
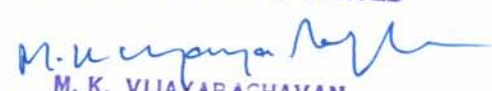

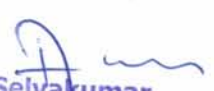


☪ SAKTHI FINANCE
AN EDIFICE BUILT ON TRUST

FORM A

**Format of covering letter of the annual report to be filed with the
 Stock Exchanges**

1	Name of the Company	Sakthi Finance Limited
2	Annual Financial Statements for the year ended	31st March 2013
3	Type of observation	Unqualified
4	Frequency of observation	Not applicable
5	To be signed by :	
	1. CEO / Managing Director	<p style="text-align: center;">For Sakthi Finance Limited</p>  <p style="text-align: center;">M. Balasubramaniam Vice Chairman and Managing Director</p>
	2. Chief Financial Officer	<p style="text-align: center;">For SAKTHI FINANCE LIMITED</p>  <p style="text-align: center;">M. K. VIJAYARAGHAVAN Sr. President Finance & Corp Services</p>
	3. Auditor of the Company	<p style="text-align: center;">For P N Raghavendra Rao & Co Chartered Accountants Firm Regn No.: 003328S</p>  <p style="text-align: center;">P R Vittel Partner Membership No.: 18111</p>
	4. Audit Committee Chairman	<p style="text-align: center;">For Sakthi Finance Limited</p>  <p style="text-align: center;">A Selvakumar Chairman-Audit Committee</p>

SAKTHI FINANCE

AN EDIFICE BUILT ON TRUST

BOARD OF DIRECTORS

Dr. M. Manickam *Chairman*
Sri. M. Balasubramaniam
Vice Chairman and Managing Director
Sri. A. Shanmugasundaram
Sri. M. Srinivaasan
Sri. P.S. Gopalakrishnan
Dr. A. Selvakumar
Sri. S. Ragothaman

SENIOR MANAGEMENT

Sri. M.K. Vijayaraghavan *Sr.President (Finance)*
Dr. S. Veluswamy *Sr.President (Operations)*
Sri. K. Guruprasad *Vice President*
Dr. K. Natesan *Vice President*
Sri. G. Muniasamy *Sr.General Manager*
Sri. N. Raveendran *Sr.General Manager*
Sri. N. Radhakrishnan *General Manager*
Dr. G. Sundar *General Manager*
Smt. R. Geetha *General Manager*

COMPANY SECRETARY

Sri. S. Venkatesh

REGISTERED OFFICE

SAKTHI FINANCE LIMITED

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

REGISTRARS AND SHARE TRANSFER AGENTS

SKDC CONSULTANTS LIMITED

"Kanapathy Towers", Third Floor
1391/A-1, Sathy Road, Ganapathy
Coimbatore - 641 006
Phone : (0422) 6549995, 2539835-836
Fax : (0422) 2539837
E-mail : info@skdc-consultants.com

BANKERS

State Bank of India
Bank of India
Indian Overseas Bank
Central Bank of India
State Bank of Travancore
The Lakshmi Vilas Bank Ltd
The Karnataka Bank Ltd
Canara Bank

FINANCIAL INSTITUTIONS

Small Industries Development
Bank of India

AUDITORS

M/s. P.N. Raghavendra Rao & Co
Chartered Accountants
No. 23/2, Viswa Paradise Apartments
Second Floor, Kalidas Road
Ramnagar, Coimbatore - 641 009

INTERNAL AUDITOR

Sri B. Muralidharan FCA
Chartered Accountant
226, T.V. Samy Road (East)
R.S. Puram, Coimbatore - 641 002

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SAKTHI FINANCE LIMITED

NOTICE TO MEMBERS

NOTICE is hereby given that the Fifty Sixth Annual General Meeting of the members of the Company will be held on Thursday, 26th September 2013 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. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and Statement of Profit and Loss for the year ended on that date together with the reports of the Board of Directors and Auditors.
2. To confirm the Interim Dividend declared by the Board of Directors on Preference Shares.
3. To declare dividend on Equity Shares.
4. To appoint a director in place of Dr A Selvakumar who retires by rotation and is eligible for reappointment.
5. To appoint a director in place of Sri P S Gopalakrishnan who retires by rotation and is eligible for reappointment.
6. To appoint Auditors and to fix their remuneration. M/s P N Raghavendra Rao & Co, Chartered Accountants, Coimbatore retire and are eligible for reappointment.

NOTES

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM SHOULD BE DEPOSITED WITH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. As required under Clause 49(IV)(G) of the Listing Agreement, the relevant details of directors seeking reappointment under Item Nos.4 and 5 is annexed.
3. 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.
4. The Register of Members and Share Transfer Books of the company will remain closed from Thursday, 19th September 2013 to Thursday, 26th September 2013, both days inclusive.
5. The equity dividend, if declared at the Annual General Meeting, will be paid after 2nd October 2013 to the under-mentioned persons or their mandatees:
 - a. in respect of shares held in electronic form, whose names appear as Beneficial Owners as at the close of the business hours on Wednesday, 18th September 2013 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited; and
 - b. in respect of shares held in physical form, 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 Registrars and Share Transfer Agents on or before Thursday, 19th September 2013.
6. a. As per 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. As per Section 205A(5) of the Companies Act 1956, the Company has transferred all unclaimed dividends for the financial years ended 31st March 1995 to 1997 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 each such claim.

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- c. The following unclaimed dividends will be transferred to the Investor Education and Protection Fund (IEPF) as detailed below:

Financial year ended	Tentative Month and year for Transfer to IEPF
2007 - 08 : Interim Dividend on Equity Shares	18th March 2014
2010 - 11 : Dividend on Equity Shares	28th October 2018
2011 - 12 : Dividend on Equity Shares	28th October 2019

Members who have not encashed their dividend warrants for the above years are requested to claim the warrants before the above transfers.

The details of unclaimed dividends for the financial years 2007-08 and 2010-11 are available on the company's website at www.sakthifinance.com.

7. Shareholders are requested to provide Bank Account details such as Account No., IFS Code and name of the bank and branch to facilitate electronic transfer of dividend amount. The details may please be provided well in time in the form given on **Page No. 49** of this Annual Report.
8. 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 Registrars 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.
9. Members holding shares:
 - a. in physical form are requested to:
 - i) 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, changes, if any, in their registered address at an early date.
 - ii) consolidate their holdings into a single folio in case they hold shares under multiple folios in the identical order of name.
 - b. in electronic form are requested to intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date.
10. Members are requested to quote their Folio Number / DP ID / Client ID in all their correspondences.

Registered Office
62, Dr. Nanjappa Road
Coimbatore - 641 018
29th May 2013

By Order of the Board
S Venkatesh
Company Secretary

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members.

To support this green initiative of the Government:

- a. members holding shares in electronic form are requested to register their e-mail addresses in respect of their holdings through their Depository Participants concerned.
- b. members who hold shares in physical form are requested to fill in and forward the E-mail Address Registration Form given in Page No.51 of this Annual Report to SKDC Consultants Limited, Registrars and Share Transfer Agents, "Kanapathy Towers", Third Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE 56TH ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49(IV)(G) OF THE LISTING AGREEMENT
Item Nos. 4 and 5

Name of the Director	Dr A Selvakumar	P S Gopalakrishnan
Director Identification Number (DIN)	01099806	00001446
Date of birth and age	30th April 1955, 58 years	23rd August 1935, 78 years
Date of appointment on the Board	30th March 2001	20th November 2004
Qualifications	M.E., Ph.D.	B.Com., LLB, AIB (London)
Expertise in specific functional areas	He holds a Doctorate in Engineering from Canada. He was working as a Project In-charge at Naval Engineering Test Establishment in Canada. He has immense knowledge and experience in systems applications. At present he is leading a software company	Has got rich experience in heading banks and financial institutions
Directorships held in other public companies	Sri Chamundeswari Sugars Limited Sri Sakthi Textiles Limited	Dharani Sugars and Chemicals Limited Kothari Sugars and Chemicals Limited Shriram General Insurance Company Limited
Memberships / Chairmanships of Committee across public companies	Audit Committee: Chairman: Sakthi Finance Limited Member: Sri Chamundeswari Sugars Limited Nomination and Remuneration Committee and Shareholders' and Investors' Grievance Committee: Member: Sakthi Finance Limited	Audit Committee: Chairman: Kothari Sugars and Chemicals Ltd Member: Dharani Sugars and Chemicals Limited Nomination and Remuneration Committee: Chairman: Kothari Sugars and Chemicals Limited Sakthi Finance Limited Member: Dharani Sugars and Chemicals Limited
No. of equity shares held	Nil	Nil
Relationship with other directors	None	None

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DIRECTORS' REPORT

To the Members

Your Directors are pleased to present their Fifty Sixth Annual Report together with the audited accounts of the company for the financial year ended 31st March 2013.

FINANCIAL PERFORMANCE

(₹ lakhs)

Particulars	2012-13	2011-12
Profit before tax	2133.04	1717.05
Less: Provision for:		
- Current Tax	691.66	451.26
- MAT credit (Entitlement) / Utilization	31.13	-
- Deferred tax	(4.61)	105.38
Net Provision for Income Tax (earlier years)	15.01	(1.29)
Net Profit after tax	1399.85	1161.70
Add : Surplus brought forward from previous year	711.95	363.92
Amount available for appropriation	2111.80	1525.62
Appropriations		
Transfer to Statutory Reserve	279.97	232.34
Interim Dividend on Preference Shares	94.93	0.19
Tax on Interim Dividend on Preference Shares	15.40	0.03
Proposed Dividend on Equity Shares	500.00	500.00
Tax on Proposed Equity Dividend	84.98	81.11
Surplus carried to balance sheet	1136.52	711.95
Total	2111.80	1525.62

BUSINESS

During the year, the company disbursed ₹ 47,038 lakhs in hire purchase business as against ₹ 42,133 lakhs during the previous financial year. The collection efficiency continues to be at its best. Your directors are hopeful of better business volumes and profitability in the coming years.

RESERVES AND SURPLUS

As required under Section 45IC of the Reserve Bank of India Act 1934, the Company has transferred 20% of the net profit after tax to Statutory Reserve.

DIVIDEND

a. Preference Shares

The Board of Directors have, at their meeting held on 30th March 2013, declared an interim dividend of ₹10 per share (10% per share, including *pro rata*) on 10% Redeemable Cumulative Preference Shares of ₹100 each for the financial year ending 31st March 2013. The preference dividend involved a cash outflow of ₹ 110.33 lakhs including dividend distribution tax.

Your Directors have confirmed that the interim dividend paid on Redeemable Cumulative Preference Shares for the financial year ended 31st March 2013 be treated as final dividend.

b. Equity Shares

Your Directors are pleased to recommend a dividend of ₹ 1 per equity share (10% on the face value of equity share of ₹ 10 each) for the year ended 31st March 2013. Further, the equity dividend, which is subject to the approval of members at the forthcoming annual general meeting, would involve a cash outflow of ₹ 584.98 lakhs including dividend distribution tax.

SAKTHI FINANCE LIMITED

ISSUE OF PREFERENCE SHARES

The Allotment Committee of Directors at their various Meetings held during the financial year 2012-13 have allotted 3,09,700 10% Redeemable Cumulative Preference Shares of ₹100 each on private placement basis aggregating to ₹309.70 lakhs. As on 31st March 2013, the company has a paid up preference share capital of 10,00,000 10% Redeemable Cumulative Preference Shares of ₹100 each aggregating to ₹1000 lakhs.

DEPOSITS

The total deposits with the company as at 31st March 2013 stood at **₹ 5477 lakhs** as against ₹2,773 lakhs for the corresponding previous year.

As at the end of the financial year, 634 public deposits amounting to ₹248 lakhs were due for repayment but remained to be claimed or renewed. The Company has been reminding the depositors regularly about the maturity and out of the said deposits, 106 deposits amounting to ₹75 lakhs have since been claimed and repaid / renewed as per their instructions.

DIRECTORS

The following directors retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

1. Dr A Selvakumar
2. Sri P S Gopalakrishnan

The profiles of Directors, as required under Clause 49(IV)(G) of the Listing Agreement are given in the Annexure to the Notice of the 56th Annual General Meeting.

AUDIT COMMITTEE

The Audit Committee has been functioning with the following three non-executive directors of which two are Independent Directors.

1. Dr A Selvakumar, Chairman
2. Sri A Shanmugasundaram, Member
3. Sri M Srinivaasan, Member

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Clause 49 of the Listing Agreement, a report on Management Discussion and Analysis forms part of this report.

CORPORATE GOVERNANCE REPORT

As required under Clause 49 of the Listing Agreement, a report on Corporate Governance and a certificate from the auditors of the company regarding compliance of the conditions of Corporate Governance as stipulated under the listing agreement form part of the Annual Report.

PARTICULARS REQUIRED UNDER SECTION 217 OF THE COMPANIES ACT 1956

As required under Section 217(1)(e) of the Companies Act 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988:

- a. The Company has no activity involving conservation of energy or technology absorption;
- b. The Company does not have any Foreign Exchange Earnings; and
- c. Foreign Exchange Outgo : ₹61.58 lakhs

The company has no employee drawing remuneration more than the limits prescribed under Section 217(2A) of the Companies Act 1956.

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DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act 1956, your directors confirm, to the best of their knowledge and belief, that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure has been made from it;
- b. the Company has selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the financial year;
- c. the Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- d. the annual accounts of the Company has been prepared on a going concern basis.

AUDITORS

M/s P N Raghavendra Rao & Co (ICAI Reg.No:003328S), Chartered Accountants, Coimbatore retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The company has obtained a confirmation from the auditors that their reappointment, if made, at the forthcoming annual general meeting would be within the limits specified under Section 224 (1B) of the Companies Act 1956.

Members are requested to appoint M/s P N Raghavendra Rao & Co, as Statutory Auditors of the company and to fix their remuneration for the financial year 2013-14.

ACKNOWLEDGEMENT

Your Directors wish to place on record the valuable assistance and excellent co-operation extended by the members, banks, financial institutions and government authorities. Your Directors wish to convey their sincere thanks to the depositors and debenture holders of the company for their continued patronage. They also wish to appreciate the excellent services rendered by the employees of the company.

We pray the Goddess **SAKTHI** to continue to shower Her blessings and to guide us in all our endeavours.

For and on behalf of the Board

Coimbatore
29th May 2013

M Manickam
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economy Overview

The Indian Economy is currently going through a challenging phase as GDP growth, at around 5%, slowed down to nearly a decade low in 2012-13. External and domestic factors have played a part in this downfall. The positive aspects such as Inflation coming down and decent recovery of stock market have been obscured by the overwhelming impact of depletion in investment levels, high level of deficit in current account and depreciation of Rupee.

Notwithstanding the weak economy, flow of resources to the commercial sector was maintained through increased liquidity pursuant to cumulative reduction in Cash Reserve Ratio (CRR) by 75 basis points and in Statutory Liquidity Ratio (SLR) by 100 basis points besides through Open Market Operations by RBI. These measures, though not adequate, lent support to sustain the economic activity and GDP.

Measures taken to reduce fiscal deficit in the form of reduction in subsidies in oil and fertilizers are likely to take some more time to facilitate achievement of desired objective. These measures continued in a sustained manner coupled with certain other reforms to take care of the macro economic imbalances additionally supported by normal monsoon will determine the pace of recovery. Though the long-term prospects of the economy look promising, we can only be cautiously optimistic in the short to medium term.

BALANCE OF PAYMENT POSITION

With foreign trade from India taking place to almost all the countries in the world, any uncertainty or weak economic situation in any other part of the world tends to adversely affect the Indian economy more than ever before. Reduced import demand from emerging markets along with advanced countries also contributes to trade imbalance resulting in India's increased Current Account Deficit (CAD) which was at 6.7% of GDP around December 2012. Developments in the domestic tax regime also had a negative impact on foreign investment inflows through Institutional and direct route.

Recent announcement of export promotion schemes like interest subvention, broadening scope of Focus Market Scheme and Focus Product Scheme are likely to prop up export earnings provided global economic activity also picks up. Proposals introduced for simplified investment process may also prop up foreign investment flows. These measures are expected to arrest the rise in CAD.

OPPORTUNITIES

During the year 2012-13, reflecting economic slow-down, there was steep drop in sales of Medium and Heavy Commercial Vehicles (M&HCV) by as much as 23%, i.e. from 3.49 lakh units in 2011-12 to 2.68 lakh units in 2012-13. The fall in sales of new vehicles naturally favourably impacts the demand for pre-owned commercial vehicles. Also the expected normal monsoon in the current year is likely to increase the movement of agricultural products and that of agro based industries.

THREATS

Ever increasing rise in price of fuel, maintenance costs and food inflation pose a great challenge to vehicle operators in the matter of conserving resources. Further, the restrictions imposed on mining on account of environmental counts may reduce the earning potential for the transport operators engaged in this segment.

The proposed regulatory changes from RBI pursuant to Usha Thorat Committee recommendations without adequate tax advantage akin to banks may adversely impact the operations of NBFCs.

BUSINESS OUTLOOK

The outlook for the economy is not bright as the economic recovery is likely to be slow. The agricultural sector is likely to perform creditably well for the current year. With the near normal monsoon in the forthcoming season, the output of food and other cash crops are expected to exceed the target. Hence the growth in agricultural sector coupled with growth in services sector will aid the growth of GDP.

The business outlook of NBFC sector will be promising as Road Transport Sector to which NBFC's like our company caters to will play an increased role in helping agricultural and other sectors.

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PERFORMANCE AND FINANCIAL REVIEW

During the year 2012-13, the company's disbursements crossed ₹450 crores mark. The total disbursements for the year is **₹ 47,038 lakhs** in hire purchase finance business as against ₹42,133 lakhs in the corresponding previous financial year. As on 31st March 2013, the total deposits with the company stood at **₹ 5477 lakhs**.

The gross income for the year 2012-13 was **₹ 12,872 lakhs** and the net profit after tax for the year was at **₹ 1400 lakhs**. The company has charged a depreciation and amortisation of **₹ 287 lakhs** in the statement of profit and loss.

RISKS AND CONCERNS

Our Company is exposed to normal industry risks such as credit, market, interest and operational risks. These risks are mitigated by adopting prudent business and risk management policies. The risk management policies are periodically reviewed by the Audit Committee and Risk Management Committee so as to be in line with our Company's business needs.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

Our Company has a sound and adequate system of internal controls to monitor and regulate all the activities. The Company complies with internal control policies and procedures and other regulatory requirements.

HUMAN RESOURCES DEVELOPMENT

In 2012-13, our Company maintained very harmonious and cordial relationship with its employees. As on 31st March 2013, there were 381 employees. Our Company's human resources philosophy is to establish and build a strong performance and competency-driven culture with higher sense of accountability and responsibility among its employees. Our Company has taken necessary steps to strengthen the organizational competency through training programmes at various levels and installing effective system.

In order to secure highest competency of the Marketing Officers even at the entry level, your company continues to be associated with Kumaraguru College of Technology for establishment of Sakthi Excellence Academy through which fresh graduates are being imparted exclusive training so as to make them ready to fit in at the Marketing Officer's level. These candidates are being given training in all facets of business procurements, including appraisal, legal, regulatory requirements and financial matters. With the induction of such trained candidates, the Company expects to achieve greater heights with quality assets.

For and on behalf of the Board

Coimbatore
29th May 2013

M Manickam
Chairman

Cautionary Statement

Certain statements made in the Management Discussion and Analysis Report describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from forward-looking statements contained in this report due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, change in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these documents.

CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on corporate governance continues to aim at high levels of transparency, accountability and equity in all areas of its operations and its dealing with members, employees, customers, lenders, regulatory and government agencies so as to enhance the shareholder value in all possible way.

2. BOARD OF DIRECTORS

a. Composition and size of the Board

The Board of Directors consist of seven members. The Board has a Non-Executive Chairman, a Vice Chairman and Managing Director and five Non-Executive Directors of which four are Independent Directors, who bring in a wide range of skills and experience to the Board. The number of independent directors is more than 50% of the total number of Directors on the Board.

The Board of Directors and its Committees meet at periodic intervals. Policy formulation, setting up of goals and evaluation of performance and control function vest with the Board. The Board has constituted five Committees, namely, Audit Committee, Nomination and Remuneration Committee, Shareholders' / Investors' Grievance Committee, Asset Liability Management Committee and Risk Management Committee.

The necessary disclosures regarding committee positions have been made by the Directors. None of the Directors on the Company's Board is a member of more than ten (10) Committees and Chairman of more than five (5) Committees across all Companies in which they are Directors.

b. Number of Board Meetings held during the year

During the financial year, five Board Meetings were held on 29th May 2012, 6th August 2012, 8th November 2012, 11th February 2013 and 30th March 2013. The gap between two meetings is within four months. The information as required under Annexure - IA to Clause 49 of the Listing Agreement is being made available to the Board for discussion and consideration at Board Meetings. The Board has also taken on record the certificates given by the senior management personnel regarding compliance with the applicable laws on quarterly basis.

c. Code of Conduct

The Board of Directors have adopted a Code of Conduct and Ethics ("the Code") to ensure compliance with the legal requirements and standards of business conduct. The purpose of the Code is to deter wrong doing and promote ethical conduct.

The Code applies to all Directors and members of Senior Management of the company. All Board Members and Senior Management personnel of the company have affirmed compliance with the Code. A declaration to this effect, signed by Vice Chairman and Managing Director is annexed. The Code has been hosted on the website of the company.

d. Attendance and other Directorships

The composition of the Board of Directors, category, relationship with other Board Members, attendance at Board Meetings held during the financial year and at the last Annual General Meeting, number of other directorships and committee Chairmanship / Membership held are given below:

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Name of the Director	Category of Director	Relationship with other Director(s)	Financial year 2012-13 Attendance at		As on 29th May 2013		
			Board Meeting	Last AGM	No. of other directorships ¹	Committee position	
						Chairman ²	Member ²
(excluding Sakthi Finance Ltd)							
Dr M Manickam DIN : 00102233	Non-executive Chairman, Promoter	Brother of Sri M Balasubramaniam and Sri M Srinivaasan	5	Yes	10	1	1
Sri M Balasubramaniam DIN : 00377053	Vice Chairman and Managing Director, Promoter	Brother of Dr M Manickam and Sri M Srinivaasan	5	Yes	13	1	4
Sri M Srinivaasan DIN : 00102387	Non-executive Director, Promoter	Brother of Dr M Manickam and Sri M Balasubramaniam	4	Yes	12	—	1
Sri A Shanmugasundaram DIN : 00001434	Non-executive Director, Independent	None	5	Yes	1	—	—
Dr A Selvakumar DIN : 01099806	Non-executive Director, Independent	None	4	Yes	2	—	1
Sri P S Gopalakrishnan DIN : 00001446	Non-executive Director, Independent	None	5	Yes	3	1	1
Sri S Ragothaman DIN: 00042395	Non-executive Director, Independent	None	2	No	7	3	4

1. excludes directorships in private limited companies and Section 25 company
2. only Audit Committee and Shareholders' / Investors' Grievance Committee of public limited companies are considered for this purpose.

3. COMMITTEES OF THE BOARD

A. Audit Committee

Terms of reference

The powers and terms of reference of this Committee are wide enough to cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act 1956 and are as follows:

- Oversight of the Company's financial reporting process and disclosure of financial information
- Recommend the appointment, re-appointment and if required, replacement or removal of Statutory Auditors, fixation of audit fees and approving payments of any other services
- Review with management the annual and quarterly financial statements before submission to the Board
- Review with management, performance of Statutory and Internal Auditors and adequacy of internal control systems
- Review the adequacy of internal audit function
- Discussion with internal auditors of any significant findings and follow-up
- Review the findings of any internal investigations by the internal auditors
- Discussion with Statutory Auditors before the audit commences, of the nature and scope of audit as well as post audit discussion to ascertain any area of concern
- Look into reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors

SAKTHI FINANCE LIMITED

- Review the functioning of whistle blower mechanism
- Review the following information:
 - Management discussion and analysis of financial condition and results of operations
 - Statement of significant related party transactions
 - Management letters / letters of internal control weaknesses issued by the statutory auditors
 - Internal audit reports relating to internal control weaknesses
 - The appointment, removal and remuneration of the Chief Internal Auditor; and
 - The financial statements, in particular, the investments made by unlisted subsidiary companies

In addition to the above, the following disclosures are made to the Audit Committee, as and when applicable:

- Basis of related party transactions
- Disclosure of Accounting treatment; and
- Utilization / application of proceeds from public issues, rights issue, preferential issues etc, if any

The committee consists of three non-executive directors of which two are independent directors.

The composition of the Audit Committee and the attendance of its members are given below:

Name	No. of meetings held	No. of meetings attended
Dr A Selvakumar, Chairman#	4	4
Sri A Shanmugasundaram, Member	4	4
Sri M Srinivaasan, Member	4	3

Dr A Selvakumar, Chairman of the Audit Committee, participated in the Audit Committee Meeting held on 8th November 2012 through Video Conferencing facility

The committee held four meetings during the financial year on 29th May 2012, 6th August 2012, 8th November 2012 and 11th February 2013. The gap between two meetings was within four months.

All members of Audit Committee are financially literate. The minutes of the Audit Committee are placed before the Board of Directors at their meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting.

B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee determines and recommends remuneration including commission, perquisites, and allowances payable to Vice Chairman and Managing Director. The company has complied with the non-mandatory requirement of Clause 49 regarding Nomination and Remuneration Committee.

Composition

The composition of the Nomination and Remuneration Committee is given below:

Sri P S Gopalakrishnan, Chairman

Dr A Selvakumar, Member

Sri S Ragothaman, Member

The committee has not met during the financial year.

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Remuneration policy of the company is given below:

For Vice Chairman and Managing Director

The total remuneration, as approved by the members, consists of a fixed component viz. salary, perquisites and allowances as per Company's Rules and a variable component, linked to the performance of the company, consisting of commission within the limits approved by the members.

For Non-Executive Directors

Sitting fees as permitted under the Companies Act 1956 plus reimbursement of actual travelling and out-of-pocket expenses incurred for attending such meetings. Non-executive directors are not being paid any commission.

The details of remuneration / sitting fees paid to the executive / non-executive directors for the year 2012-13 and the shares held by them are given below.

Name of the Director	Salary	Comm- ission	Perqui- sites	Sitting Fees	Total	No. of equity shares held
	(₹ Lakhs)					
Dr M Manickam	-	-	-	0.50	0.50	92,813
Sri M Balasubramaniam	18.00	22.16	7.43	-	47.59	1,92,000
Sri M Srinivaasan	-	-	-	0.70	0.70	2,51,355
Sri A Shanmugasundaram	-	-	-	1.20	1.20	7,875
Dr A Selvakumar	-	-	-	1.10	1.10	Nil
Sri P S Gopalakrishnan	-	-	-	0.50	0.50	Nil
Sri S Ragothaman	-	-	-	0.30	0.30	4,000

Notes:

- The appointment of Managing Director is governed by the Articles of Association of the company and the resolutions passed by the Board of Directors and members of the company. These cover the terms and conditions of such appointment.
Sri M Balasubramaniam was reappointed as Managing Director of the company for a period of 5 years with effect from 29th September 2010. He will hold office up to 28th September 2015. The company does not have any service contract with Managing Director.
- In terms of the Articles of Association, the resignation of a director becomes effective upon its acceptance by the Board
- No severance fee is payable to the Directors on termination of office.
- The company has no stock option scheme either to its directors or to its employees.
- None of the non-executive directors have any pecuniary relationship or transactions with the company.

C. Shareholders' / Investors' Grievance Committee

The function of the committee is to redress the grievances of Shareholders' / Investors' and to create and review the systems for improving the services.

Composition

The composition of the Shareholders' and Investors' Grievance Committee is given below:

Dr M Manickam, Chairman

Sri M Balasubramaniam, Member

Dr A Selvakumar, Member

Sri S Venkatesh, Company Secretary, is the Compliance Officer.

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The Committee meets periodically to attend grievances of shareholders in connection with transfer of shares, transposition of shares and other investors' grievances. The Committee held three meetings during the financial year on 26th June 2012, 29th December 2012 and 28th January 2013 and all the members attended the meeting.

During the year, the Company received six investors' complaints in addition to the requests for transfer / transmission of shares and issuance of duplicate share certificates. They were expeditiously attended to the satisfaction of the shareholders. No complaint was pending as at the close of the financial year.

D. Asset Liability Management Committee

The Asset Liability Management Committee reviews the company's fiscal and risk management policies and practices adopted by the company.

The committee consists of the following Director / Executives:

Sri M Balasubramaniam, Vice Chairman and Managing Director - Chairman

Dr S Veluswamy, Senior President (Operations)

Sri M K Vijayaraghavan, Senior President (Finance and Corporate Services)

The committee held two meetings during the financial year on 30th May 2012 and 9th November 2012 and all the members attended the meetings.

E. Risk Management Committee

The Risk Management Committee has been formed for the purpose of managing the inherent risks faced by the Company.

Composition

The present composition of the Risk Management Committee is given below:

Sri M Balasubramaniam - Vice Chairman and Managing Director

Sri S Ragothaman - Director

The committee held three meetings during the financial year on 20th April 2012, 7th July 2012 and 29th March 2013 and all the members attended the meetings.

4. SUBSIDIARY COMPANY

The company does not have any subsidiary company.

5. GENERAL BODY MEETINGS

Details of date, time and venue where the last three Annual General Meetings and an Extraordinary General Meeting held are given below:

Year	AGM/EGM	Date	Time	Venue
2012	55th	27th September 2012	4.00 p.m	Smt. Velumaniammal Memorial Hall Sri Ramakrishna Kalyana Mandapam Avarampalayam Road Coimbatore - 641 044
2012	EGM	19th March 2012	10.00 a.m	Geedee Auditorium, President Hall 734, Avanashi Road Coimbatore - 641 018
2011	54th	28th September 2011	4.30 p.m	Smt. Padmavathi Ammal Cultural Centre 1548, Avanashi Road, Peelamedu Coimbatore - 641 004
2010	53rd	14th September 2010	4.30 p.m	Smt. Padmavathi Ammal Cultural Centre 1548, Avanashi Road, Peelamedu Coimbatore - 641 004

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Details of Special Resolutions passed in the previous three Annual General Meetings and an Extraordinary General Meeting are as follows:

Date of AGM / EGM	Particulars of Special Resolutions passed
27th September 2012 (55th AGM)	Nil
19th March 2012 (EGM)	<ol style="list-style-type: none"> 1. Issue of 1,98,93,019 equity shares of ₹10 each at a price of ₹11.10 per share on preferential basis to Promoter Group Companies and a Non-Promoter Company. 2. Issue of 20,00,000 10% Redeemable Cumulative Preference Shares of ₹100 each for an aggregate amount of ₹20 Crores on private placement basis.
28th September 2011 (54th AGM)	<ol style="list-style-type: none"> 1. Altering the Capital Clause in the Articles of Association of the company for increasing the Authorized Share Capital. 2. Keeping Registers and Index of Members and Debenture holders and copies of Annual Return at the office of Registrars and Share Transfer Agents of the Company.
14th September 2010 (53rd AGM)	<ol style="list-style-type: none"> 1. Altering the Capital Clause in the Articles of Association of the company for increasing the Authorized Share Capital. 2. Issue of 2,00,71,321 equity shares of ₹10 each for cash at par in the ratio of 2:3 on Rights basis.

No special resolution has been put through postal ballot during the last three years. The company has no proposal to pass any Special Resolution by way of Postal Ballot at the ensuing Annual General Meeting.

6. DISCLOSURES

- a. The details of transactions with related parties are disclosed in Note 32 of Notes forming an integral part of the financial statements. The Company has not entered into any other transactions of material nature with its promoters, directors or management, their subsidiaries or relatives etc. that may have a potential conflict with the interest of the company at large. The register of contracts containing the transactions in which the directors are interested or concerned is placed before the Board for its approval.
- b. The related party transactions entered into by the company in the ordinary course of business are periodically placed before the Audit Committee for its approval.
- c. The senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have a personal interest that may have a potential conflict with the interest of the company at large.
- d. There are no instances of non-compliance by the company on any matters relating to capital markets, nor have any penalty / strictures been imposed on the company by Stock Exchanges or SEBI or any other statutory authority on any matter relating to capital markets during the last three years except the following:

The Company had a membership with Over The Counter Exchange of India (OTCEI) since July 1995 which was non-operative. The Company surrendered membership in November 2006 itself. This was not acted upon by OTCEI and instead they chose to suspend membership as if our company intended to continue membership and not paid the annual fee. Though the company pointed out that it has already surrendered membership, they chose to collect the annual fee up to date and allowed us to surrender the membership through a fresh application. The company has since received letter No. MIRSD-II/DM/OW/32383/2011 dated 14th October 2011 from SEBI through "OTCEI" (letter No.0924/2011/CP/MDD/0446 dated 18th October 2011) informing that SEBI has approved the Company's surrender application. Accordingly, the company has ceased to be a member of OTCEI with effect from 2nd June 2011.

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- e. The company follows the Accounting Standards notified by the Central Government under the Companies (Accounting Standards) Rules, 2006 and in the preparation of financial statements, the company has not adopted a treatment different from that prescribed in an Accounting Standard.

In accordance with Clause 49V of the Listing Agreement relating to CEO / CFO certification, Vice Chairman and Managing Director and Senior President (Finance and Corporate Services) have given necessary certificate to the Board for the financial year ended 31st March 2013.

7. MEANS OF COMMUNICATION

- a. The quarterly results are published in national / regional daily ("Business Line" in English and "Malaimalar" in Tamil). The half-yearly results are not individually sent to the shareholders.
- b. The following are also promptly displayed on the Company's Website www.sakthifinance.com
- Financial Results, Shareholding Pattern, Corporate Governance Report, Annual Reports under "Investors Section"
 - Letters / intimation to Stock Exchanges in the "Investor Announcements" under "Investors Section"

8. MANAGEMENT

A detailed Management Discussion and Analysis Report forms part of the Annual Report.

9. DIRECTORS' REAPPOINTMENT

Details of disclosure regarding re-appointment of directors liable to retire by rotation are given in the Annexure to the Notice.

10. GENERAL SHAREHOLDER INFORMATION

56th Annual General Meeting

Day, Date and Time : Thursday, 26th September 2013 at 4.30 p.m

Venue : Smt. Padmavathi Ammal Cultural Centre
1548, Avanashi Road, Peelamedu
Coimbatore - 641 004

FINANCIAL CALENDAR FOR 2013-14

Unaudited financial results for the quarter ending June 2013 : Before 14th August 2013

Unaudited financial results for the quarter ending Sept. 2013 : Before 14th November 2013

Unaudited financial results for the quarter ending Dec. 2013 : Before 14th February 2014

Audited financial results for the year ending March 2014 : Before 30th May 2014

Annual General Meeting for the year ending March 2014 : Before 30th September 2014

BOOK CLOSURE DATES

From Thursday, 19th September 2013 to Thursday, 26th September 2013, both days inclusive.
Equity Dividend Payment Date: After 2nd October 2013.

LISTING ON STOCK EXCHANGES AND STOCK CODE

a. Listing

The equity shares are listed at Bombay and Madras Stock Exchanges. The listing fee has been paid to both the exchanges. The company has paid the annual custodial fee for the year 2012-13 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of beneficial accounts maintained by them as on 31st March 2013.

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b. The Company's Stock Codes are as follows:

Stock Exchange	Stock Code
BSE Limited, Mumbai	511066
Madras Stock Exchange Limited	SKF

c. International Securities Identification Number (ISIN) INE302E01014

d. Corporate Identification Number (CIN) L65910TZ1955PLC000145

Market Price Data

As the Company's shares are also listed at Madras Stock Exchange Limited (MSE), the said exchange by entering into an agreement with National Stock Exchange Limited (NSE), has admitted the securities of the company for dealing in NSE with effect from 9th August 2010.

The monthly high and low market price of the company's shares traded on BSE Limited, Mumbai and National Stock Exchange Limited, Mumbai for the financial year 2012-13 are furnished below:

Month	NSE Price		BSE Price		BSE Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)	High	Low
April 2012	10.70	9.50	11.19	9.82	17,664	17,010
May 2012	11.05	9.80	11.97	10.00	17,432	15,810
June 2012	12.40	10.95	12.60	11.41	17,448	15,749
July 2012	12.50	11.00	13.00	11.11	17,631	16,598
August 2012	12.90	11.25	12.54	11.30	17,973	17,027
September 2012	12.90	10.85	13.00	10.64	18,870	17,251
October 2012	12.05	10.85	11.97	11.02	19,137	18,393
November 2012	12.25	10.90	12.62	11.00	19,373	18,256
December 2012	12.90	11.00	12.75	11.46	19,612	19,149
January 2013	13.85	11.75	14.08	12.30	20,204	19,509
February 2013	13.05	11.15	13.36	11.50	19,967	18,794
March 2013	12.10	10.15	12.42	10.70	19,755	18,568

REGISTRARS AND SHARE TRANSFER AGENTS

SKDC Consultants Limited

(Unit: Sakthi Finance Limited)

Regd Office: 'Kanapathy Towers'

Third Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006

Phone : (0422) 6549995, 2539835 - 836 Fax: (0422) 2539837

E-Mail : info@skdc-consultants.com Website : www.skdc-consultants.com

Share Transfer System

All transfers received are processed by the Registrars and Share Transfer Agents and are approved by the Share Transfer Committee. Share transfers are registered and returned to the shareholders within the stipulated time, if the documents are in order.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half yearly basis, have been issued by a Company Secretary in practice with regard to due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participant's) Regulations 1996, certificates have also been received from a Company Secretary in Practice:

- a. for timely dematerialization of shares of the company; and
- b. for reconciliation of the share capital of the company by conducting a share capital audit on a quarterly basis.

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Mandatory Requirement of Permanent Account Number (PAN):

SEBI by its Circular dated 7th January 2010 has made it mandatory to furnish PAN copy in the following cases:

- Deletion of name of deceased shareholder(s), where shares are held in the name of two or more shareholders;
- Transmission of shares to the legal heir(s), where the deceased shareholder was sole holder;
- Transposition of shares: In case of change in order of names in which physical shares are held jointly in the name of two or more shareholders.

Code of Conduct for Prevention of Insider Trading

Pursuant to the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992, as amended, the company has adopted a Code of Conduct for Prevention of Insider Trading. Sri S Venkatesh, Company Secretary is the Compliance Officer. The Code of Conduct is applicable to all Directors and such designated employees of the Company who are expected to have access to unpublished price sensitive information relating to the company.

Unclaimed Shares Demat Suspense Account

Pursuant to amended Clause 5A of the Listing Agreement with the Stock Exchanges, the company opened a demat account viz. Unclaimed Shares Demat Suspense Account with Stock Holding Corporation of India Limited, Coimbatore in the name and style of "Sakthi Finance Limited - Unclaimed Shares Demat Suspense Account". The details of Unclaimed Shares Demat Suspense Account as on 31st March 2013 are as follows:

Sl. No.	Particulars	No. of Share holders	No. of Shares
1.	Outstanding shares in Unclaimed Shares Demat Suspense Account at the beginning of the year	34	2,975
2.	Approached for transfer of shares from Unclaimed Shares Demat Suspense Account	-	-
3.	Shares transferred from Unclaimed Shares Demat Suspense Account	-	-
4.	Outstanding shares in Unclaimed Shares Demat Suspense Account at the end of the year.	34	2,975

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2013

The distribution of shareholding as on 31st March 2013 is as under:

Share holdings	No. of share holders	% of share holders	No. of shares	% of share holding
1 - 500	13,524	89.64	19,09,452	3.82
501 - 1000	874	5.79	6,89,731	1.38
1001 - 2000	355	2.35	5,16,715	1.03
2001 - 3000	111	0.74	2,79,313	0.56
3001 - 4000	48	0.32	1,75,900	0.35
4001 - 5000	42	0.28	1,97,762	0.40
5001 - 10000	69	0.46	4,86,316	0.97
10001 & above	63	0.42	4,57,44,811	91.49
Total	15,086	100.00	5,00,00,000	100.00

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SHAREHOLDING PATTERN AS ON 31ST MARCH 2013

The shareholding pattern as on 31st March 2013 is as under:

Category	Percentage
Promoters	64.23
Other bodies corporate	15.76
Banks, Financial Institutions and mutual funds	0.00
Non-resident Incorporated Entity	8.90
Non-Resident Indians	0.03
Resident public	11.08
Total	100.00

DEMATERIALIZATION OF SHARES

The Company's shares are compulsorily traded in dematerialized form and are admitted for trading under both the depositories of India viz. National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL). 3,64,00,083 Equity Shares of the Company constituting 72.80% of the paid-up capital were dematerialised as on 31st March 2013.

NOMINATION FACILITY

The company is accepting nomination forms from members in the prescribed Form No.2B. Any member, who is desirous of making a nomination, is requested to contact the share department at the Registered Office of the company or the Registrar and Share Transfer Agents. Members holding shares in dematerialised form are requested to forward their nomination instructions to the depository participant concerned. Nomination is only optional and can be cancelled or varied by the member at any time.

OUTSTANDING GDR'S / ADR'S / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS' CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

ADDRESS FOR CORRESPONDENCE

Sakthi Finance Limited, 62, Dr. Nanjappa Road, Post Box No.3745, Coimbatore – 641 018

Tel: (0422) 2231471-474, 4236200 Fax: (0422) 2231915

E-mail : sakthif_info@sakthifinance.com **Website: www.sakthifinance.com**

INVESTORS' CORRESPONDENCE

All shareholders' correspondence should be addressed to the company's Registrars and Share Transfer Agents at the address mentioned above.

Contact Person: Sri K Marimuthu

Shareholders may also contact Sri S Venkatesh, Company Secretary and Compliance Officer at the Registered Office of the company for any investor grievance related matters.

Tel. Nos : (0422) 2231471- 474, 4236207

E-mail : svenkatesh@sakthifinance.com

Pursuant to Clause 47(f) of the Listing Agreement, the company has designated the following exclusive E-mail Id for the convenience of investors.

svenkatesh_shares@sakthifinance.com

11. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As stipulated in Clause 49 of the Listing Agreement, the Auditors' certificate on compliance of conditions of corporate governance is annexed to the Annual Report

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The company has adopted all mandatory requirements of Clause 49 of the Listing Agreement and the status of compliance in respect of non-mandatory requirements stipulated by the said clause is as under:

- No separate office is maintained for non-executive Chairman at the company's expense.
- The tenure of independent directors is not being restricted to a period of nine years in the aggregate since the Board of Directors is unanimously of the opinion that the length of the tenure on the Board would not have any material negative impact on the performance of independent directors and discharge of their duties towards the company.

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- The Company has voluntarily constituted a Nomination and Remuneration Committee as required under the Listing Agreement.
- The quarterly / half-yearly financial results are published in leading newspapers as mentioned above and are also displayed on the Company's website **www.sakthifinance.com**. Therefore, the results are not being separately circulated to the shareholders.
- The company takes concrete and conscious steps in ensuring that the Auditors do not make any qualifications on the financial statements. Queries and suggestions on financial statements, if any, are addressed by the company officials to the satisfaction of auditors.
- The directors are kept informed of the latest developments in laws, rules and regulations, as also the various risks to which the company is exposed and the manner in which these risks are mitigated / minimised. Therefore, the need for formal training on these issues is not felt necessary.
- No separate mechanism has been formulated to evaluate the non-executive members of the Board.
- At present, the Company does not have a well-documented Whistle Blower Policy in place. However, the company personnel are free to report to the management of any concern they may have about various aspects.

For and on behalf of the Board

Coimbatore
29th May 2013

M MANICKAM
Chairman

ANNUAL DECLARATION BY VICE CHAIRMAN AND MANAGING DIRECTOR PURSUANT TO CLAUSE 49(I)(D)(II) OF THE LISTING AGREEMENT

As required under Clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchanges, I declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct and Ethics for the year ended 31st March 2013.

For Sakthi Finance Limited

Coimbatore
29th May 2013

M BALASUBRAMANIAM
Vice Chairman and Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE (Under Clause 49 of the Listing Agreement)

To the members of Sakthi Finance Limited

We have examined the compliance of conditions of Corporate Governance by Sakthi Finance Limited for the year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P N Raghavendra Rao & Co
Chartered Accountants
Firm Regn.No.:003328S

M BHASKAR
Partner

Coimbatore
29th May 2013

Membership No:025073

INDEPENDENT AUDITORS' REPORT

To
The Members of Sakthi Finance Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Sakthi Finance Limited (the "Company"), which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956 (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
 - b. in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
 - c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by The Companies (Auditor's Report) Order, 2003, as amended by The Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

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- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; and
- e. on the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For P.N. Raghavendra Rao & Co
Chartered Accountants
Firm Regn. No.:003328S
P R Vittel
Partner

Coimbatore
29th May 2013

Membership No.18111

Annexure referred to in paragraph 7 of our report of even date

Re : Sakthi Finance Limited (the Company)

- i.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed of a substantial part of fixed assets during the year.
- ii. The Company does not hold any inventories. Accordingly, the provisions of Clause 4(ii) (a) to (c) of the Companies (Auditor's Report) Order, 2003 ("CARO" or "Order") are not applicable to the Company.
- iii.
 - a. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of Clause 4(iii) (a) to (d) of the Order are not applicable to the Company.
 - b. According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of Clause 4(iii)(e) to (g) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- v.
 - a. According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has accepted deposits from the public and has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

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- vii. In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- viii. The Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of services of the Company. Accordingly, the provisions of Clause 4(viii) of the Order are not applicable and hence not commented upon.
- ix.
 - a. According to the information and explanations given to us and the records of the Company verified by us, in our opinion, the Company is generally regular in depositing, with appropriate authorities, undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty and other material statutory dues applicable to it.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, service tax, sales tax, customs duty and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - c. In our opinion and according to the information and explanations given to us, there are no disputed statutory dues.
- x. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- xii. In our opinion and according to the information and explanations given to us, adequate documents and records have been maintained in respect of loans granted by the Company on the basis of security by way of pledge of debentures.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. In our opinion and according to the information and explanations given to us, the term loans obtained during the year have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act.
- xix. In our opinion and according to the information and explanations given to us, with respect to the debentures issued by the Company, requisite security/charge has been created.
- xx. As informed to us, the Company has not raised any money by public issue during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For P.N. Raghavendra Rao & Co
Chartered Accountants
Firm Regn. No.:003328S
P R Vittel
Partner
Membership No.18111

Coimbatore
29th May 2013


SAKTHI FINANCE LIMITED
BALANCE SHEET AS AT 31ST MARCH 2013

(₹ Lakhs)

Particulars	Note	As at 31st March 2013	As at 31st March 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	6,000.00	5,690.30
Reserves and Surplus	4	7,882.08	7,418.93
		13,882.08	13,109.23
Share Application money pending allotment		-	7.00
Non-Current Liabilities			
Long-Term Borrowings	5	4,741.38	3,627.91
Deferred Tax Liabilities (Net)	6	840.72	845.34
		5,582.10	4,473.25
Current Liabilities			
Short-Term Borrowings	7	54,976.51	51,474.73
Other Current Liabilities	8	8,004.80	6,598.25
Short-Term Provisions	9	1,226.30	1,132.34
		64,207.61	59,205.32
TOTAL		83,671.79	76,794.80
ASSETS			
Non-Current Assets			
Fixed Assets	10		
- Tangible Assets		6,208.00	6,759.34
- Intangible Assets		33.53	25.32
- Intangible Assets under Development		207.51	-
Non-Current Investments	11	1,124.83	726.40
Long-Term Loans and Advances	12	201.25	360.60
		7,775.12	7,871.66
Current Assets			
Current Investments	13	-	447.75
Stock on Hire	14	69,374.83	63,371.15
Trade Receivables	15	372.74	348.76
Cash and Bank Balances	16	2,643.92	1,710.42
Short-Term Loans and Advances	17	3,481.21	2,981.22
Other Current Assets	18	23.97	63.84
		75,896.67	68,923.14
TOTAL		83,671.79	76,794.80

The accompanying Notes form an integral part of the financial statements 1-36

 As per our report attached
 For P.N. Raghavendra Rao & Co
 Chartered Accountants
 Firm Regn. No.:003328S

P.R. VITTEL
 Partner
 Membership No.18111
 Coimbatore
 29th May 2013

S. VENKATESH
 Company Secretary

For and on behalf of the Board

M. MANICKAM
 Chairman

M. BALASUBRAMANIAM
 Vice Chairman and Managing Director

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

(₹ Lakhs)

Particulars	Note	For the year ended 31st March 2013	For the year ended 31st March 2012
REVENUE FROM OPERATIONS			
Income from Operations	19	12,204.71	11,194.30
Other Income	20	667.24	421.34
Total Revenue from Operations		12,871.95	11,615.64
EXPENSES			
Employee Benefits Expense	21	1,720.41	1,625.90
Finance Costs	22	7,259.28	6,699.60
Depreciation and Amortization Expense	23	286.68	281.54
Other Expenses	24	1,025.62	900.16
Provisions and Write-Off	25	431.48	366.09
Contingent Provision against Standard Assets		15.44	25.30
Total Expenses		10,738.91	9,898.59
Profit before Exceptional and Extraordinary Items and Tax		2,133.04	1,717.05
Exceptional Items		-	-
Profit before Extraordinary Items and Tax		2,133.04	1,717.05
Extraordinary Items		-	-
Profit before Tax		2,133.04	1,717.05
Tax Expense:			
- Current Tax		691.66	451.26
- MAT Credit (Entitlement) / Utilization		31.13	-
- Deferred Tax		(4.61)	105.38
- Provision for Taxation - earlier years		15.01	(1.29)
Profit for the year		1,399.85	1,161.70
Surplus for the year carried to Balance Sheet		1,399.85	1,161.70
Earnings per Equity Share	34		
Par Value per Equity Share (₹)		10.00	10.00
Basic (₹)		2.58	3.85
Diluted (₹)		2.58	3.85
The accompanying Notes form an integral part of the financial statements	1-36		

As per our Report attached
For P.N. Raghavendra Rao & Co

Chartered Accountants
Firm Regn. No.:003328S

P.R. VITTEL

Partner

Membership No.18111

Coimbatore

29th May 2013

S. VENKATESH
Company Secretary

For and on behalf of the Board

M. MANICKAM

Chairman

M. BALASUBRAMANIAM

Vice Chairman and Managing Director

SAKTHI FINANCE LIMITED

CASH FLOW STATEMENT

(₹ Lakhs)

Particulars	For the year ended 31st March 2013		For the year ended 31st March 2012	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax	2133.04		1717.05	
Adjustments for:				
Add: Finance costs	7259.28	9392.32	6699.60	8416.65
Depreciation and amortisation expense		286.68		281.54
Refund received from FBT - Earlier years		0.00		1.30
Provision for Wealth Tax - Earlier years		0.00		(0.01)
Increase / (Decrease) in provision against Non Performing Assets		102.34		70.83
Increase / (Decrease) in Contingent provision against Standard Assets		15.44		25.30
Loss / (Profit) on sale of assets		(166.38)		(0.08)
Loss / (Profit) on sale and redemption of long term investments		(0.75)		0.00
Interest received		(378.75)		(312.50)
Dividend received		(2.80)		(2.53)
Operating profit before working capital changes		9248.10		8480.50
(Increase) / Decrease in net Stock on Hire	(6003.68)		(10336.10)	
(Increase) / Decrease in Trade Receivables	(1170.59)		(394.85)	
(Increase) / Decrease in Cash and Bank Balances	0.32		185.08	
(Increase) / Decrease in Long Term/Short Term Loans and Advances	(338.39)		199.78	
Increase / (Decrease) in Other Current Liabilities	(437.70)	(7950.04)	(673.98)	(11020.07)
Cash used in operations		1298.06		(2539.57)
Finance costs	(6837.23)		(6133.52)	
Direct taxes paid	721.07	(6116.16)	335.00	(5798.52)
Net cash used in Operating Activities (A)		(4818.10)		(8338.09)
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets		(98.51)		(46.95)
Intangible Assets under Development		(207.51)		0.00
Sale of fixed Assets		279.97		0.08
Sale / redemption of Long Term Investments		50.00		3.00
Gross Additions / Deletions to Investments		0.07		0.00
Interest received		380.46		312.36
Dividend received		2.80		2.53
Net cash from Investing Activities (B)		407.28		271.02
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of Share Capital		302.70		1326.79
Proceeds from Long and Short Term Borrowings		5628.83		6179.09
Dividend paid including Corporate Dividend tax		(691.66)		(349.91)
Net Cash from Financing Activities (C)		5239.87		7155.97
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		829.05		(911.10)
Cash and cash equivalents at the beginning of the year		1698.27		2609.37
Cash and cash equivalents at the end of the year		2527.30		1698.27
Components of cash and cash equivalents at the end of the year:				
Cash on hand		1346.35		616.02
Balance with Banks:				
- cheques, drafts on hand		576.59		378.28
- in current accounts		604.36		703.97

As per our Report attached
For P.N. Raghavendra Rao & Co
Chartered Accountants
Firm Regn. No.:003328S
P.R. VITTEL
Partner
Membership No. 18111
Coimbatore
29th May 2013

For and on behalf of the Board

M. MANICKAM
Chairman

S. VENKATESH
Company Secretary

M. BALASUBRAMANIAM
Vice Chairman and Managing Director

**NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013**

1. Company Overview

Sakthi Finance Limited ("SFL" or "the Company") is a Public Limited Company having its Registered Office in Coimbatore, Tamilnadu. The equity shares of the Company are listed on Stock Exchanges at Mumbai and Chennai.

The Company is a deposit-taking Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI). The Company has been classified as an Asset Financing Company by RBI. The Company is engaged in the business of Hire Purchase Financing of Commercial Vehicles, Infrastructure Equipments, Machineries etc.

2. Significant Accounting Policies

a. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on accrual basis of accounting except for certain fixed assets which have been revalued and comply with the mandatory Accounting Standards notified by the Central Government under the Companies (Accounting Standards) Rules 2006, the relevant provisions of the Companies Act 1956 and the guidelines issued by the Reserve Bank of India applicable to Non-Banking Financial Companies.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting year end. Although the estimates are based on management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future period.

c. Fixed Assets

Fixed assets, other than those which have been revalued, are stated at historical cost less accumulated depreciation. The revalued fixed assets are restated at their estimated current replacement value.

d. Depreciation

- i) Depreciation on Fixed Assets is provided, on straight line method by adopting the rates as prescribed under Schedule XIV to the Companies Act 1956.
- ii) For assets acquired costing Rs.5,000 each or below, the total cost of the asset has been depreciated.

e. Intangible Assets

Intangible Assets viz. Computer Software are stated at the consideration paid for its acquisition. Intangible assets are amortized based on the management's estimate of useful life of the asset. Its life is estimated to be 7 years.

f. Revenue Recognition

The prudential norms for Income Recognition and Provisioning for Non-performing assets as prescribed by the Reserve Bank of India for Non-Banking Financial Companies have been followed.

Accordingly, revenue recognition has been considered in the accounts on accrual basis only on those assets classified as standard assets as stated below:

- i) a) Hire purchase finance charges are recognized as income under the internal rate of return method.
- b) Interest on advances by way of loans are accounted for, to the extent accrued during the year.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

- ii) Income by way of interest on Government securities is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- iii) Income from Investments by way of dividend is recognized when the right to receive the payment is established by the balance sheet date.
- iv) Income from power generation is recognized as per the Power Purchase Agreements with State Electricity Board and on supply of power to the grid.

g. Investments

Long-term investments are carried at cost. Provision for diminution in value is made to recognize a decline, if any, other than temporary, in the value of investments. Current investments are carried at the lower of cost and fair value.

h. Employee Benefits (Also refer Note 30 of Notes forming an integral part of the Financial Statements for the year ended 31st March 2013)

i) Defined Contribution Plans

1. Provident Fund (PF)

Contributions are made periodically to the PF Commissioner, under The Employees Provident Fund Scheme, in accordance with the provisions of Employees' Provident Funds and Miscellaneous Provisions Act 1952. The Company does not have any obligation other than the stipulated periodical contribution to the Provident Fund. The obligations to make a fixed and determinable amount of contributions are recognized as an expense in the year incurred.

2. Superannuation

The Company contributes a sum equivalent to 15% of eligible employees salary to a Superannuation Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). The company has no liability for future Superannuation Fund benefits other than its annual contribution and recognizes such contribution as an expense in the year incurred.

ii) Defined Benefit Plans

Gratuity

The Company makes annual contributions to a Fund administered by Trustees and managed by Life Insurance Corporation of India (LIC). The Company accounts its liability for gratuity based on actuarial valuation determined by LIC as at the Balance Sheet date.

iii) Other Benefits

Other benefits made available to employees include contributions made by the Company under (a) ESI Scheme (b) Employees Deposit Linked Insurance (c) Group Personal Accident Insurance and (d) Group Medclaim benefits. Obligations under these benefits which are in the nature of staff welfare are recognized as expense in the year in which they are incurred.

Leave salary is determined for the period of 12 months ended 31st December of each year and paid fully within the end of the accounting year, as a result of which making of provision is not necessary.

i. Leases

Operating lease payments are recognized as an expense in the Statement of Profit and Loss.

j. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders less preference dividend by the weighted average number of equity shares outstanding during the year.

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NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

For the purpose of calculating diluted earnings per share, the net profit or loss after tax for the year attributable to equity shareholders less preference dividend and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential of equity shares.

k. Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year and determined in accordance with the provisions of the Income Tax Act 1961.

Deferred tax liability is recognized, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of being reversed in one or more subsequent periods.

Deferred tax assets in respect of carry forward losses are recognized if there is a virtual certainty that there will be sufficient future taxable income available to offset such losses. Other deferred tax assets are recognized if there is reasonable certainty that there will be sufficient future taxable income available to recoup the value of such assets.

l. Stock on Hire

Stock on hire under Hire purchase agreements including repossessed stocks on hire are stated at agreement value less instalments received.

m. Provision as per RBI Norms

i) Provision for Non Performing Assets

Provision for non-performing assets, doubtful debts, loans and advances have been made as per the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007.

ii) Contingent Provision against Standard Assets

RBI by its Notification No.DNBS.222/CGM(US)-2011 dated 17th January 2011 has issued directions to all Non-Banking Financial Companies to make a provision of 0.25% on the Standard Assets.

(₹ Lakhs)

Particulars	As at 31st March 2013		As at 31st March 2012	
	No. of Shares	Amount	No. of Shares	Amount
3. SHARE CAPITAL				
AUTHORISED SHARE CAPITAL				
Equity Shares of ₹10 each	5,50,00,000	5500.00	5,50,00,000	5500.00
10% Redeemable Cumulative Preference Shares of ₹100 each	20,00,000	2000.00	20,00,000	2000.00
		7500.00		7500.00
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL				
Equity Shares of ₹10 each fully paid-up	5,00,00,000	5000.00	5,00,00,000	5000.00
10% Redeemable Cumulative Preference Shares of ₹100 each	10,00,000	1000.00	6,90,300	690.30
		6000.00		5690.30

**NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013**
a) Reconciliation of shares and amount outstanding at the beginning and end of the year (₹ Lakhs)

Particulars	As at 31st March 2013		As at 31st March 2012	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares with Voting Rights				
No. of Shares at the beginning of the year	5,00,00,000	5,000.00	3,01,06,981	3,010.70
Add : Fresh issue of Shares during the year	-	-	<u>1,98,93,019</u>	<u>1,989.30</u>
Number of Shares at the end of the year	<u>5,00,00,000</u>	<u>5,000.00</u>	<u>5,00,00,000</u>	<u>5,000.00</u>
Redeemable Cumulative Preference Shares				
No. of Shares at the beginning of the year	6,90,300	690.30	-	-
Add : Fresh issue of Shares during the year	3,09,700	309.70	6,90,300	690.30
Number of Shares at the end of the year	<u>10,00,000</u>	<u>1,000.00</u>	<u>6,90,300</u>	<u>690.30</u>

b) The rights, preferences and restrictions attached to each class of shares:

The Company has two classes of shares namely, Equity Shares and Redeemable Cumulative Preference Shares. The rights, preferences and restrictions attached to each class of shares are given below:

i) Equity Shares

The equity share has a par value of ₹10. Each holder of equity share is entitled to one vote per share. An equity shareholder has got a right to attend the General Meetings convened by the company and to receive dividend when declared. The company declares and pays dividend in Indian rupees. The dividend recommended by the Board of Directors is subject to the approval of members at the ensuing Annual General Meeting, except in the case of interim dividend.

The Board of Directors at their meeting held on 29th May 2013, have recommended a dividend of ₹1 per share (10% of the par value of ₹10) for the year ended 31st March 2013. The dividend recommended is subject to the approval of members at the ensuing Annual General Meeting. The amount of per share dividend recognised as distribution to equity shareholders is ₹1 per share (₹1 per share). The total dividend appropriation for the year ended 31st March 2013 amounts to ₹584.98 lakhs including corporate dividend tax of ₹84.98 lakhs.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

ii) Redeemable Cumulative Preference Shares

The Redeemable Cumulative Preference Shares have a par value of ₹100. These shares carry a fixed cumulative dividend of 10% per annum. These shares would be redeemable at par at the end of 3 years from the various dates of allotment.

The Redeemable Cumulative Preference Shares (RCPS) have the following preferential rights over the equity shareholders:

- The payment of dividend at a fixed rate; and
- The return of capital on winding up of the company.

The preference shareholders can enforce their right of getting dividend in priority over the equity shareholders only if there are profits and the directors decide to distribute them by way of dividend.

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NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Preference shareholders have no voting right except when dividend is outstanding for more than 2 years in case of cumulative preference shares. But they have the right to vote on any resolution for winding up of the company or for the reduction or repayment of capital.

The Board of Directors at their meeting held on 30th March 2013 have declared an interim dividend of ₹10 per share, (including *pro rata* dividend) for the year ending 31st March 2013. The total dividend appropriation for the year ended 31st March 2013 amounts to ₹110.33 lakhs including a corporate dividend tax of ₹15.40 lakhs.

c) Details of shareholders holding more than 5% shares in the capital of the Company

Name of the Shareholder	As at 31st March 2013		As at 31st March 2012	
	% of Holding	No. of Shares	% of Holding	No. of Shares
Equity Shares with Voting Rights				
ABT Limited	17.45	87,27,400	17.45	87,27,400
Sakthifinance Financial Services Limited	16.22	81,10,000	16.22	81,10,000
Avdhoot Finance and Investment Private Limited	11.25	56,24,208	11.25	56,24,208
Bridgewater Investment Corporation Limited	8.90	44,50,000	8.90	44,50,000
The Gounder and Company Auto Limited	7.85	39,25,000	7.85	39,25,000
Sakthi Financial Services (Cochin) Private Limited	6.82	34,11,246	6.82	34,11,246
Redeemable Cumulative Preference Shares				
Mr Jayanth Balakrishna	15.00	1,50,000	14.49	1,00,000

(₹ Lakhs)

Particulars	As at 31st March 2013	As at 31st March 2012
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4. RESERVES AND SURPLUS

Capital Reserve

Balance as at the Opening and Closing of the year 52.61 52.61

Securities Premium Account

Opening Balance 1,554.49 1,335.67
 Add : Premium on shares received during the year - 218.82
 Closing Balance 1,554.49 1,554.49

Revaluation Reserve

Opening Balance 2,599.42 2,660.10
 Less : On disposal of Fixed Assets 181.85 -
 Transfer to Statement of Profit and Loss 59.54 60.68
 Closing Balance 2,358.03 2,599.42

General Reserve

Balance as at the Opening and Closing of the year 1,500.00 1,500.00

Statutory Reserve as per Section 45IC of the RBI Act 1934

Opening Balance 1,000.46 768.12
 Add : Transfer from surplus in Statement of Profit and Loss 279.97 232.34
 Closing balance 1,280.43 1,000.46

As per the requirements of Section 45IC of the Reserve Bank of India Act 1934, a Statutory Reserve has been created at 20% of the profits after tax available for appropriation.

**NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013**

Particulars	(₹ Lakhs)	
	As at 31st March 2013	As at 31st March 2012
RESERVES AND SURPLUS (Contd..)		
Surplus in Statement of Profit and Loss		
Opening Balance	711.95	363.92
Add : Profit after tax for the year	1,399.85	1,161.70
Total	2,111.80	1,525.62
Less: Appropriations		
Provision for Interim dividend on Preference shares (₹ 10/- per share)	94.93	0.19
Tax on Interim dividend on Preference Shares	15.40	0.03
Provision for Equity Dividend (₹ 1 per share)	500.00	500.00
Tax on Dividend - Equity Shares	84.98	81.11
Transfer to Statutory Reserve	279.97	232.34
Closing Surplus	1,136.52	711.95
Total	7,882.08	7,418.93
5. LONG-TERM BORROWINGS		
Secured		
Debentures (Refer Note 7)	1,477.04	1,761.97
Term Loans from Financial Institutions	328.00	949.48
	1,805.04	2,711.45
Unsecured		
Deposits	2,936.34	916.46
Total	4,741.38	3,627.91

Nature of security and Terms of repayment for Debentures

- a) 4,28,55,81,786 Secured Redeemable Non-Convertible Debentures of the face value of Re.1 each and redeemable at par are secured by specified Hire Purchase receivables, 26 windmills along with land and four buildings situated at Mumbai, Coimbatore, Madurai and Chennai. The rate of interest varies from 10.25% to 10.50%; the date of redemption is reckoned at 12 to 36 months from the date of first allotment in relation to each of the series allotted upto 31st July 2010 and 15 to 36 months in relation to the series allotted from 1st August 2010 onwards.
- b) Out of the debentures mentioned above, **₹ 40,372.51 lakhs** (₹ 38,169.31 lakhs), is classified as short-term borrowings and is shown under Note 7.

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NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

- c) **Term loans from Small Industries Development Bank of India (SIDBI) are secured as under:** (₹ Lakhs)

Sl. No.	Amount of Term Loan Sanctioned	Rate of Interest (%)	Repayment		Mora-torium period	Security details	Amount out-standing as on 31st March 2013	Amount out-standing as on 31st March 2012
			Commence-ment date	End date				
1	750.00 (TL-III)	12.00	10.03.2010	10.11.2012	3 mths	Hypothe-cation of specified Hire Purchase receivables and guarantee by two directors	-	181.25
2	500.00 (TL-IV)	12.00	10.12.2010	10.08.2013	3 mths		75.80	257.60
3	1000.00 (TL-V)	13.50	01.04.2012	01.03.2015	3 mths		496.00	1000.00

- d) **Term loan from The Tamilnadu Industrial Investment Corporation Limited (TIIC) is secured as under:**

Sl. No.	Amount of Term Loan Sanctioned	Rate of Interest (%)	Repayment		Mora-torium period	Security details	Amount out-standing as on 31st March 2013	Amount out-standing as on 31st March 2012
			Commence-ment date	End date				
1	662.68	12.00	1.10.2008	1.7.2014	6 mths	Secured by 3 nos of Vestas RRB make 600 KW WEGS, existing Wind Mill lands to the extent of 45 acres and Personal Guarantee by two Directors	-	320.68

- e) **Repayment Terms for Deposits**

Deposits are repaid on maturity. The period of deposit ranges from 12 to 36 months.

- f) There is no default in repayment of loans and interest thereon.

Particulars	As at 31st March 2013	As at 31st March 2012
6. DEFERRED TAX LIABILITIES (Net)		
Tax effect of items constituting deferred tax liability:		
On difference between book balance and tax balance of depreciation	1,098.53	1,072.95
Tax effect of items constituting deferred tax assets:		
Provision for NPA/Contingent Provision against Standard Assets	184.38	146.16
Provision for fall in value of Investments	0.02	0.02
Brought forward business losses	73.41	81.43
	257.81	227.61
Total	840.72	845.34

**NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013**

(₹ Lakhs)

Particulars	As at 31st March 2013	As at 31st March 2012
7. SHORT-TERM BORROWINGS		
Secured Loans		
Debentures (Refer Note 5)	40,372.51	38,169.31
From Banks		
Cash Credit and Working Capital Demand Loans	14,604.00	13,305.42
Total	54,976.51	51,474.73

Nature of security and terms of repayment for Cash Credit and Working Capital Demand Loans:

- a. Cash Credits and Working Capital Demand Loans from Scheduled Banks aggregating to ₹ 17,400.00 lakhs are repayable on demand and are secured by hypothecation of hire purchase receivables along with personal guarantee of 2 / 3 directors of the company.
- b. There is no default in repayment of loans and interest thereon.

8. OTHER CURRENT LIABILITIES

Current Maturities of Long-Term Debt:

- Debentures	2,342.56	1,154.26
- Term Loans from Financial Institutions	243.80	810.05
- Deposits	2,388.71	1,706.33
Interest accrued but not due on Deposits / NCD	341.01	245.09
Interest accrued and due on Bank Cash Credit	49.23	38.67
Unclaimed dividends	114.93	10.13
Application money received for allotment of securities and due for refund and interest accrued thereon	-	0.71
Unclaimed matured deposits and interest accrued thereon	289.64	246.62
Unclaimed matured debentures and interest accrued thereon	1,392.71	1,425.00
Unclaimed Interest Warrants	7.93	5.26
Employees related Statutory obligations	10.08	9.27
Advances from Customers	552.07	702.77
Security Deposits	0.45	0.66
Tax Deducted at source	40.58	20.45
Liability for Expenses	218.32	214.59
Other Payables	12.78	8.39
Total	8,004.80	6,598.25

- a) There is no amount due to be transferred to Investor Education and Protection Fund as on 31st March 2013.
- b) The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures relating to their outstanding amount and interest have not been made.

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NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

(₹ Lakhs)

Particulars	As at 31st March 2013	As at 31st March 2012
9. SHORT-TERM PROVISIONS		
Provision for Employee Benefits		
Provision for bonus	73.04	69.19
Provision for gratuity (net)	-	7.15
	73.04	76.34
Other Provisions		
Provision for Taxation (Net of Advance tax and MAT Credit)	-	24.17
Contingent Provision against Standard Assets	175.87	160.43
Provision for Non Performing Assets	392.41	290.07
Provision for preference dividend	-	0.19
Provision for tax on Preference dividend	-	0.03
Provision for proposed equity dividend	500.00	500.00
Provision for tax on proposed equity dividend	84.98	81.11
	1,153.26	1,056.00
Total	1,226.30	1,132.34

a) Provision as per RBI Norms

(i) Provision for Non Performing Assets

Provision for non-performing assets, doubtful debts, loans and advances have been made as per the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007.

(ii) Contingent Provision against Standard Assets

The RBI by its Notification No.DNBS.222/CGM(US)-2011 dated 17th January 2011, has issued directions to all Non-Banking Financial Companies to make a provision of 0.25% on the Standard Assets. Accordingly, the company has made an incremental provision of ₹ 15.44 lakhs as at 31st March 2013.

10. FIXED ASSETS

Description	Gross Block				Accumulated Depreciation/Amortisation				Net Block		
	As at 1.4.2012	Additions	Deletions/ Disposals	As at 31.3.2013	Upto 01.4.2012	For the year		Withdrawn on account of disposal	Upto 31.3.2013	As on 31.3.2013	As on 31.3.2012
						On Cost	On revalued amount				
Tangible Assets											
Land	818.00	-	67.08	750.92	-	-	-	-	-	750.92	818.00
Buildings	2,269.74	31.38	-	2,301.12	171.52	12.14	29.25	-	212.91	2,088.21	2,098.23
Plant and Machinery	81.44	11.00	-	92.44	49.86	3.43	-	-	53.29	39.15	31.57
Plant - Wind Mills	5,025.22	-	668.70	4,356.52	1,326.42	231.27	30.29	440.34	1,147.64	3,208.88	3,698.80
Furniture and Fixtures	122.01	6.22	0.09	128.14	100.50	7.90	-	0.09	108.31	19.83	21.49
Vehicles	68.68	0.49	-	69.17	33.96	5.20	-	-	39.16	30.01	34.72
Office Equipments	315.77	30.29	-	346.06	259.24	15.82	-	-	275.06	71.00	56.53
TOTAL A	8,700.86	79.38	735.87	8,044.37	1,941.50	275.76	59.54	440.43	1,836.37	6,208.00	6,759.34
Intangible Assets											
Computer Software	72.13	19.14	-	91.27	46.81	10.93	-	-	57.74	33.53	25.32
TOTAL B	72.13	19.14	-	91.27	46.81	10.93	-	-	57.74	33.53	25.32
Intangible Assets under Development	-	207.51	-	207.51	-	-	-	-	-	207.51	-
TOTAL C	-	207.51	-	207.51	-	-	-	-	-	207.51	-
Total (A + B + C)	8,772.99	306.03	735.87	8,343.15	1,988.31	286.69	59.54	440.43	1,894.11	6,449.04	6,784.66
Previous year figures	8,726.13	48.36	1.50	8,772.99	1,646.19	281.54	60.68	0.08	1,988.33	6,784.66	7,079.93

**NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013**

(₹ Lakhs)

Particulars			As at 31st March 2013	As at 31st March 2012
FIXED ASSETS (Contd..)				
1. An amount of ₹8.44 lakhs pertaining to a building, comprised in the value of Buildings, includes value of five share of ₹50 each in a co-operative society allotted by it (in relation to that building) under its by-laws in our company's name.				
2. Land, Buildings and Plant-Windmills were revalued as on 31st March 2011 based on a valuation report dated 9th May 2011 by an external valuer. The increase in revaluation amounted to ₹2660.09 lakhs as on 31st March 2011.				
11. NON-CURRENT INVESTMENTS (At Cost)				
Other than Trade : Investments in Equity Instruments				
	Number	Face Value Per Unit (₹)		
Quoted - Associates				
Sakthi Sugars Ltd	552833	10	226.10	226.10
Sri Bhagavathi Textiles Ltd	5	100	0.04	0.04
Sri Chamundeswari Sugars Ltd	186666	10	7.82	7.82
Quoted - Others				
Bannari Amman Sugars Ltd	10000	10	7.60	7.60
Chokani International Ltd	100	10	0.02	0.02
Stiles India Ltd	100	10	0.02	0.02
			241.60	241.60
Unquoted - Associates				
ABT Industries Ltd	150000	10	15.00	15.00
Sakthi Beverages Ltd	125000	10	12.50	12.50
Sakthi Soft Drinks Pvt Ltd	30000	10	3.00	3.00
Unquoted - Others				
ABT Co-operative Stores Ltd	500	10	0.05	0.05
			30.55	30.55
Investment in Government Securities				
Quoted				
Bonds of Central and State Governments #	855000	100	852.76	454.26
Unquoted				
National Saving Certificates			-	0.07
			1,124.91	726.48
Less : Provision for diminution in value of Investments			0.08	0.08
Net carrying amount of Investments			1,124.83	726.40
Aggregate Book value of Quoted Investments less provision for diminution in value of Investments			1,094.28	695.78
Aggregate Market Value of Quoted Investments			971.69	602.49
Aggregate Book value of Unquoted Investments			30.55	30.62
# Investments made to comply with the requirements of the directives issued by the Reserve Bank of India.				

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NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

(₹ Lakhs)

Particulars	As at 31st March 2013	As at 31st March 2012
NON-CURRENT INVESTMENTS (Contd..)		
In accordance with the Reserve Bank of India Circular no. RBI/2006-2007/225/DNBS(PD)C.C No.87/03.02.004/2006-07 dated 4th January 2007, the Company has created a floating charge on the statutory liquid assets comprising (both Current and non-current) investment in Government Securities for ₹ 852.76 lakhs and ₹ 17.19 lakhs interest accrued on the above investments in favour of IDBI Trusteeship Services Ltd, trustees representing the fixed deposit holders of the company.		
12. LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good unless stated otherwise)		
Security Deposits (Secured, considered good)	85.49	86.96
Advance Payment of Income Tax (net of Provision) - relating to prior years	-	58.90
Other loans and advances	115.76	214.74
Total	201.25	360.60

13. CURRENT INVESTMENTS (At Cost and Fair Value)

Investments in Government Securities	Face Value		
Quoted	Per Unit		
	(₹)		
Bonds of Central and State Governments #	100	-	447.75
Total		-	447.75
Aggregate Book Value of Quoted Investments		-	447.75
Aggregate Market Value of Quoted Investments		-	447.75

Investments made to comply with the requirements of the directives issued by the Reserve Bank of India.

Current investments

In accordance with the Reserve Bank of India Circular no. RBI/2006-2007/225/DNBS(PD)C.C No.87/03.02.004/2006-07 dated 4th January 2007, the Company has created a floating charge on the statutory liquid assets comprising (both Current and non-current) investment in Government Securities for ₹ 852.76 lakhs and ₹ 17.19 lakhs interest accrued on the above investments in favour of IDBI Trusteeship Services Ltd, trustees representing the fixed deposit holders of the company.

14. STOCK ON HIRE

Net investment in Stock on Hire	69,275.58	63,303.15
Stock on Hire of assets repossessed	99.25	68.00
Total	69,374.83	63,371.15

As per Accounting Standard (AS-19) on Lease, the details of maturity pattern of hire purchase receivables (Stock on Hire) as on 31st March 2013 for the contracts executed are given below:

Particulars	Gross	Net
Less than one year	6005.60	5641.75
Later than one year and not later than 5 years	90487.72	63733.08
Later than 5 years	-	-
Total	96493.32	69374.83

**NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013**

(₹ Lakhs)

Particulars	As at 31st March 2013	As at 31st March 2012
15. TRADE RECEIVABLES		
(Secured, considered good unless stated otherwise)		
Receivables outstanding for a period exceeding six months		
- Dues from sale of Wind Power	372.74	348.76
Others	-	-
Total	372.74	348.76
16. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on hand	1,346.35	616.02
Balance with Banks:		
- Cheques, drafts on hand	576.59	378.28
- Current Accounts	604.36	703.97
Other Bank Balances		
In Margin Money Deposits:		
- Deposits with Original Maturity of more than 12 months	1.69	2.02
In Earmarked Accounts:		
- Unpaid Dividend Accounts	114.93	10.13
Total	2,643.92	1,710.42
17. SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good unless stated otherwise)		
Prepaid Expenses:		
- Insurance Premium	12.01	10.81
- Annual Maintenance Contract Payments	1.60	1.67
Advance Tax and TDS (Net of Provision)	68.93	-
Service Tax Credit Receivable	5.98	1.01
Loans and Advances to Employees	180.37	141.86
Other Loans and Advances:		
- Secured, considered good	275.21	146.64
- Unsecured, considered good	2,937.11	2,679.23
Total	3,481.21	2,981.22
Due from an officer of the company	3.11	2.64
18. OTHER CURRENT ASSETS		
Interest accrued on deposits	17.19	18.90
Stock of Stationery	6.78	5.16
MAT Credit Entitlement	-	39.78
Total	23.97	63.84

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**NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013**

(₹ Lakhs)

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
19. REVENUE FROM OPERATIONS		
Income from Hire purchase operations	11763.90	10839.88
Interest from:		
- Loans and Other receipts	318.06	248.92
- Banks deposits	0.84	0.03
- Long Term Investments	59.85	32.01
- Current Investments	-	31.55
Bad debts recovery	62.06	41.91
Total	12204.71	11194.30
20. OTHER INCOME		
Income from Wind Mill - Sale of Electricity	472.48	407.96
Dividend Income		
- Non-Current Investments	2.80	2.53
Other non-operating income (net of expenses directly attributable to such income):		
- Profit on sale of fixed assets	167.13	0.08
- Rental income	24.23	9.98
- Miscellaneous income	0.60	0.79
Total	667.24	421.34
21. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	1544.75	1422.90
Contributions to Provident and Other Funds	48.52	46.29
Staff Welfare Expenses	127.14	156.71
Total	1720.41	1625.90
22. FINANCE COSTS		
Interest Expense on:		
- Debentures	4,743.85	4,258.49
- Term Loans from Financial Institutions	158.01	161.81
- Cash Credit from Banks	1,710.14	1,784.66
- Deposits	515.35	361.12
Bank Charges	88.73	132.48
Other Financial Charges	43.20	1.04
Total	7259.28	6699.60
23. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation	335.29	333.10
Less: Transfer to Revaluation Reserve	59.54	60.68
	275.75	272.42
Add: Amortization Expenses	10.93	9.12
Total	286.68	281.54

**NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013**

(₹ Lakhs)

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
24. OTHER EXPENSES		
Rent	68.88	54.76
Rates, Taxes and Licences	58.97	50.69
Communication	50.47	43.02
Insurance	21.13	14.57
Travelling and Conveyance	304.41	257.93
Printing and Stationery	51.31	43.97
Power and Fuel	44.07	17.22
Advertisements	27.41	24.27
Auditors Remuneration:		
As Auditor:		
- Audit Fee	6.00	6.00
- Tax Audit Fee	1.40	1.00
- Limited Review Fee	1.00	1.00
In Other Capacity:		
- Certification Fee	0.45	3.61
- Reimbursement of Expenses	2.75	0.76
Legal and Professional Charges	97.71	70.61
Repairs and Maintenance on:		
- Buildings	57.07	40.77
- Machinery	82.89	111.91
- Other Assets	51.77	54.80
Filing Fees	2.91	10.12
Directors' Sitting Fees	4.30	3.60
Miscellaneous Expenses	90.72	89.55
Total	1025.62	900.16
25. PROVISIONS AND WRITE-OFF		
Provision against Non-Performing Assets (Net)	68.20	55.28
Bad Debts - Trade and other receivables written off	363.28	310.81
Total	431.48	366.09
26. COMMITMENTS		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	30.00	49.00
27. The Company has also extended collateral security of company's Building and Land belonging to a Director for Cash Credit/Working Capital Demand Loans availed from a bank.		
28. EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF:		
Travelling	17.08	-
29. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND		
a. Year to which the dividend relates	2011-12	2010-11
b. Number of non-resident shareholders	1	1
c. Number of shares on which dividend remittance was made	44,50,000	44,50,000
d. Amount remitted (₹ Lakhs)	44.50	44.50

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**NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013**

30. DISCLOSURE REQUIREMENTS UNDER AS-15 – “EMPLOYEE BENEFITS”

(₹ Lakhs)

Sl. No.	Particulars	For the year ended 31st March 2013 (Gratuity)	For the year ended 31st March 2012 (Gratuity)
I	Principal Actuarial Assumptions (Expressed as weighted averages)		
	Discount rate	8.00%	8.00%
	Salary Escalation rate	4.00%	4.00%
	Attrition rate	18.60%	18.60%
	Expected rate of return on Plan Assets	9.25%	9.25%
II	Changes in the present value of the obligation (PVO) – Reconciliation of Opening and closing balances		
	PVO at the beginning of the period	128.30	102.79
	Interest cost	10.26	8.22
	Current service cost	10.27	8.56
	Past service cost – (non-vested benefits)	-	-
	Past service cost – (vested benefits)	-	-
	Benefits paid	(3.82)	(7.09)
	Actuarial loss / (gain) on obligation	(9.26)	15.81
	PVO as at the end of the period	135.75	128.30
III	Changes in the fair value of plan assets – Reconciliation of Opening and Closing balances		
	Fair value of plan Assets at the beginning of the period	121.15	88.61
	Expected return on plan assets	13.18	3.19
	Contributions	35.66	36.44
	Benefits paid	(3.82)	(7.09)
	Actuarial loss / (gain) on plan assets	-	-
	Fair value of Plan Assets as at the end of the period	166.17	121.15
IV	Actual Return on Plan Assets		
	Expected return on plan assets	13.18	3.19
	Actuarial gain / (loss) on plan assets	-	-
	Actual return on plan assets	13.18	3.19
V	Actuarial Gain / Loss recognized		
	Actuarial gain / (loss) for the period – Obligation	9.26	(15.81)
	Actuarial gain / (loss) for the period – Plan Assets	-	-
	Total (gain) / loss for the period	(9.26)	15.81
	Actuarial (gain) / loss recognized in the period	(9.26)	15.81
	Unrecognised actuarial (gain) / Loss at the end of the year	-	-

**NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013**

(₹ Lakhs)

Sl. No.	Particulars	For the year ended 31st March 2013 (Gratuity)	For the year ended 31st March 2012 (Gratuity)
VI	Amounts recognized in the Balance Sheet and related analyses		
	Present value of the obligation	135.75	128.30
	Fair value of Plan Assets	166.17	121.15
	Difference	(30.42)	(7.15)
	Unrecognised transitional liability	-	-
	Unrecognised past service cost - non vested benefits	-	-
	Liability recognized in the Balance Sheet	(30.42)	7.15
VII	Expenses recognized in the statement of Profit and Loss		
	Current service cost	10.27	8.56
	Interest cost	10.26	1.67
	Expected return on plan assets	(13.18)	(3.19)
	Actuarial (gain) / loss recognized in the year	(9.26)	15.81
	Transitional liability recognized in the year	-	-
	Past service cost - (non-vested benefits)	-	-
	Past service cost - (vested benefits)	-	-
	Expenses recognized in the statement of Profit and Loss	(1.91)	22.85
VIII	Movements in the liability recognized in the Balance Sheet		
	Opening net liability	7.15	20.74
	Expenses as above	(1.91)	22.85
	Contributions paid	(35.66)	(36.44)
	Closing net liability	(30.42)	7.15
IX	Amount for the current period		
	Present value of obligations	135.75	128.30
	Plan Assets	166.17	121.15
	Surplus / (Deficit)	30.42	(7.15)
	Experience adjustments on plan liabilities - (loss) / gain	-	-
	Actuarial (loss) / gain on obligation	9.26	(15.81)
	Experience adjustments on plan assets - (loss) / gain	-	-
X	Major categories of Plan Assets		
	Fund manager by insurer	100%	100%
XI	Enterprise's best estimate of contribution during next year	1.91	22.85

31. SEGMENT REPORTING

The Company is primarily engaged in the business of asset financing. This in the context of Accounting Standard 17 on Segment Reporting, notified by the Companies (Accounting Standards) Rules 2006 is considered to constitute a single primary segment.

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NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

32. RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31ST MARCH 2013

Relationships

A	Enterprises in which the key management personnel and their relatives have significant influence	ABT Ltd. ABT Finance Ltd. ABT Foundation Ltd. ABT Industries Ltd. ARC Retreading Co. Pvt. Ltd. ABT Values Ltd. N Mahalingam & Co Nachimuthu Industrial Association Sakthifinance Financial Services Ltd. Sakthi Logistic Services Ltd. Sakthi Sugars Ltd. Sri Chamundeswari Sugars Ltd. Sri Sakthi Textiles Ltd. The Gounder and Company Auto Ltd.
B	Key Management Personnel	Sri M Balasubramaniam, Vice Chairman and Managing Director
C	Relatives of Key Management Personnel	Dr N Mahalingam, Father Smt M Mariammal, Mother Dr M Manickam, Brother Sri M Srinivaasan, Brother Smt Vinodhini Balasubramaniam, Wife

Transactions / Material Transactions with Related Parties made during the year (₹ Lakhs)

SI No	Nature of Transaction(s)	Related parties where significant influence is exercised	Key Management Personnel	Relatives of Key Management Personnel	For the year ended 31st March 2013	For the year ended 31st March 2012
1	Income					
	Rent received					
	Sakthifinance Financial Services Ltd	4.37	-	-	4.37	4.12
	ABT Industries Ltd.	12.81	-	-	12.81	12.60
	Finance Charges and interest					
	ABT Limited	-	-	-	0.00	2.60
	Dividend Income					
	ABT Industries Ltd.	1.80	-	-	1.80	0.00
2	Expenses					
	Purchase of fuel					
	N.Mahalingam & Co	35.09	-	-	35.09	28.95
	Repairing of vehicles					
	ABT Ltd.	0.38	-	-	0.38	0.45
	Rent paid					
	Sri. M. Balasubramaniam	-	2.40	-	2.40	2.40
	Sri. M. Srinivaasan	-	-	0.60	0.60	0.60

**NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013**

(₹ Lakhs)

SI No	Nature of Transaction(s)	Related parties where significant influence is exercised	Key Management Personnel	Relatives of Key Management Personnel	For the year ended 31st March 2013	For the year ended 31st March 2012
	Printing charges					
	Nachimuthu Industrial Association	12.70	-	-	12.70	11.50
	Deputation Charges					
	Sakthifinance Financial Services Ltd.	228.44	-	-	228.44	224.74
	Remuneration					
	Sri. M.Balasubramaniam	25.43	-	-	25.43	24.76
	Commission					
	Sri. M.Balasubramaniam	22.16	-	-	22.16	18.44
	Sitting Fees					
	Sri. M.Manickam	-	-	0.50	0.50	0.40
	Sri. M.Srinivaasan	-	-	0.70	0.70	0.70
3	Dividend paid					
	Dr. N.Mahalingam	-	-	2.76	2.76	2.76
	Smt. M.Mariammal	-	-	0.36	0.36	0.36
	Smt. Karunambal Vanavarayar	-	-	0.07	0.07	0.07
	Dr. M.Manickam	-	-	0.93	0.93	0.93
	Sri. M.Balasubramaniam	-	1.92	-	1.92	1.92
	Sri. M.Srinivaasan	-	-	2.51	2.51	2.51
	ABT Ltd.	87.27	-	-	87.27	87.27
	ABT Industries Ltd.	9.20	-	-	9.20	9.20
	ABT Foundation Ltd.	24.75	-	-	24.75	24.75
	ABT Finance Ltd.	1.31	-	-	1.31	1.31
	ABT Values Ltd.	24.75	-	-	24.75	24.75
	Sakthifinance Financial Services Ltd.	81.10	-	-	81.10	81.10
	Sakthi Logistic Services Ltd.	0.06	-	-	0.06	0.06
	Sakthi Sugars Ltd.	10.40	-	-	10.40	10.40
	Sri Chamundeswari Sugars Ltd.	0.24	-	-	0.24	0.24
	Sri Sakthi Textiles Ltd.	0.07	-	-	0.07	0.07
	The Gounder and Company Auto Ltd.	39.25	-	-	39.25	39.25
4	Liabilities for Expenses Payable:					
	Sakthi Sugars Ltd.	0.73	-	-	0.73	0.47
	N. Mahalingam and Co.	3.70	-	-	3.70	0.15
	Nachimuthu Industrial Association	1.70	-	-	1.70	2.69

33. LEASES

In case of assets taken on lease:

 The Company has taken various office premises under operating lease. The lease payments recognised in the statement of Profit and Loss is **₹ 68.27 Lakhs** (₹ 53.31 Lakhs).

34. EARNINGS PER SHARE

(₹ Lakhs)

Particulars		For the year ended 31st March 2013	For the year ended 31st March 2012
Profit after tax (A)		1399.85	1161.70
Less: Preference dividend		110.33	0.22
Profit after Preference dividend		1289.52	1161.48
Weighted average number of equity shares (B)		5,00,00,000	3,01,61,334
The nominal value per equity share (₹)		10.00	10.00
Earnings per share – Basic (₹) (A/B)		2.58	3.85
– Diluted (₹) (A/B)		2.58	3.85

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NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

35. DISCLOSURE AS REQUIRED IN TERMS OF PARAGRAPH 13 OF NON-BANKING FINANCIAL (DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS 2007 (₹ Lakhs)

Sl. No.	Particulars	Amount Outstanding	Amount overdue
(1)	LIABILITIES SIDE: Loans and advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid:		
	(a) Debentures: – Secured	45737.15	–
	– Unsecured (Other than falling within the meaning of Public deposit)	–	–
	(b) Deferred Credits	–	–
	(c) Term Loans	576.17	–
	(d) Inter-Corporate loans and borrowing	–	–
	(e) Commercial paper	–	–
	(f) Public Deposits	5803.36	247.91 #
	(g) Other Loans - Cash Credit	14648.86	–
(2)	Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid)		
	(a) In the form of unsecured debentures	–	–
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	–	–
	(c) Other Public deposits	5803.36	247.91 #
	# represents unclaimed deposits		
(3)	ASSETS SIDE Break-up of Loans and Advances including bills receivables (Other than those included in (4) below)		Amount Outstanding
	(a) Secured		1010.50
	(b) Unsecured		2975.76
(4)	Break-up of Leased Assets and Stock on Hire and Other assets counting towards AFC activities		
	(i) Leased Assets including lease rentals under Sundry Debtors		
	(a) Financial Lease		–
	(b) Operational Lease		–
	(ii) Stock on Hire including Hire charges under Sundry Debtors		
	(a) Stock on Hire		69275.58
	(b) Repossessed Assets		99.25
	(iii) Other Loans counting towards AFC Activities		
	(a) Loans where assets have been repossessed		–
	(b) Loans other than (a) above		–
(5)	Break-up of Investments		Amount Outstanding
	Current Investments:		
	(1) Quoted		
	(i) Shares: (a) Equity		–
	(b) Preference		–
	(ii) Debentures and Bonds		–
	(iii) Units of Mutual Funds		–
	(iv) Government Securities		–
	(v) Others		–

**NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013**

(₹ Lakhs)

Sl. No.	Particulars	Amount Outstanding		
(5)	(2) Unquoted			
	(i) Shares: (a) Equity	—		
	(b) Preference	—		
	(ii) Debentures and Bonds	—		
	(iii) Units of Mutual Funds	—		
	(iv) Government Securities	—		
	(v) Others	—		
	Long Term Investments:			
	(1) Quoted			
	(i) Shares: (a) Equity	241.60		
	(b) Preference	—		
	(ii) Debentures and Bonds	—		
	(iii) Units of Mutual Funds	—		
	(iv) Government Securities	852.76		
	(v) Others	—		
	(2) Unquoted			
	(i) Shares: (a) Equity	30.55		
(b) Preference	—			
(ii) Debentures and Bonds	—			
(iii) Units of Mutual Funds	—			
(iv) Government Securities	—			
(v) Others	—			
(6)	Borrower group-wise classification of assets financed as in 3 and 4 above			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	(1) Related Parties			
(a) Subsidiaries	—	—	—	
(b) Companies in the same group	—	—	—	
(c) Other related parties	—	—	—	
(2) Other than related parties	69992.92	2975.76	72968.68	
Total	69992.92	2975.76	72968.68	
(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)			
	Category	Market Value / Break up or fair value or NAV	Book value (Net of provisions)	
	(1) Related Parties			
	(a) Subsidiaries	—	—	
(b) Companies in the same group	—	—		
(c) Other related parties	138.83	261.47		
(2) Other than related parties	863.41	863.36		
Total	1002.24	1124.83		
(8)	Other Information			
	Particulars	Amount		
	(1) Gross Non-performing Assets			
(a) Related parties		—		
(b) Other than related parties		606.81		
(2) Net Non-Performing Assets				
(a) Related parties		—		
(b) Other than related parties		214.40		
(3) Assets acquired in satisfaction of debt		—		

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NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

36. Previous year figures have been regrouped, reclassified and rearranged, wherever necessary, to conform to current year presentation.

As per our Report attached
For P.N. Raghavendra Rao & Co
Chartered Accountants
Firm Regn. No.:003328S

P.R. VITTEL
Partner
Membership No. 18111

Coimbatore
29th May 2013

For and on behalf of the Board

M. MANICKAM
Chairman

S. VENKATESH
Company Secretary

M. BALASUBRAMANIAM
Vice Chairman and Managing Director

CUT HERE

FOR HOLDERS OF SHARES IN PHYSICAL FORM

SKDC Consultants Limited
(Unit: Sakthi Finance Limited)
"Kanapathy Towers" Third Floor, 1391/A-1, Sathy Road
Ganapathy, Coimbatore - 641 006

NATIONAL ELECTRONIC FUND TRANSFER (NEFT) - MANDATE FORM

1. Shareholder's Name : _____

2. Folio Number : _____

3. Number of Shares : _____

4. Bank Name : _____

5. Branch Name, Address and Telephone No. : _____

6. Bank Account Number (10-Digit or more number only) : _____

7. Account type [Please tick ✓] :

a) S.B.	b) Current	c) Cash Credit/OD
---------	------------	-------------------

8. 9-Digit Code Number of the Bank & Branch appearing on the MICR cheque issued by the Bank : _____

9. 11-Digit IFS Code :

--	--	--	--	--	--	--	--	--	--	--

10. Contact Number :

--	--	--	--	--	--	--	--	--	--	--

I agree to avail the NEFT introduced by RBI with respect to payment of dividend to me.
I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons beyond the control of the Company, I would not hold Sakthi Finance Limited responsible.

Date Signature of the Sole/First Shareholder

(Please attach (i) self-attested photocopies of any two of your Passport / PAN Card / Driving License / Voter's Identity Card towards proof of identification & (ii) a blank cancelled cheque or photocopy of a cheque issued by your Bank for verification of the 9-digit code Number provided above)

FOR THE ATTENTION OF HOLDERS OF SHARES IN PHYSICAL FORM

It is advised that the shares may be dematerialized with any of the depository participants at the earliest. This will be convenient for the holders of shares to effect any transfer or transmission instantly. For transfer of shares held in physical form, procedure will be long-drawn and the buyers do not generally opt for physical shares while purchasing, as the transaction cannot take place through the Stock Exchanges. Hence in the interest of the share holders, the company strongly recommends for dematerializing the shares with any of the depository participants.

Meanwhile, for the holders of shares in physical form, to provide faster credit of dividend to their account, such holders of shares are advised to provide information in the appended form.

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E-MAIL ADDRESS REGISTRATION FORM

(In terms of Circular Nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively issued by Ministry of Corporate Affairs, Government of India)

(For shareholders who hold shares in physical form)

SKDC Consultants Limited
(Unit: Sakthi Finance Limited)
"Kanapathy Towers"
Third Floor, 1391/A-1, Sathy Road
Ganapathy
Coimbatore - 641 006

I/We, Member(s) of Sakthi Finance Limited, hereby give my/our consent to receive electronically Annual Report(s), Notice(s) of General Meeting(s) and other document(s) that the Ministry of Corporate Affairs may allow them to be sent in electronic mode.

I/We request you to note my/our e-mail address as mentioned below. If there is any change in the e-mail address, I/We will promptly communicate it to you.

Folio No.	
Name of the Sole/First Shareholder	
E-mail address (to be registered)	

Place :

Date :

(Signature of Sole / First Shareholder)

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BRANCH NETWORK

BRANCH OFFICES		ADDRESS	FAX		PHONES	
TAMILNADU						
Coimbatore	641 018	62, Dr.Nanjappa Road	0422	2231471	0422	4236200
Coimbatore South	641 005	No.7, K.V.Nilayam, V.R Nagar				
Chennai	600 004	Raja Rajeswari Towers, No.29,30, Dr Radhakrishna Salai, Mylapore.,			044	28114286
Dindigul	624 001	No.50, Nehruji Nagar, Municipal Colony			0451	2441121
Erode	638 003	Sakthi Sugars Building, 122, Veerabadra Road			0424	2222209
Hosur	635 109	92/3 First Floor, K.K.Complex Bagalur Road			04344	241142
Kallakurichi	606 202	P88/B-17, B18, Putru Mariamman Koil St, Durgam Road			04151	223567
Kancheepuram	631 501	14/69 Mettu Street. Opp. Santhana Krishna Silk Street			044	27231677
Kumbakonam	612 001	Anna Ice Cream Builing, No.1-E II Floor, Dr.Besent Road			0435	2430096
Madurai	625 020	757, West Main Road, Anna Nagar,			0452	2535585
Mettupalayam	641 301	Sundaram Type Office Complex,41/A Annur Main Road			04254	224686
Namakkal	637 001	25-12/A, Karuppannan Street Opp. Repco Bank, Paramathy Road			-	-
Perambalur	621 212	140/2A3, 3B7A II Floor, Ruckmani Srinivasan Complex			04328	225570
Pollachi	642 002	No.102, Coimbatore Road, Pollachi,			04259	225002
Sakthi Nagar	638 315	Sakthi Nagar, Bhavani Taluk			04256	246238
Salem	636 007	116, K.R.Square, Omalur Main Road			95427	2318840
Sivakasi	626 189	I Floor, 1445A Gngariri Road,			04562	277226
Tirunelveli	627 002	"10-A/1, Trivandrum Road,			0462	2502989
Tirupur	641 601	14/59, K.P.N Colony II Street, L.G. Service Centre			0421	2242511
Trichy	620 018	174, 10th Cross West, Thillai Nagar			0431	2765969
Tuticorin	628 003	93A-1 Devarpuram Road, First Floor			0461	2323977
Vellore	632 004	80 - 62, Bangalore Road			0416	2224653
KERALA						
Ernakulam	682 016	Room no: 101 - B, Land Mark Enclave, No. 39/3633-B, S.A. Road, Valanjambalam			0484	2357359
Kanhangad	671 315	Door No.KM/1353/Ward I/B5/B6, Brother's Buildings, II Floor Main Road, Near LIC Office			0467	2201102
Kannur	670 002	SB - 5/1102/E, Ennes Enclave, (Near Ashoka Hospital), South Bazaar			0497	2703223
Kottayam	686 001	Arryattuparambil Building, Sastri Road			0481	2564167
Kozhikode	673 004	5/2248-D, Mavoor Road, Opp. Civil Supplies Corporation	0495	2720414	0495	2723699
Manjeri	676 121	Kurikkal Plaza, Opp. Court Complex, Kacheripadi			0483	2767468
Muvattupuzha	686 673	"Door No.8/386-D, 1st Floor,"NH 49, Kottayil Buildings, Velloorkunnam,"Market PO			0485	2812465
Palakkad	678 001	N.S.Towers, 14/280 (16) New Stadium Bus Stand,			0491	2548137
Pathanamthitta	689 645	"PMC IX/1128(1) 10(E), II Floor"Aban Arcade, Ring Road, Near Bus Stand			0468	2224300
Thrissur	680 001	Damodaran & Sons Complex, Round West			0487	2335023
KARNATAKA						
Bengaluru	560 001	No.204, II Floor, No. 92, Kedia Arcade, Infantry Road			080	25583365
Mangaluru	575 002	Door No.213, II Floor, Mangalore Shalimar Gate, Byepass Road, Near Kankanady Bus Stand			0824	2434811
MAHARASHTRA						
Mumbai	400 021	1012, Dalamal Towers, 211, Nariman Point			022	22830942
ANDHRA PRADESH						
Rajahmundry	533 103	79-16-12/2, III Floor, E & S Reddy Complex Tilak Road, Beh. Aryapuram Coop Urban Bank, Opp: Saibaba Temple			0883	2433934
Vijayawada	520 008	No.59 - 14 - 5, 5th Floor, BSR Plaza, NH - 5, Opp. Stella College, Ring Road			0866	2476333
Visakhapatnam	530 016	No.49-24-51, A, 6, First Floor, Flat No. 101-A, Pavan Estate, Shankaramadam Road	0891	2550060	0891	2550060
PUDUCHERRY						
	603 001	94, Kamaraj Salai			0413	2213786
NEW DELHI						
	110 005	No. 2142/47, Second Floor, Gurudwara Road, Karol Bagh			011	25753646

☪ SAKTHI FINANCE
AN EDIFICE BUILT ON TRUST

SAKTHI FINANCE LIMITED

Regd. Office : 62, Dr. Nanjappa Road, Coimbatore - 641 018

ATTENDANCE SLIP

I hereby record my presence at the 56th Annual General Meeting of the members of the Company held on Thursday, 26th September 2013 at 4.30 p.m. at Smt. Padmavathi Ammal Cultural Centre, 1548, Avanashi Road, Peelamedu, Coimbatore - 641 004.

Folio No. / DP ID. No. / Client ID No. :

Name and Address :

Signature of Member / Proxy

NOTE:

1. Admission restricted to Members / Proxies only.
2. A member / proxy attending the meeting must complete this attendance slip and hand it over at the entrance.

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CUT HERE

☪ SAKTHI FINANCE
AN EDIFICE BUILT ON TRUST

SAKTHI FINANCE LIMITED

Regd. Office : 62, Dr. Nanjappa Road, Coimbatore - 641 018

PROXY FORM

I / We of
..... in the district of being a
member / members of the above - named Company, hereby appoint
..... of
in the district of or failing him
..... of
in the district of as my / our proxy to attend and vote
for me / us and on my / our behalf at the FIFTY SIXTH ANNUAL GENERAL MEETING of the
Company to be held on Thursday, 26th September 2013 at 4.30 p.m. and at any
adjournment thereof.

Signed this day of 2013

Folio No. / DP ID. No. / Client ID No. :

No. of Shares:

Affix
1 Rupee
Revenue
Stamp

SIGNATURE

NOTE : The proxy form duly completed and signed should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

BOOK POST

Printed matter

To

If undelivered, please return to:

SKDC Consultants Limited
(Unit : Sakthi Finance Limited)
Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road, Ganapathy
Coimbatore - 641 006