. in Lakhs)

Particulars	Quarter ended			Period ended		Year ended
	30.09.2020 (Unaudited)	30.06.2020 (Unaudited)	30.09.2019 (Unaudited)	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)	31.03.2020 (Audited)
1. Segment Revenue:- (Sales/Income from Operations)						
a) Sugar	6735.07	10108.36	11552.91	16843.43	24328.58	55858.71
b) Industrial Alcohol	2410.01	2237.42	3275.01	4647.43	5703.38	13073.09
c) Soya Products	4669.17	4579.48	4336.03	9248.65	8199.00	15958.13
d) Power	1548.83	2026.04	2483.71	3574.86	4279.68	9507.77
	15363.08	18951.30	21647.66	34314.37	42510.64	94397.70
Less: Intersegment Revenue	2349.26	3123.65	3626.50	5472.90	6300.99	14096.69
Sales/Income from Operations	13013.82	15827.65	18021.16	28841.47	36209.65	80301.01
2. Segment Results:- (Profit+)/Loss(-) before tax and Finance Cost)						
a) Sugar	(1564.98)	(1392.99)	(1450.45)	(2957.97)	(3368.87)	(13996.78)
b) Industrial Alcohol	478.84	1043.53	826.00	1522.37	1329.14	3289.97
c) Soya Products	461.05	390.21	185.00	851.26	406.59	577.53
d) Power	(392.50)	(201.83)	(127.08)	(594.33)	(411.78)	(993.94)
	(1017.59)	(161.08)	(566.53)	(1178.67)	(2044.92)	(11123.22)
Less: i) Finance Cost	4935.63	4543.47	3611.34	9479.10	7590.35	20197.10
ii) Other un-allocable expenditure	22.41	7.65	13.15	30.06	25.01	725.55
iii) Un-allocable income	(0.05)	(0.08)	(2.13)	(0.13)	(691.31)	(11211.96)
Total Profit/Loss before tax	(5975.58)	(4712.12)	(4188.89)	(10687.70)	(8968.97)	(20833.91)
3. Segment Assets:-						
a) Sugar	121872.55	124357.10	121427.52	121872.55	121427.52	124034.99
b) Industrial Alcohol	10631.75	11487.14	10978.49	10631.75	10978.49	11361.65
c) Soya Products	12712.29	13057.15	12231.56	12712.29	12231.56	12399.83
d) Power	29827.53	30209.16	30927.70	29827.53	30927.70	30391.76
e) Unallocated	5061.57	5016.72	3918.33	5061.57	3918.33	5058.91
	180105.69	184127.27	179483.60	180105.69	179483.60	183247.14
4. Segment Liabilities:-						
a) Sugar	64710.13	66616.64	57095.02	64710.13	57095.02	64440.12
b) Industrial Alcohol	2108.01	2058.45	818.70	2108.01	818.70	1964.77
c) Soya Products	2568.92	2865.79	2025.11	2568.92	2025.11	2492.52
d) Power	11744.98	11231.76	11640.77	11744.98	11640.77	11124.09
e) Unallocated	125743.84	122126.26	113242.40	125743.84	113242.40	119284.85
	206875.88	204898.90	184822.00	206875.88	184822.00	199306.35



STATEMENT OF ASSETS AND LIABILITIES

(Rs. in lakhs)

Particulars	As at	As at
	30.09.2020 (Unaudited)	31.03.2020 (Audited)
A. ASSETS		
1. NON-CURRENT ASSETS		
(a) Property, Plant and Equipment	97387.44	99283.85
(b) Capital work-in-progress	33.17	20.23
(c) Right-of-use Assets	84.37	112.49
(d) Financial Assets		
i) Investments	1732.02	1656.43
ii) Loans	79.32	82.86
iii) Other financial assets	729.29	780.11
(e) Deferred tax assets (Net)	1249.30	1249.30
(f) Other Non-current Assets	3428.12	3411.58
Total Non-current Assets	104723.03	106596.85
2. CURRENT ASSETS		
(a) Inventories	5897.56	6765.47
(b) Biological Assets	8.34	7.43
(c) Financial Assets		
i) Trade receivables	1046.59	979.28
ii) Cash and cash equivalents	1040.70	892.48
iv) Bank Balances Other than Cash and cash equivalents	41.54	1.49
v) Loans	24787.64	24787.14
vi) Other Financial Assets	329.87	829.78
(d) Current tax assets (Net)	356.31	390.91
(e) Other current assets	3875.97	3998.17
(f) Assets Classified as held for Sale	37384.52	38652.15
Total Current Assets	37998.14	37998.14
Total Current Assets	75382.66	76650.29
TOTAL ASSETS (1 and 2)	180105.69	183247.14
B. EQUITY AND LIABILITIES		
1. EQUITY		
(a) Equity Share Capital	11884.90	11884.90
(b) Other Equity	(38655.09)	(27944.11)
Total Equity	(26770.19)	(16059.21)
2. LIABILITIES		
A. NON-CURRENT LIABILITIES		
(a) Financial Liabilities		
i) Borrowings	8540.97	9342.71
ii) Other Financial Liabilities	228.53	349.94
(b) Provisions	2835.27	2564.19
(c) Other non-current liabilities	1080.00	--
Total Non-Current Liabilities	12684.77	12256.84
B. CURRENT LIABILITIES		
(a) Financial Liabilities		
i) Borrowings	14812.56	13478.64
ii) Trade Payable		
a) Total outstanding dues of micro and small enterprises	317.27	391.12
b) Total outstanding dues of other than (ii) (a) above	24867.39	27218.74
iii) Other Financial Liabilities	139649.48	132887.11
(b) Other current liabilities	14267.75	12610.07
(c) Provisions	276.66	463.83
Total Current Liabilities	194191.11	187049.51
Total Liabilities	206875.88	199306.35
TOTAL EQUITY AND LIABILITIES	180105.69	183247.14

FOR SAKTHI SUGARS LIMITED



(M. MANICKAM)

CHAIRMAN AND MANAGING DIRECTOR

DIN : 00102233

COIMBATORE
11.11.2020

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 November 11, 2020. The statutory auditors have conducted a limited review of the financial results.
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. The company has not provided depreciation on the assets forming part of disposal group classified as held for sale in accordance with Ind AS 105. Had the company charged depreciation on those assets, the depreciation for the quarter and period ended 30.09.2020 would have been higher by Rs.186.11 lakhs and Rs.376.67 lakhs respectively.
4. The Auditors have qualified their report for the quarter and period ended 30.09.2020 as under:-

No provision for the expected credit loss/ impairment on interest receivable from an erstwhile associate company of Rs.25219.69 lakhs has been recognized as per the requirement of Ind AS 109 "Financial Instruments". In view of non-recoveries, non-confirmations/reconciliation from the debtor company, initiation of legal action against the interest claim of the company and in absence of clear forward looking information regarding outcome of pending legal actions initiated and time frame and quantum of realisability of the interest receivable, we are unable to determine the amount of expected credit loss/ impairment as per the requirements of Ind-AS 109 "Financial Instruments" and its consequential impact on the loss for the year/accumulated loss.

This matter was also qualified by the auditor's in their report on the financial statements for the year ended 31.03.2020.

Board of Directors have considered the qualification made by the Auditors and have addressed the same as under:-

With reference to the Statutory Auditors remarks your Directors wish to state that the Company is confident of obtaining favourable award.

5. 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.10710.98 lakhs during the period ended September 30, 2020 and as of that date the Company's accumulated losses amount to Rs.68792.79 lakhs resulted in complete erosion of its networth. Further as of that date, Company's current liabilities exceeded its current assets by Rs.118808.45 lakhs. Significant financial ratios are also negative.
 - (b) The Company has defaulted in repayment of dues to SDF, banks and Asset Reconstruction Companies for principal amount of Rs.45363.50 lakhs and interest amounting of Rs.61366.50 lakhs since February 2012. 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 certain investments, non-core assets and group of core assets subject to approval of Banks, Asset Reconstruction Companies and Members of the company as may be required. The management is hopeful of finalizing a restructuring package and sale of 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's plans relating to restructuring of debt, expected improvement in operating activities and proposed sale of investments, non-core assets and group of core assets, the financial statement has been prepared on going concern basis.

6. Consequent to the outbreak of Covid-19 pandemic, the Company had suspended manufacturing activities for almost one month. Thereafter manufacturing activities have been resumed to normal level with the adoption of required safety measures. According to the assesment of the management there is no significant impact of Covid-19 for the Company.
7. The figures of previous periods / year have been regrouped/reclassified wherever necessary to make them comparable with those of the current period / year.

COIMBATORE
11.11.2020



FOR SAKTHI SUGARS LIMITED

(M. MANICKAM)
CHAIRMAN AND MANAGING DIRECTOR
DIN : 00102233

STATEMENT OF CASH FLOWS

(Rs. in Lakhs)

Particulars	Half Year ended 30.09.2020 (Unaudited)		Half Year ended 30.09.2019 (Unaudited)	
	A. CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit before tax as per statement of Profit and Loss		(10,687.70)		(8,968.97)
Adjustment for:				
Depreciation of Property, Plant and Equipment	1,945.11		2,467.44	
Finance Costs	9,479.10		7,590.35	
Remission/Unclaimed Liability	--		(689.18)	
(Profit) / Loss on Property, Plant and Equipment Sold / Discarded	--		(4.02)	
(Gain) / Loss on Fair Valuation of Non Current Investment through Profit and Loss (Net)	(75.59)		51.56	
(Gain) / Loss on Fair Valuation of Current Investment through Profit and Loss (Net)	--		48.04	
Dividend Income	(0.12)		(2.13)	
Interest Income	(67.06)	11,281.44	(104.54)	9,357.52
Operating Profit before Working Capital / Other Changes		593.74		388.55
Changes in Working Capital:				
Adjustments for (Increase) / Decrease in Operating Assets:				
Inventories/Biological Assets	867.00		5,565.89	
Trade Receivables	(67.31)		(278.04)	
Other Financial Assets	550.73		(131.17)	
Other Current Assets	124.20		529.20	
Other Non-current Assets	(13.00)		45.76	
Adjustments for Increase / (Decrease) in Operating Liabilities:				
Trade Payables	(2,582.14)		(3,612.04)	
Other Financial Liabilities	(45.14)		(389.43)	
Other Current Liabilities	1,378.77		1,663.61	
Other Long Term Liabilities	1,327.80	1,540.91	254.65	3,648.43
Cash Generated from Operations		2,134.65		4,036.98
Income Tax Paid (Net)		34.60		(7.85)
Net Cash from / (used in) Operating Activities (A)		2,169.25		4,029.13
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Property, Plant and Equipment	(33.52)		(15.48)	
Proceeds from Disposal of Property, Plant and Equipment	--		54.00	
Dividend received	0.12		2.13	
Interest Income	67.06		104.54	
Loans and Advances - Related Parties	(2.50)		504.71	
Net Cash from / (used in) Investing Activities (B)		31.16		649.90



(Rs. in Lakhs)

Particulars	Half Year ended 30.09.2020 (Unaudited)		Half Year ended 30.09.2019 (Unaudited)	
	C. CASH FLOW FROM FINANCING ACTIVITIES:			
Finance Costs Paid	(1,252.77)		(1,625.60)	
Principal Payment of Lease Liabilities	(27.86)		(22.91)	
Interest Paid on Lease Liabilities	(8.60)		(11.81)	
Long Term Borrowings (Net)	(1,308.83)		(2,554.17)	
Short Term Borrowings (Net)	600.00		(342.00)	
Loans from Body corporate (Net)	(14.08)		(4.77)	
Net Cash from / (used in) Financing Activities (C)		(2,012.14)		(4,561.26)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		188.27		117.77
Cash and cash equivalents at the beginning of the year		893.97		1,324.48
Cash and cash equivalents at the end of the year		1,082.24		1,442.25
Cash and cash equivalents at the end of the year comprises of				
(a) Cash on hand		16.72		17.22
(b) Balances with banks:				
i) In Current Accounts		523.43		493.61
ii) Margin Money with banks / Security against borrowings		542.09		931.42
Cash and cash equivalents as at the end of the year		1,082.24		1,442.25

FOR SAKTHI SUGARS LIMITED



(M. MANICKAM)
CHAIRMAN AND MANAGING DIRECTOR
DIN : 00102233

COIMBATORE
11.11.2020



Independent Auditor's Limited Review Report on unaudited financial results for the quarter and six months ended on September 30, 2020

To
The Board of Directors of
Sakthi Sugars Limited

Report on the Statement of Unaudited Financial Results

1. We have reviewed the accompanying statement of unaudited financial results of Sakthi Sugars Limited (the "Company") for the quarter and six months ended on September 30, 2020 (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "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, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder 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 issue a report 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 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.

Basis for Qualified Conclusion

4. No provision for the expected credit loss/ impairment on interest receivable from an erstwhile associate company of Rs. 25219.69 lakhs has been recognized as per the requirement of Ind AS 109 "Financial Instruments". In view of non-recoveries, non-confirmations/reconciliation from the debtor company, initiation of legal action against the interest claim of the company and in absence of clear forward looking information regarding outcome of pending legal actions initiated and time frame and quantum of realisability of the interest receivable, we are unable to determine the amount of expected credit loss/ impairment as per the requirements of Ind-AS 109 "Financial Instruments" and its consequential impact on the financial results.

Qualified Conclusion

5. Based on our review, with the exception of the matter described in Basis for Qualified Conclusion paragraph, 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

6. We draw attention to Note 5 of the Statement. The company has incurred net loss of Rs.10710.98 lakhs during the period ended September 30, 2020 and as of that date, the Company's accumulated losses aggregate to Rs. 68792.79 lakhs resulted in complete erosion of net worth. Further, as of that date, company's current liabilities exceeded its current assets by Rs. 118808.45 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.

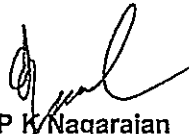
Emphasis of Matter

7. 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. Our conclusion on the Statement is not modified in respect of this matter.

Coimbatore
November 11, 2020

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




P K Nagarajan
Partner

Membership Number: 025679
UDIN: 20025679AAAAABV8763