



# Sakthi Sugars Limited

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Fax : +91 422-4322488, 2220574 E-mail : info@sakthisugars.com CIN : L1542ITZ1961PLC000396

SL/SE/4268 /2023

14.02.2023

Dear Sirs,

Sub : Outcome of the Board Meeting held on 14.2.2023

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We wish to inform that the Board of Directors of the Company at its meeting held today has approved the following:

- a. Unaudited Statement of Financial Results of the Company for the quarter ended 31<sup>st</sup> December 2022 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 31<sup>st</sup> December 2022 together with Segment Results as at that date.
  2. A copy of the Limited Review Report of the Statutory Auditors, M/s. P.N.Raghavendra Rao & Co., Coimbatore.
- b. Phoenix ARC Private Limited, which has taken over the loan liabilities of the Company on assignment from Asset Reconstruction Company (India) Limited (ARCIL), has agreed in principle for restructure of the outstanding loan amount of Rs.567.82 crores at Rs.151.15 crores (including interest during the tenor of repayment) after remission of outstanding interest amounting to Rs.480.73 crores. The repayment period has been extended till 31<sup>st</sup> May 2025, vide their letter of today (i.e. 14<sup>th</sup> February 2023). The Board has approved the above restructure.

The Board Meeting commenced at 11.45 AM and concluded at 1.15 PM.

Thanking you,

Yours faithfully  
For SAKTHI SUGARS LIMITED

SENIOR VICE PRESIDENT &  
COMPANY SECRETARY

Encl: As above

SAKTHI SUGARS LIMITED, COIMBATORE

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)

EXTRACT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED 31st DECEMBER 2022

(Rs. In Lakhs)

Sl.No	Particulars	Quarter Ended		Period Ended		Year Ended
		31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Total Income from Operations	18621.34	6201.91	73050.65	25341.14	43167.40
2	Net Profit / (Loss) for the period (before Tax, Exceptional items)	(3238.48)	(7270.37)	(5325.31)	(19117.74)	(24828.03)
3	Net Profit / (Loss) for the period before Tax (after Exceptional items)	1941.07	(6531.96)	19763.87	(16999.95)	(15012.39)
4	Net Profit / (Loss) for the period after Tax (after Exceptional items)	1946.84	(6542.42)	19782.74	(17003.31)	(15016.50)
5	Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	1963.99	(6572.77)	19838.84	(17013.07)	(15032.48)
6	Equity Share Capital	11884.90	11884.90	11884.90	11884.90	11884.90
7	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of Previous year					(54697.51)
8	Earnings per equity share (of Rs. 10 each) (in Rs.) (not annualised for quarterly figures) For Continuing and Discontinued Operations					
	- Basic	1.64	(5.50)	16.65	(14.31)	(12.63)
	- Diluted	1.64	(5.50)	16.65	(14.31)	(12.63)

- a) 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.
- b) The company has sold its Sugar and Distillery units at Dhenkanal for a consideration of Rs. 13410.00 lakhs on November 11, 2022, on slump sale basis.
- c) Results of these units for all the periods presented have been disclosed as results from Discontinued Operations.

Note : The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Stock Exchange websites (BSE: www.bseindia.com and NSE: www.nseindia.com) and on the Company's website (www.sakthisugars.com).

For SAKTHI SUGARS LIMITED



(M. MANICKAM)

CHAIRMAN AND MANAGING DIRECTOR

DIN : 00102233

Place : Coimbatore

Date : 14.02.2023



SAKTHI SUGARS LIMITED

CIN : L15421T21961PLC000396

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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED 31.12.2022

(Rs. in Lakhs)

Particulars	Quarter Ended			Period Ended		Year Ended
	31.12.2022 (Unaudited)	30.09.2022 (Unaudited)	31.12.2021 (Unaudited)	31.12.2022 (Unaudited)	31.12.2021 (Unaudited)	31.03.2022 (Audited)
<b>1. Income</b>						
Revenue from operations	18621.34	24198.94	6201.91	73050.65	25341.14	43167.40
Other Income	203.00	162.97	243.29	444.00	725.36	1589.28
<b>Total Income</b>	<b>18824.34</b>	<b>24361.91</b>	<b>6445.20</b>	<b>73494.65</b>	<b>26066.50</b>	<b>44756.68</b>
<b>2. Expenses</b>						
Cost of material consumed	10816.01	14331.78	3520.47	44511.34	15999.66	26528.45
Purchase of stock in trade	26.10	9.40	11.95	102.60	37.89	73.98
Changes in inventories of finished goods, work-in-progress and stock in trade	374.33	1407.05	281.60	1387.97	299.74	(1114.87)
Employee benefits expenses	1306.34	958.79	967.41	3385.42	2757.82	3905.09
Finance costs	2776.85	2794.27	6023.56	8119.47	16883.60	23316.76
Depreciation and amortization expense	927.31	925.87	741.76	2768.49	2215.00	4580.98
Other expenses	5835.88	5985.69	2168.82	18544.67	6990.53	12294.32
<b>Total Expenses</b>	<b>22062.82</b>	<b>26412.85</b>	<b>13715.57</b>	<b>78819.96</b>	<b>45184.24</b>	<b>69584.71</b>
<b>3. Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>(3238.48)</b>	<b>(2050.94)</b>	<b>(7270.37)</b>	<b>(5325.31)</b>	<b>(19117.74)</b>	<b>(24828.03)</b>
<b>4. Exceptional Items</b>						
	--	(3078.34)	--	(20573.93)	--	(6891.23)
<b>5. Profit/(Loss) before extraordinary items and tax (3-4)</b>	<b>(3238.48)</b>	<b>1027.40</b>	<b>(7270.37)</b>	<b>15248.62</b>	<b>(19117.74)</b>	<b>(17936.80)</b>
<b>6. Extraordinary Items</b>						
	--	--	--	--	--	--
<b>7. Profit/Loss before tax (5-6)</b>	<b>(3238.48)</b>	<b>1027.40</b>	<b>(7270.37)</b>	<b>15248.62</b>	<b>(19117.74)</b>	<b>(17936.80)</b>
<b>8. Tax expenses</b>						
Current Tax	--	--	--	--	--	--
Deferred tax	(12.10)	(30.45)	10.46	(17.05)	3.36	42.63
	(12.10)	(30.45)	10.46	(17.05)	3.36	42.63
<b>9. Profit/(Loss) for the period from continuing operations (7-8)</b>	<b>(3226.38)</b>	<b>1057.85</b>	<b>(7280.83)</b>	<b>15265.67</b>	<b>(19121.10)</b>	<b>(17979.43)</b>
<b>10. Profit/(Loss) before tax from Discontinued Operations</b>	<b>5179.55</b>	<b>(571.56)</b>	<b>738.41</b>	<b>4515.25</b>	<b>2117.79</b>	<b>2924.41</b>
Tax Expense/(Credit) on Discontinued Operations	(6.33)	7.20	--	1.82	--	38.52
<b>Profit/(Loss) for the Period from Discontinued Operations</b>	<b>5173.22</b>	<b>(564.36)</b>	<b>738.41</b>	<b>4517.07</b>	<b>2117.79</b>	<b>2962.93</b>
<b>11. Profit for the Period (9+10)</b>	<b>1946.84</b>	<b>493.49</b>	<b>(6542.42)</b>	<b>19782.74</b>	<b>(17003.31)</b>	<b>(15016.50)</b>
<b>12. Other Comprehensive Income - Continuing Operations</b>						
i) Items that will not be reclassified to Statement of Profit and Loss	48.06	120.99	(40.81)	67.73	(13.12)	(173.15)
ii) Income tax expenses on the above	(12.10)	(30.45)	10.46	(17.05)	3.36	42.63
	35.96	90.54	(30.35)	50.68	(9.76)	(130.52)
<b>13. Other Comprehensive Income - Discontinued Operations</b>						
i) Items that will not be reclassified to Statement of Profit and Loss	(25.14)	28.59	--	7.24	--	153.06
ii) Income tax expenses on the above	6.33	(7.20)	--	(1.82)	--	(38.52)
	(18.81)	21.39	--	5.42	--	114.54
<b>Total Other Comprehensive Income for the year</b>	<b>17.15</b>	<b>111.93</b>	<b>(30.35)</b>	<b>56.10</b>	<b>(9.76)</b>	<b>(15.98)</b>
<b>14. Total Comprehensive Income</b>	<b>1963.99</b>	<b>605.42</b>	<b>(6572.77)</b>	<b>19838.84</b>	<b>(17013.07)</b>	<b>(15032.48)</b>
<b>15. Paid-up equity share capital (Face Value of the Shares - Rs.)</b>	<b>11884.90</b>	<b>11884.90</b>	<b>11884.90</b>	<b>11884.90</b>	<b>11884.90</b>	<b>11884.90</b>
<b>16. Other Equity</b>						<b>(54697.51)</b>
<b>17. Earnings per equity share (of Rs. 10 each) (in Rs.)</b> (not annualised for quarterly figures)						
i) For Continuing Operations						
a. Basic	(2.71)	0.89	(6.13)	12.84	(16.09)	(15.13)
b. Diluted	(2.71)	0.89	(6.13)	12.84	(16.09)	(15.13)
ii) For Discontinued Operations						
a. Basic	4.35	(0.47)	0.62	3.80	1.78	2.49
b. Diluted	4.35	(0.47)	0.62	3.80	1.78	2.49
iii) For Continuing and Discontinued Operations						
a. Basic	1.64	0.42	(5.50)	16.65	(14.31)	(12.63)
b. Diluted	1.64	0.42	(5.50)	16.65	(14.31)	(12.63)



SEGMENT WISE UNAUDITED FINANCIAL RESULTS  
FOR THE PERIOD ENDED 31.12.2022

(Rs. in Lakhs)

Particulars	Quarter Ended			Period Ended		Year Ended
	31.12.2022 (Unaudited)	30.09.2022 (Unaudited)	31.12.2021 (Unaudited)	31.12.2022 (Unaudited)	31.12.2021 (Unaudited)	31.03.2022 (Audited)
<b>1. Segment Revenue:-</b> (Sales/Income from Operations)						
a) Sugar	17538.27	24622.72	5087.05	74102.30	22777.48	40380.28
b) Industrial Alcohol	3331.49	3317.41	1561.81	10640.05	4923.46	7430.62
c) Power	5945.69	7698.49	1713.81	24262.12	6079.34	11262.84
	26815.45	35638.62	8362.67	109004.47	33780.28	59073.74
Less: Intersegment Revenue	8194.11	11439.68	2160.76	35953.82	8439.14	15906.34
<b>Total Segment Revenue</b>	<b>18621.34</b>	<b>24198.94</b>	<b>6201.91</b>	<b>73050.65</b>	<b>25341.14</b>	<b>43167.40</b>
Discontinued Operation	5205.64	6764.13	8551.82	21175.95	21990.12	35634.97
<b>Sales/Income from Operations</b>	<b>23826.98</b>	<b>30963.07</b>	<b>14753.73</b>	<b>94226.60</b>	<b>47331.26</b>	<b>78802.37</b>
<b>2. Segment Results:-</b> (Profit+)/Loss(-) before tax and Finance Cost)						
a) Sugar	(932.74)	(111.48)	(1034.86)	779.78	(2457.66)	(1654.31)
b) Industrial Alcohol	175.56	239.28	204.52	660.93	1135.19	1204.25
c) Power	183.20	525.02	(410.98)	1163.55	(876.48)	(1013.97)
	(573.98)	652.82	(1241.32)	2604.26	(2198.95)	(1464.03)
Less: i) Finance Cost	2776.85	2794.27	6023.56	8119.47	16883.60	23316.76
ii) Other un-allocable expenditure	10.33	12.06	12.60	35.44	42.58	55.63
iii) Un-allocable income	(122.68)	(3180.91)	(7.11)	(20799.27)	(7.39)	(6899.62)
<b>Profit before tax from Continuing Operations</b>	<b>(3238.48)</b>	<b>1027.40</b>	<b>(7270.37)</b>	<b>15248.62</b>	<b>(19117.74)</b>	<b>(17936.80)</b>
<b>Profit/ (Loss) before tax from Discontinuing Operations</b>	<b>5179.55</b>	<b>(571.56)</b>	<b>738.41</b>	<b>4515.25</b>	<b>2117.79</b>	<b>2924.41</b>
<b>Total Profit/Loss before tax</b>	<b>1941.07</b>	<b>455.84</b>	<b>(6531.96)</b>	<b>19763.87</b>	<b>(16999.95)</b>	<b>(15012.39)</b>
<b>3. Segment Assets:-</b>						
a) Sugar	84542.29	84526.23	79625.95	84542.29	79625.95	86529.95
b) Industrial Alcohol	8131.38	8691.83	8170.84	8131.38	8170.84	7999.87
c) Power	25259.88	25367.35	25623.33	25259.88	25623.33	25665.84
d) Un-allocable Assets	3898.12	3838.71	4443.37	3898.12	4443.37	3679.85
e) Assets Classified as held for Sale	44798.74	54431.64	62523.87	44798.74	62523.87	57372.01
	166630.41	176855.76	180387.36	166630.41	180387.36	181247.52
<b>4. Segment Liabilities:-</b>						
a) Sugar	37278.01	34420.57	47370.99	37278.01	47370.99	38365.43
b) Industrial Alcohol	1895.13	1829.33	1784.38	1895.13	1784.38	1935.74
c) Power	12725.38	12533.46	11865.43	12725.38	11865.43	12527.70
d) Un-allocable Liabilities	136593.77	150468.68	152965.76	136593.77	152965.76	162999.63
e) Liabilities Classified as held for Sale	1111.89	2541.48	11193.97	1111.89	11193.97	8231.62
	189604.18	201793.52	225180.53	189604.18	225180.53	224060.12

**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 February 14, 2023.
- 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 sold its Sugar and Distillery units at Dhenkanal for a consideration of Rs. 13410.00 lakhs on November 11, 2022, on slump sale basis and the company has recognised Rs.5624.98 Lakhs as profit on disposal of Dhenkanal units.



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			Period Ended		Year Ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
Total Income	10836.76	6774.90	8607.52	26879.86	22089.62	35776.48
Total Expenses	5657.21	7346.46	7869.11	22364.61	19971.83	32852.07
Profit/(Loss) Before Tax	5179.55	(571.56)	738.41	4515.25	2117.79	2924.41
Tax Expenses	(6.33)	7.20	--	1.82	--	38.52
Profit/(Loss) After Tax	5173.22	(564.36)	738.41	4517.07	2117.79	2962.93

4. 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.
5. The Auditors have qualified their report for the quarter and period ended December 31, 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 by the predecessor auditors in their audit report for the year ended March 31, 2022.

This matter was also qualified by the predecessor 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 remarks your directors wish to state that the Company is confident of obtaining favourable award and hence ECL is not provided.

6. The Company has recorded accumulated losses of Rs.64996.37 lakhs as on December 31, 2022, resulted in complete erosion of its net worth. As of that date, Company's current liabilities exceeded its current assets by Rs.63004.57 lakhs. 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 settled entire dues to ARCIL, Bank of India and Edelweiss Financial Services Limited. The company has sold its Sugar and Distillery units in Dhenkanal on November 11, 2022 as stated in note 3 above. Further, the Company is in the process of sale of certain investments, non-core assets and Soya unit in Pollachi to augment funds. In view of the above, the financial results have been prepared on a going concern basis.

7. Exceptional items, represent remission of interest liability on secured borrowings as per agreement.
8. 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  
14.02.2023



**P.N. RAGHAVENDRA RAO & CO**

Chartered Accountants

Founder P.N. Raghavendra Rao

No. 23/2, Viswa Paradise Apartments IInd Floor, Kalidas Road, Ramnagar, Coimbatore - 641 009

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Ref. No. ....

Date : .....

**Independent Auditor's Limited Review Report on unaudited financial results for the quarter and nine months ended on December 31, 2022**

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 nine months ended on December 31, 2022 (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 express a conclusion 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 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



*(Handwritten signature)*

**P.N. RAGHAVENDRA RAO & CO**

Chartered Accountants

Founder P.N. Raghavendra Rao

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Ref. No. ....

Date : .....

Instruments" and its consequential impact on the financial results. This matter has been qualified by the predecessor auditors in their audit report for the year ended March 31, 2022.

**Qualified Conclusion**

5. Based on our review, with the exception of the matters described in Basis for Qualified Conclusion section, 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 6 of the Statement. The company has recorded accumulated losses of Rs. 64996.37 lakhs as on December 31, 2022, resulted in complete erosion of its net worth. Further, as of that date, company's current liabilities exceeded its current assets by Rs. 63004.57 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.

**Other Matter**

7. The Comparative financial statements of the Company for the corresponding quarter and nine months ended December 31, 2021 were reviewed by the predecessor auditors and the year ended March 31, 2022 was audited by the predecessor auditors who expressed a modified opinion on those financial statements. Our conclusion on the statement is not modified in respect of this matter.



For P N Raghavendra Rao & Co.,  
Chartered Accountants  
Firm Registration Number: 0033285

A handwritten signature in black ink, appearing to read "P R Vittel".

P R Vittel  
Partner

Membership Number: 018111  
UDIN:23018111BGZEXG1230

Coimbatore  
February 14, 2023