

# ☪ SAKTHI FINANCE

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AN EDIFICE BUILT ON TRUST

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## SAKTHI FINANCE LIMITED

(CIN : L65910TZ1955PLC000145)

Registered Office: 62, Dr Nanjappa Road, Coimbatore – 641 018

Phone: (0422) 2231471-74, 4236200 Fax: (0422) 2231915

E-mail: sakthif\_info@sakthifinance.com Website: www.sakthifinance.com

## NOTICE TO MEMBERS

NOTICE is hereby given that the Fifty Ninth Annual General Meeting of the members of the Company will be held on Saturday, 24th September 2016 at 4.30.p.m at Smt. Padmavathi Ammal Cultural Centre, 1548, Avanashi Road, Peelamedu, Coimbatore – 641 004 to transact the following business.

You are requested to make it convenient to attend the meeting.

### ORDINARY BUSINESS

#### 1. Adoption of Financial Statements

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**RESOLVED THAT** the Audited Financial Statements for the year ended 31st March 2016 including audited Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors be and are hereby considered, approved and adopted.

#### 2. Confirmation of Interim Dividend on Preference Shares

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**RESOLVED THAT** the Interim Dividend of ₹10 per share on Redeemable Cumulative Preference Shares declared and paid on the 10% Redeemable Cumulative Preference Shares of ₹100 each be and is hereby confirmed.

#### 3. Declaration of dividend on Equity Shares

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**RESOLVED THAT** a dividend of Rs 1 per equity share on the face value of ₹10 each be declared for the financial year ended 31st March 2016 and that the dividend be paid out of current year profits besides from balance in the statement of profit and loss of the Company to those shareholders whose names stand on the Register of Members as on 17th September 2016 in case the shares are held in physical form and to the beneficial holders of the dematerialised shares as on 17th September 2016 as per the details provided by the Depositories in case the shares are held in the electronic form.

#### 4. Re-appointment of Dr. M. Manickam (DIN : 00102233), Director retiring by rotation, as a Director

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**RESOLVED THAT** Dr. M. Manickam holding DIN:00102233, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company.

#### 5. Ratification of appointment of Statutory Auditors

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**RESOLVED THAT** pursuant to Section 139 and other applicable provisions, if any, of the Companies Act 2013 and the rules made thereunder and pursuant to the recommendations of the Audit Committee and the Board, the appointment of M/s P N Raghavendra Rao & Co, Chartered Accountants (Firm Registration No. 003328S) as Statutory Auditors of the Company, to hold office up to the conclusion of the 60th Annual General Meeting of the Company (in respect of the financial year ending 31st March 2017), based on the approval by the Members at the 57th Annual General Meeting of the Company held on 27th September 2014 for a three year term, be and is hereby ratified and the Board of Directors be and is hereby authorised to fix remuneration on the recommendation of Audit Committee.

## **SPECIAL BUSINESS**

### **6. Alteration of Authorised Share Capital**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**RESOLVED THAT** in accordance with Section 61 and other applicable provisions, if any, of the Companies Act 2013 and the Articles of Association of the Company, the Authorized Share Capital of the Company be increased from ₹ 75,00,00,000 (Rupees Seventy Five Crore only) divided into 5,50,00,000 Equity Shares of ₹ 10 each and 20,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each to ₹ 100,00,00,000 (Rupees Hundred Crore only) divided into 7,00,00,000 Equity Shares of ₹ 10 each and 30,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each.

### **7. Alteration of Capital Clause in the Memorandum of Association**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**RESOLVED THAT** in accordance with the provisions of Section 13 and other applicable provisions, if any, of the Companies Act 2013, the existing Clause 5 of the Company's Memorandum of Association be substituted with the following new Clause 5:

5. The Authorized Share Capital of the Company is ₹ 100,00,00,000 (Rupees One Hundred Crore only) divided into 7,00,00,000 Equity Shares of ₹ 10 (Rupees Ten) each and 30,00,000 Redeemable Cumulative Preference Shares of ₹ 100 (Rupees One Hundred) each subject to be increased, decreased, consolidated, sub-divided or otherwise dealt with in accordance with the Articles of Association of the Company and the provisions of the Companies Act 2013 and the statutory regulations for the time being in force in this regard.

### **8. Alteration of Capital Clause in the Articles of Association**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

**RESOLVED THAT** in accordance with the provisions of Section 14 and other applicable provisions, if any, of the Companies Act 2013, the existing Article 3 of the Company's Articles of Association be substituted with the following new Article 3:

3. The Authorised Share Capital of the Company shall be as per Clause 5 of the Memorandum of Association of the Company.

### **9. Private Placement of Secured or Unsecured Redeemable, Non-convertible Debentures (NCDs) and / or other Debt Securities**

To consider and, if thought fit, to pass the following Resolutions as **Special Resolutions**:

**RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014 and the Companies (Share Capital and Debentures) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008, the rules, regulations, guidelines and circulars as amended from time to time, the Memorandum and Articles of Association of the Company and subject to such other requirements as may be prescribed by regulatory authorities from time to time, the approval of the members of the Company be and is hereby given to offer, issue and allot, in one or more series or tranches, Secured or Unsecured Non-convertible Debentures (NCDs), subordinated bonds and / or other Debt Securities on private placement basis for a period of one year commencing from the date of this Annual General Meeting up to an amount not exceeding ₹ 750 crore within the overall borrowing limits of the Company, as approved by the Members, on such terms and conditions and at such times as may be decided by the Board of Directors from time to time (including committees thereof), to such person or persons, including one or more companies, bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension / provident funds and individuals, as the case may be or such other person / persons as the Board of Directors of the Company (including the Committees thereof) may deem fit and on terms most beneficial to the Company including the rate of interest, tenure and security cover thereof, the consideration of the issue, utilisation of the issue proceeds and all matters connected thereto.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof), be and is hereby authorised to do all such acts, deeds and things and give such directions and further to execute such documents, deeds, instruments and writings as may be deemed necessary, proper and desirable or expedient to give effect to the above Resolution.

## 10. Issue of Redeemable Cumulative Preference Shares

To consider and if thought fit, to pass the following Resolutions as **Special Resolutions**:

**RESOLVED THAT** pursuant to the provisions of Section 55 of the Companies Act 2013 read with Companies (Share Capital and Debentures) Rules 2014, as well as Section 42 read with Companies (Prospectus and Allotment of Securities) Rules 2014 and all other applicable provisions of the said Act, approval of the members be and is hereby accorded to the Board of Directors to issue and allot 30,00,000 10% Redeemable Cumulative Preference Shares of ₹100 each for an amount not exceeding ₹30 Crore in aggregate on private placement basis to person(s) identified by the Company in their absolute discretion whether or not such person(s) are members of the Company, on such terms and conditions of redemption as the Board of Directors may in their absolute discretion determine and subject to the following rights:

- a. The Preference Shares shall rank for dividend and in repayment of capital in priority to the equity shares for the time being of the Company.
- b. The said shares shall, in winding up, be entitled to rank as regards repayment of capital and arrears of dividend, whether declared or not, up to the date of commencement of the winding up in priority to the equity shares, but shall not be entitled to any further participation in the profits or assets.
- c. The said shares shall carry a fixed cumulative preference dividend to be determined by the Board of Directors at the time of issue of preference shares on the capital for the time being paid-up thereon.
- d. The said shares will not be converted into equity shares.
- e. The voting rights of the persons holding the said shares shall be in accordance with Section 47(2) of the Companies Act 2013.
- f. The said shares shall be redeemable not later than the date determined by the Board of Directors at the time of issue or such other date as may be determined by the Board of Directors but not later than a period exceeding twenty years.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized on behalf of the Company to do all such acts, deeds and matters and things as it may at its discretion deem necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard as it may in its absolute discretion deem fit and proper to give effect to the resolution.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to delegate all or any of the powers conferred by this resolution to any Director(s) or Committee of Directors or any Officer(s) of the Company, as it may consider appropriate to give effect to the resolution.

By Order of the Board  
For Sakthi Finance Limited

**S Venkatesh**  
Company Secretary  
Membership No: FCS 7012

10th August 2016  
Coimbatore

### NOTES

1. The Statement as required under Section 102 of the Companies Act 2013 setting out the material facts in respect of Special Business under item Nos.6 to 10 is annexed.

**A member entitled to attend and vote at the meeting is entitled to appoint a proxy / proxies to attend and vote and such a proxy/ proxies need not be a member of the company. A person can act as proxy on behalf of the members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.**

2. The proxy form duly stamped and executed should be deposited at the Registered Office of the Company not less than forty eight hours before the time fixed for the commencement of the meeting. A proxy form is attached. Proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution/authority as applicable.
3. As required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the information about the Director seeking re-appointment is annexed. The Director has furnished the requisite declaration for his reappointment.

4. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m and 1.00 p.m. up to the date of the Annual General Meeting.
5. **Book Closure and Dividend**
- a. The Register of Members and Share Transfer Books of the company will remain closed from Sunday, 18th September 2016 to Saturday, 24th September 2016, both days inclusive.
- b. The dividend, if declared at the Annual General Meeting, will be paid after 24th September 2016 to those persons or their mandatees:
- whose names appear as Beneficial Owners as at the end of the business hours on Saturday, 17th September 2016 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
  - whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / its Registrar and Share Transfer Agents on or before Saturday, 17th September 2016.

6. **Unclaimed Dividends**

**a. Transfer to General Revenue Account**

- Pursuant to Section 205A of the Companies Act 1956, all unclaimed dividends up to the financial year ended 31st March 1994 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed their dividend warrant(s) for the said years are requested to forward their claims to Registrar of Companies, Stock Exchange Building, Second Floor, 683-686, Trichy Road, Singanallur, Coimbatore - 641 005 in Form No. II prescribed under The Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules 1978.

**b. Transfer to Investor Education and Protection Fund**

- The Company has also transferred all unclaimed dividends for the financial years ended 31st March 1995 to 1997 and for the year ended 31st March 2007 which remained unclaimed for a period of seven years to the Investor Education and Protection Fund. Members are informed that no claims shall lie against the fund or the company in respect of individual amounts which were unclaimed or unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claim.
- The unclaimed dividends in respect of the following years will be transferred to the Investor Education and Protection Fund (IEPF) on various dates as detailed below:

<b>Financial Year</b>	<b>Due date for credit to IEPF</b>
<b>2010-11:</b> Dividend on Equity Shares	28th September 2018
<b>2011-12:</b> Dividend on Equity Shares	27th September 2019
<b>2012-13:</b> Dividend on Equity Shares	26th September 2020
<b>2013-14:</b> Dividend on Equity Shares	27th September 2021
<b>2014-15:</b> Dividend on Equity Shares	28th September 2022

- Members who have not encashed their dividend warrants for the above years are requested to make their claims to the Company without delay.
- The details of unclaimed dividends for the financial years 2010-11 to 2014-2015 are available on the company's website at [www.sakthifinance.com](http://www.sakthifinance.com)

7. **Payment of Dividend through electronic means**

- Shareholders are requested to provide Bank Account details such as Name of Account holder, Account Number, IFS Code and name of bank and branch to facilitate electronic transfer of dividend amount. The details may please be provided well in time in the form given in the Annual Report which will be sent to the members of the company.
- Members holding shares in electronic form are informed that Bank particulars registered against their respective depository account will be used by the company for payment of dividend. The Company or its Registrar can not act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the depository participant of the members.

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details preferably with the photo copy of PAN Card to the Company / Registrars.
9. Members holding shares :
  - a. in physical form are requested to:
    - intimate to the Company's Registrars and Share Transfer Agents, SKDC Consultants Limited, "Kanapathy Towers", Third Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006, the changes, if any, in their registered address at an early date.
    - consolidate their holdings into a single folio in case they hold shares under multiple folios with the identical order of name.
  - b. in electronic form are requested to intimate to the respective Depository Participants, the changes, if any, in their registered address at an early date.
10. Members are requested to quote their Folio Number / DP ID / Client ID in all their correspondences.
11. Electronic copy of the Annual Report for 2016 is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a physical copy of it. For members who have not registered their e-mail ID, physical copies of the Annual Report for 2016 is being sent in the permitted mode.
12. Electronic copy of the Notice of the 59th Annual General Meeting of the Company indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a physical copy of it. For members who have not registered their e-mail ID, physical copies of the Notice of the 59th Annual General Meeting of the Company indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
13. Members may also note that the Notice of the 59th Annual General Meeting and the Annual Report for 2016 will also made be available on the Company's website **www.sakthifinance.com** for their download. The physical copies of the documents will also be available at the Company's Registered Office in Coimbatore for inspection during normal business hours on any working day. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for it, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor e-mail id: svenkatesh\_shares@sakthifinance.com.

### **Voting through electronic means**

In compliance with the provisions of Section 108 of the Companies Act 2013 read with Rule 20 and 21 of the Companies (Management and Administration) Rules 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote at the 59th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting services provided by Central Depository Services (India) Limited (CDSL).

### **The procedure and instructions for e-voting are as under:**

- a. The shareholder should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- b. Click on "Shareholders" tab
- c. Now enter your User ID:
  - (i) For CDSL : 16 digits beneficiary ID
  - (ii) For NSDL : 8 character DP ID followed by 8 Digits Client ID
  - (iii) Members holding shares in Physical Form should enter Folio Number registered with the Company (6 Digit Alpha Numeric)
- d. Next enter the image verification Code as displayed and click on Login.

- e. If you are holding shares in electronic form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any Company, then your existing password is to be used.
- f. If you are first time user, follow the steps given below:

	For members holding Shares in Demat form and Physical form.
PAN	Enter your 10 digit numeric PAN issued by Income tax Department (applicable for both demat shareholders as well as physical shareholders) 1. Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field. 2. In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with Sequence Number R1, then enter RA00000001 in the PAN field
DOB	Enter the Date of Birth as recorded in your demat account in dd/mm/yyyy format
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your Demat Account or in the Company records for the said demat account or folio Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the member ID / Folio Number in the Dividend Bank Details field as mentioned in instruction c.

- g. After entering these details appropriately, click on "SUBMIT" tab.
- h. For Members holding shares in physical form, the login details can be used only for e-voting on the resolution contained in this Notice. On logging in, members holding shares in physical form will be directed to the Company selection screen.
- i. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the electronic holders for voting on resolutions of any other companies, as well, on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- j. Click on the EVSN for "Sakthi Finance Limited" on which you choose to vote.
- k. On the voting page, you will see " RESOLUTION DESCRIPTION" and against it the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- l. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions details.
- m. After selecting the Resolution you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- n. Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- o. You can also take a print of the votes cast by clicking on " click here to print" option on the voting page.
- p. If a Demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on "Forgot Password" and enter the details as prompted by the system.
- q. Shareholders can also cast their votes using CDSL's mobile app m-voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Window phone users can download the app from the App Store and Window's Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- r. Note for Non-Individual Shareholders and Custodians:
- Non-Individual Shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodians are required to log on to <http://www.evotingindia.com> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details, they have to create a Compliance User ID using the admin login and password. The Compliance User ID would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify it.
- s. In case of any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual available at **www.evotingindia.co.in** under help section or write an e-mail to helpdesk.evoting@cdslindia.com.

#### **Other instructions**

- a. The e-voting period will commence on Wednesday, 21st September 2016 (9.00 a.m) and ends on Friday, 23rd September 2016 (5.00 p.m). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, Saturday, 17th September 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- b. The voting rights of the members shall be in proportion to their shares held in the paid-up equity share capital of the Company as on the cut-off date, Saturday, 17th September 2016.
- c. Mr. K. Murali Mohan, Chartered Accountant (Membership No. 14328) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- d. In terms of Regulation 44(2) of the Listing Regulations 2015, those members who do not have access to e-voting facility may return the duly completed Ballot Form in the enclosed Self Addressed Business Reply Envelope so as to reach the Scrutinizer not later than 23rd September 2016.

Members have the option to request for physical copy of the Ballot Form by sending an e-mail to svenkatesh@sakthifinance.com by mentioning their Folio No / DP ID / Client ID No. However, the duly completed Ballot Form should reach the Scrutiniser not later than 23rd September 2016. Ballot Forms received after this date will be treated as invalid.

The facility of voting through Ballot Paper shall be made available at the venue of AGM. The Members who have not cast their vote earlier by remote e-voting or Ballot Form can exercise the right to vote on the resolutions at the Annual General Meeting venue by being present in person/proxy.

A Member can opt only for one mode of voting i.e. either e-voting or by Ballot. If a Member casts votes by both these modes, then voting done through e-voting shall prevail and vote through Ballot shall be treated as invalid.

- e. The Results declared along with Scrutinizer's Report shall be placed on the Company's website **www.sakthifinance.com** and on the website of CDSL **www.evoting.cdsl.com** within two days of the passing of the Resolutions at the 59th Annual General Meeting of the Company on 24th September 2016 and communicated to BSE Limited, where the equity shares of the Company are listed.

By Order of the Board  
For Sakthi Finance Limited

10th August 2016  
Coimbatore

**S Venkatesh**  
Company Secretary  
Membership No: FCS 7012

#### **STATEMENT OF MATERIAL FACTS UNDER SECTION 102 OF THE COMPANIES ACT 2013**

The following Statement sets out all material facts relating to the business mentioned under Item Nos. 6 to 10 of the accompanying Notice dated 10th August 2016.

#### **Item Nos. 6 to 8**

The present Authorized Share Capital of the Company is ₹ 75 Crore consisting of 5,50,00,000 Equity Shares of ₹ 10 each and 20,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each. The present issued, subscribed and paid-up share capital of the Company is ₹ 60,50,00,000 consisting of 5,00,00,000 equity shares of ₹ 10 each and 10,50,000 Redeemable Cumulative Preference shares of ₹ 100 each.

With a view to facilitate increase of capital base, net worth and the Capital Adequacy Ratio, the Board of Directors intend to issue preference shares on private placement basis. To accommodate consequent increase in share capital, the Authorized Share Capital requires to be increased with additional 1,50,00,000 Equity shares of ₹ 10 each and 10,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each. The revised Authorized Share Capital will be ₹ 100 Crore divided into 7,00,00,000 Equity Shares of ₹ 10 each and 30,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each. This requires the approval of the members under Section 62 of the Companies Act 2013 for which necessary resolution is proposed as set out in Item No.6.

As a consequence, the Capital Clauses in the Memorandum of Association (Clause 5) and the Articles of Association (Article 3) are required to be altered and the necessary Resolutions are proposed under Item Nos. 7 and 8 respectively for the approval of the Members.

The Board of Directors recommend the above Resolutions at Item Nos. 6 to 8 of the accompanying Notice, for the approval of the Members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, except to the extent of equity / preference shares that may be subscribed to by them, their relatives or companies/firms in which they are interested.

#### **Item No.9**

As per the provisions of Section 42 read with the Companies (Prospectus and Allotment of Securities) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), a company which offers or make an invitation to subscribe to Non-Convertible Debentures (NCDs) on a private placement basis, is required to obtain the prior approval of the members by way of a Special Resolution, which can be obtained once in a year for all the offers and invitations for such NCDs during the year.

Borrowings through NCDs, sub-ordinated bonds and other debt securities, issued on private placement basis constitute significant source of funds for the Company. The borrowings of the Company presently aggregate approximately to ₹ 880 crore, of which Secured or Unsecured NCDs, sub-ordinated bonds and other debt securities, aggregate approximately to ₹ 233 crore.

The Company expects to borrow up to ₹ 750 crore by way of NCDs, sub-ordinated bonds and other debt securities during the period from the date of passing of this resolution till the next Annual General Meeting. The issue proceeds are expected to be used to finance the hire purchase operations of the Company.

Hence, the approval of the Members is being sought by way of Special Resolutions for the proposed issue of NCDs, sub-ordinated bonds and other debt securities on private placement basis. Further, Members are requested to authorize the Board (including any committee thereof) to offer and issue NCDs, sub-ordinated bonds and other debt securities on private placement basis, in one or more series or tranches, within the overall borrowing limits of the Company, as approved by the members from time to time.

The Board of Directors recommend the Resolutions at Item No.9 of the accompanying Notice, for the approval of the Members of the Company by way of Special Resolutions.

None of the Directors or Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, except to the extent of NCDs, sub-ordinated bonds and other debt securities that may be subscribed to by them, their relatives or companies/firms in which they are interested.

#### **Item No.10**

To increase net worth, to strengthen the Capital Adequacy Ratio and to fund its growing operations, the company intends to issue in one or more tranches, 30,00,000 10% Redeemable Cumulative Preference Shares of ₹ 100 each for an amount not exceeding ₹ 30 Crores on private placement basis to such person(s) identified by the Company in their absolute discretion whether or not such persons are members of the Company on such terms and conditions as may be decided by the Board of Directors at their discretion. The terms and conditions of the preference shares shall be subject to the provisions of the Companies Act 2013 and related rules under the Act and the Memorandum and Articles of Association of the Company.



The complete material facts concerned with and relevant to the above issue of Preference Shares are as follows:

a	Size of the issue and the number of preference shares to be issued and the nominal value of each share	The Company proposes to issue and allot up to 30,00,000 (Thirty Lakh) Redeemable Cumulative Preference Shares of face value of ₹ 100 each for cash at par aggregating to a nominal value not exceeding ₹ 30 crore to various persons/ entities whether or not they are members of the Company												
b	Nature of such shares. i.e cumulative or non-cumulative, participating or non-participating, convertible or non-convertible	Cumulative, Non-participating and Non-convertible												
c	Objectives of the issue	To increase the net worth, to strengthen the capital adequacy ratio, to redeem the existing Preference Share Capital and to fund the growing operations of the Company												
d	Manner of issue of shares	Private placement												
e	Price at which such shares are proposed to be issued	At par												
f	Basis on which the price has been arrived at	None												
g	Terms of issue, including terms and rate of dividend on each share etc	As mentioned in the resolution at Item No.10												
h	Terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion	Tenure of redemption would be based on the cash flows of the Company for its business requirements and would be decided by the Board of Directors but in no case shall exceed a period of 20 years from the date of issue												
i	Manner and modes of redemption	Out of profits and /or out of fresh issue of capital												
j	Current shareholding pattern of the Company	Equity shareholding pattern as on 30th June 2016*: <table border="1" data-bbox="659 957 1236 1135"> <thead> <tr> <th>Category</th> <th>No of Shares</th> <th>% to equity Capital</th> </tr> </thead> <tbody> <tr> <td>Promoter</td> <td>3,21,07,125</td> <td>64.21</td> </tr> <tr> <td>Public</td> <td>1,78,92,875</td> <td>35.79</td> </tr> <tr> <td><b>Total</b></td> <td><b>5,00,00,000</b></td> <td><b>100.00</b></td> </tr> </tbody> </table> <p>* Detailed shareholding pattern is available on the website of the Company i.e <a href="http://www.sakthifinance.com">www.sakthifinance.com</a> and also available on the website of the BSE Ltd i.e <a href="http://www.bseindia.com">www.bseindia.com</a></p>	Category	No of Shares	% to equity Capital	Promoter	3,21,07,125	64.21	Public	1,78,92,875	35.79	<b>Total</b>	<b>5,00,00,000</b>	<b>100.00</b>
Category	No of Shares	% to equity Capital												
Promoter	3,21,07,125	64.21												
Public	1,78,92,875	35.79												
<b>Total</b>	<b>5,00,00,000</b>	<b>100.00</b>												
k	Expected dilution in equity share capital upon conversion of preference shares	Not applicable												

The Special Resolutions authorizing the Board of Directors to offer, issue and allot preference shares at their discretion, as detailed in the resolution, are placed before the members for their approval.

The Board of Directors recommend the Resolutions at Item No.10 of the accompanying Notice for the approval of the Members of the Company by way of Special Resolutions.

None of the Directors or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in the passing of the Special Resolutions.

By Order of the Board  
For Sakthi Finance Limited

10th August 2016  
Coimbatore

**S Venkatesh**  
Company Secretary  
Membership No: FCS 7012

**DETAILS OF DIRECTOR SEEKING REAPPOINTMENT AT THE 59TH ANNUAL GENERAL MEETING  
(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations 2015 and Secretarial Standard 2 on General Meetings**

Name of Director	Dr. M.Manickam
Director Identification Number (DIN)	00102233
Date of birth and age	24th March 1956, 60 years
Date of appointment on the board	11th December, 1990
Qualifications	Masters Degree in Statistics from Madras University and a Masters Degree in Business Administration from University of Michigan, USA.
No of Board Meetings attended during the year	4
Expertise in specific functional areas	He has an experience of about 36 years in the field of Business and Industries. He plays an advisory role in SFL. He is the Executive Chairman of Sakthi Sugars Limited. He is also Chairman and Managing Director of Sakthi Auto Component Limited. In recognition of his contribution for Management of Agro Processing Industries and Agricultural Development, he was awarded the "Doctor of Science" (Honoris Causa) by Tamilnadu Agricultural University, Coimbatore in July 2010. He was the President of Indian Sugar Mills Association (1996-97). Presently, he is a Member of State Level Information Technology Task Force constituted by the Government of Tamilnadu and Council of Agricultural Research Society, Pune.
Directorships held in other companies	a. ABT Limited b. ABT Foods Retailing (India) Limited c. ABT Healthcare Private Limited d. ABT Info Systems Private Ltd e. Anamallais Bus Transport Private Limited f. Kovai Medical Center and Hospital Limited g. Nachimuthu Industrial Association (Section 25 Company of Companies Act 1956) h. Sakthi Auto Component Limited i. Sakthi Properties (Coimbatore) Limited j. Sakthi Sugars Limited k. Sri Chamundeswari Sugars Limited l. The Gounder and Company Auto Limited
Membership / Chairmanship of committees across public companies	<b>Stakeholders' Relationship Committee:</b> <b>Chairman</b> : Sakthi Finance Limited <b>Member</b> : Sakthi Sugars Limited
No of equity shares held	92,813
Last drawn Remuneration	Nil
Relationship with other directors	Brother of Sri. M. Balasubramaniam, Vice Chairman and Managing Director and Sri. M. Srinivaasan, Director

# Route Map to the Venue of 59th Annual General Meeting



