

# ☪ SAKTHI FINANCE

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AN EDIFICE BUILT ON TRUST

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## SAKTHI FINANCE LIMITED

(CIN : L65910TZ1955PLC000145)

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

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

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

## NOTICE TO MEMBERS

NOTICE is hereby given that the Sixtieth Annual General Meeting of the members of the Company will be held on **Monday, 25th September 2017** at **12.05 p.m** at Smt. Padmavathi Ammal Cultural Centre, 1548, Avanasashi Road, Peelamedu, Coimbatore – 641 004 to transact the following business.

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

### ORDINARY BUSINESS

#### 1. Adoption of Financial Statements

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

**RESOLVED THAT** the Audited Financial Statements for the financial year ended 31st March 2017 and the attached Reports of the Board of Directors and Auditors be and are hereby considered and adopted.

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

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

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

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

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

**RESOLVED THAT** a dividend of ₹ 1 per equity share on the face value of ₹ 10 each, as recommended by the Board of Directors, be declared for the financial year ended 31st March 2017 and that the dividend be paid out of current year profits besides from balance in the statement of profit and loss of the Company to those shareholders whose names stand on the Register of Members in case the shares are held in physical form and also to the beneficial holders of the dematerialised shares as per the details provided by the Depositories in case the shares are held in the electronic form as on 14th September 2017.

#### 4. Re-appointment of Sri. M. Srinivaasan (DIN : 00102387), Director retiring by rotation, as a Director

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

**RESOLVED THAT** Sri M.Srinivaasan, holding DIN:00102387, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retirement by rotation.

#### 5. Appointment of Statutory Auditors

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

**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules 2014 ("the Act"), and pursuant to the recommendations of the Audit Committee, M/s. P K Nagarajan & Co, Chartered Accountants (Firm Registration No: 016676S), be appointed as statutory auditors of the Company in place of M/s. P N Raghavendra Rao & Co, Chartered Accountants (Firm Registration No: 03328S) whose tenure comes to an end at the conclusion of the 60th Annual General Meeting (AGM) in terms of Section 139(2) of the Act, to hold such office for a term of five consecutive financial years from the conclusion of this 60th AGM to the conclusion of the 65th AGM to be held in the year 2022, subject to ratification of their appointment by members at every intervening AGM, at such remuneration

with other applicable taxes as may be decided by the Board of Directors of the Company based on the recommendation of Audit Committee.

## **SPECIAL BUSINESS**

### **6. Issue of Secured or Unsecured, Redeemable, Non-Convertible Debentures (NCDs) and / or other Debt Securities on private placement basis**

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

**RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014 and the Companies (Share Capital and Debentures) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008, the rules, regulations, guidelines and circulars as amended from time to time, the Memorandum and Articles of Association of the Company and subject to such other requirements as may be prescribed by regulatory authorities from time to time, the approval of the members of the Company be and is hereby given to offer, issue and allot, in one or more series or tranches, Secured or Unsecured Non-convertible Debentures (NCDs), subordinated bonds and / or other Debt Securities on private placement basis, listed/ unlisted, for a period of one year commencing from the date of this Annual General Meeting up to an amount not exceeding ₹ 750 crore within the overall borrowing limits of the Board of Directors in one or more tranches.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof), be and is hereby authorised to:

- a. finalise the terms and conditions including the rate of interest, tenure and security cover thereof, the consideration of the issue, utilisation of the issue proceeds and all matters connected to it;
- b. decide on the timing of each tranche;
- c. decide on the persons to whom it can be issued, including companies, bodies corporate, statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension / provident funds and individuals or such other person / persons; and
- d. do all such acts, deeds and things and give such directions and further to execute such documents, deeds, instruments and writings as may be deemed necessary, proper and desirable or expedient to give effect to the above Resolution.

## **NOTES**

1. The Statement as required under Section 102 of the Companies Act 2013 setting out the material facts in respect of Special Business under Item No 6 is annexed.
2. The relevant details relating to the Director seeking re-appointment under Item No 4, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations) and as required under Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India is also annexed.
3. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy / proxies to attend and vote and such a proxy/ proxies need not be a member of the company. A person can act as a proxy on behalf of not exceeding fifty members and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights.**
4. The proxy form duly stamped and executed should be deposited at the Registered Office of the Company not less than forty eight hours before the time fixed for the commencement of the meeting. A proxy form is attached. Proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution/authority as applicable.
5. 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.
6. A route map giving directions to reach the venue of the 60th Annual General Meeting (AGM) is given at the end of the Notice.
7. **Record Date, Book Closure and Dividend**
  - a. **Monday, 18th September 2017** has been fixed as Record Date for payment of Dividend to Shareholders.

- b. The Register of Members and Share Transfer Books of the company will remain closed from **Tuesday, 19th September 2017 to Monday, 25th September 2017**, both days inclusive.
- c. The dividend, if declared at the Annual General Meeting, will be paid on or before 24th October 2017 to those persons or their mandatees:
- whose names appear as Beneficial Owners as at the end of the business hours on **Monday, 18th September 2017** in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
  - whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / its Registrar and Share Transfer Agents on or before **Monday, 18th September 2017**.

## 8. Unclaimed Dividends

### a. Transfer to Investor Education and Protection Fund

- Pursuant to Sections 124, 125 of the Companies Act 2013 (formerly Section 205A and 205C of the Companies Act 1956), all unclaimed dividends up to the financial year ended 31st March 1997 and for the year ended 31st March 2007 which remained unclaimed for a period of seven years have been transferred to the Investor Education Protection Fund 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 the prescribed form.
- The unclaimed dividends in respect of the following years will be transferred to the Investor Education and Protection Fund (IEPF) on various dates as detailed below:

Financial Year	Due date for credit to IEPF
<b>2010-11:</b> Dividend on Equity Shares	28th September 2018
<b>2011-12:</b> Dividend on Equity Shares	27th September 2019
<b>2012-13:</b> Dividend on Equity Shares	26th September 2020
<b>2013-14:</b> Dividend on Equity Shares	27th September 2021
<b>2014-15:</b> Dividend on Equity Shares	28th September 2022
<b>2015-16:</b> Dividend on Equity Shares	29th October 2023

- Members who have not encashed their dividend warrants for the above years are requested to make their claims to the Company without delay. **Members may note that in case dividend is not claimed for seven consecutive years, besides transfer of the unclaimed dividend to IEPF, the Company is also required to transfer the shares in respect of which the dividend was so unclaimed to IEPF under Section 124(5) of the Companies Act 2013 and the IEPF Rules.**
- The full details of unclaimed dividends for the financial years 2010-11 to 2015-2016 are available on the company's website at **www.sakthifinance.com**.

## 9. Payment of Dividend through electronic means

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

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are

maintaining their Demat accounts. Members holding shares in physical form shall submit their PAN details particularly with the photo copy of PAN Card to the Company / Registrars.

11. 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, the 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 with the identical order of name.
  - b. in electronic form are requested to intimate to the respective Depository Participants, the changes, if any, in their registered addresses at an early date.
12. Members are requested to quote their Folio Number / Client ID/ DP ID in all their correspondences.
13. Electronic copy of the Notice of the 60th Annual General Meeting of the Company indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of it. For members who have not registered their e-mail ID, physical copies of the Notice of the 60th Annual General Meeting of the Company indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
14. Electronic copy of the Annual Report for 2017 is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a physical copy of it. For members who have not registered their e-mail ID, physical copies of the Annual Report for 2017 is being sent in the permitted mode.
15. Members may also note that the Notice of the 60th Annual General Meeting and the Annual Report for 2017 will also be available on the Company's website **www.sakthifinance.com** for their download. The physical copies of the documents will also be available at the Company's Registered Office in Coimbatore for inspection during normal business hours on any working day. Even after registering for e-communication, members are entitled to receive such communication and documents in physical form, upon making a request for it, by post free of cost. For any communication, the shareholders may also send requests to the Company's investors e-mail id: svenkatesh\_shares@sakthifinance.com.

#### **VOTING THROUGH ELECTRONIC MEANS**

In compliance with the provisions of Section 108 of the Companies Act 2013 read with Rule 20 and 21 of the Companies (Management and Administration) Rules 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote at the 60th Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-Voting services provided by Central Depository Services (India) Limited (CDSL).

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

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

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

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

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

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

#### **Other instructions**

The e-voting period will commence on **Friday, 22nd September 2017 (9.00 a.m) and end on Sunday, 24th September 2017 (5.00 p.m)**. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, **Monday, 18th September 2017**, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- a. The voting rights of the members shall be in proportion to their shares held in the paid-up equity share capital of the Company as on the cut-off date, **Monday, 18th September 2017**.
- b. Mr. K. Murali Mohan, Chartered Accountant (Membership No. 14328) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- c. In terms of Regulation 44(2) of the Listing Regulations 2015, those members who do not have access to e-voting facility may return the duly completed Ballot Form in the enclosed Self Addressed Business Reply Envelope so as to reach the Scrutinizer not later than **24th September 2017**.

Members have the option to request for physical copy of the Ballot Form by sending an e-mail well in time to svenkatesh@sakthifinance.com by mentioning their Folio No./ DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutiniser not later than **24th September 2017**. Ballot Forms received after this date will be treated as invalid.

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

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

- e. The Results declared along with Scrutinizer's Report shall be placed on the Company's website **www.sakthifinance.com** and on the website of CDSL **www.evoting.cdsl.com** within two days of the passing of the Resolutions at the 60th Annual General Meeting of the Company viz. on or before **27th September 2017** and communicated to BSE Limited, where the equity shares of the Company are listed.

By Order of the Board  
For Sakthi Finance Limited

**S Venkatesh**

Company Secretary  
Membership No: FCS 7012

10th August 2017  
Coimbatore

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

The following Statement sets out all material facts relating to the business mentioned under Item No 6 of the accompanying Notice dated 10th August 2017.

##### **Item No. 6**

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

Borrowings through NCDs, sub-ordinated bonds and other debt securities, issued on private placement basis constitute significant source of funds for the Company. The borrowings of the Company presently aggregate approximately to ₹ 834.72 crore, of which Secured or Unsecured NCDs, sub-ordinated bonds and other debt securities, aggregate approximately to ₹ 238.82 crore.

The Company expects to borrow up to ₹ 750 crore by way of NCDs, sub-ordinated bonds and other debt securities for a period of one year during the period from the date of passing of this resolution. The issue proceeds are expected to be used to finance the hire purchase operations of the Company and for general corporate purposes.

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

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

The Board of Directors recommend the Special Resolution at Item No.6 of the accompanying Notice for the approval of the Members.

By Order of the Board  
For Sakthi Finance Limited

**S Venkatesh**

Company Secretary  
Membership No: FCS 7012

10th August 2017  
Coimbatore

**Annexure**

**DETAILS OF DIRECTOR SEEKING REAPPOINTMENT AT THE 60TH ANNUAL GENERAL MEETING  
(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations 2015 and Secretarial Standard 2 on General Meetings)**

Name of Director	Sri M. Srinivaasan
Director Identification Number (DIN)	00102387
Date of birth and age	2nd September 1966, 50 years
Date of appointment on the board	18th April 1994
Qualifications	B.E., M.B.A
No of Board Meetings attended during the year	6
Expertise in specific functional areas	He holds a Bachelor's degree in Engineering and a Post Graduate degree in Business Administration. He has got rich and varied experience in sugar industry. At present, he is the Managing Director of Sri Chamundeswari Sugars Limited and Joint Managing Director of Sakthi Sugars Limited.
Directorships held in other companies	a. A B T Limited b. Nachimuthu Industrial Association c. Sakthi Auto Component Limited d. Sakthi Management Services (Coimbatore) Limited e. Sakthi Properties (Coimbatore) Limited f. Sakthi Sugars Limited g. Sri Chamundeswari Sugars Limited h. The Gounder and Company Auto Limited
Membership / Chairmanship of committees across public companies	<b>Audit Committee - Member:</b> Sakthi Finance Limited <b>Stakeholders' Relationship Committee:</b> <b>Member :</b> Sri Chamundeswari Sugars Limited
No of equity shares held	2,51,355
Last drawn Remuneration	Nil
Relationship with other directors	Brother of Dr. M Manickam, Chairman and Sri. M. Balasubramaniam, Vice Chariman and Managing Director

## Route Map to the Venue of 60th Annual General Meeting

