



## SAKTHI FINANCE LIMITED

(CIN : L65910TZ1955PLC000145)

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

Phone: (0422) 2231471-74, 4236200

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

### POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act 2013 read with the Companies (Management and Administration) Rules 2014]

To the members of the Company,

Notice is hereby given that pursuant to Section 110 and all other applicable provisions, if any, of the Companies Act 2013 ("**the Act**") read with Rule 22 of the Companies (Management and Administration) Rules 2014 ("**the Rules**") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the resolutions set out below are proposed to be passed by the members of Sakthi Finance Limited ("**the Company**") through Postal Ballot including Electronic Voting ("**e-voting**").

The Statement pursuant to Section 102(1) of the Act read with the Rules made thereunder, setting out all material facts concerning each resolution and the reasons thereof is annexed along with a Postal Ballot Form ("**Postal Ballot Form**") for your consideration.

In compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("**Listing Regulations**") and pursuant to Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules 2014 (as amended up to date), the Company is pleased to provide e-voting facility for voting electronically on all the resolutions proposed in this Postal Ballot Notice. Members opting for the remote e-voting facility are requested to read carefully the related notes to the Postal Ballot Notice and instructions given below.

The Company has engaged Central Depository Services (India) Limited ("**CDSL**") as the Agency to provide remote e-voting facility so as to enable the members to exercise their right to vote on the proposed resolutions by electronic means i.e., remote e-Voting services.

The Board of Directors have, at their meeting held on 12th January 2019, appointed Mr. K Murali Mohan FCA, Chartered Accountant (Membership No. 14328), as Scrutinizer for conducting the Postal Ballot and the e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.

Members have the option to vote either by means of physical Postal Ballot or through remote e-voting. Members desiring to exercise their vote by means of physical Postal Ballot are requested to carefully read the instructions printed in this Postal Ballot Notice and Postal Ballot Form and return the Postal Ballot Form duly completed in all respects in the enclosed self-addressed Business Reply Envelope so as to reach the Scrutinizer not later than the close of working hours, **i.e, 5:00 p.m. on 23rd February 2019**. Postal Ballot Forms received after **5:00 p.m. on 23rd February 2019** will be treated as 'invalid'.

The Scrutinizer will submit his report to the Chairman or Vice Chairman and Managing Director or Chief Executive Officer of the Company after the completion of scrutiny and the results of voting by means of Postal Ballot (including voting through electronic means) will be announced on **25th February 2019**, at the Company's Registered Office at 62, Dr. Nanjappa Road, Coimbatore – 641 018 and also by placing it on the Company's website: **www.sakthifinance.com** and in the notice board of the Company's Registered Office. The results will also be communicated to the Stock Exchange, the Depositories and the Registrar and Transfer Agents.

Members requiring any queries / clarifications on voting by Postal Ballot including e-voting may contact Mr K Jayakumar, Manager, **SKDC Consultants Limited**, Regd Office : "Kanapathy Towers", Third Floor, 1391/ A-1, Sathy Road, Ganapathy, Coimbatore - 641 006, Phone (0422) 4958995, 2539835 - 836, E-mail: info@skdc-consultants.com, Website: www.skdc-consultants.com.

By Order of the Board  
For Sakthi Finance Limited

**S.Venkatesh**  
Company Secretary  
M.No: FCS 7012

12th January 2019  
Coimbatore - 18

## **RESOLUTIONS**

### **Item No 1: Increasing the Authorised Share Capital of the Company**

To consider and, if thought fit, to give assent or dissent, to the following **Ordinary Resolution**:

**RESOLVED THAT** in accordance with the provisions of Sections 61 and all other applicable provisions, if any, of the Companies Act 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, the Authorised Share Capital of the Company be and is hereby increased from ₹ 100,00,00,000 (Rupees One Hundred Crore Only) divided into 7,00,00,000 Equity Shares of ₹ 10 each and 30,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each to ₹ 130,00,00,000 (Rupees One Hundred and Thirty Crore Only) divided into 10,00,00,000 Equity Shares of ₹ 10 each and 30,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each.

**RESOLVED FURTHER THAT** the Board of Directors ('**the Board**', which term shall include any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution) of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable in relation to all matters connected therewith or incidental thereto, including delegation of any of the powers herein conferred to on any Director(s), Company Secretary or Key Managerial Personnel or any other officer of the Company to give effect to this resolution.

### **Item No 2: Alteration of Clause 5 (Capital Clause) in the Memorandum of Association of the Company**

To consider and, if thought fit, to give assent or dissent, to the following **Ordinary Resolution**:

**RESOLVED THAT** in accordance with the provisions of Section 13, 61(1)(a) and other applicable provisions of the Companies Act 2013 and Articles of Association of the Company, the contents of the existing Clause 5 of the Company's Memorandum of Association be and is hereby altered by substituting in its place the following:

5. The Authorized Share Capital of the Company is ₹ 130,00,00,000 (Rupees One Hundred and Thirty crore only) divided into 10,00,00,000 Equity Shares of ₹ 10 (Rupees Ten) each and 30,00,000 Redeemable Cumulative Preference Shares of ₹ 100 (Rupees One Hundred) each, with power to increase, reduce, re-classify, consolidate, sub-divide or otherwise dealt with in accordance with the Articles of Association of the Company and the provisions of the Companies Act 2013 and the Rules made thereunder and other statutory / regulatory requirements as may be applicable from time to time.

**RESOLVED FURTHER THAT** the Board of Directors ('**the Board**', which term shall include any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution) of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable in relation to all matters connected therewith or incidental thereto, including delegation of any of the powers herein conferred to on any Director(s), Company Secretary or Key Managerial Personnel or any other officer of the Company to give effect to this resolution.

### **Item No 3: Consideration and approval of the Rights Issue**

To consider and, if thought fit, to give assent or dissent, to the following **Special Resolution:**

**RESOLVED THAT** pursuant to the provisions of Section 62(1)(a) and all other applicable provisions of the Companies Act 2013 (including any amendment thereto or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and regulation / guidelines, if any, and such regulations including amendments and modifications, if any, thereof as the case may be prescribed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**") and the Stock Exchange where the equity shares of the Company are listed or statutory, governmental and other authorities and Departments, from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions as may be required and subject to such conditions as may be prescribed while granting such approvals, consents, permissions or sanctions and subject to such conditions and modifications which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "**the Board**" which term shall include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the power conferred by this Resolution), the approval of the members of the Company be and is hereby given to offer and issue (on such terms as is permitted by applicable law), equity shares on Rights basis, (the "**Rights Issue**") for an amount not exceeding ₹ 50,00,00,000 (Rupees Fifty Crore Only), for cash to the existing equity shareholders of the Company whose names appear on the Register of Members / Record of Depositories of the Company on a record date and in the ratio and price to be determined by the Board in terms of the applicable laws / regulations.

**RESOLVED FURTHER THAT** the Equity Shares issued shall rank *pari passu* with the existing equity shares of the Company in all respects.

**RESOLVED FURTHER THAT** the unsubscribed portion, if any, of the equity shares after considering the applications received from the Rights Issue shall be disposed of in such manner, as the Board thinks fit and proper in its absolute discretion and most beneficial to the Company.

**RESOLVED FURTHER THAT** the Board shall be entitled and authorized:

- a. to appoint Lead Managers, Bankers and other intermediaries or other agencies concerned;
- b. to issue, in consultation with and subject to the approval, if necessary, of any authority concerned, appropriate Offer Document, as the Board may in its absolute discretion think fit, including applicable regulations not limited to the provisions relating to renunciation, payment of subscription monies by instalments, price for equity shares, issue opening and closing dates, extension of the issue closing date, listing of the new Equity Shares with the stock Exchange;
- c. to accept such other terms and conditions as may be necessary or stipulated in such Offer Document and to accept such variation and modification as the SEBI / RBI or any other authority concerned may stipulate in that behalf; and
- d. to amend, modify, vary or alter all or any other terms of the issue including the size of the issue, basis or proportion of the offer to be made to any persons, whether or not those persons are members of the company or not, including the right to increase, decrease or recalculate the number of Equity Shares to be offered and alter the terms as to issue price, including, premium and their entitlement thereto and in the Offer Document and all such other terms and conditions of offer as are necessary or expedient at the discretion of the Board and/or may have to be incorporated on account of any modifications or amendments required or accepted by any authority concerned, to give effect to the resolution.

By Order of the Board  
For Sakthi Finance Limited

**S. Venkatesh**  
Company Secretary  
M.No : FCS 7012

12th January 2019  
Coimbatore - 18

## Notes:

1. A Statement pursuant to Section 102(1) of the Companies Act 2013 ("**the Act**") setting out all material facts relating to the resolutions mentioned in this Postal Ballot Notice is annexed.
2. Relevant documents referred to in this Postal Ballot Notice and the Statement are available for inspection by the members at the Company's registered office during business hours on all working days except Saturdays and Sundays from the date of despatch of the Postal Ballot Notice till **23rd February 2019**.
3. The Postal Ballot Notice along with the Postal Ballot Form is being sent in electronic form to those members who have registered their e-mail addresses with the Company / Registrars and Transfer Agents of the Company (in case of physical shareholding) / with their Depository Participants (in case of electronic shareholding). Physical copies of the Postal Ballot Notice along with Postal Ballot Form are being sent to members, whose e-mail addresses are not registered, by permitted mode along with a self-addressed Business Reply Envelope.
4. Voting rights shall be reckoned on the paid-up value of equity shares registered in the name of member/beneficial owner (in case of electronic shareholding) as on **18th January 2019**.
5. Members who have received the Postal Ballot Notice by e-mail and who wish to vote through physical Postal Ballot may download the Postal Ballot Form attached to the e-mail or may download the Postal Ballot Form from **www.evotingindia.com** or from the "**Investors**" section on the **Company's website: www.sakthifinance.com**, where the Postal Ballot Notice is displayed and send the duly completed and signed Postal Ballot Form so as to reach the Scrutinizer on or before **5:00 p.m. (IST) on 23rd February 2019**.
6. Pursuant to the provisions of Section 108 and all other applicable provisions of the Act read with the Companies (Management and Administration) Rules 2014, as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("**Listing Regulations**"), the Company is pleased to provide e-voting facility to all its members, to enable them to cast their votes electronically and has engaged the services of Central Depositories Services (India) Limited ("**CDSL**") as the agency to provide e-voting facility. Instructions for the process to be followed for remote e-voting are annexed to this Postal Ballot Notice.
7. Members can opt for only one mode of voting, i.e. either by physical Postal Ballot or e-voting. In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot will be treated as "**INVALID**".
8. The remote e-voting period **commences on 25th January 2019 at 9:00 a.m. (IST) and ends at 5:00 p.m. (IST) on 23rd February 2019**. During this period, members of the Company, holding shares either in physical or electronic form, as on the cut-off date, i.e., **18th January 2019**, may cast their vote electronically. The e-voting module shall be disabled by CDSL thereafter.
9. **Information and instructions relating to voting through physical Postal Ballot Form**
  - a. Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the Postal Ballot Form duly completed with the Assent (**FOR**) or Dissent (**AGAINST**), in the enclosed self-addressed Business Reply Envelope, so as to reach the Scrutinizer not later than the close of working hours, i.e., **5:00 p.m. (IST) on 23rd February 2019** to be eligible for being considered, failing which it will be strictly treated as if no reply has been received from the member.
  - b. 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.
  - c. Corporate / Institutional Members (i.e, other than Individuals, HUF, NRI, etc.) opting for physical ballot are also required to send certified true copy of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer along with the Postal Ballot Form.

## 10. Voting through Electronic means

The business as set out in the Postal Ballot Notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Pursuant to the provisions of Section 108 of the Companies Act 2013, read with the Companies (Management and Administration) Rules 2014, the Company is pleased to offer remote e-voting facility as an alternative mode, to its members to cast their votes electronically on the resolutions set out in the Notice of Postal Ballot. The Company has engaged the services of Central Depository Services (India) Limited ("**CDSL**") to provide the e-voting facility.

The Members whose names appear in the Register of Members / List of Beneficial Owners as on **18th January 2019 (cut-off date)**, are entitled to vote on the resolutions set out in the Notice.

**The remote e-voting period will commence on 25th January 2019 at 9:00 a.m and will end on 23rd February 2019 at 5:00 p.m.** During this period, Members of the Company holding shares either in physical form or in electronic form, as on the cut-off date, may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Members will not be able to cast their votes electronically beyond the date and time mentioned above.

### The instructions for shareholders voting electronically are as under:

- a. The shareholders should log on to the e-voting website **www.evotingindia.com**
- b. Click on Shareholders
- c. Now Enter your User ID
  1. For CDSL: 16 digits beneficiary ID
  2. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  3. Members holding shares in Physical Form should enter Folio Number registered with the Company
- d. Next enter the Image Verification as displayed and Click on Login.
- e. If you are holding shares in electronic form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.

	<b>For members holding Shares in electronic form and Physical form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income tax Department (applicable for both electronic shareholders as well as physical shareholders) 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. 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
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your electronic account or in the Company records in order to login If both the details are not recorded with the depository or company, please enter the member's ID / Folio Number in the Dividend Bank details field as mentioned in instruction (c)

After entering these details appropriately, click on "SUBMIT" tab.

- g. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in electronic 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 for resolutions of any other company on which they are eligible to vote, provided that the company opts for remote 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.

- h. For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- i. Click on the EVSN for 'Sakthi Finance Limited' on which you choose to vote.
- j. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same 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.
- k. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- l. After selecting the resolution you have decided to vote on, 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.
- m. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- n. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- o. If an electronic account holder has forgotten the changed 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.
- p. Shareholders can also cast their vote 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 Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- q. **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 **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 e-mailed to **helpdesk.evoting@cdslindia.com**.
  - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User 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 votes.
  - 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.
- r. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("**FAQs**") and e-voting manual available at **www.evotingindia.com** under help section or write an e-mail to **helpdesk.evoting@cdslindia.com**.
11. Members who have not registered their e-mail addresses are requested to register it with the Company's Registrars and Transfer Agents / Depository Participant(s) for sending future communication(s) in electronic form.
12. The Scrutinizer shall within a period not exceeding two (2) days after the conclusion of the remote e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Report of the votes cast in favour or against, if any, forthwith.

13. Member cannot exercise his/her vote by proxy on Postal Ballot.
14. The Scrutinizer's decision on the validity or otherwise of Postal Ballot / E-Voting will be final.
15. The Scrutinizer will submit his report to Chairman or Vice Chairman and Managing Director or Chief Executive Officer (CEO) of the Company, after completion of the scrutiny of postal ballot forms and votes cast through remote e-voting. The results of the voting will be announced on **25th February 2019 at 5.00 p.m** at the Company's Registered Office at 62, Dr Nanjappa Road, Coimbatore – 641 018 and will also be displayed on the website of the Company at **www.sakthifinance.com** and in the notice board of the Company's Registered Office. It will also be communicated to the Stock Exchange, the Depositories and the Registrar and Transfer Agents.
16. The resolutions, if approved, shall be deemed to have been passed on the last date of voting, i.e. **23rd February 2019.**

By Order of the Board  
For Sakthi Finance Limited

**S. Venkatesh**  
Company Secretary  
M.No: FCS 7012

12th January 2019  
Coimbatore - 18

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

The following Statement sets out all material facts relating to the business mentioned under Item Nos.1 to 3 of the accompanying Notice dated 12th January 2019.

#### **Item Nos.1 and 2**

The present Authorized Share Capital of the Company is ₹ 100 Crore consisting of 7,00,00,000 Equity Shares of ₹ 10 each and 30,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each. The present issued, subscribed and paid-up share capital of the Company is ₹ 65,00,00,000 consisting of 5,00,00,000 equity shares of ₹10 each and 15,00,000 Redeemable Cumulative Preference Shares of ₹100 each.

The Company has been exploring various options for raising funds for the Company's business. With a view to increase the capital base, net worth and the Capital Adequacy Ratio, the Board of Directors have, at their meeting held on 12th January 2019, proposed to raise additional capital from the existing shareholders of the company by further issue of equity shares on rights basis. To accommodate the increase in share capital, the Authorized Share Capital requires to be increased with additional 3,00,00,000 Equity Shares of ₹ 10 each. The revised Authorized Share Capital will be ₹ 130 Crore divided into 10,00,00,000 Equity Shares of ₹ 10 each and 30,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each. This requires the approval of the members under Section 61 of the Companies Act 2013 for which necessary Ordinary Resolution is proposed as set out in Item No.1.

As a consequence, the Capital Clause in the Memorandum of Association (Clause 5) is required to be altered and the necessary Ordinary Resolution is set out in Item No.2.

The Board of Directors, accordingly, recommend the above Resolutions at Item Nos. 1 and 2 of the accompanying Notice for the approval of the Members of the Company.

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

The Memorandum and Articles of Association of the Company is available for inspection of the members at the Registered Office of the Company during the business hours on all working days except Saturdays and Sundays till the conclusion of the voting period i.e. **till 5:00 p.m on 23rd February 2019.**

#### **Item No.3**

Section 62 of the Act provides that whenever it is proposed to increase the subscribed capital of a company by issue of further shares, such further shares shall be offered to the persons who on the date of the offer

are holders of the equity shares of the Company in proportion to the paid-up capital unless shareholders in a general meeting / postal ballot decide otherwise. The Listing Agreement executed by the Company with Stock Exchange also provides that a company shall, in the first instance, offer all Securities for subscription on *pro rata* basis to the shareholders, unless the shareholders decide otherwise.

The Company has been exploring various options for raising funds for the Company's business. With a view to increase the capital base, net worth and the Capital Adequacy Ratio, the Board of Directors have, at their meeting held on 12th January 2019, proposed to raise additional capital for an amount not exceeding ₹ 50 Crores through further issue of shares for cash on rights basis to the existing shareholders at a price to be decided by the Board in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended from time to time.

The Board of Directors have, accordingly, proposed to offer further shares to the existing shareholders of the Company on a date to be fixed hereafter by the Board of Directors of the Company for achieving the above objectives. The right to decide on various terms including timing, pricing, ratio and other incidental matters is being left to the discretion of the Board of Directors who would take decisions as they deem fit and in the best interests of the Company.

The Board of Directors, therefore, recommend the Special Resolution set out in Item No 3 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolutions set out in Item No. 3 of the Postal Ballot Notice except to the extent of equity shares held by them in the company or by the Companies in which they are interested as Directors.

By Order of the Board  
For Sakthi Finance Limited

**S.Venkatesh**  
Company Secretary  
M.No: FCS 7012

12th January 2019  
Coimbatore - 18