

## NOTICE TO MEMBERS

NOTICE is hereby given that the Sixty Fifth (65th) Annual General Meeting ("AGM") of the members of the Company will be held on **Wednesday, 28th September 2022 at 4.00 p.m** ("IST") through Video Conference ("VC") / Other Audio Visual Means ("OAVM") to transact the following business.

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

### ORDINARY BUSINESS

#### 1. Adoption of Audited 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 2022 and the attached Reports of the Board of Directors and Auditors be and are hereby considered and adopted.

#### 2. Confirmation of Interim Dividend on Redeemable, Cumulative, 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 ("the Act"), an Interim Dividend of ₹ 8.25 per share (8.25%) on 15,00,000 numbers of Redeemable, Cumulative, Preference Shares of ₹ 100 each for the financial year ended 31st March 2022 declared by the Board of Directors on 14th February 2022 and paid on *pro rata* (as applicable) basis out of the profits of the company be and are 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 2022 on 6,47,05,882 numbers of equity shares of ₹ 10 each out of the 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 **Wednesday, 21st September 2022**.

#### 4. Reappointment of Dr S Veluswamy (DIN: 05314999), Director retiring by rotation, as a Director being eligible, offers himself to be reappointed

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

**RESOLVED THAT** Dr S Veluswamy, holding DIN: 05314999, who retires by rotation and being eligible for reappointment, be and is hereby reappointed as a Director of the Company.

#### 5. Appointment of Statutory Auditors

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

**RESOLVED THAT** pursuant to Sections 139, 141, 142 and other applicable provisions, if any, of the Act read with the Companies (Audit and Auditors) Rules 2014, RBI Circular No.RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated 27 April 2021 ("RBI Guidelines") issued by Reserve Bank of India ("RBI") on RBI Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) read with the Policy on appointment of Statutory Auditors and pursuant to the recommendation of the Audit Committee, approval of the members of the Company be and is hereby accorded for appointment of M/s. CSK Prabhu & Co, Chartered Accountants (ICAI Firm Registration No: 0024855), as Statutory Auditors of the Company to hold office from the conclusion of this 65th AGM until the conclusion of the 67th AGM of the Company to conduct the audit of accounts of the Company for the years ending 31st March 2023 and 31st March 2024 on such remuneration plus out of pocket expenses, if any, as may be mutually agreed between the Company and the Statutory Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and are hereby authorized to do all such acts, deeds, matters and things and to take all decisions as it may deem fit in its absolute discretion to give effect to the above resolution.

### SPECIAL BUSINESS

#### 6. 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 Act read with 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 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 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.

**7. Issue of Secured or Unsecured, Redeemable, Non-Convertible Debentures ("NCDs") and / or other Debt Securities on private placement basis for an amount not exceeding ₹ 750 crores**

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 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 Non-Convertible Securities) Regulations 2021 ("**SEBI NCS Regulations**"), if applicable, 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 any 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 Fifth Annual General Meeting until the conclusion of Sixty Sixth Annual General Meeting up to an amount not exceeding ₹ 750 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:**

**1. Convening of Annual General Meeting through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") facility**

In view of the continuing COVID-19 pandemic situation, the Ministry of Corporate Affairs ("**MCA**") in its latest Circular No. 02/2022 dated 5th May 2022 read with its earlier Circulars 20/2020 dated 5th May 2020, 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 02/2021 dated 13 January 2021 and 21/2021 dated 14th December 2021 (collectively referred to as "**MCA Circulars**") and Securities and Exchange Board of India ("**SEBI**") has, by its Circular Nos. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May 2022, SEBI/HO/

CFD/CMD2/CIR/P/2021/11 dated 15th January 2021 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 respectively, issued by the Securities and Exchange Board of India (collectively referred to as "SEBI Circulars"), permitted companies whose AGMs are to be conducted on or before 31st December 2022, to hold their AGMs through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") not requiring the physical presence of the Members at a common venue. Considering the health and safety of all stakeholders including the members and in view of the surge of the Covid-19 infection, the 65th AGM of the Company is being conducted through VC/OAVM in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations") read with the above circulars issued in this regard. The deemed venue for the 65th AGM shall be the Registered Office of the company situated at 62, Dr Nanjappa Road, Coimbatore – 641 018, Tamilnadu, India.

Since the AGM will be held through VC / OAVM in accordance with the MCA Circulars, the route map is not attached to the Notice.

2. 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. 6 and 7 of the accompanying Notice are considered to be unavoidable by the Board and hence, form part of this Notice.

3. **Statement under Section 102 of the Act and the details of Director seeking re-appointment**

The relevant Statement as required under Section 102 of the Act setting out the material facts in respect of Item No.5 and Special Business under Item Nos. 6 and 7 are annexed.

4. The relevant details of Director seeking re-appointment under Item No. 4 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 is set out in **Annexure-1**.

5. **Proxy(ies)**

In terms of the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on behalf of the members and the Proxy need not be a Member of the Company. Since the AGM is conducted through VC/ OAVM only, the requirement of physical attendance of the members at the AGM has been dispensed with. Hence the facility for appointment of Proxy by members will not be available for this AGM and accordingly, 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.

6. **Quorum**

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. **Corporate Representations**

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 authorize 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 the scrutinizer at [murali@skmco.com](mailto:murali@skmco.com) or [info@skdc-consultants.com](mailto:info@skdc-consultants.com).

8. **Electronic dispatch of the AGM Notice and the Annual Report 2022**

In terms of Section 101 and 136 of the Act read with the rules made thereunder and Regulation 36 of the Listing Regulations and in compliance of MCA and SEBI Circulars, the Notice of the 65th AGM along with Annual Report for the year 2022 is being sent by electronic mode only to the members whose e-mail addresses are registered with the Company / Depository Participants.

Members may also note that the Notice of 65th AGM along with the Annual Report for the year 2022 will also be made available on the Company's website [www.sakthifinance.com](http://www.sakthifinance.com) for their download. Members can request for a physical copy of the Annual Report 2022 by sending a request to the e-mail, [investors@sakthifinance.com](mailto:investors@sakthifinance.com).

9. **Record Date and Dividend**

**Wednesday, 21st September 2022** has been fixed as the Record Date for payment of dividend to the equity shareholders.

The dividend on equity shares for the year ended 31st March 2022, as recommended by the Board of Directors and if declared at the AGM, will be paid/ dispatched by the Company, through permitted modes, on or after **Wednesday, 28th September 2022** to those shareholders or their mandatees:

- a. whose names appear as Beneficial Owners as at the end of the business hours on **Wednesday, 21st September 2022** 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 dematerialised form; and
- b. whose names appear as Members in the Register of Members of the Company as at the end of the business hours on **Wednesday, 21st September 2022** in respect of the shares held in physical form, after giving effect to valid request(s) received for transmission/transposition of shares and lodged with the Company or Registrar and Transfer Agent on or before **Wednesday, 21st September 2022**.

10. **Tax Deducted at Source on Dividend**

In terms of the provisions of the Income Tax Act 1961 ("IT Act"), dividend paid or distributed by a Company on or after 1st April 2020 shall be taxable in the hands of

the members. Hence, the Company is required to deduct Tax at Source ("TDS") at the time of payment of dividend to the members at the prescribed rates. Details of the applicable tax rates for various categories of members and documentation required from them to claim exemption/ lower tax rates is set out in **Annexure-2** forming part of this Notice. Members are requested to update their Permanent Account Number ("PAN") with the Company/ SKDC Consultants Limited (in case shares are held in physical mode) and with depositories (in case of shares held in demat mode).

Members are requested to send the forms to the E-mail id to [investors@sakthifinance.com](mailto:investors@sakthifinance.com) on or before **Wednesday, 21st September 2022**. No documents will be accepted after **Wednesday, 21st September 2022**.

In case the tax on dividend is deducted at a higher rate in the absence of receipt of the above details / documents from the Members, there would still be an option available with the Members to file the return of income and claim an appropriate refund, if found eligible.

#### 11. ELECTRONIC CREDIT OF DIVIDEND

SEBI has made it mandatory for all companies to use the bank account details provided by the Depositories and the bank account details maintained by the Registrar and Transfer Agent for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service ("ECS")/National Electronic Clearing Service ("NECS")/National Electronic Fund Transfer ("NEFT")/ Real Time Gross Settlement ("RTGS")/Direct Credit, etc.

The procedure for updation of mandate for receiving dividends directly in bank account through electronic clearing system or any other means in a timely manner is given below:

##### **In case Shares are held in physical form**

Members are requested to send the following documents in original to [investors@sakthifinance.com](mailto:investors@sakthifinance.com):

- a. A signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
  1. Name, Branch address of the Bank and Bank Account type (e.g. savings, current, etc.)
  2. Bank Account Number
  3. 11 digit IFS Code.
- b. Original cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
- c. Self-attested PAN Card copy; and
- d. Self-attested photocopy of any document (such as Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

##### **In case Shares are held in electronic form**

Members may note that their bank account details as provided by the respective Depositories to the Company

will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not be able to accede to any direct request from such Members for change/ addition/deletion in such bank account details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective Depository Participants ("DPs").

Further, please note that the instructions, if any, already given by the Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

For Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ bankers' cheque/demand draft to such Members by post/courier/permitted modes.

#### 12. TRANSFER AND TRANSMISSION OF SHARES

##### **Mandatory processing of Transfer and Transmission request in Demat form**

As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from 1st April 2019. Further, SEBI has, by its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25th January 2022, mandated listed companies to issue securities in dematerialized form while processing service request for issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission, transposition, etc.

In view of the above and to eliminate the risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to convert their holdings into dematerialised form.

Members are requested to contact the Depository Participant having registration with SEBI to open a Demat account or alternatively, contact the RTA to seek guidance with respect to the demat procedure. Members may also visit the website of depositories viz. National Securities Depository Limited, <https://nsdl.co.in/faqs/faq.php> or Central Depository Services (India) Limited, <https://www.cdslindia.com/investors/open-demat.html> for further understanding the demat procedure.

##### **Simplified procedure for transmission of securities and Issuance of Duplicate Share certificates**

SEBI has, by its Circular Nos. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/65 dated 18th May 2022 and SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/70 dated 25th May 2022, simplified the procedure and standardized the format of documents for transmission of securities and issuance of duplicate securities certificates. Members are requested to submit their requests, if any, along with the documents as per the said circular.

### 13. UPDATION OF MANDATORY KNOW YOUR CUSTOMER ("KYC") DETAILS

**Shares held in physical form:** SEBI has, by its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3rd November 2021 read with clarificatory Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated 14th December 2021, mandated physical shareholders to furnish PAN, nomination, contact details (postal address with PIN, mobile number and E-mail address), bank account details (bank name and branch, bank account number and IFS Code) and specimen signature ('mandatory KYC').

Accordingly, Members holding shares in physical form are requested to complete the mandatory KYC by sending an E-mail request along with the duly signed **Form ISR-1 (Refer Annexure-3)** and other relevant forms to SKDC Consultants Limited at the **E-mail Id: green@skdc-consultants.com**.

As per SEBI circular, non-availability of any of the above documents/details with SKDC Consultants Limited on or after 1st April 2023 will result in freezing of the physical shareholders' folios.

**Shares held in dematerialised form:** Members holding shares in dematerialized form are requested to submit/update their KYC details with their respective Depository Participants.

### 14. PROCEDURE FOR INSPECTION OF REGISTERS AND DOCUMENTS

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**.

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.

### 15. NOMINATION FACILITY

As per 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 in electronic form and to the Company's Registrar and Share Transfer Agent ("RTA") in case the shares are held in physical form, quoting the folio number.

### 16. TRANSFER OF UNCLAIMED / UNPAID DIVIDEND AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

In accordance with Sections 124 and 125 of the Act, all unclaimed dividends up to the financial year ended 31st March 1997 and for the years ended 31st March 2007, 2011, 2012, 2013 and 2014 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 on the website, **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
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
2019-20: Dividend on Equity Shares	23rd January 2028
2020-21: Dividend on Equity Shares	4th November 2028

The Company urges all the Members to encash/claim their respective dividend(s) 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.

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 Act and the IEPF Rules. Accordingly, the Company has transferred 4,86,516 equity shares of ₹ 10 each to the dematerialized account of IEPF authority during the financial years 2018, 2019, 2020 and 2021.

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**.

### 17. GREEN INITIATIVE

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 dematerialized form) or with SKDC Consultants Limited (in case of shares held in physical form).

### 18. SCRUTINIZER

Sri. K. Murali Mohan, Chartered Accountant (ICAI Membership No. 14328) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

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.evotingindia.com** within two days after the voting on the Resolutions at the Sixty Fifth AGM of the Company, viz. on

or before Friday, 30th September 2022 and communicated to BSE Limited, where the equity shares of the Company are listed.

To facilitate Members to receive this Notice electronically and cast their votes 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 Consultants Limited on or before 5:00 p.m. ("IST") on **Wednesday, 21st September 2022**. 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 electronic form**

Members are requested to provide their 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).

**b. 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 the 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) for proof of the address of the member as registered with the Company.

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

19. 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).

**20. 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 RTA, SKDC Consultants Limited, "Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028, Phone : (0422) 4958995, 2539835-836, Fax : (0422) 2539837, **E-mail: [green@skdc-consultants.com](mailto:green@skdc-consultants.com), Website: [www.skdc-consultants.com](http://www.skdc-consultants.com).**

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

**THE INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER**

Pursuant to 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated 13th January 2021, in continuation and read with its Circulars dated 8th April 2020, 13th April 2020 and 5th May 2020, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited ("**CDSL**") for facilitating voting through electronic means, as the authorised e-Voting agency. The facility of casting votes by a member using remote e-voting as well as e-voting during the AGM will be provided by CDSL.

Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. **Wednesday, 21st September 2022**, shall be entitled to avail the facility of remote e-voting as well as e-voting during the AGM. Any recipient of the Notice, who has no voting rights as on the cut-off date shall treat this Notice as intimation only.

A person who has acquired the shares and has become a member of the Company after the despatch of the Notice of the AGM and prior to the cut-off date i.e. **Wednesday, 21st September 2022**, shall be entitled to exercise his / her vote either electronically i.e. remote e-voting or e-voting during the AGM by following the procedure mentioned in this part.

The remote e-voting will commence on **Sunday, 25th September 2022 at 9.00 a.m.** and will conclude on **Tuesday, 27th September 2022 at 5.00 p.m.** During this period, the members of the Company holding shares either in physical mode or in demat mode as on the cut-off date i.e. **Wednesday, 21st September 2022** may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter.

Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

The voting rights of the members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. **Wednesday, 21st September 2022**.

The Company has appointed Sri. K. Murali Mohan, Chartered Accountant (Membership No. 14328) to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting during the AGM, in a fair and transparent manner.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL/ MOBILE NUMBER ARE NOT REGISTERED WITH THE COMPANY /DEPOSITORIES**

**For members holding shares in Physical form :** Please provide necessary details like Folio No, Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested

scanned copy), Aadhaar (self-attested scanned copy) by e-mail to [investors@sakthifinance.com](mailto:investors@sakthifinance.com).

**For members holding shares in Demat form:** Please update your e-mail id and mobile no. with your respective Depository Participant ("DP") which is mandatory while e-Voting and joining virtual meetings through Depository.

#### THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE VOTING ARE AS UNDER

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

a. The voting period begins on **Sunday, 25th September 2022 at 9:00 a.m.** and ends on **Tuesday, 27th September 2022 at 5:00 p.m.** During this period, shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. **Wednesday, 21st September 2022**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

b. Members who have already voted prior to the meeting date would not be entitled to vote during the Meeting.

c. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9th December 2020, under Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all

g. Pursuant to above SEBI Circular, log-in method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode with CDSL / NSDL is given below:

shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

d. Currently, there are multiple e-voting service providers ("ESPs") providing e-voting facility to listed entities in India. This requires registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

e. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single log-in credentials, through their demat accounts/ websites of Depositories / Depository Participants. Demat account holders would be able to cast their votes without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

f. In terms of SEBI Circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9th December 2020 in respect of e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account(s) maintained with Depositories and Depository Participants. Members are advised to update the details of their mobile number and e-mail Id in their demat accounts in order to access e-Voting facility.

Type of Member	Log-in Method
Individual Members holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for <b>CDSL's Easi / Easiest facility</b>, can log-in through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to log-in to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on log-in icon and select New System Myeasi.</li> <li>After successful log-in, the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting their vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. <b>CDSL/NSDL/ KARVY/LINKINTIME</b>, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi / Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> </ol>

	<p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/Evoting_login">https://evoting.cdslindia.com/Evoting/Evoting_login</a>. The system will authenticate the user by sending OTP on registered Mobile and Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting service providers.</p>
Individual Members holding securities in Demat mode with NSDL	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Log-in" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com">https://www.evoting.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Log-in" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</li> </ol>
Individual Members (holding securities in Demat mode) log-in through their Depository Participants	<p>You can also log-in using the log-in credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful log-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use "Forget User ID" and "Forget Password" option available at respective websites.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to log-in through Depository i.e. CDSL and NSDL**

Log-in type	Helpdesk
Individual Members holding securities in Demat mode with CDSL	Members facing any technical issue in log-in can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact toll free no. 1800 22 55 33



Individual Members holding securities in Demat mode with NSDL	Members facing any technical issue in log-in can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

**h. Log-in method for e-Voting and joining virtual meeting for physical shareholders and shareholders other than individual shareholders holding securities in demat form:**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on Shareholders.
3. Now Enter your User ID:
  - a. For CDSL: 16 digits beneficiary ID
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Log-in.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-Voting of any company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

For Members other than individual members holding shares in Demat 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"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number indicated/sent by the Company/RTA or contact Company/RTA.</li> </ul>
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 demat account or in the company records in order to log-in. <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- i. After entering these details appropriately, click on "SUBMIT" tab.
- j. Members holding shares in physical mode will then directly reach the Company selection screen. However, members holding shares in demat 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 demat 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.
- k. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l. Click on the EVSN of the Company, SAKTHI FINANCE LIMITED on which you choose to vote.
- m. 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.
- n. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- o. 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.
- p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- r. If a demat account holder has forgotten the log-in 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.
- s. There is also an optional provision to upload Board Resolution / Power of Attorney, if any, uploaded which will be made available to scrutinizer for verification.

**t. Additional facility for Non – Individual Members and Custodians - For remote e-voting only**

- Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
- After receiving the log-in 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 log-in will be mapped automatically and can be delinked in case of any wrong mapping.
- It is mandatory that 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 scrutiniser to verify it.
- Alternatively, Non Individual members are required mandatorily to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote to the Scrutinizer and to the Company at the email address viz **investors@sakthifinance.com**, if they have voted from individual tab and not uploaded the same in the CDSL e-voting system for the scrutinizer to verify it.

**INSTRUCTIONS FOR MEMBERS ATTENDING THE ANNUAL GENERAL MEETING THROUGH VC / OAVM AND E-VOTING DURING THE MEETING ARE AS UNDER**

1. The procedure for attending meeting and e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful log-in as per the instructions mentioned above for remote e-Voting.
3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.
4. Members are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. For ease of conduct, members who would like to ask questions may send their questions in advance at least 7 (Seven) days before AGM mentioning their name, demat account number / folio number, email id, mobile number at **investors@sakthifinance.com** and register themselves as a speaker.
8. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
9. Only those Members, who are 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 during the AGM.
10. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.
11. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website, **www.sakthifinance.com** and on the website of CDSL i.e. **www.cdslindia.com** within two days of the passing of the Resolutions at the 65th Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.
12. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
13. Contact Details:

Company	Sakthi Finance Limited CIN: L65910TZ1955PLC000145 <b>Regd. Office</b> : 62, Dr Nanjappa Road, Coimbatore – 641 018 <b>Phone</b> : (0422) 2231471-74, 4236200 <b>E-mail ID</b> : sakthif_info@sakthifinance.com, investors@sakthifinance.com <b>Website</b> : www.sakthifinance.com
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Registrar and Transfer Agent	SKDC Consultants Limited "Surya", 35, Mayflower Avenue, Behind Senthil Nagar Sowripalayam Road, Coimbatore – 641 028 <b>Phone</b> : (0422) 4958995, 2539835-836, <b>Fax:</b> (0422) 2539837 <b>E-mail ID</b> : info@skdc-consultants.com <b>Website</b> : www.skdc-consultants.com
e-Voting Agency	Central Depository Services (India) Limited <b>E-mail ID</b> : helpdesk.evoting@cdslindia.com <b>Toll free no.:</b> 1800 22 55 33
Scrutinizer	K. Murali Mohan FCA (Membership No. 14328), Chartered Accountant, Coimbatore

## QUERIES

In case you have any queries or issues regarding attending AGM and e-Voting from the CDSL e-Voting system, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Toll free No. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Senior Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compound, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call Toll free No 1800 22 55 33.

## OTHERS

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.

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), at least 7 days before the date of the meeting to enable the management to respond quickly.

## **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 7 of the accompanying Notice dated 11th August 2022.

### **ORDINARY BUSINESS**

#### **Item No.5**

#### **Appointment of Statutory Auditors**

In compliance of RBI Circular dated 27th April 2021 on "Guidelines for appointment of Statutory Auditors of Banks and NBFCs" and based on the recommendation of Audit Committee and Board, M/s CSK Prabhu & Co. Chartered Accountants (ICAI Regn No. 002485S) were appointed as Statutory Auditors of the Company to hold office from the 64th AGM until the conclusion of the 67th AGM, which was approved by the members at the 64th AGM held on 30th September 2021.

Further, pursuant to the above RBI Circular, based on the fulfilment of the eligibility criteria prescribed by RBI guidelines and the Companies Act 2013 with regard to the full-time partners, statutory and branch audit experience of the firm, capability, independence assessment, audit experience of banks, the Statutory Auditors can be appointed for a further period of 2 consecutive years to hold office from the conclusion of 65th AGM until the conclusion of 67th AGM to be held in the year 2024.

The Company has received confirmation from M/s. CSK Prabhu & Co, Chartered Accountants that their appointment, if made, will be within the specified limits under the Act and that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of Section 141 of the Act read with the Companies (Audit and Auditors) Rules 2014 and the said RBI Circular, Further, the statutory auditors have also confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid Peer Review Certificate from the Peer Review Board of ICAI.

Accordingly, the Board of Directors, based on the recommendation of Audit Committee and subject to the approval of members, recommended their appointment for a further period of two (2) consecutive years.

#### **Disclosure under Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015**

Proposed statutory audit fee payable to auditors	Not exceeding an amount of ₹ 16 lakhs as statutory audit fees for the year ending 31st March 2023. The above fees exclude limited review, certification fees, applicable taxes and reimbursement of expenses.
Terms of appointment	M/s. CSK Prabhu & Co., Chartered Accountants, are recommended for appointment for a consecutive period of two years from the conclusion of the 65th Annual General Meeting until the conclusion of the 67th Annual General Meeting.
Material change in fee payable	There is no material change in fees payable for the auditors
Basis of recommendation and auditor's credentials	The recommendations are based on the fulfilment of the eligibility criteria prescribed by RBI guidelines and the Companies Act 2013 with regard to the full-time partners, statutory and branch audit experience of the firm, capability, independence assessment, audit experience of banks.  <b><u>Brief Profile of M/s CSK Prabhu &amp; Co, Chartered Accountants</u></b> M/s CSK Prabhu & Co is a firm of Chartered Accountants headquartered in Coimbatore. The firm was incorporated in the year 1979 by Sri.C.S.K. Prabhu FCA, Chartered Accountant. The firm is a 43 year old firm. The firm has 3 partners. The Firm provides Audit, Assurance, Taxation and Consultancy Services. The firm has experience in the following Sectors: Manufacturing, Textiles, Infotech, Finance and Banking, Retail and Trading, Jewellery, Food Processing, FMCG, Healthcare, NGO / NPO Charity and Education, Energy, Capital Goods, Chemicals and Fertilizers, Automobile Machinery and Construction etc. The firm holds a valid Peer Review Certificate from the Peer Review Board of ICAI, New Delhi.

Accordingly, the Board of Directors recommend the Ordinary Resolution set out in Item No 5 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 Ordinary Resolution.

## SPECIAL BUSINESS

### Item No.6

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.

**Disclosures 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	Redeemable, Cumulative Preference Shares Date of Board Meeting : 11th August 2022
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 "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) 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 6 and the rate of dividend will be decided by the Board of Directors at the time of issue.
j	Terms of redemption, including the tenure of redemption, if any, redemption of shares at premium and if the preference shares are convertible, the terms of conversion	The period of redemption will 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, as the case may be

l	Current shareholding pattern of the Company	Equity shareholding pattern as on 30th June 2022:		
		<b>Category</b>	<b>No of Shares</b>	<b>% of equity capital</b>
		Promoter and Promoter Group	4,33,63,007	67.02
		Banks, Financial Institutions and Mutual Funds	900	0.00
		Bodies Corporate including Overseas Corporate Body	1,56,13,396	24.13
		Non-Resident Indians	20,236	0.03
		Resident Individuals and Others	57,08,343	8.82
		<b>Total</b>	<b>6,47,05,882</b>	<b>100.00</b>
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> .				
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	Promoters or Directors may subscribe to 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 6 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.7

As per 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 makes 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 a significant source of funds for the Company. The borrowings of the Company presently aggregate approximately to ₹ 1,002 crore, of which Secured or Unsecured NCDs, Subordinated bonds and other debt securities, privately placed, aggregate approximately to ₹ 337 crore.

The Company expects to borrow an amount not exceeding ₹ 750 crore by way of NCDs and other debt securities during the period commencing from the conclusion of the Sixty Fifth Annual General Meeting until the conclusion of the Sixty Sixth 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 requirements.

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.

**Disclosures 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 or Unsecured Redeemable, Non-Convertible Debentures ("NCDs") and Other Debt Securities in one or more series or tranches Date of Board Meeting : 11th August 2022
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 ₹ 750 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% per annum 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 the 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	Promoters or Directors may subscribe to the offer.
Principal terms of assets charged as security, if applicable	Secured NCDs : Security cover will be equal to or more than one time of the debenture value.

Accordingly, the Board of Directors recommend the Special Resolution as set out in Item No 7 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 and Chief Compliance Officer  
 FCS 7012

11th August 2022  
 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 DIRECTOR SEEKING REAPPOINTMENT AT THE SIXTY FIFTH 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 S Veluswamy</b>
Item No	4
Director Identification Number ("DIN")	05314999
Date of birth and age	20th June 1959, 63 years
Date of appointment on the Board	29th May 2019
Qualifications	M Com, ACS, Ph.D
No of Board Meetings attended during the year out of 10 meetings	10
Expertise in specific functional areas	He holds a Master's Degree in Commerce from Madras University. He is also an Associate Member of The Institute of Company Secretaries of India. He has also received a Doctorate Degree in Commerce from Bharathiyar University. He has more than three decades of experience in secretarial, business operations and finance etc of the Company. He had already served as CFO of the Company from November 2014 to November 2015, Senior President from November 2015 to August 2017 and CEO of the Company from 10th August 2017 to 28th May 2019. He has also served as Director (Finance and Operations) and CFO of the Company from 29th May 2019 to 24th May 2022.
Directorships held in other Companies	<b>Unlisted Public Companies</b> 1. ABT Finance Limited 2. ABT Foods Limited 3. ABT Foods Agrovet Limited 4. Sakthifinance Commercial Vehicle and Infrastructure Limited <b>Private Limited Companies</b> 5. Sakthi Pelican Insurance Broking Private Limited
Memberships / Chairmanships of committee across public companies	<b>Audit Committee</b> 1. ABT Foods Limited 2. ABT Foods Agrovet Limited
Resignation during past 3 years from listed companies	Not applicable
No of equity shares held	Nil
Last drawn remuneration	₹ 34.06 lakhs
Relationship with other directors	None



**TDS INSTRUCTIONS ON DIVIDEND**

The Income Tax Act, 1961 ("the IT Act"), as amended by the Finance Act 2020, mandates that dividends paid or distributed by a company after 1 April 2020 shall be taxable in the hands of the members. Accordingly, the Company shall deduct tax at source (if applicable) at the time of making the payment of the Dividend, if declared at the 65th AGM.

The details given below provides the applicable Tax Deduction at Source ("TDS") provisions under the IT Act for Resident and Non-Resident shareholder categories, who are requested to take note of it.

**Table 1: For Resident Shareholders**

The shareholders are advised to update their PAN (Permanent Account Number), if not already done with depositories (in case shares are held in demat mode) and with the Company's Registrar and Transfer Agents, SKDC Consultants Limited (in case shares are held in physical mode).

Category of Shareholders	TDS Rate	Exemption Applicability / Documents required
Any resident shareholder	10% with Valid PAN or 20% without PAN or Invalid PAN	No TDS in the following cases: If dividend payable or likely to be paid to a resident individual shareholder during financial year 2022-23 does not exceed ₹ 5,000. If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to it. For shareholders who are considered as "Specified Persons" (refer footnote to Table 1) under Section 206AB of IT Act, higher tax rate shall apply. For the purpose of TDS, the Company will verify the status (Specified Person or not) from the Government enabled on-line facility and accordingly will deduct the TDS.
Submitting Form 15G / Form 15H	Nil	Eligible shareholder providing Form 15G [applicable to Individual (below the age of 60 years)] / Form 15H (applicable to an Individual aged 60 years and above) - on fulfilment of prescribed conditions.
Order under Section 197 of the IT Act	Rate provided in the order	Lower / NIL withholding tax certificate obtained from Income Tax authorities.
Insurance Companies (Public / Other) or Mutual Funds specified under Section 10 (23D) or Alternative Investment Fund (covered by Notification No. 51/2015 dated 25 June 2015)	Nil	Self-declaration that it has full beneficial interest with respect to shares owned, along with documentary evidence such as self-attested copy of PAN card and registration certificate  TDS shall be deducted at applicable rates if any of the above documents are not provided.
Corporation established by or under a Central Act, which is exempt from income-tax	Nil	Self-declaration along with documentary evidence that the person is covered under Section 196 of the IT Act.

**Footnote:**
**Table 1:**
**'Specified person' means a person who has:**

- not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of Section 139 has expired; and
- the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year.

**Table 2: For Non-resident Shareholders**

Category of Shareholders	TDS Rate	Exemption Applicability/ Documents required
Any non-resident shareholder [including Foreign Institutional Investors ("FII"), Foreign Portfolio Investors ("FPI")]	20% (plus applicable surcharge and cess) or DTAA rate, whichever is lower	<p>Non-resident shareholders (including FPI and FII shareholders) may opt for tax rate under Double Taxation Avoidance Agreement ("DTAA"). The Tax DTAA rate shall be applied for TDS on submission of following documents to the company :</p> <p>Self-attested copy of the PAN Card, if any, allotted by the Indian authorities.</p> <p>Self-attested copy of Tax Residency Certificate ("TRC") valid as on the AGM date for the FY 2022-23 or the calendar year 2022 obtained from the tax authorities of the country of which the shareholder is resident</p> <p>Self-declaration in Form 10F</p> <p>Self-declaration confirming not having a Permanent Establishment in India, eligibility to DTAA benefit and do not / will not have place of effective management in India.</p> <p>TDS shall be deducted at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided. The rate of surcharge shall be determined considering the dividend paid in the FY 2022-23.</p> <p>The Company is not obligated to apply the DTAA rates at the time of deduction/ withholding on dividend amounts. Application of DTAA rate shall depend upon the completeness of the documents (as required under the provisions of the IT Act) submitted by the non-resident shareholder.</p> <p>For shareholders who are considered as "Specified Persons" (refer footnote to Table 1) under Section 206AB of IT Act, higher tax rate as applicable would be deducted. For the purpose of TDS, the Company will verify the status (Specified Person or not) from the Government enabled on-line facility and deduct TDS accordingly. It may be noted that as per Section 206AB of IT Act, a non-resident who does not have a permanent establishment in India will not be considered as specified person.</p>
Submitting Order under Section 195(3) /197 of the IT Act	Rate provided in the Order	Lower / NIL withholding tax certificate obtained from Income Tax authorities.

Shareholders holding shares under multiple folios / demat accounts under different status / category under a single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

The Forms as mentioned in Table 1 and 2 can be accessed and downloaded from the website of the Company at the web-link <https://www.sakthifinance.com> and submit the applicable Forms to the Company's e-mail id, [investors@sakthifinance.com](mailto:investors@sakthifinance.com), on or before **Wednesday, 21st September 2022**.

**FORM ISR – 1**

(SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

**REQUEST FOR REGISTERING PAN, KYC DETAILS OR CHANGES / UPDATION THEREOF**

[For Securities (Shares / Debentures / Bonds, etc.) of listed companies held in physical form]

Date : / /

A. I / We, request you to Register / Change / Update the following (Tick ✓ relevant box)

<input type="checkbox"/> PAN	<input type="checkbox"/> Signature	<input type="checkbox"/> Mobile Number
<input type="checkbox"/> Bank details	<input type="checkbox"/> Registered Address	<input type="checkbox"/> E-mail address

B. Security and KYC Details (to be filled in by the First Holder)

Name of the Issuer Company		Folio No(s)	
Face value of Securities		Number of Securities	
Distinctive number of Securities (Optional)	From	To	
E-mail Address			
Mobile Number			

C. I/We are submitting documents as per Table below (tick ✓ as relevant, refer to the instructions):

Name(s) of the Security holder(s) in Capital as per PAN Copies of PAN of all the Holder(s) duly self-attested with date to be enclosed with this Form	PAN	PAN Linked to Aadhaar -Y/N Tick any one [✓] *
		Yes / No
		Yes / No
		Yes / No
		Yes / No

Note: \* PAN shall be valid only if it is linked to Aadhaar by March 31, 2022, or any other date as may be specified by CBDT.  
 To know the status of your Pan Linked to Aadhaar check on this link: <https://www.incometax.gov.in/iec/foportal>.

Bank Account Details of First Holder		
Name of the Bank & Branch	IFSC	
Bank A/c No.	Tick any one [✓]- Acct type <input type="checkbox"/> Savings <input type="checkbox"/> Current <input type="checkbox"/> NRO <input type="checkbox"/> NRE <input type="checkbox"/> Any other	

Note: Original cancelled cheque leaf bearing the name of the first holder is mandatory, failing which first security holder shall submit copy of bank passbook / statement attested by the Bank for registering the Bank Account details

Demat Account Number	16 digit DP/CL
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Also provide Client Master List (CML) of your Demat Account, provided by the Depository Participant.

Authorization: I / We authorise you (RTA) to update the above PAN and KYC details in my / our above folio(s) (use Separate Annexure if extra space is required) in which I / we are the holder(s). [ strike off what is not applicable ] Declaration: All the above facts and documents enclosed are true and correct.

	First Holder	Joint Holder - 1	Joint Holder - 2	Joint Holder - 3
Signature				
Name				
Address				
PIN				

Note: If the address mentioned above differs from the address registered with the Company, you are requested to record the new address by submitting the documents as specified in point (3) overleaf.