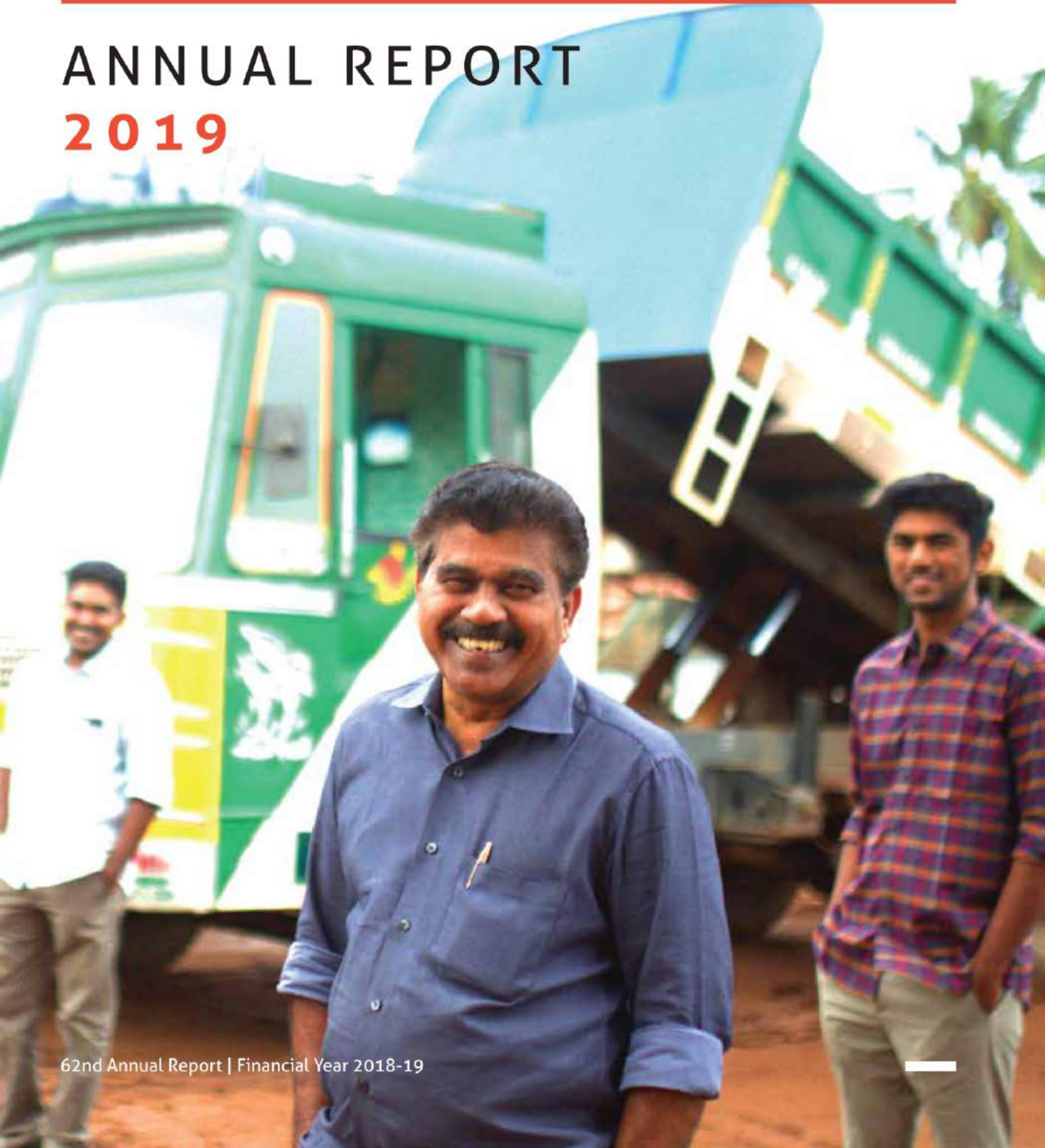


ANNUAL REPORT 2019



**BOARD OF DIRECTORS**

Dr. M. Manickam *Chairman*
Sri. M. Balasubramaniam
Vice Chairman and Managing Director
Sri. M. Srinivaasan
Dr. A. Selvakumar
Sri. P.S. Gopalakrishnan
Smt. Priya Bhansali
Sri. K.P. Ramakrishnan
Dr S Veluswamy *Director (Finance & Operations)*

COMPANY SECRETARY

Sri. S. Venkatesh

REGISTERED OFFICE**SAKTHI FINANCE LIMITED**

CIN : L65910TZ1955PLC000145
62, Dr. Nanjappa Road
Coimbatore - 641 018
Phone : (0422) 2231471 - 74, 4236200
E-mail : sakthif_info@sakthifinance.com
investors@sakthifinance.com
Website: www.sakthifinance.com

REGISTRARS AND SHARE TRANSFER AGENT**SKDC CONSULTANTS LIMITED**

"Kanapathy Towers", Third Floor
1391/A-1, Sathy Road, Ganapathy
Coimbatore - 641 006
Phone : (0422) 4958995, 2539835-836
Fax : (0422) 2539837
E-mail : info@skdc-consultants.com

DEBENTURE TRUSTEE

Catalyst Trusteeship Limited
"Catalyst House"
Plot No. 5, Bhusari Colony (Right)
Paud Road, Pune - 411 038
Tel : (020) 25280081
Fax : (020) 25280275
E-mail : dt@ctltrustee.com

BANKERS

State Bank of India
The Lakshmi Vilas Bank Ltd
Central Bank of India
Indian Overseas Bank
The Karnataka Bank Ltd
Bank of India
Canara Bank
AU Small Finance Bank Ltd

CHIEF FINANCIAL OFFICER

Sri. M.K. Vijayaraghavan

STATUTORY AUDITORS

M/s. P.K. Nagarajan & Co
Chartered Accountants
Coimbatore

INTERNAL AUDITOR

Sri B. Muralidharan FCA
Chartered Accountant

SECRETARIAL AUDITORS

M/s. S. Krishnamurthy & Co
Company Secretaries
Chennai / Coimbatore

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NOTICE TO MEMBERS

NOTICE is hereby given that the Sixty Second Annual General Meeting ("AGM") of the members of the Company will be held on **Monday, 23rd September 2019 at 12.15 p.m at Smt. Padmavathi Ammal Cultural Centre, 1548, Avinashi Road, Peelamedu, Coimbatore - 641 004** to transact the following business.

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

ORDINARY BUSINESS

1. Adoption of Financial Statements

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

RESOLVED THAT the Audited Financial Statements for the financial year ended 31st March 2019 and the attached Reports of the Board of Directors and Auditors be and are hereby considered and adopted.

2. Confirmation of Interim and *pro rata* Dividend on Preference Shares

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

RESOLVED THAT an Interim Dividend of ₹ 10 per share on 3,02,450 numbers of 10% Redeemable Cumulative Preference Shares of ₹ 100 each and ₹ 9 per share on 15,00,000 numbers of 9% Redeemable Cumulative Preference Shares of ₹ 100 each respectively, for the year ended 31st March 2019, declared by the Board of Directors on 29th March 2019, on *pro rata* basis out of the profits of the company for the said year pursuant to Section 123(3) of the Companies Act 2013, be and is hereby confirmed.

3. Declaration of dividend on Equity Shares

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

RESOLVED THAT a dividend of ₹ 1 per equity share as recommended by the Board of Directors, be declared for the financial year ended 31st March 2019 on 5,00,00,000 numbers of equity shares of ₹ 10 each out of the profits of the company for the said financial year as well as the previous financial years and the said dividend be paid to those shareholders whose names stand on the Register of Members in case the shares are held in physical form and also to the beneficial holders of the dematerialised shares as per the details provided by the Depositories in case the shares are held in the electronic form, as on **Monday, 16th September 2019**.

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

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

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

SPECIAL BUSINESS

5. Re-appointment of Dr A Selvakumar (DIN : 01099806) 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, 150, 152 and other applicable provisions, if any, of the Companies Act 2013 ("the Act"), the Companies (Appointment and Qualification 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, Dr A Selvakumar (DIN : 01099806), who was appointed as an Independent Director at the fifty seventh Annual General Meeting of the Company and who holds office up to 26th September 2019 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 his 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, to hold office for a second term of five years commencing from 27th September 2019 to 26th September 2024.

6. Re-appointment of Sri P S Gopalakrishnan (DIN : 00001446) 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, 150, 152 and other applicable provisions, if any, of the Companies Act 2013 ("**the Act**"), the Companies (Appointment and Qualification of Directors) Rules 2014 and the rules made thereunder, read with Schedule IV to the Act and Regulation 17(1A) 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 P S Gopalakrishnan (DIN : 00001446), who was appointed as an Independent Director at the fifty seventh Annual General Meeting of the Company and who holds office up to 26th September 2019 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 re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing from 27th September 2019 to 26th September 2024.

7. Appointment of Dr S Veluswamy (DIN : 05314999) as a Director (Finance and Operations) and payment of remuneration

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

RESOLVED THAT Dr S Veluswamy (DIN : 05314999), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from 29th May 2019 in terms of Section 161(1) of the Companies Act 2013 and Article 68 of the Articles of Association of the Company and who holds office till the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company and the period of his office shall be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act 2013 ("**the Act**") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, read with Schedule V to the Act (including any statutory modification(s) or re-enactment for the time being in force) and the Articles of Association of the Company, the approval of the Company be and is hereby given to the appointment and terms of remuneration of Dr S Veluswamy (DIN : 05314999) as Director (Finance and Operations) ("**D(F&O)**") of the Company for a period of five years with effect from 29th May 2019 to 28th May 2024 upon the terms and conditions set out in the Statement annexed to the Notice convening the Sixty Second Annual General Meeting within the overall limits of Section 197 of the Act with liberty to the Board of Directors (the '**Board**' which term includes a duly constituted Committee of the Board of Directors) 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 D(F&O).

RESOLVED FURTHER THAT where in any financial year during the currency of tenure of his appointment, the Company has no profits or its profits are inadequate, the Company will pay the above remuneration and perquisites and allowances as specified under Section II of Part-II of Schedule V to the Act or in accordance with any statutory modifications or re-enactments thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

8. 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 ("**Debt Regulations**"), the rules, regulations, guidelines and circulars as amended from time to time, the Memorandum and Articles of Association of the Company and subject to such other requirements as may be prescribed by regulatory authorities from time to time, the approval of the members of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "**the Board**" which shall be deemed to include the committee duly constituted / authorised committee of the Board) to offer, issue and allot, in one or more series or tranches, Secured or Unsecured Non-Convertible Debentures ("**NCDs**"), Subordinated Bonds and / or other Debt Securities on private placement basis, listed/ unlisted, at any time during the period of one year commencing from the date of this Annual General Meeting up to an amount not exceeding ₹ 750 crores, within the overall borrowing limits of the Board of Directors.

RESOLVED FURTHER THAT the Board be and is hereby authorised to:

- decide whether to issue any tranche as secured or unsecured;
- decide whether to list any of the tranches;
- finalise the other terms and conditions including the rate of interest, tenor and security cover thereof, the consideration of the issue, utilisation 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:

- The relevant 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 8 is annexed.
- The relevant details of Directors seeking re-appointment / appointment under Item Nos 4 to 7, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("**Listing Regulations**") and as required under Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India are also annexed.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE AND SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT EXCEEDING FIFTY MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS.**
- The proxy form duly stamped and executed should be deposited at the Registered Office of the Company not less than forty eight hours before the time fixed for the commencement of the meeting. A proxy form is attached. Proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution/authority as applicable.
- 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.

6. Members are requested to bring their attendance slip along with the copy of their Annual Report to the meeting.
7. 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.
8. A route map showing directions to reach the venue of the Sixty Second AGM is given at the end of the Notice.

9. Record Date and Dividend

- a. **Monday, 16th September 2019** has been fixed as the Record Date for payment of dividend to the equity shareholders.
- b. The dividend as recommended by the Board of Directors, if approved at the AGM, will be paid on or before 22nd October 2019 to those persons or their mandatees whose names appear as Beneficial Owners as at the end of the business hours on **Monday, 16th September 2019** in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the equity shares held in electronic form.

10. 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 sent 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.**

11. 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 and 2011 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 to Registrar of Companies, No.7, AGT Business Park, First Floor, Phase II, Avinashi Road, Civil Aerodrome Post, Coimbatore - 641 014 in the prescribed form.

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 credit to IEPF
2011-12: Dividend on Equity Shares	27th September 2019
2012-13: Dividend on Equity Shares	26th September 2020
2013-14: Dividend on Equity Shares	27th September 2021
2014-15: Dividend on Equity Shares	28th September 2022
2015-16: Dividend on Equity Shares	29th October 2023
2016-17: Dividend on Equity Shares	29th October 2024
2017-18: Dividend on Equity Shares	24th October 2025

Members who have not encashed their dividend warrants for the above years are requested to make their claims to the Company without delay.

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 3,79,028 equity shares of ₹ 10 each to the dematerialized account of IEPF authority during the financial year 2018-19.

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** and on the website of Ministry of Corporate Affairs at **<https://www.iepf.gov.in>**.

c. Claim from IEPF Authority

Members whose shares, unclaimed dividends etc. which have been transferred to the IEPF dematerialised account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in e-Form IEPF-5 (available on **www.iepf.gov.in**) along with requisite fee as decided by the IEPF Authority from time to time. The Member can file only one consolidated claim in a financial year as per the IEPF Rules. No claim shall lie against the Company in respect of the dividend/shares so transferred.

- 12. 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.**
- 13. 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.**
- 14. Members holding shares:**
 - a. in physical form are requested to:
 - i. intimate to the Company's Registrars and Share Transfer Agent, SKDC Consultants Limited, "Kanapathy Towers", Third Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006, the changes, if any, in their registered address at an early date.
 - ii. consolidate their holdings into a single folio in case they hold shares under multiple folios with the identical order of name.
 - b. in electronic form are requested to intimate to the respective Depository Participants, the changes, if any, in their registered addresses at an early date.
- 15. Members are requested to quote their Folio Number/Client ID/DP ID in all their correspondences.**
- 16. UPDATION OF MEMBER'S DETAILS**

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act requires the Company/ Registrar and Transfer Agents 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.

17. Electronic copy of the Notice of 62nd AGM along with the Annual Report for the year 2019 is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of it. For members who have not registered their e-mail ID, physical copies of the Annual Report for the year 2019 is being sent in the permitted mode.
18. Members may also note that the Notice of 62nd AGM along with the Annual Report for the year 2019 will also be made available on the Company's website **www.sakthifinance.com** for their download. The physical copies of the documents will also be available at the Company's Registered Office in Coimbatore for inspection during normal business hours on any working day. Even after registering for e-communication, members are entitled to receive such communication and documents in physical form, upon making a request for it, by post at free of cost. For any communication, the shareholders may also send requests to the Company's investors e-mail id: **investors@sakthifinance.com**.

VOTING THROUGH ELECTRONIC MEANS

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

The instructions for shareholders voting electronically are as under:

- a. The e-voting period begins on **Friday, 20th September 2019 (9.00 a.m)** and ends on **Sunday, 22nd September 2019 (5.00 p.m)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, **Monday, 16th September 2019**, 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 Login.
- 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 members holding Shares in Demat form and 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) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Admission Slip indicated in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or date of Birth (in dd/mm/yyyy format) as recorded in your 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 login 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 the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 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 Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their 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.
- 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 under help section or write an e-mail to helpdesk.evoting@cdslindia.com.

Other instructions

- The voting rights of the members shall be in proportion to their shares held in the paid-up equity share capital of the Company as on the cut-off date, **Monday, 16th September 2019**.
- 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.

- The facility of voting through Ballot Paper shall also be made available at the venue of AGM. The Members who have not cast their vote earlier by remote e-voting can exercise the right to vote on the resolutions at the AGM venue by being present in person/proxy.
- A Member can opt only for one mode of voting i.e. either through remote e-voting or by Ballot at the AGM. If a Member casts votes by both these modes, then voting done through e-voting shall prevail and vote through Ballot shall be treated as invalid.
- The Results declared along with Scrutinizer's Report shall be placed on the Company's website **www.sakthifinance.com**, notice board of the Company and on the website of CDSL **www.evoting.cdsi.com** within two days of the passing of the Resolutions at the Sixty Second AGM of the Company viz. on or before **Wednesday, 25th September 2019** and communicated to BSE Limited, where the equity shares of the Company are listed.

By Order of the Board
 For Sakthi Finance Limited

5th August 2019
 Coimbatore

S Venkatesh
 Company Secretary
 FCS 7012

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 8 of the accompanying Notice dated 5th August 2019.

Item No.5

Dr A Selvakumar (DIN : 01099806) has been a Non-Executive, Independent Director of the Company since 2001. He is also the Chairman of Audit Committee as well as member of Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee etc. of the Company. He was appointed as a Non-Executive, Independent Director by the members at the Fifty Seventh AGM of the Company held on 27th September 2014, for a term up to five consecutive years from 27th September 2014 to 26th September 2019, not liable to retire by rotation. Dr A Selvakumar is due for retirement from his first term as an Independent Director on 26th September 2019 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 appointment in the Board's Report. Dr A Selvakumar fulfils 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, Dr A Selvakumar is eligible for reappointment for a second term on the Board of the Company as an Independent Director, not liable to retire by rotation, from 27th September 2019 to 26th September 2024, subject to the approval of Members by a Special Resolution at the ensuing AGM.

The Board of Directors, based on the recommendations of Nomination and Remuneration Committee, propose the re-appointment of Dr A Selvakumar 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 Dr A Selvakumar for the office of Independent Director under Section 149 of the Act.

Based on the performance evaluation of Dr A Selvakumar and as per the recommendations of Nomination and Remuneration Committee, given his professional qualifications, rich experience and expertise in systems applications for nearly four decades and his contributions to the deliberations and discussion at meeting of the Board, the Board of Directors is of the opinion that Dr A Selvakumar's continued association would be of immense benefit to the company and it is desirable to continue to avail the services of Dr A Selvakumar as an Independent Director for a second term of office.

The Company has also received from Dr A Selvakumar:

- 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;