

## NOTICE TO MEMBERS

NOTICE is hereby given that the Sixty Third (63rd) Annual General Meeting ("AGM") of the members of the Company will be held on **Thursday, 17th December 2020 at 4.00 p.m** ("IST") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses.

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 2020 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 as Final Dividend

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

**RESOLVED THAT** pursuant to Section 123(3) of the Companies Act 2013, an Interim Dividend of ₹ 9 per share on 15,00,000 numbers of 9% Redeemable Cumulative Preference Shares of ₹ 100 each for the year ended 31st March 2020 declared by the Board of Directors on 30th June 2020 out of the profits of the company for the said year be and is hereby confirmed as final dividend.

#### 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 ₹ 0.60 (6%) per equity share, as recommended by the Board of Directors, be declared for the financial year ended 31st March 2020 on 6,47,05,882 numbers of equity shares of ₹ 10 each out of profits of the company for the said financial year and the said dividend be paid to those equity shareholders whose names stand on the Register of Members in case the equity 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 equity shares are held in the electronic form, as on **Saturday, 19th September 2020**.

#### 4. Reappointment of Dr M Manickam (DIN : 00102233), Director retiring by rotation, as a Director being eligible, offer himself to be reappointed

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

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

### SPECIAL BUSINESS

#### 5. Reappointment of Smt Priya Bhansali (DIN : 00195848) as an Independent Director

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

**RESOLVED THAT** pursuant to the provisions of Sections 149(10), 150(2), 152 and other applicable provisions,

if any, of the Companies Act 2013 ("the Act"), the Companies (Appointment and Qualifications of Directors) Rules 2014 and the rules made thereunder, read with Schedule IV to the Act and Regulation 16(1)(b) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations"), as amended from time to time, Smt Priya Bhansali (DIN : 00195848), who was appointed as an Independent Director at the fifty eighth Annual General Meeting of the Company and who holds office up to 27th September 2020 and who is eligible for re-appointment as an Independent Director and who meets the criteria of independence as provided in Section 149(6) of the Act read with the rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second consecutive term of five years with effect from 28th September 2020 to 27th September 2025.

#### 6. Reappointment of Sri K P Ramakrishnan (DIN : 07029959) as an Independent Director

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

**RESOLVED THAT** pursuant to the provisions of Sections 149(10), 150(2), 152 and other applicable provisions, if any, of the Companies Act 2013 ("the Act"), the Companies (Appointment and Qualifications of Directors) Rules 2014 and the rules made thereunder, read with Schedule IV to the Act and Regulation 16(1)(b) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations"), as amended from time to time, Sri K P Ramakrishnan (DIN : 07029959), who was appointed as an Independent Director at the fifty eighth Annual General Meeting of the Company and who holds office up to 27th September 2020 and who is eligible for re-appointment and who meets the criteria of independence as provided in Section 149(6) of the Act read with the rules framed thereunder and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby reappointed as an Independent Director of the Company, not liable to retire by rotation, for a second consecutive term of five years with effect from 28th September 2020 to 27th September 2025.

#### 7. Reappointment of Sri M Balasubramaniam (DIN : 00377053) as Managing Director and payment of remuneration

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

**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions,

if any, of the Companies Act 2013 ("the Act") read with Schedule V to the Act and the Rules made under the Act, approval of the company be and is hereby given to the re-appointment of Sri M Balasubramaniam (DIN : 00377053), as Managing Director of the company for a further period of five years with effect from 29th September 2020 to 28th September 2025.

**RESOLVED FURTHER THAT** in consideration of his qualification, experience and services rendered to the company as Managing Director and subject to the overall limits for payment of Managerial remuneration laid down under Section 197 read with Schedule V to the Act, Sri M Balasubramaniam be paid the following remuneration and perquisites:

Salary	₹ 3,00,000 per month
Perquisites	<p>Not exceeding the Annual Salary as may be decided by the Board of Directors from time to time.</p> <p>In addition to the salary, Sri M Balasubramaniam shall also be entitled to the following perquisites:</p> <p>a. Contribution to Provident and Superannuation Funds to the extent not taxable under the Income Tax Act 1961;</p> <p>b. Gratuity at the rate of half a month's salary for each completed year of service; and</p> <p>c. Encashment of leave at the end of tenure as per the rules of the Company</p>
Commission	3% on the Net Profits of the Company, subject to a maximum ceiling specified in Section I of Part II of Schedule V to the Act.

**RESOLVED FURTHER THAT** where in any financial year, the Company has no profits or its profits are inadequate, the company shall pay to Sri M Balasubramaniam, the remuneration by way of salary and perquisites not exceeding the limits specified under Section II of Part II of Schedule V to the Act (including any statutory modification or re-enactment thereof for the time being in force) or such other limit as may be prescribed by the government from time to time as minimum remuneration.

**RESOLVED FURTHER THAT** the approval for payment of remuneration in the event of loss or inadequacy of profit shall be for a period not exceeding three years during the said tenure of five years.

**RESOLVED FURTHER THAT** the Board of Directors (the 'Board' which term includes a duly constituted Committee of the Board of Directors) have the liberty to grant increments and to alter and vary the terms and conditions of the said appointment as it may deem fit and in such manner as may be agreed to between the Board and Managing Director provided that the total remuneration does not exceed the statutory upper limit prescribed under the Act.

#### 8. Issue of Redeemable, Cumulative Preference Shares on private placement basis for an amount not exceeding ₹ 15 Crores

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

**RESOLVED THAT** pursuant to the provisions of Sections 42, 55 and any other applicable provisions of the Companies Act 2013 ("the Act"), the Companies (Prospectus and Allotment of Securities) Rules 2014 and the Companies (Share Capital and Debentures) Rules 2014 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof), the Memorandum and Articles of Association of the Company, any other applicable laws for the time being in force and subject to such other approvals as may be required from regulatory authorities from time to time, approval of the Company be and is hereby given to the Board of Directors ("**the Board**", which term shall include any Committee thereof which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred by this resolution) to offer, issue and allot, in one or more tranches, 15,00,000 (Fifteen lakhs only) Redeemable, Cumulative, Preference Shares ("**Preference Shares**") of the face value of ₹ 100 each for cash at par for an amount not exceeding ₹ 1,500 lakh (Rupees One Thousand Five Hundred lakh only) on private placement basis to persons identified by the Board of Directors (hereinafter referred to as "**the Board**" which term shall be deemed to include any duly constituted / to be constituted Committee of the Board thereof to exercise its powers including powers conferred by this resolution) in their absolute discretion, whether or not such persons are members of the Company, on such terms and conditions as may be decided by the Board and subject to the following rights:

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

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

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

**9. 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 ("**the Act**") 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 ("**SEBI Debt Regulations**"), the rules, regulations, guidelines, circulars and RBI directions 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 the Board of Directors of the Company (hereinafter referred to as "**the Board**" which term shall be deemed to include the committee duly constituted/ authorized committee of the Board) to offer, issue and allot, listed / unlisted, Secured or Unsecured, Redeemable, Non-Convertible Debentures ("**NCDs**"), and / or other Debt Securities on private placement basis, during the period commencing from the conclusion of Sixty Third Annual General Meeting until the conclusion of Sixty Fourth Annual General Meeting up to an amount not exceeding ₹500 crores, within the overall borrowing limits of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to:

- decide whether to issue, in one or more series or tranches, as secured or unsecured;
- decide whether to list any of the tranches;
- finalize the other terms and conditions including the rate of interest, tenor and security cover thereof, the consideration of the issue, utilization of the issue proceeds and all matters connected to it;
- decide on the timing of each tranche;
- 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

- 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:**

- In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("**MCA**") has, by its General Circular No. 20/2020 dated 5th May 2020 in relation to 'Clarification on holding of Annual General Meeting ("**AGM**") through Video Conferencing ("**VC**") or Other Audio Visual Means ("**OAVM**") read with General Circular No. 14/2020 dated 8th April 2020 and General Circular No. 17/2020 dated 13th April 2020 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act 2013 ("**the Act**") and the rules made thereunder on account of the threat posed by Covid-19 (collectively referred to as "**MCA Circulars**") and the Securities and Exchange Board of India ("**SEBI**") by its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 towards 'Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic' ("**SEBI Circular**") permitted the holding of the Annual General Meeting ("**AGM**"/"**the Meeting**") through VC/OAVM, without the physical presence of the members at a common venue. In compliance with the provisions of the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and MCA Circulars, the 63rd AGM of the Company is being held through VC/OAVM on **Thursday, 17th December 2020 at 4.00 p.m (IST)**. The deemed venue for the AGM will be the Registered Office of the company.
- In terms of Clause 3.A.II. of the General Circular No 20/2020 dated 5th May 2020, issued by MCA, the matters of Special Business as appearing at Item Nos. 5 to 9 of the accompanying Notice are considered to be unavoidable by the Board and hence, form part of this Notice.
- The relevant Statement as required under Section 102 of the Act setting out the material facts in respect of Special Business under Item Nos 5 to 9 is annexed.
- The relevant details of Directors seeking re-appointment under Item Nos 5 to 7, pursuant to Regulation 36(3) of the Listing Regulations and as required under Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India are also annexed.
- Pursuant to MCA Circular No. 14/2020 dated 8th April 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint Authorised Representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.
- The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Since the ensuing AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with.

7. Members of the Company under the category of Institutional Investors, if any, are encouraged to attend and vote at the AGM through VC / OAVM. Corporate members intending to authorise their representatives to participate and vote at the AGM are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote on their behalf at the AGM to [murali@skmcoca.com](mailto:murali@skmcoca.com) or [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
8. Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned at Note No. 32 of this Notice and this mode will be available throughout the proceedings of the AGM. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.
9. Members may also note that the Notice of 63rd AGM along with the Annual Report for the year 2020 will also be made available on the Company's website [www.sakthifinance.com](http://www.sakthifinance.com) for their download. For any communication, the shareholders may also send requests to the Company's investors e-mail id: [investors@sakthifinance.com](mailto:investors@sakthifinance.com).
10. Notice of the 63rd AGM along with Annual Report for the year 2020 is being sent by electronic mode to the members whose e-mail addresses are registered with the Company / Depository Participants for communication purposes.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send e-mail to [svenkatesh@sakthifinance.com](mailto:svenkatesh@sakthifinance.com).
12. 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 AGM.
13. In case of joint holders attending the AGM, only such joint holder who is higher in order of name will only be entitled to vote.
14. Members seeking any information or clarification on the accounts or any other matter to be placed at AGM are requested to send written queries to the Company on [investors@sakthifinance.com](mailto:investors@sakthifinance.com), atleast 10 days before the date of the meeting to enable the management to respond quickly.
15. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register it by submitting Form No. SH-13. Members are requested to submit the said details to their Depository Participants in case the shares are held by them in electronic form and to the Company's Registrar and Share Transfer Agent ("RTA") in case the shares are held by them in physical form, quoting your folio number.
16. **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 / REGISTRAR.**
17. **SEBI HAD, BY ITS NOTIFICATION NOS. SEBI/LAD-NRO/GN/2018/24 DATED 8TH JUNE 2018 AND SEBI/LAD-NRO/GN/2018/49 DATED 30TH NOVEMBER 2018, MANDATED THAT THE SECURITIES OF LISTED COMPANIES CAN BE TRANSFERRED IN DEMATERIALIZED FORM ONLY (EXCEPT IN CASE OF TRANSMISSION OR TRANSPOSITION OF SHARES), WITH EFFECT FROM 1ST APRIL 2019. IN VIEW OF THIS, MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO CONSIDER CONVERTING THEIR HOLDINGS TO DEMATERIALIZED FORM TO ELIMINATE ALL RISKS ASSOCIATED WITH PHYSICAL SHARES AND FOR EASE OF PORTFOLIO MANAGEMENT. MEMBERS CAN CONTACT DEPOSITORY PARTICIPANTS FOR ASSISTANCE IN THIS REGARD.**
18. 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.
19. The Results declared along with Scrutinizer's Report shall be placed on the Company's website [www.sakthifinance.com](http://www.sakthifinance.com), notice to confirm board of the Company and on the website of CDSL, [www.evotingindia.com](http://www.evotingindia.com) within two days after the voting on the Resolutions at the Sixty Third AGM of the Company, viz. on or before **Saturday, 19th December 2020** and communicated to BSE Limited, where the equity shares of the Company are listed.
20. To facilitate Members to receive this Notice electronically and cast their vote electronically, the Company has made special arrangement with SKDC Consultants Limited for registration of e-mail addresses in terms of the MCA Circulars. Eligible Members who have not submitted their e-mail address to SKDC Consultants Limited, are required to provide their e-mail address to SKDC, on or before 5:00 p.m. ("IST") on **Thursday, 10th December 2020**. This Notice and the procedure for remote e-Voting along with the log-in ID and password for remote e-Voting will be sent to the e-mail address provided by the member. The process for registration of e-mail address is as under:
  - a. **Members holding shares in physical form**  
 Members who have not registered their e-mail address with the company can obtain AGM Notice and Annual Report and/or log-in facility for remote e-voting, by sending scanned copy of following documents by e-mail to [investors@sakthifinance.com](mailto:investors@sakthifinance.com) :
    - i. a signed request letter mentioning your name, folio number and complete address
    - ii. self-attested scanned copy of the PAN card and
    - iii. self-attested scanned copy of any one of the

documents (such as Aadhaar Card, Driving Licence, Voter ID Card and Passport) towards proof of the address of the member as registered with the Company.

**b. Members holding shares in electronic form**

Members are requested to provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), Aadhaar (self attested scanned copy of Aadhaar Card) to [investors@sakthifinance.com](mailto:investors@sakthifinance.com).

The company shall co-ordinate with CDSL and arrange to provide the log-in credentials to the above mentioned shareholders.

21. In case of any queries, Members may write to [investors@sakthifinance.com](mailto:investors@sakthifinance.com) or [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

22. Permanent registration of their e-mail address:

Members are requested to register their e-mail address, in respect of electronic holdings with their Depository Participants concerned and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, 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 : [green@skdc-consultants.com](mailto:green@skdc-consultants.com), Website : [www.skdc-consultants.com](http://www.skdc-consultants.com).**

23. Those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated with their Depository Participants / SKDC to facilitate servicing of notices / documents / Annual Reports and other communications electronically to their e-mail address in future.

**24. Record Date and Dividend**

a. **Saturday, 19th September 2020** has been fixed as the Record Date for payment of dividend to the equity shareholders.

b. Pursuant to the Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act 2020 and amendments thereof. The shareholders are requested to update their PAN with Registrars & Share Transfer Agents, SKDC Consultants Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

c. A Resident individual shareholder with PAN and whose dividend is likely to exceed ₹ 5,000 and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to [green@skdc-consultants.com](mailto:green@skdc-consultants.com) on or before the end of the business hours of **Thursday, 10th December 2020**. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a highest rate of 20%.

d. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, any other document which may be required to avail the tax treaty benefits by sending an e-mail to [green@skdc-consultants.com](mailto:green@skdc-consultants.com). The above declarations and documents need to be submitted by the shareholders on or before the end of business hours of **Thursday, 10th December 2020**.

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

a. 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 mailed to the members of the company.

b. 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.

**26. Transfer to Investor Education and Protection Fund ("IEPF")**

**a. Transfer of unclaimed dividend**

In accordance with Sections 124, 125 of the Companies Act 2013, all unclaimed dividends up to the financial year ended 31st March 1997 and for the years ended 31st March 2007, 2011 and 2012 which remained unclaimed for a period of seven years have been transferred to the Investor Education and Protection Fund ("IEPF") of the Central Government. Members who have not encashed their dividend warrant(s) for the said years are requested to forward their claims by submitting Form IEPF - 5, which is available in the **website : [www.iepf.gov.in](http://www.iepf.gov.in).**

The unclaimed dividends in respect of the following years will be transferred to IEPF on various dates as detailed below:

Financial Year	Due date for transfer to IEPF
2012-13: Dividend on Equity Shares	2nd November 2020
2013-14: Dividend on Equity Shares	3rd November 2021
2014-15: Dividend on Equity Shares	4th November 2022
2015-16: Dividend on Equity Shares	31st October 2023
2016-17: Dividend on Equity Shares	1st November 2024
2017-18: Dividend on Equity Shares	31st October 2025
2018-19: Dividend on Equity Shares	30th October 2026

The Company urges all the Members to encash/claim their respective dividend during the prescribed period.

Members who have not encashed the dividend warrants so far in respect of the above periods, are requested to make their claim to SKDC Consultants Limited well in advance of the above due dates.

#### b. Transfer of shares to IEPF

The members may note that in case dividend is not claimed for seven consecutive years, besides transfer of the unclaimed dividend to IEPF, the Company shall transfer the shares in respect of which the dividend was so unclaimed to the dematerialized account of IEPF under Section 124(5) of the Companies Act 2013 and the IEPF Rules. Accordingly, the Company has transferred **4,18,393** equity shares of ₹10 each to the dematerialized account of IEPF authority during the financial years 2019 and 2020.

The Company had sent individual notices to all the members whose shares were due to be transferred to IEPF Authority and had also published newspaper advertisement in this regard.

The details of such unclaimed dividends and shares for the financial years are available on the company's website at [www.sakthifinance.com](http://www.sakthifinance.com) and on the website of Ministry of Corporate Affairs at <https://www.iepf.gov.in>.

27. Members are requested to support the Green Initiative by registering/ updating their e-mail addresses, with the Depository Participant (in case of Shares held in dematerialised form) or with SKDC Consultants Limited (in case of Shares held in physical form).

28. Since the AGM will be held through VC / OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not attached to the Notice.

#### 29. UPDATION OF MEMBER'S DETAILS

Members are requested to quote their Folio Number/ Client ID/DP ID in all their correspondences.

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act requires the Company / RTA to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend etc. A form for capturing the additional details is appended at the end of this Annual Report.

Members holding shares in physical form are requested to submit the filled in form to the Company or RTA. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

#### 30. VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules 2014, as amended and Regulation 44 of the Listing Regulations and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through Central Depository Services (India) Limited ("CDSL") in respect of the business to be transacted at AGM. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL. Members

of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **Thursday, 10th December 2020** may cast their vote either by remote e-voting as well as e-voting system as on date of AGM, if the member has not cast the vote using remote e-voting. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

The instructions for shareholders voting electronically are as under:

- a. The e-voting period begins on **Monday, 14th December 2020 (9.00 a.m) ("IST")** and ends on **Wednesday, 16th December 2020 (5.00 p.m) ("IST")**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, **Thursday, 10th December 2020**, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b. The shareholder should log on to the e-voting website **www.evotingindia.com**.
- c. Click on Shareholders
- d. 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.
- e. Next enter the Image Verification as displayed and Click on Log-in.
- f. If you are holding shares in dematerialised 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.
- g. If you are first time user, follow the steps given below:

For Shareholders holding shares in Demat Form or Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is being provided.
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 dematerialized account or in the Company records in order to log in. If both the details are not recorded with the depository or company, please enter the members ID/Folio Number in the dividend bank details field as mentioned in instruction (d).

- h. After entering these details appropriately, click on "SUBMIT" tab.
- i. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in dematerialised form will now reach 'Password Creation' menu wherein they are

required to mandatorily enter their log-in password in the new password field. Kindly note that this password is also to be used by the dematerialised holders for voting for resolutions of any other company 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. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- k. Click on the EVSN for "Sakthi Finance Limited" on which you choose to vote.
- l. 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.
- m. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- n. 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.
- o. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- p. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- q. If a dematerialised 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.
- r. 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.
- s. **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](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 e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the log-in details, a Compliance User should be created using the admin log-in 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 log-in should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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 Custodians, if any, should be uploaded in PDF format in the system for the scrutinizer to verify it.

- t. 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](http://www.evotingindia.com) under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### 31. Other instructions

- i. The voting period begins on **Monday, 14th December 2020 (9.00 a.m) ("IST")** and ends on **Wednesday, 16th December 2020 (5.00 p.m) ("IST")**. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **Thursday, 10th December 2020**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
- iii. 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](http://www.evotingindia.com) under help section or contact **Mr. Rakesh Dalvi, Manager, CDSL, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mills Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai - 400013** or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or calling on 022-23058738 or 022-23058543 or 022-23058542 during working hours on all working days.

### 32. Instruction for members for attending the AGM through VC / OAVM are as under:

- a. Member will be provided with a facility to attend the AGM through VC / OAVM through the CDSL e-voting system. Members may access the same at <https://www.evotingindia.com> under shareholders / members log-in by using the remote e-voting credentials. The link for VC / OAVM will be available in shareholder / members log-in where the EVSN of Company will be displayed.
- b. Members are encouraged to join the Meeting through Laptops / IPads for better experience. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of above glitches.
- c. For ease of conduct, Members who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/ folio number, e-mail id, mobile number at [investors@sakthifinance.com](mailto:investors@sakthifinance.com). The shareholders who

do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, e-mail id, mobile number at **investors@sakthifinance.com**. These queries will be replied to by the company suitably by e-mail.

### 33. Voting process and instruction regarding e-voting at AGM are as under:

- The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available in the AGM.

- Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

By Order of the Board  
For Sakthi Finance Limited

**S Venkatesh**

Company Secretary  
FCS 7012

11th November 2020  
Coimbatore-18

#### Registered Office:

62, Dr Nanjappa Road  
Coimbatore – 641 018

**CIN** : L65910TZ1955PLC000145

**Phone** : (0422) 2231471-74, 4236200

**Fax** : (0422) 2231915

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

**Website**: www.sakthifinance.com

## 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. 5 to 9 of the accompanying Notice dated **11th November 2020**.

### Item No.5

- Smt Priya Bhansali (DIN : 00195848) has been a Non-Executive, Independent Director of the Company since September 2015. She is also a member of Nomination and Remuneration Committee and Policy Review Committee of the Company. Smt Priya Bhansali was appointed as a Non-Executive, Independent Director by the members at the Fifty Eighth Annual General Meeting of the Company held on 28th September 2015, for a term up to five consecutive years from 28th September 2015 to 27th September 2020, not liable to retire by rotation. Smt Priya Bhansali is due for retirement from her first term as an Independent Director on 27th September 2020 as per Section 149(6) of the Companies Act 2013 ("the Act").
- As per Section 149(10) and (11) of the Act, an Independent Director can hold office for a term up to five consecutive years on the Board of a Company and can be re-appointed on passing of a Special Resolution by the Company and disclosure of such reappointment in the Board's Report. Smt Priya Bhansali fulfills the requirements of an Independent Director as laid down under Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations").
- Accordingly, Smt Priya Bhansali is eligible for reappointment for a second term on the Board of the Company as an Independent Director, not liable to retire by rotation, with effect from 28th September 2020 to 27th September 2025, subject to the approval of Members by a Special Resolution at this AGM.
- The Board of Directors, based on the recommendations of Nomination and Remuneration Committee, propose the re-appointment of Smt Priya Bhansali as an Independent Director. Pursuant to Section 160 of the Act, the Company has received a notice in writing from a member proposing the re-appointment of Smt Priya Bhansali for the office of Independent Director under Section 149 of the Act.
- Based on the performance evaluation of Smt Priya Bhansali and as per the recommendations of Nomination and Remuneration Committee, given her professional qualification, rich experience and expertise in Finance and Accounting, Direct Taxes, Audit, Joint Ventures, Foreign Investment and International Taxation etc for nearly three decades and her contributions to the deliberations and discussion at the meeting of the Board, the Board of Directors is of the opinion that Smt Priya Bhansali's continued association would be of immense benefit to the company and it is desirable to continue to avail the services of Smt Priya Bhansali as an Independent Director for a second term of office.
- The Company has also received from Smt Priya Bhansali:
  - consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules 2014
  - intimation in Form DIR-8 in terms of Rule 14 of the Companies (Appointment and Qualification of Directors) Rules 2014 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act 2013, confirming her eligibility for such re-appointment; and
  - a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act 2013.
- Smt Priya Bhansali has also confirmed that she satisfies the 'Fit and Proper' criteria as prescribed in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions 2016.



8. Further, as per Regulation 25(8) of the Listing Regulations, Smt Priya Bhansali has confirmed that she is not aware of any circumstance or situation which exists or may reasonably be anticipated that could impair or impact her ability to discharge her duties with an objective independent judgment and without any external influence. Smt Priya Bhansali has also confirmed that she is not debarred from holding the office of a Director by virtue of any SEBI Order or any such Authority pursuant to SEBI Circular dated 20th June 2018 circulated by BSE Limited relating to enforcement of SEBI Orders regarding appointment of Directors by listed companies.
  9. Smt Priya Bhansali has further provided a declaration pursuant to Rule 6(1) and (2) of the Companies (Appointment and Qualification of Directors) Rules 2014, as amended, affirming that she has registered her name with the Indian Institute of Corporate Affairs ("IICA"), Manesar for inclusion of her name in the Independent Directors' Data Bank and that she will renew her application for it, from time to time, till she continues to hold as an Independent Director of the Company. She has also successfully passed the examination conducted by the IICA to qualify for the Independent Directorship of the company.
  10. In the opinion of the Board and based on the Board's evaluation, Smt Priya Bhansali fulfills the conditions specified in the Act, Rules made thereunder and Listing Regulations for her reappointment as an Independent Director of the Company and she is independent of the management of the Company.
  11. A copy of the draft letter for the re-appointment of Smt Priya Bhansali as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the registered office of the Company during normal business hours on any working day up to the date of AGM.
  12. Smt Priya Bhansali holds a Graduate Degree in Commerce. She is also a Fellow Member of the Institute of Chartered Accountants of India and also holds a Diploma in Information System Audit ("DISA"). She is a partner in M/s. Kumbhat & Co, Chartered Accountants. She has been a practising Chartered Accountant for nearly three decades. She has experience and expertise in Direct Taxes, Audit, Joint Ventures, FDI and International Taxation, etc.
  13. Details of her Directorships and Committee Memberships held in other public companies are given in the Annexure to the notice.
  14. In compliance with Section 149 read with Schedule IV to the Act and Regulation 16 of the Listing Regulations and other applicable regulations, if any, the reappointment of Smt Priya Bhansali as an Independent Director is placed for the approval of the members as a Special Resolution.
  15. Accordingly, the Board of Directors recommend the Special Resolution set out in Item No 5 of the accompanying Notice for the consideration and approval of the members.
  16. Except Smt Priya Bhansali, none of the Directors or Key Managerial Personnel ("KMP") of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution set out above.
- Item No.6**
1. Sri K P Ramakrishnan (DIN : 07029959) has been a Non-Executive, Independent Director of the Company since September 2015. He is also the member of Audit Committee and Policy Review Committee of the Company. Sri K P Ramakrishnan was appointed as a Non-Executive, Independent Director by the members at the Fifty Eighth Annual General Meeting held on 28th September 2015, for a term up to five consecutive years from 28th September 2015 to 27th September 2020, not liable to retire by rotation. Sri K P Ramakrishnan is due for retirement from his first term as an Independent Director on 27th September 2020 as per Section 149(6) of the Companies Act 2013 ("the Act").
  2. As per Section 149(10) and (11) of the Act, an Independent Director can hold office for a term up to five consecutive years on the Board of a Company and can be re-appointed on passing of a special resolution by the Company and disclosure of such reappointment in the Board's Report. Sri K P Ramakrishnan fulfills the requirements of an Independent Director as laid down under Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations").
  3. Accordingly, Sri K P Ramakrishnan is eligible for reappointment for a second term on the Board of the Company as an Independent Director, not liable to retire by rotation, with effect from 28th September 2020 to 27th September 2025, subject to the approval of Members by a Special Resolution at this AGM.
  4. The Board of Directors, based on the recommendations of Nomination and Remuneration Committee, propose the reappointment of Sri K P Ramakrishnan as an Independent Director. Pursuant to Section 160 of the Act, the Company has received a notice in writing from a member proposing the reappointment of Sri K P Ramakrishnan for the office of Independent Director under Section 149 of the Act.
  5. Based on the performance evaluation of Sri K P Ramakrishnan and as per the recommendations of Nomination and Remuneration Committee, given his rich and varied experience in banking and finance, gained over a period of more than three decades in banking sector and his contributions to the deliberations and discussion at the meeting of the Board, the Board of Directors is of the opinion that Sri K P Ramakrishnan's continued association would be of immense benefit to the company and it is desirable to continue to avail the services of Sri K P Ramakrishnan as an Independent Director for a second term of office.
  6. The Company has received from Sri K P Ramakrishnan:
    - a. consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules 2014

- b. intimation in Form DIR-8 in terms of Rule 14 of the Companies (Appointment and Qualification of Directors) Rules 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act 2013, confirming his eligibility for such reappointment; and
  - c. a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act 2013.
7. Sri K P Ramakrishnan has also confirmed that he satisfies the 'Fit and Proper' criteria as prescribed in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions 2016.
  8. Further, as per Regulation 25(8) of the Listing Regulations, Sri K P Ramakrishnan has confirmed that he is not aware of any circumstance or situation which exists or may reasonably be anticipated that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. Sri K P Ramakrishnan has also confirmed that he is not debarred from holding the office of a Director by virtue of any SEBI Order or any such Authority pursuant to SEBI Circular dated 20th June 2018 circulated by BSE Limited relating to enforcement of SEBI Orders regarding appointment of Directors by listed companies.
  9. Sri K P Ramakrishnan has further provided a declaration pursuant to Rule 6(1) and (2) of the Companies (Appointment and Qualification of Directors) Rules 2014, as amended, affirming that he has successfully registered his name with the Indian Institute of Corporate Affairs ("IICA"), Manesar for inclusion of his name in the Independent Directors' Data Bank and that he will renew his application for it, from time to time, till he continues to hold as an Independent Director of the Company.
  10. Sri K P Ramakrishnan has confirmed that he had already served as an Independent Director of listed and unlisted public companies for more than ten years. As such, he has been exempted from the examination conducted by IICA to qualify for an Independent Directorship of the company.
  11. In the opinion of the Board and based on the Board's evaluation, Sri K P Ramakrishnan fulfills the conditions specified in the Act, Rules made thereunder and Listing Regulations for his reappointment as an Independent Director of the Company and he is independent of the management of the Company.
  12. A copy of the draft letter for the reappointment of Sri K P Ramakrishnan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the registered office of the Company during normal business hours on any working day up to the date of AGM.
  13. Sri K P Ramakrishnan holds a Graduate Degree in Engineering from Indian Institute of Technology, Chennai. He was former Chief General Manager of IDBI Bank Limited. He has rich and varied experience in banking and finance, gained over a period of more than three decades in banking sector.
  14. Details of his Directorships and Committee Memberships held in other public companies are given in the **Annexure** to the notice.
  15. In compliance with Section 149 read with Schedule IV to the Act and Regulation 16 of the Listing Regulations and other applicable regulations, if any, the reappointment of Sri K P Ramakrishnan as an Independent Director is placed for the approval of the members as a Special Resolution.
  16. Accordingly, the Board of Directors recommend the Special Resolution set out in Item No 6 of the accompanying Notice for the consideration and approval of the members.
  17. Except Sri K P Ramakrishnan, none of the Directors or Key Managerial Personnel ("KMP") or their relatives, is concerned or interested, financially or otherwise, in the Special Resolution set out above.
- Item No.7**
1. At the 58th Annual General Meeting of the Company held on 28th September 2015 members had approved reappointment of Sri M Balasubramaniam as Managing Director of the company for a period of five years with effect from 29th September 2015. His present term of office as Managing Director is valid up to 28th September 2020.
  2. Considering his significant contributions made to the company during his tenure of office, the Board of Directors have, at their meeting held on 24th August 2020, based on the recommendation of Nomination and Remuneration Committee, reappointed him, subject to the approval of members, as Managing Director for a further period of five years with effect from 29th September 2020 on the terms and conditions set out in the resolutions which are placed before the members for their approval. As per Section 203 of the Act, Managing Director is a Key Managerial Personnel ("KMP") of the Company.
  3. Sri M Balasubramaniam holds a Master's degree in Commerce from Madras University and a Master's Degree in Business Administration from Notre Dame University, USA. He joined the company as a Director in the year 1985 and has been the Managing Director of the company since 1990. He is also a Director of Sakthi Sugars Limited and other public limited companies. He is a member of Southern Regional Committee of All India Council for Technical Education ("AICTE").
  4. During his long association with Company, the Company has gained from strength to strength under his outstanding leadership. Further, considering the qualifications, experience and expertise, his continued association would be of immense benefit to the Company and hence it is desirable to continue of avail of his services as Managing Director of the company.
  5. The Company has received a notice in writing pursuant to Section 160 of the Companies Act 2013 from a member proposing the reappointment of Sri M Balasubramaniam for the office of Director of the Company.

6. Sri M Balasubramaniam has submitted the following documents:
  - a. consent in writing to be a Director in Form DIR-2
  - b. intimation in Form DIR-8 to the effect that he is not disqualified under Section 164(4) of the Companies Act 2013.
7. Sri M Balasubramaniam has confirmed that he satisfies the 'Fit and Proper' criteria as prescribed in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions 2016.
8. Sri M Balasubramaniam has also confirmed that he is not debarred from holding the office of a Director by virtue of any SEBI Order or any such Authority pursuant to SEBI Circular dated 20th June 2018 circulated by BSE Limited relating to enforcement of SEBI Orders regarding appointment of Directors by listed companies.
9. Details of his Directorships and Committee Memberships held in other public companies are given in the **Annexure** to the notice.
10. The following additional information as required by Schedule V to the Companies Act 2013 is given below:

#### I. General Information

- i. Nature of Industry  
The Company has been in the business of financing for Commercial Vehicles, Infrastructure equipments and Machineries, etc.
- ii. Date or expected date of commencement of commercial production  
The Company was incorporated on 30th March 1955 and started Commencement of business immediately.
- iii. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not applicable.
- iv. Financial performance based on given indicators – as per audited financial results for the year ended 31st March 2020.

Particulars	(₹ lakhs)
Gross Turnover and Other Income	17,023.01
Net profit as per Statement of Profit and Loss (After Tax)	1,117.94
Computation of Net Profit in accordance with Section 198 of the Companies Act, 2013	1,450.44
Net worth	15,357

- v. Foreign investments or collaborators, if any:  
Not applicable.

#### II. Information about the appointee:

- i. **Background details:** Information furnished in the Annexure to Notice.
- ii. Past remuneration during the financial year ended 31st March 2020: ₹ 114.19 lakhs

- iii. **Recognition or awards:** Not Applicable

#### iv. Job Profile and Suitability :

Sri M Balasubramaniam holds a Post graduate degree in Commerce and a Masters Degree in Business Administration in Finance from Notre Dame University, USA.

Sri M Balasubramaniam joined the Company as Director from 1985 and he has been the Managing Director of the company since 29th September 1990 and Vice Chairman and Managing Director of the Company from 24th October 2007.

During his long tenure, the company has achieved all-round performance. During the financial year 2019-20, the Company has crossed ₹1,200 crore mark in total asset size under his very able stewardship.

Considering the qualifications, experience, integrity and expertise of Sri M Balasubramaniam in the finance industry, he will be eminently qualified for being appointed as Managing Director of the company for a further period of 5 years with effect from 29th September 2020.

#### v. Remuneration proposed

The present term of office of Managing Director is valid up to 28th September 2020. Sri M Balasubramaniam is proposed to be reappointed as Managing Director for a further period of five (5) years with effect from 29th September 2020 on the following terms and conditions:

Salary	₹ 3,00,000 per month
Perquisites	Not exceeding the Annual Salary as may be decided by the Board of Directors from time to time. In addition to the salary, Sri M Balasubramaniam shall also be entitled to the following perquisites: a. Contribution to Provident and Superannuation Funds to the extent not taxable under Income Tax Act 1961 b. Gratuity at the rate of half a month's salary for each completed year of service c. Encashment of leave at the end of tenure as per rules of the Company
Commission	3% on the Net Profits of the Company, subject to a maximum ceiling specified in Section I of Part II of Schedule V to the Act

- vi. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)**

The proposed remuneration to Sri M Balasubramaniam has been fixed after considering the size of the business, his qualification and the responsibilities shouldered for the effective management of the company.

The remuneration proposed to be paid to him, is also commensurate with the remuneration given to his position / level by the same industry or similar companies.

**vii. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Besides the remuneration proposed to be paid to him, the Managing Director does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

**III. Other Information**

- i. **Reasons of loss or inadequate profits** : Not applicable, as the Company has posted a net profit after tax of ₹ 1,117.94 lakhs during the year ended 31st March 2020.
- ii. **Steps taken or proposed to be taken for improvement** - Not Applicable
- iii. **Expected increase in productivity and profits in measurable terms**: Not applicable as the Company has adequate profits.

11. Except Sri M Balasubramaniam, Vice Chairman and Managing Director, Dr M Manickam, Chairman and Sri M Srinivaasan, Director and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel ("KMP") of

the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice. None of the Directors and KMP of the Company are *interse* related to each other.

12. Accordingly, the Board of Directors recommend the Special Resolution set out in Item No 7 of the accompanying Notice for the consideration and approval of the members.

13. The above terms and conditions may also be treated as an abstract under Section 190 of the Companies Act 2013.

**Item No.8**

To increase net worth, to strengthen the Capital Adequacy Ratio and to meet the Working Capital requirements of the Company, the company intends to issue, in one or more tranches, 15,00,000 Redeemable, Cumulative, Preference Shares of ₹ 100 each for an amount not exceeding ₹ 15 crore on private placement basis to such person(s) identified by the Board of Directors of the Company (hereinafter referred to as "**the Board**" which term shall be deemed to include any duly constituted / to be constituted Committee of the Board thereof to exercise its powers including powers conferred by this resolution) in their absolute discretion whether or not such persons are members of the Company on such terms and conditions as may be decided by the Board of Directors at their discretion.

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

The terms and conditions of the preference shares shall be subject to the provisions of the Companies Act 2013 and the related rules under the Act and the Memorandum and Articles of Association of the Company.

**As required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules 2014, the material facts in relation to the above issue of Preference Shares, Rule 13(2) of the Companies (Share Capital and Debentures) Rules 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014, to the extent applicable are as follows:**

a	Particulars of the offer including date of passing of Board resolution	Preference Shares Date of Board Meeting : 30th July 2020
b	Size of the issue and the number of preference shares to be issued and the nominal value of each share	The Company proposes to issue and allot up to 15,00,000 (Fifteen Lakhs only) Redeemable, Cumulative, Preference Shares of face value of ₹ 100 each for cash at par aggregating a nominal value not exceeding ₹ 15 crore to various persons/entities identified by the Board of Directors of the Company (hereinafter referred to as " <b>the Board</b> " which term shall be deemed to include duly constituted / to be constituted Committee of the Board thereof to exercise its powers including powers conferred by this resolution) and whether or not they are members of the Company
c	Nature of such shares. i.e cumulative or non-cumulative, participating or non-participating, convertible or non-convertible	Redeemable, Cumulative, Non-participating and Non-Convertible Preference Shares
d	Objectives of the issue	To increase net worth, to strengthen the Capital Adequacy Ratio and to meet the Working Capital requirements of the Company
e	Manner of issue of shares	On private placement basis
f	Price at which such shares are proposed to be issued	At par
g	Basis on which the price has been arrived at	None

h	Name and address of valuer who performed valuation	Not applicable																					
i	Terms of issue, including terms and rate of dividend on each share etc	As mentioned in the resolution in item No 8 and the rate of dividend will be decided by Board of Directors																					
j	Terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion	The period of redemption would be based on the cash flows of the Company for its business requirements and would be decided by the Board of Directors but in no case shall exceed a period of 20 years from the date of issue. Redemption of preference shares at premium is not applicable and there is no conversion of shares																					
k	Manner and modes of redemption	Out of profits and /or out of fresh issue of capital																					
l	Current shareholding pattern of the Company	Equity shareholding pattern as on 30th September 2020* : <table border="1" data-bbox="805 604 1471 1050"> <thead> <tr> <th>Category</th> <th>No of Shares</th> <th>% of equity capital</th> </tr> </thead> <tbody> <tr> <td>Promoter and Promoter Group</td> <td>4,33,63,007</td> <td>67.02</td> </tr> <tr> <td>Financial Institutions, Mutual Funds and Banks</td> <td>900</td> <td>0.00</td> </tr> <tr> <td>Bodies Corporate including Overseas Corporate Body</td> <td>1,57,14,554</td> <td>24.29</td> </tr> <tr> <td>Non Resident Indians</td> <td>47,186</td> <td>0.07</td> </tr> <tr> <td>Resident Individuals and Others</td> <td>55,80,235</td> <td>8.62</td> </tr> <tr> <td><b>Total</b></td> <td><b>6,47,05,882</b></td> <td><b>100.00</b></td> </tr> </tbody> </table> <p>* Detailed shareholding pattern is available on the website of the Company, i.e. <a href="http://www.sakthifinance.com">www.sakthifinance.com</a> and also available on the website of the BSE Ltd i.e <a href="http://www.bseindia.com">www.bseindia.com</a>.</p>	Category	No of Shares	% of equity capital	Promoter and Promoter Group	4,33,63,007	67.02	Financial Institutions, Mutual Funds and Banks	900	0.00	Bodies Corporate including Overseas Corporate Body	1,57,14,554	24.29	Non Resident Indians	47,186	0.07	Resident Individuals and Others	55,80,235	8.62	<b>Total</b>	<b>6,47,05,882</b>	<b>100.00</b>
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m	Expected dilution in equity share capital upon conversion of preference shares	Not applicable																					
n	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	None of the Promoters or Directors is interested in the offer.																					
o	Principal terms of assets charged as security, if applicable	Not applicable																					

Accordingly, the Board of Directors recommend the Special Resolution set out in Item No 8 of the accompanying Notice for the consideration and approval of the members.

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

#### Item No.9

As per the provisions of Section 42 and 71 of the Companies Act 2013 ("the Act") 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), 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 in a year for all the offers and invitations for such NCDs during the year.

Borrowings through NCDs and other debt securities, issued on private placement basis form significant source of funds

for the Company. The borrowings of the Company presently aggregate approximately to ₹ 983.74 crore, of which Secured or Unsecured NCDs, Subordinated bonds and other debt securities, privately placed, aggregate approximately to ₹ 364.06 crore.

The Company expects to borrow an amount not exceeding ₹ 500 crore by way of NCDs and other debt securities during the period commencing from the conclusion of the Sixty Third Annual General Meeting until the conclusion of Sixty Fourth Annual General Meeting. The issue proceeds are expected to be used to fund the hire purchase finance operations of the Company and for general working capital purposes.

Hence, the approval of the Members is being sought by way of a Special Resolution for the proposed issue of NCDs 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 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.

As required under Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014 and Rule 13(2) of the Companies (Share Capital and Debentures) Rules 2014, to the extent applicable, the material facts in relation to the above issue of NCDs and other debt securities are as follows:

Particulars of the offer including date of passing of Board resolution	Secured / Unsecured Redeemable, Non-Convertible Debentures ("NCDs") and Other Debt Securities in one or more series or tranches Date of Board Meeting : 24th August 2020
Kinds of securities offered and the price at which security is being offered	NCDs and other Debt Securities Face Value of NCDs : ₹ 1,000 each Other Debt Securities : At the discretion of the Board of Directors at the time of Issue
Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Not applicable
Name and address of valuer who performed valuation	Not applicable
Amount which the company intends to raise by way of such securities	For an amount not exceeding ₹ 500 crores in aggregate
Material Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment	<b>Terms :</b> NCDs : 15 to 36 months Other Debt Securities : At the discretion of the Board of Directors at the time of Issue Interest Rate : Not exceeding 12% p.a. Mode of payment : NEFT / Cheque / DD Repayment : NEFT / Cheque / DD on the date of maturity
Proposed time schedule for which the offer letter is valid	Validity commencing from the conclusion of this AGM until the conclusion of next AGM.
Purposes and objects of the offer	To finance the business operations and increased working capital requirements of the Company.
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	None of the Promoters or Directors is interested in the offer.
Principal terms of assets charged as security, if applicable	Secured NCDs : Security cover will be 1.10 times of the debenture value.

Accordingly, the Board of Directors recommend the Special Resolution as set out in Item No 9 of the accompanying Notice for the consideration and approval of the members.

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

By Order of the Board  
For Sakthi Finance Limited

**S Venkatesh**  
Company Secretary  
FCS 7012

11th November 2020  
Coimbatore

**Registered Office:**

62, Dr Nanjappa Road  
Coimbatore – 641 018

**CIN** : L65910TZ1955PLC000145

**Phone** : (0422) 2231471-74, 4236200

**Fax** : (0422) 2231915

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

**Website** : www.sakthifinance.com

**DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE SIXTY THIRD 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 the Director	<b>Dr M Manickam</b>	<b>Smt Priya Bhansali</b>
Item No	4	5
Director Identification Number ("DIN")	00102233	00195848
Date of birth and age	24th March 1956, 64 years	25th March 1966, 54 years
Date of appointment on the Board	11th December 1990	31st March 2015 (Addl Director - Independent) 28th September 2015 (Independent Director)
Qualifications	Master's Degree in Statistics from Madras University and a Master's Degree in Business Administration from University of Michigan, USA	Graduate Degree in Commerce from Madras University. Fellow Member of the Institute of Chartered Accountants of India ("ICAI") and a Diploma Holder in Information System Audit from ICAI
No of Board Meetings attended during the year out of 6 meetings	6 out of 6	6 out of 6
Expertise in specific functional areas	He has an experience of about 39 years in the field of Business and Industries. He plays an advisory role in SFL. He is the Chairman and Managing Director of Sakthi Sugars Limited. He is also Chairman and Managing Director of Sakthi Auto Component Limited. In recognition of his contribution for Management of Agro Processing Industries and Agricultural Development, he was awarded the "Doctor of Science" ( <i>Honoris Causa</i> ) by Tamilnadu Agricultural University, Coimbatore in July 2010. He was the President of Indian Sugar Mills Association during 1996-97	She is a partner in M/s Kumbhat & Co, Chartered Accountants. She has been practicing as a Chartered Accountant for nearly three decades. She has experience in Direct Taxes, Audit, Joint Ventures, Foreign Direct Investment and International Taxation etc.
Directorships held in other Companies	<b>Listed Public Companies</b> 1. Kovai Medical Center and Hospitals Ltd 2. Sakthi Sugars Limited <b>Unlisted Public Companies</b> 1. A B T Limited 2. ABT Foods Retailing (India) Limited 3. Sakthi Auto Component Limited 4. Sakthi Properties (Coimbatore) Limited 5. Sri Chamundeswari Sugars Limited 6. The Gounder and Company Auto Limited <b>Private Limited Companies</b> 1. A B T Info Systems Private Limited 2. Anamallais Bus Transport Private Limited 3. Nachimuthu Industrial Association	<b>Listed Public Company</b> 1. Sakthi Sugars Limited <b>Private Limited Company</b> 1. Ishita Advisory Services Private Limited
Memberships / Chairmanships of committee across public companies	<b>Stakeholders' Relationship Committee:</b> <b>Chairman:</b> Sakthi Finance Limited <b>Member:</b> Sakthi Sugars Limited	<b>Nomination and Remuneration Committee:</b> <b>Member:</b> Sakthi Finance Limited <b>Policy Review Committee - Member:</b> Sakthi Finance Limited <b>Audit Committee - Member:</b> Sakthi Sugars Limited
No of equity shares held	92,813	Nil
Last drawn remuneration	₹ 1.20 lakhs (Sitting Fees)	₹ 2.00 lakhs (Sitting Fees)
Relationship with other directors	Brother of Sri. M. Balasubramaniam Vice Chairman and Managing Director and Sri. M. Srinivaasan, Director	None

Name of the Director	<b>Sri K P Ramakrishnan</b>	<b>Sri M Balasubramaniam</b>
Item No	6	7
Director Identification Number ("DIN")	07029959	00377053
Date of birth and age	16th October 1954, 66 years	20th September 1958, 62 years
Date of appointment on the Board	30th May 2015 (Additional Director - Independent) 28th September 2015 (Independent Director)	21st August 1985
Qualifications	He holds a Bachelor's degree in Engineering from Indian Institute of Technology, Chennai	He holds Master's Degree in Commerce from Madras University and a Master's Degree in Business Administration from Notre Dame University, USA.
No of Board Meetings attended during the year out of 6 meetings	6 out of 6	5 out of 6
Expertise in specific functional areas	He was Chief General Manager of IDBI Bank Limited and has got more than three decades of experience in Banking and Finance	He has experience of 34 years in the field of finance, auto and sugar industries. He was Chairman of Coimbatore Zone of Confederation of Indian Industry and also a member of Management Committee of Coimbatore Management Association. He is a member of Southern Regional Committee of All India Council for Technical Education ("AICTE")
Directorships held in other companies	<b>Unlisted Public Companies</b> 1 TDT Copper Limited <b>Private Limited Company</b> 1. Think Capital Private Limited	<b>Listed Public Companies</b> Sakthi Sugars Limited <b>Unlisted Public Companies</b> 1. A B T Limited 2. ABT Foods Retailing (India) Limited 3. ABT Properties Limited 4. Sakthi Auto Component Limited 5. Sakthifinance Financial Services Limited 6. Sri Chamundeswari Sugars Limited 7. The Gounder and Company Auto Limited <b>Private Limited Companies</b> 1. Anamallais Bus Transport Private Limited 2. Coimbatore Innovation and Business Incubator 3. Nachimuthu Industrial Association
Membership / Chairmanship of committees across public companies	<b>Audit Committee</b> <b>Member</b> : Sakthi Finance Limited <b>Policy Review Committee</b> <b>Member</b> : Sakthi Finance Limited	<b>Stakeholders' Relationship Committee</b> <b>Member</b> 1. Sakthi Sugars Limited 2. Sakthi Finance Limited <b>Policy Review Committee - Chairman:</b> Sakthi Finance Limited <b>CSR Committee - Member:</b> Sakthi Finance Limited
No of equity shares held	Nil	1,92,000
Last drawn Remuneration	₹ 2.80 lakhs (Sitting Fees)	₹ 114.29 lakhs
Relationship with other directors	None	Brother of Dr M Manickam, Chairman and Sri. M. Srinivaasan, Director