

Serial No.:

POSTAL BALLOT FORM

(Please read the instructions printed overleaf carefully before exercising your vote)

1. Registered Folio No./ DP ID No. & Client ID No. * *(Applicable to investors holding shares in dematerialized form)
2. Name(s) and Registered Address of the Sole/First named Shareholder / Beneficial owner, including Joint holder(s), if any (in block letters)
3. Number of Equity Shares held

I / We hereby exercise my / our vote(s) in respect of the **SPECIAL RESOLUTIONS** to be passed through Postal Ballot for the business stated in the Notice of the Company dated 8th February, 2014 by sending my / our assent (**FOR**) or dissent (**AGAINST**) to the said Resolutions by placing a tick (✓) mark at the appropriate box below.

Item No.	Description	No. of Shares	I/We assent the resolutions (FOR)	I/We dissent the resolutions (AGAINST)
1	Special Resolution under Section 180(1)(c) and 180(2) of the Companies Act, 2013 for granting authority to Board of Directors to borrow in excess of the paid up capital and free reserves of the Company.			
2	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for granting authority to Board of Directors for creation of charges / mortgages on the movable and immovable properties of the Company, both present and future, in respect of borrowings etc.			

Date : _____
Place : _____

Signature of shareholder
(Refer Instruction No.2. overleaf)

Last date for receipt of Postal Ballot Forms by Scrutinizer is Thursday, 3rd April, 2014 (before the close of the working hours i.e. 5.00 p.m.)

(PTO)

Sakthi Finance Limited

62, Dr.Nanjappa Road, Coimbatore – 641 018 | T : 0422 2231471/4 | F : 0422 2231915 |
W : www.sakthifinance.com

INSTRUCTIONS

1. Members desirous of exercising their vote by Postal Ballot are requested to complete and sign the prescribed Postal Ballot Form and send it to the Scrutinizer appointed by the Company, so as to reach the Scrutinizer not later than the close of the working hours on Thursday, 3rd April, 2014. For this purpose a self-addressed prepaid envelope is enclosed and the postage will be borne and paid by the Company.
2. This form should be completed and signed by the Member. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his / her absence, by the next named joint holder. In case forms are signed by persons other than individual members, it should be signed by an authorised signatory whose specimen signature is already registered with the Company / Depository Participant.
3. In the case of shares held by Companies, trusts, societies etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution / Authorisation together with the attached specimen signature of the duly authorised signatories.
4. Members holding shares in dematerialised form are advised, in their own interest, to get their signature verified by their Bankers/ Depository Participant (DP). Signatures should be verified by the Manager of the Bank concerned / DP by affixing a rubber stamp / seal mentioning name and address of the Bank / DP and name, stamp and signature of the Manager.
5. There will be one postal ballot form for every Folio / Client ID irrespective of the number of jointholders.
6. Postal ballot forms shall not be exercised by a Proxy.
7. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Members as on Friday, 21st February, 2014.
8. In accordance with the Companies (Passing of the Resolution by Postal Ballot) Rules 2011, Postal Ballot(s) received after Thursday, 3rd April, 2014, will be treated as if reply from the Member has not been received and it will not be considered for the purpose of the ballot.
9. Incomplete, unsigned or incorrectly ticked postal ballots will be rejected.
10. The Scrutinizer's decision on the validity of the postal ballot will be final.
11. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope as all such envelopes will be sent to the Scrutinizer and any other extraneous paper found in such envelope would be destroyed by the Scrutinizer.
12. The results of the Postal Ballot will be declared at the Registered Office of the Company as specified in the Notice. The results will also be published and communicated to the Stock Exchanges for the information of Members. The results of the Postal Ballot will also be posted on the website of the Company www.sakthifinance.com.
13. Members may, if they so desire, address any query in relation to the aforesaid Special Resolutions to the Secretarial Department at the Registered Office of the Company. Tel No.: (0422)-2231471-474 (4 nos) Fax: 0422-2231915 and by E-Mail to svenkatesh@sakthifinance.com.

NOTICE OF POSTAL BALLOT

(Pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2011)

Dear Members,

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956, and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2011 that the resolutions given below are proposed to be passed by Postal Ballot for approving the increase in borrowing limits and creation of charge / mortgage on the company's movable and immovable properties for securing the borrowing availed or to be availed within the said limits.

The Company, is therefore, seeking the consent for the said proposals by Special Resolutions in compliance with the provisions of Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013, and other applicable provisions, if any, of the Companies Act, 1956, and Companies Act, 2013. The Explanatory Statement pursuant to applicable provisions of the Companies Act, 2013, and Companies Act, 1956, pertaining to the said resolutions setting out the material facts and reasons is annexed to the Notice. The Resolutions and Explanatory Statement along with the Postal Ballot Form is being sent for your consideration.

The company has appointed Mr K Murali Mohan FCA., Chartered Accountant, as a Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.

You are requested to go through the proposed Resolutions along with the Explanatory Statement and then mark your ASSENT OR DISSENT by filling the details and affixing your signature at the marked place in the Postal Ballot Form and return it in the enclosed postage pre-paid business reply envelope, so as to reach the scrutinizer on or before Thursday, 3rd April, 2014. Your ASSENT OR DISSENT received after Thursday, 3rd April, 2014 would be strictly treated as if a reply from you has not been received. Upon completion of the scrutiny of the Postal Ballots, the Scrutinizer shall submit his report to the Chairman / Vice Chairman and Managing Director of the Company. The results of the Postal Ballot shall be announced on Saturday, 5th April, 2014 at the Registered Office of the Company and shall also be displayed on the Company's website www.sakthifinance.com besides communicating to the stock exchanges on which the shares of the Company are listed.

SPECIAL BUSINESS**1. Increase in the Borrowing Powers of the Company**

To consider and give ASSENT / DISSENT to the following resolutions as Special Resolutions:

"RESOLVED THAT in supersession of the resolution passed at the 52nd Annual General Meeting of the Company held on 11th September, 2009 and pursuant to Section 180(1)(c) and 180(2) of the Companies Act, 2013, and all other

applicable provisions, if any, of the Companies Act, 2013, and Companies Act, 1956, (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "**the Board**", which term shall include a Committee authorized for this purpose) of the Company to borrow, from time to time, any sum or sums of money, as may in the opinion of the Board of Directors be required to be borrowed by the Company, notwithstanding that the monies borrowed and / or to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained and / or to be obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the Paid up Capital of the Company and its Free Reserves, that is to say, Reserves not set apart for any specific purpose, provided that the total monies borrowed by the Company and outstanding at any point of time for the principal amounts of the loans borrowed (apart from temporary loans obtained and / or to be obtained from the Company's Bankers in the ordinary course of business) shall not exceed the sum of ₹ 2,500 crores (Rupees two thousand five hundred crores only) over and above the aggregate of the Paid up Capital of the Company and its Free Reserves".

"RESOLVED FURTHER THAT the Board be and is hereby authorised to decide all terms and conditions, in relation to such borrowing, in their absolute discretion and to do all such acts, deeds and things and execute all such documents, instruments and writings on behalf of the Company as may be required to give effect to the above resolution".

2. Creation of charges on Company's properties

To consider and give ASSENT / DISSENT to the following resolutions as Special Resolutions :

"RESOLVED THAT in supersession of the resolution passed at the 52nd Annual General Meeting of the Company held on 11th September, 2009 and pursuant to Section 180(1)(a) of the Companies Act, 2013, and other applicable provisions, if any, of the Companies Act, 2013, and Companies Act, 1956, (including any statutory modification or re-enactment thereof), consent of the Company be and is hereby accorded to the creation by the Board of Directors of the Company (hereinafter referred to as "**the Board**", which term shall include a Committee authorized for this purpose) of such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecation by the Company as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board may direct, together with the power to take over the management of the Company in certain

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events, to or in favour of the financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts and other bodies corporate (hereinafter referred to as the 'Lending Agencies') / Trustees for the holders of debentures / bonds and / or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans / foreign currency loans, debentures, bonds and other instruments of an equivalent aggregate value not exceeding ₹ 2,500 crores (Rupees two thousand five hundred crores only) together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements / Loan Agreements / Debenture Trust Deeds to be entered into by the Company in respect of the said borrowings".

"RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise with the Lending Agencies / Trustees the documents for creating the aforesaid charges, mortgages and hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary to give effect to the above Resolution".

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, read with Section 192A of the Companies Act, 1956, setting out the material facts is annexed.
2. The Notice is being sent to all Members, whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited as on Friday, 21st February, 2014. The date of despatch of notice will be announced through advertisement in newspaper(s) and any recipient of this notice who has no voting rights as on the date should treat the notice as an intimation only.
3. The members are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted. However, envelopes containing the Postal Ballot Form, if sent by courier at the expense of eligible members, will also be accepted.
4. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 11:00 a.m. and 01:00 p.m. on any working day except Saturday and public holidays.

8th February, 2014
Coimbatore - 641 018
Regd Office :
62, Dr. Nanjappa Road
Coimbatore - 641 018

By Order of the Board
For Sakthi Finance Limited
S Venkatesh
Company Secretary

- Encl : 1. Postal Ballot Form
2. Self-addressed postage pre-paid envelope

EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, and read with Section 192A of the Companies Act, 1956, sets out all material facts relating to the business mentioned in the accompanying notice dated 8th February, 2014.

Item Nos. 1 and 2:

In terms of the provisions of Section 180(1)(c) of the Companies Act, 2013, made effective from 12th September, 2013 in place of Section 293(1)(d) of the Companies Act 1956, the Board of Directors of the Company shall exercise the power to borrow monies, where the monies to be borrowed together with the monies already borrowed by the Company, apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business, is in excess of the aggregate of the paid up share capital and its free reserves (reserves not set apart for any specific purpose) only with the consent of the Company by a Special Resolution.

At the 52nd Annual General Meeting of the Company held on 11th September, 2009, the members had accorded consent to the Board of Directors for borrowing any sum or sums of money outstanding at any point of time, not exceeding an amount of ₹ 1,500 crores (Rupees one thousand five hundred crores only). At the same Annual General Meeting of the Company, the members had also accorded consent to the Board of Directors for creation of charges, mortgages and hypothecations to secure the above borrowings.

To augment the funds for the business expansion and working capital requirements, it is proposed to increase the above borrowing limits from the existing ₹ 1,500 crores to an amount of ₹ 2,500 crores (Rupees two thousand five hundred crores only).

The proposed borrowing limits by the Company, if required, is to be secured by charge or mortgage on all or any of the movable or immovable properties of the Company (both present and future), in favour of any Lending Agencies including but not limited to the financial institutions / banks / debenture trustees etc. in such form and manner as may be determined by the Board of Directors from time to time, in consultation with the Lending Agencies.

The charge and / or mortgage on any of the movable and immovable properties and / or the whole or any part of the undertaking(s) of the Company, to secure borrowings of the Company with a power to take over the management of the business of the Company in certain events of default may be regarded as disposal of the whole, or substantially the whole of the undertaking of the Company within the meaning of Section 180(1)(a) of the Companies Act, 2013, and hence, requires the consent of the Members of the Company by a Special Resolution.

Accordingly, the Board of Directors recommend members' approval for passing the **Special Resolutions** under Postal Ballot for increasing the borrowing limits and creation of charge or mortgage etc., on the properties of the Company and for authorizing the Board of Directors (including a Committee authorized for this purpose) to give effect to the resolutions.

None of the Directors, Key Managerial Personnel of the Company or their relatives is / are, in any way concerned or interested in the proposed resolutions.

8th February, 2014
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By Order of the Board
For Sakthi Finance Limited
S Venkatesh
Company Secretary