

# SAKTHI FINANCE

AN EDIFICE BUILT ON TRUST

## SAKTHI FINANCE LIMITED

(CIN : L65910TZ1955PLC000145)

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

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

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

## NOTICE TO MEMBERS

NOTICE is hereby given that the Fifty Seventh Annual General Meeting of the members of the Company will be held on Saturday, 27th September 2014 at 3.30 p.m at Smt. Padmavathi Ammal Cultural Centre, 1548, Avanashi Road, Peelamedu, Coimbatore - 641 004 to transact the following business.

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

### ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March 2014 including audited Balance Sheet as at 31st March 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors.
2. To confirm the Interim Dividend of Rs 10 per share declared by the Board of Directors on Preference Shares.
3. To declare a dividend of Rs 1 per share on Equity Shares.
4. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and the rules made under the Act and pursuant to the recommendations of the Audit Committee of the Board, the Company do hereby appoint the retiring Auditors of the Company as Statutory Auditors for a further period as under:

- a. M/s P N Raghavendra Rao & Co., Chartered Accountants, (Firm Regn.No.003328S) shall hold office for a period of three years from the conclusion of this Annual General Meeting till the conclusion of 60th Annual General Meeting.
- b. The appointment of Auditors as above shall be subject to the ratification by the members at every Annual General Meeting in accordance with the first proviso to Section 139(1) of the Companies Act 2013 or as may be amended or clarified by the Government from time to time.
- c. The Board of Directors be and is hereby authorised to fix their remuneration on the recommendation of Audit Committee each year.

### SPECIAL BUSINESS

#### 5. APPOINTMENT OF SRI A SHANMUGASUNDARAM AS AN INDEPENDENT DIRECTOR

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Sri. A Shanmugasundaram (DIN : 00001434), Director of the Company who retires by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act 2013, signifying his intention to propose Sri. A Shanmugasundaram as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from 27th September 2014 and is not liable to retire by rotation.

## **6. APPOINTMENT OF SRI S RAGOTHAMAN AS AN INDEPENDENT DIRECTOR**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Sri.S.Ragothaman (DIN:00042395), Director of the Company who retires by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act 2013, signifying his intention to propose Sri.S.Ragothaman as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from 27th September 2014 and is not liable to retire by rotation.

## **7. APPOINTMENT OF DR A SELVAKUMAR AS AN INDEPENDENT DIRECTOR**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr.A Selvakumar (DIN:01099806), Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act 2013 signifying his intention to propose Dr.A Selvakumar as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from 27th September 2014 and is not liable to retire by rotation.

## **8. APPOINTMENT OF SRI P S GOPALAKRISHNAN AS AN INDEPENDENT DIRECTOR**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Sri. P S Gopalakrishnan (DIN:00001446) Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act 2013 signifying his intention to propose Sri. P S Gopalakrishnan as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from 27th September 2014 and is not liable to retire by rotation.

## **9. PRIVATE PLACEMENT OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES AND / OR OTHER DEBT SECURITIES**

To consider and, if thought fit, to pass with or without modification, the following Resolutions as Special Resolutions:

RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, as may be amended from time to time and subject to such other Regulations / Guidelines, the approval of the members be and is hereby accorded for accepting subscriptions for Secured, Redeemable, Non-Convertible Debentures ("SRNCDs"), subordinated bonds and / or other debt securities on private placement basis, in one or more tranches, during the period of one year from the date of passing of the Special Resolution by the members, within the overall borrowing limits of the Company, as approved by the Members.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof), be and is hereby authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient, including determining the terms and conditions of the SRNCDs, Subordinated bonds and other debt securities, to give effect to the above Resolution.

## 10. ISSUE OF REDEEMABLE CUMULATIVE PREFERENCE SHARES

To consider and if thought fit, to pass with or without modification(s), the following Resolutions as Special Resolutions:

RESOLVED THAT pursuant to Section 55 of the Companies Act 2013 read with Companies (Share Capital and Debentures) Rules 2014, Section 42 read with Companies (Prospectus and Allotment of Securities) Rules 2014 and all other applicable provisions of the Companies Act 2013, approval of the members be and is hereby accorded to the Board of Directors to issue and allot 20,00,000 10% Redeemable Cumulative Preference Shares of Rs.100 each for an aggregate amount not exceeding Rs.20 Crores on private placement basis to person(s) identified by the Company in their absolute discretion whether or not such person(s) are members of the Company, on such terms and conditions of redemption as the Board of Directors may in their absolute discretion determine and subject to the following rights:

- a. 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.
- b. 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 assets.
- c. 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.
- d. The said shares will not be converted into equity shares.
- e. The voting rights of the persons holding the said shares shall be in accordance with Section 47(2) of the Companies Act 2013.
- f. 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 but not later than a period exceeding twenty years.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized on behalf of the Company to do all such acts, deeds and matters and things as it may at its 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 it may in its absolute discretion deem fit and proper to give effect to the resolution.

RESOLVED FURTHER THAT the Board of Directors be and are 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.

### NOTES

1. The Explanatory Statement as required under Section 102 of the Companies Act 2013 setting out the material facts in respect of Special Business under Item Nos.5 to 10 is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is attached. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. As required under Clause 49(IV)(G) of the Listing Agreement, the relevant details of directors seeking appointment /re-appointment under Item Nos.5 to 8 are annexed. The Directors have furnished the requisite declarations for their appointment/re-appointment.
4. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m and 1.00 p.m up to the date of the Annual General Meeting.

5. The Register of Members and Share Transfer Books of the company will remain closed from Wednesday, 24th September 2014 to Saturday, 27th September 2014, both days inclusive.
6. The dividend, if declared at the Annual General Meeting, will be paid after 27th September 2014 to those persons or their mandatees:
  - a. whose names appear as Beneficial Owners as at the end of the business hours on Tuesday, 23rd September 2014 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
  - b. whose names appear as Members in the Registrar of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / its Registrar and Transfer Agents on or before Tuesday, 23rd September 2014.
7. a. As per Section 205A of the Companies Act 1956, all unclaimed dividends up to the financial year ended 31st March 1994 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed their dividend warrant(s) for the said years are requested to forward their claims to Registrar of Companies, Stock Exchange Building, Second Floor, 683 - 686, Trichy Road, Singanallur, Coimbatore - 641 005 in the prescribed Form No.II under The Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules 1978.
- b. As per Section 205A(5) of the Companies Act 1956, the Company has transferred all unclaimed dividends for the financial years ended 31st March 1995 to 1997 and for the year ended 31st March 2007 which remained unclaimed for a period of seven years to the Investor Education and Protection Fund.

Members are informed that no claims shall lie against the fund or the company in respect of individual amounts which were unclaimed or unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of each such claim.

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

Financial year	Tentative Month and year for Transfer to IEPF
2010 - 11 Dividend on Equity Shares	3rd November 2018
2011 - 12 Dividend on Equity Shares	2nd November 2019
2012 - 13 Dividend on Equity Shares	1st November 2020

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

The details of unclaimed dividends for the financial years 2010-11 to 2012-13 are available on the company's website at **[www.sakthifinance.com](http://www.sakthifinance.com)**.

8. Shareholders are requested to provide Bank Account details such as name of Account Holder, Account Number, IFS Code and name of bank and branch to facilitate electronic transfer of dividend amount. The details may please be provided well in time in the form given in the Annual Report which will be sent separately to the members of the company.
9. Members holding shares in electronic form are informed that Bank particulars registered against their respective depository account will be used by the company for payment of dividend. The Company or its Registrars can not act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the depository participant of the members.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

11. Members holding shares:
  - a. in physical form are requested to:
    - i. intimate to the Company's Registrar and Transfer Agents, SKDC Consultants Limited, "Kanapathy Towers", Third Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006, changes, if any, in their registered address at an early date.
    - ii. consolidate their holdings into a single folio in case they hold shares under multiple folios in the identical order of name.
  - b. in electronic form are requested to intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date.
12. Members are requested to quote their Folio Number / Client ID / DP ID in all their correspondences.
13. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of it. For members who have not registered their e-mail ID, physical copies of the Annual Report for the year 2014 is being sent in the permitted mode.
14. Electronic copy of the Notice of the 57th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail ID, physical copies of the Notice of the 57th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
15. Members may also note that the Notice of the 57th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website [www.sakthifinance.com](http://www.sakthifinance.com) for their download. The physical copies of the documents will also be available at the Company's Registered Office in Coimbatore for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for it, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor e-mail id: [svenkatesh\\_shares@sakthifinance.com](mailto:svenkatesh_shares@sakthifinance.com).

### **Voting through electronic means**

In compliance with provisions of Clause 35B of the Listing Agreement read with Section 108 of the Companies Act 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide members facility to exercise their right to vote at the 57th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for e-voting are as under:

- a. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- b. Click on "Shareholders" tab
- c. Now enter your User ID:
  - (i) For CDSL : 16 digits beneficiary ID
  - (ii) For NSDL : 8 character DP ID followed by 8 Digits Client ID
  - (iii) Members holding shares in Physical Form should enter Folio Number registered with the Company (6 Digit Alpha Numeric)
  - (iv) Next enter the image verification code as displayed and click on login.
- d. If you are holding shares in electronic form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of the Company, then your existing password is to be used.
- e. For shareholders holding shares in physical form and first time users holding shares in electronic form, the steps given below are to be followed:

PAN	<p>Enter your 10 digit alpha numeric PAN issued by Income tax Department (applicable for both demat shareholders as well as physical shareholders)</p> <ol style="list-style-type: none"> <li>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 Demat Account Number/ Folio Number in the PAN field.</li> <li>In case the folio 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.</li> </ol> <p>E.g. If your name is Ramesh Kumar with Folio Number R12345, then enter RA00R12345 in the PAN field</p>
DOB	Enter the Date of Birth as recorded in your demat account in dd/mm/yyyy format
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio</p> <ol style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the number of shares held by you as on the cut-off date in the Dividend Bank Details field.</li> </ol>

- After entering these details appropriately, click on "SUBMIT" tab.
- For Members holding shares in physical form, the login details can be used only for e-voting on the resolution contained in this Notice. On logging in, members holding shares in physical form will be directed to the Company selection screen.
- Members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the electronic holders for voting on resolutions of other companies, as well, on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- Click on EVSN for Sakthi Finance Limited.
- 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.
- Click on the "Resolutions File" Link if you wish to view the entire Notice.
- After selecting the Resolution you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click "CANCEL" and accordingly modify your vote.
- Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- You can also take a print of the voting done by you.
- If an electronic account holder has forgotten the set password, then he has a "Forgot Password" option to reset the password.
- Note for Institutional Shareholders:
  - Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details, they have to create a Compliance user id using the admin login and password. The Compliance user id would be able to link the account(s) for which they wish to vote on.
  - The list of accounts 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 Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify it.
- q. In case of any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) e-voting user manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Other instructions:**

- a. The e-voting period commences on 21st September 2014 (9:00 am) and ends on 23rd September 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- b. The voting rights of the members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on the cut-off date, 22nd August 2014.
- c. Mr. K. Murali Mohan FCA, Chartered Accountant (Membership No. 14328) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- d. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and submit a Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman / Vice Chairman and Managing Director of the Company.
- e. In terms of Clause 35B of the Listing Agreement, those members who do not have access to e-voting facility may return the duly completed Ballot Form (in lieu of e-voting) in the enclosed self-addressed Business Reply Envelope so as to reach the Scrutinizer not later than 23rd September 2014.

Members have the option to request for a physical copy of the Ballot Form by sending an e-mail to [svenkatesh@sakthifinance.com](mailto:svenkatesh@sakthifinance.com) by mentioning their Folio No./ DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutiniser not later than 23rd September 2014. Ballot Forms received after this date will be treated as invalid.

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

- f. The Results declared along with Scrutinizer's Report shall be placed on the Company's website [www.sakthifinance.com](http://www.sakthifinance.com) and on the website of CDSL [www.evoting.cdsl.com](http://www.evoting.cdsl.com) within two days of the passing of the Resolutions at the 57th AGM of the Company on 27th September 2014 and communicated to BSE Limited and Madras Stock Exchange Limited, where the equity shares of the Company are listed.

By Order of the Board

**S Venkatesh**

Company Secretary

9th August 2014

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**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT 2013**

The following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.5 to 10 of the accompanying Notice dated 9th August 2014.

**Item Nos.5 to 8**

In accordance with the relevant provisions of the Articles of Association of the Company, applicable provisions of the Companies Act 1956 and the Clause 49 of the Listing Agreement, Sri A Shanmugasundaram, Sri S Ragothaman, Dr A Selvakumar and Sri P S Gopalakrishnan were appointed as Directors of the Company by the members.

The provisions of Section 149, 150 and 152 the Companies Act 2013 read with Schedule IV and Rules to the Act with respect to the appointment and tenure of Independent Directors have become operational

from 1st April 2014. The Listing Agreement is also amended for the composition of the Board with effect from 1st October 2014. In compliance of Companies Act 2013 and amended Listing Agreement, based on the recommendations of Nomination and Remuneration Committee, the Board of Directors have proposed to appoint Sri A Shanmugasundaram, Sri S Ragothaman, Dr A Selvakumar and Sri P S Gopalakrishnan as Independent Directors for a term of five (5) consecutive years, commencing from 27th September 2014.

A detailed profile of the proposed Independent Directors is given in the Annexure to the Notice of the Annual General Meeting.

Notices have been received from Members proposing the candidature of the above Directors for the office of Independent Directors of the Company. Requisite amount of Rs. 1,00,000 per candidate has also been received.

In the opinion of the Board, Sri A Shanmugasundaram, Sri S Ragothaman, Dr A Selvakumar and Sri P S Gopalakrishnan fulfill the conditions specified in the Companies Act 2013 and the Rules made under the Act for appointment as Independent Directors and are independent of the management. All the proposed Independent Directors have given a declaration to the Board that they meet the criteria for independence as provided in Section 149(6) of the Companies Act 2013.

The Board of Directors consider that the Independent Directors' continued association would be of immense benefit to the Company and it is desirable to continue to avail of their services to the Company.

A copy of the draft letter of appointment of Independent Directors 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 the normal business hours on any working day and will also be available on the website of the Company [www.sakthifinance.com](http://www.sakthifinance.com).

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, is concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolutions relating to the appointment of Independent Directors as set out at Item Nos.5 to 8 for the approval of members.

#### **Item No.9**

As per the provisions of Section 42 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, a company accepting subscriptions for Secured, Redeemable, Non Convertible Debentures ("SRNCDS") on a private placement basis, is required to obtain the approval of the members by way of a Special Resolution, which can be obtained once a year for all the subscriptions and invitations for such SRNCDS during the year.

SRNCDS, sub-ordinated bonds and other debt securities, issued on private placement basis constitute significant source of borrowings for the Company. The borrowings of the Company presently aggregate approximately to Rs.715.10 crores, of which SRNCDS, Sub-ordinated bonds and other debt securities, aggregate approximately to Rs.518.85 crores.

The approval of the Members is being sought by way of a Special Resolution under Section 42 and other applicable provisions, if any, of the Act read with the Companies (Prospectus and Allotment of Securities) Rules 2014, to enable the Company to accept subscriptions for SRNCDS, sub-ordinated bonds and other debt securities on private placement basis, in one or more tranches, during the period of one year from the date of passing of the Special Resolution by the members, within the overall borrowing limits of the Company, as approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price of the SRNCDS, sub-ordinated bonds and other debt securities.

The Board of Directors recommend the Resolution at Item No.9 of the accompanying Notice, for the approval of the Members of the Company by way of Special Resolution.

None of the Directors or Key Managerial Persons of the Company or their relatives, is concerned or interested, financially or otherwise, in the passing of the Special Resolution set out at Item No.9, except to the extent of SRNCDS, sub-ordinated bonds and other debt securities that may be subscribed to by them, their relatives or companies/firms in which they are interested.



**Item No.10**

To increase the net worth, to strengthen the Capital Adequacy Ratio of the Company, to redeem the existing preference share capital and to fund the growing operations of the Company, the company intends to issue, in one or more tranches, 20,00,000 10% Redeemable Cumulative Preference Shares of Rs.100 each for an amount not exceeding Rs.20 Crores on private placement basis to such person(s) identified by the Company 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 terms and conditions of the preference shares shall be subject to the provisions of the Companies Act 2013 and related rules under the Act and the Memorandum and Articles of Association of the Company.

The complete material facts concerned with and relevant to the above issue of Preference Shares are as follows:

A	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 20,00,000 (Twenty Lakhs) Redeemable Cumulative Preference Shares of the face value of Rs 100 each for cash at par aggregating to a nominal amount not exceeding Rs 20 crores to various persons/entities whether or not they are members of the Company												
B	Nature of such shares .i.e cumulative or non-cumulative, participating or non-participating, convertible or non-convertible	Cumulative, Non-participating and Non-convertible												
C	Objectives of the issue	To increase the net worth, to strengthen the capital adequacy ratio, to redeem the existing preference share capital and to fund the growing operations of the company												
D	Manner of issue of shares	Private placement												
E	Price at which such shares are proposed to be issued	At par												
F	Basis on which the price has been arrived at	None												
G	Terms of issue, including terms and rate of dividend on each share etc	As mentioned in the resolution at Item No.10												
H	Terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion	Tenure 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												
I	Manner and modes of redemption	Out of profits and /or out of fresh issue of capital												
J	Current shareholding pattern of the Company	Equity shareholding pattern as on 30th June 2014*: <table border="1" data-bbox="646 1324 1232 1499"> <thead> <tr> <th>Category</th> <th>No of Shares</th> <th>% to equity Capital</th> </tr> </thead> <tbody> <tr> <td>Promoter</td> <td>3,21,15,000</td> <td>64.23</td> </tr> <tr> <td>Public</td> <td>1,78,85,000</td> <td>35.77</td> </tr> <tr> <td><b>Total</b></td> <td><b>5,00,00,000</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 BSE Ltd i.e. <a href="http://www.bseindia.com">www.bseindia.com</a></p>	Category	No of Shares	% to equity Capital	Promoter	3,21,15,000	64.23	Public	1,78,85,000	35.77	<b>Total</b>	<b>5,00,00,000</b>	<b>100.00</b>
Category	No of Shares	% to equity Capital												
Promoter	3,21,15,000	64.23												
Public	1,78,85,000	35.77												
<b>Total</b>	<b>5,00,00,000</b>	<b>100.00</b>												
K	Expected dilution in equity share capital upon conversion of preference shares	Not Applicable												

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

The Board of Directors recommend the Resolution at Item No.10 of the accompanying Notice, for the approval of the Members of the Company by way of Special Resolution.

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

By Order of the Board

9th August 2014

**S Venkatesh**  
Company Secretary

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE 57TH ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49(IV)(G) OF THE LISTING AGREEMENT**

<b>Name of the Director</b>	<b>A Shanmugasundaram</b>	<b>S Ragothaman</b>
Director Identification Number (DIN)	00001434	00042395
Date of birth and age	16th September 1936, 77 years	10th May 1946, 68 years
Date of appointment on the Board	19th September 1979	30th June 2009
Qualifications	Intermediate	B.Com., FCA
Expertise in specific functional areas	He has got vast and rich experience in many industries such as Automobiles, Tyre Retreading, Consumer Durables, Agriculture etc. He is the Managing Director of Anamallais Retreading Company Private Limited and Managing Partner of M/s N. Mahalingam & Co, Coimbatore	He has got rich experience in the field of Banking and Finance.
Directorships held in other public companies	Sri Sakthi Textiles Limited	Digjam Limited Hinduja Foundries Ltd National Peroxide Ltd Shreyas Relay Systems Ltd Shreyas Shipping and Logistics Ltd The Bombay Dyeing & Manufacturing Company Ltd Xpro Global Limited Xpro India Ltd
Memberships / Chairmanships of Committee across public companies	<b>Audit Committee:</b> <b>Member:</b> Sakthi Finance Limited	<b>Audit Committee:</b> <b>Chairman:</b> Digjam Limited Shreyas Relay Systems Ltd Xpro India Ltd <b>Member:</b> Hinduja Foundries Ltd National Peroxide Ltd Shreyas Shipping and Logistics Ltd The Bombay Dyeing & Manufacturing Company Ltd <b>Investors' Grievance Committee - Member:</b> Hinduja Foundries Ltd

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE 57TH ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49(IV)(G) OF THE LISTING AGREEMENT (Contd...)**

<b>Name of the Director</b>	<b>A Shanmugasundaram</b>	<b>S Ragothaman</b>
		<p><b>Nomination and Remuneration Committee - Chairman:</b> Hinduja Foundries Ltd Shreyas Relay Systems Ltd</p> <p><b>Member</b> Sakthi Finance Limited Shreyas Shipping and Logistics Ltd The Bombay Dyeing &amp; Manufacturing Company Ltd</p> <p><b>Executive Committee - Member:</b> National Peroxide Ltd The Bombay Dyeing &amp; Manufacturing Company Ltd</p> <p><b>Finance Committee - Member:</b> National Peroxide Ltd The Bombay Dyeing &amp; Manufacturing Company Ltd</p> <p><b>Risk Management Committee - Member:</b> Sakthi Finance Limited</p>
No. of equity shares held	7,875	4,000
Relationship with other directors	None	None

<b>Name of the Director</b>	<b>Dr A Selvakumar</b>	<b>P S Gopalakrishnan</b>
Director Identification Number (DIN)	01099806	00001446
Date of birth and age	30th April 1955, 59 years	23rd August 1935, 79 years
Date of appointment on the Board	30th March 2001	20th November 2004
Qualifications	M.E., Ph.D.	B.Com., LLB., AIB (London), Fellow of Economic Development Institute of World Bank, Washington.
Expertise in specific functional areas	He holds a Doctorate in Engineering from Canada. He was working as a Project In-charge at Naval Engineering Test Establishment in Canada. He has immense knowledge and experience in systems applications. At present, he is heading a software company.	He is the Former Chairman of IFCI Ltd., Indian Overseas Bank and Oriental Bank of Commerce and has got rich experience in the field of Banking and Finance.
Directorships held in other public companies	Sri Chamundeswari Sugars Limited Sri Sakthi Textiles Limited	Dharani Sugars and Chemicals Limited Kothari Sugars and Chemicals Limited Shriram General Insurance Company Limited

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE 57TH ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49(IV)(G) OF THE LISTING AGREEMENT (Contd...)**

<b>Name of the Director</b>	<b>Dr A Selvakumar</b>	<b>P S Gopalakrishnan</b>
Memberships / Chairmanships of Committee across public companies	<p><b>Audit Committee: Chairman:</b> Sakthi Finance Limited</p> <p><b>Member:</b> Sri Chamundeswari Sugars Limited</p> <p><b>Nomination and Remuneration Committee and Shareholders' and Investors' Grievance Committee:</b></p> <p><b>Member:</b> Sakthi Finance Limited</p>	<p><b>Audit Committee: Chairman:</b> Kothari Sugars and Chemicals Ltd</p> <p><b>Member:</b> Dharani Sugars and Chemicals Limited</p> <p><b>Nomination and Remuneration Committee: Chairman:</b> Dharani Sugars and Chemicals Limited Kothari Sugars and Chemicals Ltd Sakthi Finance Limited</p>
No. of equity shares held	300	Nil
Relationship with other directors	None	None