



Sakthi Sugars Limited

180, Race Course Road, Post Box No. 3775, Coimbatore - 641 018. Phone : + 91 422-2221551, 4322222
Fax : +91 422-4322488, 2220574 E-mail : info@sakthisugars.com CIN : L1542ITZ1961PLC000396

SL/SE/2346/2022

13.8.2022

Dear Sirs,

Sub: Unaudited Financial Results (Standalone) for the quarter ended 30.6.2022.

We wish to inform that the Board of Directors of the Company at its meeting held today (13.8.2022) has approved, inter alia, the Unaudited Financial Results of the Company for the quarter ended 30th June 2022.

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

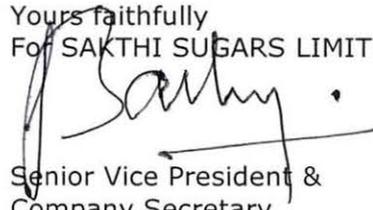
1. Unaudited Financial Results of the Company (Standalone) for the quarter ended 30.6.2022 together with Segment Results.
2. Limited Review Report of the Statutory Auditors, M/s. P.K.Nagarajan & Co., Coimbatore on the Unaudited Financial Results.

The meeting of the Board of Directors of the Company commenced at 12.00 Noon and concluded at 1.00 PM.

We request you to take the above on records.

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

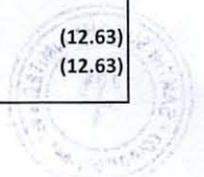
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(Phone: 0422 4322222, 2221551, Fax: 0422 4322488, 2220574)

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

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30.06.2022

(Rs. in Lakhs)

Particulars	Quarter Ended			Year Ended
	30.06.2022 (Unaudited)	31.03.2022 (Audited)	30.06.2021 (Unaudited)	31.03.2022 (Audited)
1. Income				
Revenue from operations	30230.37	17826.26	11792.27	43167.40
Other Income	78.03	863.92	298.01	1589.28
Total Income	30308.40	18690.18	12090.28	44756.68
2. Expenses				
Cost of material consumed	19363.55	10528.79	8115.71	26528.45
Purchase of stock in trade	67.10	36.09	16.54	73.98
Changes in inventories of finished goods, work-in-progress and stock in trade	(393.41)	(1414.61)	(496.53)	(1114.87)
Employee benefits expenses	1120.29	1147.27	963.37	3905.09
Finance costs	2548.35	7086.32	5089.79	23316.76
Depreciation and amortization expense	915.31	2365.98	731.92	4580.98
Other expenses	6723.10	5303.79	2656.16	12294.32
Total Expenses	30344.29	25053.63	17076.96	69584.71
3. Profit/(Loss) before exceptional items and tax (1-2)	(35.89)	(6363.45)	(4986.68)	(24828.03)
4. Exceptional Items	(17495.59)	(6891.23)	--	(6891.23)
5. Profit/(Loss) before extraordinary items and tax (3-4)	17459.70	527.78	(4986.68)	(17936.80)
6. Extraordinary Items	--	--	--	--
7. Profit/Loss before tax (5-6)	17459.70	527.78	(4986.68)	(17936.80)
8. Tax expenses				
Current Tax	--	--	--	--
Deferred tax	25.50	16.81	(25.62)	42.63
	25.50	16.81	(25.62)	42.63
9. Profit/(Loss) for the period from continuing operations (7-8)	17434.20	510.97	(4961.06)	(17979.43)
10. Profit/(Loss) before tax from Discontinued Operations	(92.74)	1459.75	575.37	2924.41
Tax Expense/(Credit) on Discontinued Operations	0.95	16.06	(2.05)	38.52
Profit/(Loss) for the Period from Discontinued Operations	(91.79)	1475.81	573.32	2962.93
11. Profit for the Period (9+10)	17342.41	1986.78	(4387.74)	(15016.50)
12. Other Comprehensive Income - Continuing Operations				
i) Items that will not be reclassified to Statement of Profit and Loss	(101.32)	(70.78)	99.95	(173.15)
ii) Income tax expenses on the above	25.50	16.81	(25.62)	42.63
	(75.82)	(53.97)	74.33	(130.52)
13. Other Comprehensive Income - Discontinued Operations				
i) Items that will not be reclassified to Statement of Profit and Loss	3.79	63.81	(7.98)	153.06
ii) Income tax expenses on the above	(0.95)	(16.06)	2.05	(38.52)
	2.84	47.75	(5.93)	114.54
Total Other Comprehensive Income for the year	(72.98)	(6.22)	68.40	(15.98)
14. Total Comprehensive Income	17269.43	1980.56	(4319.34)	(15032.48)
15. Paid-up equity share capital (Face Value of the Shares - Rs. 10 each)	11884.90	11884.90	11884.90	11884.90
16. Other Equity				(54697.51)
17. Earnings per equity share (of Rs. 10 each) (in Rs.) (not annualised for quarterly figures)				
i) For Continuing Operations				
a. Basic	14.67	0.43	(4.17)	(15.13)
b. Diluted	14.67	0.43	(4.17)	(15.13)
ii) For Discontinued Operations				
a. Basic	(0.08)	1.24	0.48	2.49
b. Diluted	(0.08)	1.24	0.48	2.49
iii) For Continuing and Discontinued Operations				
a. Basic	14.59	1.67	(3.69)	(12.63)
b. Diluted	14.59	1.67	(3.69)	(12.63)



**SEGMENT WISE UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 30.06.2022**

(Rs. in Lakhs)

Particulars	Quarter Ended			Year Ended
	30.06.2022 (Unaudited)	31.03.2022 (Audited)	30.06.2021 (Unaudited)	31.03.2022 (Audited)
1. Segment Revenue:- (Sales/Income from Operations)				
a) Sugar	31941.31	17602.80	11524.28	40380.28
b) Industrial Alcohol	3991.16	2507.16	1445.31	7430.62
c) Power	10617.93	5183.50	2647.12	11262.84
	46550.40	25293.46	15616.71	59073.74
Less: Intersegment Revenue	16320.03	7467.20	3824.44	15906.34
Total Segment Revenue	30230.37	17826.26	11792.27	43167.40
Discontinued Operation	9206.18	13644.85	6304.46	35634.97
Sales/Income from Operations	39436.55	31471.11	18096.73	78802.37
2. Segment Results:- (Profit+)/Loss(-) before tax and Finance Cost)				
a) Sugar	1824.00	803.35	(177.29)	(1654.31)
b) Industrial Alcohol	246.09	69.06	458.68	1204.25
c) Power	455.33	(137.49)	(167.43)	(1013.97)
	2525.42	734.92	113.96	(1464.03)
Less: i) Finance Cost	2548.35	7086.32	5089.79	23316.76
ii) Other un-allocable expenditure	13.05	13.05	10.85	55.63
iii) Un-allocable income	(17495.68)	(6892.23)	--	(6899.62)
Profit before tax from Continuing Operations	17459.70	527.78	(4986.68)	(17936.80)
Profit/ (Loss) before tax from Discontinuing Operations	(92.74)	1459.75	575.37	2924.41
Total Profit/Loss before tax	17366.96	1987.53	(4411.31)	(15012.39)
3. Segment Assets:-				
a) Sugar	86428.31	86529.95	79870.48	86529.95
b) Industrial Alcohol	8289.54	7999.87	9279.28	7999.87
c) Power	25546.26	25665.84	26116.72	25665.84
d) Un-allocable Assets	3596.63	3679.85	4289.34	3679.85
e) Assets Classified as held for Sale	55802.33	57372.01	62335.06	57372.01
	179663.07	181247.52	181890.88	181247.52
4. Segment Liabilities:-				
a) Sugar	37809.68	38365.44	46729.80	38365.44
b) Industrial Alcohol	2008.51	1935.74	1685.24	1935.74
c) Power	12625.82	12527.70	11857.83	12527.70
d) Un-allocable Liabilities	149277.81	162999.63	142389.10	162999.63
e) Liabilities Classified as held for Sale	3484.41	8231.62	11328.38	8231.62
	205206.23	224060.13	213990.35	224060.13

Notes to the Financial Results:

- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 13, 2022.
- The figures for the quarter ended March 31, 2022, are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the said financial year which were subjected to limited review.
- 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.
- During the period under review, the Company has approved the sale of Sugar and Distillery units at Dhenkanal and Soya unit at Pollachi, at competitive prices, for the purpose of raising funds to reduce the liabilities.
 - The company has executed a Business Transfer Agreement on June 27, 2022, with Indian Potash Limited for sale of Sugar and Distillery units at Dhenkanal as a going concern on slump sale basis for a consideration of Rs. 13410.00 lakhs.



- c) Accordingly, results of these units for all the periods presented have been disclosed as results from Discontinued Operations.

The details relating to the discontinued operations are furnished below

(Rs. In Lakhs)

Particulars	Quarter Ended			Year Ended 31.03.2022
	30.06.2022	31.03.2022	30.06.2021	
Total Income	9,268.20	13,686.86	6,342.13	35,776.48
Total Expenses	9,360.94	12,227.11	5,766.76	32,852.07
Profit/(Loss) Before Tax	(92.74)	1,459.75	575.37	2,924.41
Tax Expenses	0.95	16.06	(2.05)	38.52
Profit/(Loss) After Tax	(91.79)	1,475.81	573.32	2,962.93

5. The Company has recognised deferred tax asset on carried forward losses/unabsorbed depreciation and other items to the extent of deferred tax liability. Since FY 2019-20, the Company has adopted the policy of recognition of deferred tax asset to the extent of deferred tax liability.

6. The Auditors have qualified their report for the quarter ended June 30, 2022, as under:-

No provision for the expected credit loss/ impairment on interest receivable from an erstwhile associate company of Rs. 25219.69 lakhs have 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. This matter has been qualified in the audit report for the year ended March 31, 2022.

This matter was also qualified by the auditors in their report on the financial statements for the year ended March 31, 2020, and March 31, 2021.

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

With reference to the statutory auditors remark, your directors wish to state that the Company is confident of obtaining favourable award and consider the full amount as recoverable.

7. The Company has recorded accumulated losses of Rs.67565.78 lakhs as on June 30, 2022, resulting in complete erosion of its network. As of that date, Company's current liabilities exceeded its current assets by Rs.58419.97 lakhs. Significant financial ratios are also negative. These conditions indicate existence of material uncertainty that may cast a significant doubt on the Company's ability to continue as a Going Concern.

During the period under review, the Company has fully repaid principal outstanding to Bank of India and settled entire dues to ARCIL. Further, the Company is in the final stages of settlement of remaining liabilities through sale of certain investments, non-core assets and units in Dhenkanal and Pollachi as stated in note 4 above, the financial results have been prepared on a going concern basis.

8. The Company had pledged 6,38,59,394 Equity shares held in Sakthi Auto Component Limited (the "SACL") in favour of Asset Reconstruction Company (India) Limited [the "ARCIL"] in terms of Share Pledge Agreement entered into with the ARCIL on March 3, 2020, as security for the credit facilities availed by the Company from ARCIL and various other banks. The ARCIL has invoked the pledge of 6,38,59,394 equity shares of Sakthi Auto Component Limited held by the Company during the year ended March 31, 2021. During the quarter ended June 30, 2022, the company has settled the entire outstanding to ARCIL as per agreement and in consequence ARCIL has released 4,39,63,141 equity shares and continues to hold remaining 1,98,96,253 equity shares as security on behalf of other lenders. Since the company is in final stages of settlement of dues to other lenders, said equity shares continue to be shown as asset classified as held for sale.
9. Exceptional items for the year ended March 31, 2022, represent remission of interest liability on secured borrowings as per agreement.
10. The figures of previous periods/year have been re-grouped/ re-classified wherever necessary, to conform to present classification.

FOR SAKTHI SUGARS LIMITED



(M. MANICKAM)

CHAIRMAN AND MANAGING DIRECTOR

DIN : 00102233

COIMBATORE
13.08.2022





Independent Auditor's Report on Review of Interim Financial Results for the quarter ended June 30, 2022

**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 ended on June 30, 2022 ("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.

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 have 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. This matter has been qualified in our audit report for the year ended March 31, 2022.



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 7 of the financial results. The Company has recorded accumulated losses of Rs.67565.78 lakhs as on June 30, 2022, resulted in complete erosion of its net worth. As of that date, Company's current liabilities exceeded its current assets by Rs.58419.97 lakhs. Significant financial ratios are also negative. These conditions indicate existence of material uncertainty that may cast a significant doubt on the Company's ability to continue as a Going Concern in the foreseeable future. However, the company's financial results have 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. We draw attention to Note 8 of the financial results. The Company had pledged 6,38,59,394 Equity shares held in Sakthi Auto Component Limited (the "SACL") in favour of Asset Reconstruction Company (India) Limited [the "ARCIL"] in terms of Share Pledge Agreement entered into with the ARCIL on March 3, 2020, as security for the credit facilities availed by the Company from ARCIL and various other banks. The ARCIL has invoked the pledge of 6,38,59,394 equity shares of Sakthi Auto Component Limited held by the Company during the year ended March 31, 2021. During the quarter ended June 30, 2022, the company has settled the entire outstanding to ARCIL as per agreement and in consequence ARCIL has released 4,39,63,141 equity shares and continues to hold remaining 1,98,96,253 equity shares as security on behalf of other lenders. Since the company is in final stages of settlement of dues to other lenders, said equity shares continue to be shown as asset classified as held for sale. Our conclusion is not modified in respect of this matter.



Coimbatore
August 13, 2022

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

S P Muthusami
Partner

Membership Number: 224171
UDIN: 22224171AOYJPC7458

