

SUNDARAM FINANCE LIMITED

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CIN: L65191TN1954PLC002429

Email: investorservices@sundaramfinance.in • www.sundaramfinance.in

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013)

To,
The Members,

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, for obtaining the consent of the Members through postal ballot:

- i) for borrowing in excess of the aggregate of paid-up share capital and free reserves;
- ii) for private placement of debentures.

The draft of Special Resolutions together with the Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, setting out the material facts and reasons thereto are enclosed.

Chennai 600 002
Date: 26.05.2014

By Order of the Board
P VISWANATHAN
Secretary & Compliance Officer

Notes:

1. The Board of Directors has appointed Mr. T.K. Bhaskar, Partner, HSB Partners, Advocates, Chennai, as the Scrutinizer, for conducting the postal ballot process in a fair and transparent manner.
2. A member desiring to exercise vote by postal ballot is requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed, in the attached self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours (17:30 hrs) on 5th July 2014.
3. The Scrutinizer will submit his report to the Chairman/Audit Committee Chairman of the Company after completion of the scrutiny and the results of the postal ballot will be announced by the Chairman/Audit Committee Chairman on Monday, the 7th July 2014
4. The results of the postal ballot will be posted on the Company's website – www.sundaramfinance.in
5. In compliance with provisions of Section 110 of the Act read with Companies (Management and Administration) Rules, 2014 and Listing Agreement, members may cast their votes either through Postal Ballot form or through electronic form (e-voting). Those members opting for e-voting may follow the procedure, as recommended by CDSL, the e-voting agency appointed by us, as stated in Page 4 of this notice.

SUNDARAM FINANCE LIMITED

DRAFT RESOLUTIONS

SPECIAL BUSINESS

1. To consider and if thought fit to pass with or without modifications, the following resolution as a **Special Resolution**:

"**RESOLVED** that pursuant to Section 180(1)(c) of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company, for borrowing moneys for the purposes of the Company, from time to time, notwithstanding that the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, provided however, that the aggregate of the amounts so borrowed and to be borrowed and outstandings at any time (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs.15000 cr. (Rupees fifteen thousand crore only)."

2. To consider and if thought fit to pass with or without modifications, the following resolution as a **Special Resolution**:

"**RESOLVED** that pursuant to the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 and subject to such other Regulations / Guidelines, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board"

which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) for making offer(s) or invitation(s) to subscribe to Non-Convertible Debentures including but not limited to Subordinated Debentures, bonds and / or other debt securities, etc. on a private placement basis, in one or more tranches, during the period ending 31st July 2015 for a sum not exceeding Rs.5,500 cr., within the overall borrowing limits of the Company, including those issued from 1st April 2014.

FURTHER RESOLVED that the Board be and is hereby authorised and empowered to arrange or settle the terms and conditions on which all such moneys are to be borrowed from time to time, as to interest rate, tenor, repayment, security or otherwise and listing, as it may deem expedient, and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

FURTHER RESOLVED that the Board be and is hereby authorised to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto including intimating the concerned authorities or other regulatory bodies and delegating all or any of the powers conferred herein to any Committee of Directors or Officers of the Company."

EXPLANATORY STATEMENT UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013

SPECIAL BUSINESS

ITEM 1

At the Annual General Meeting held on 16.07.2012, the Board of Directors were authorised to borrow upto a limit of Rs. 15000 cr. (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) under Section 293(1)(d) of the Companies Act, 1956. The present aggregate borrowings including temporary loans obtained from the Company's bankers amount to Rs.11796.47 cr.

As at 31.03.2014, the own funds of the Company have risen to Rs.2404.92 cr. The capital adequacy ratio of the Company is comfortable at 18.18%, well above the required level of 15%, leaving sufficient scope for further borrowings.

The Ministry of Corporate Affairs (MCA) vide General Circular dated 25th March 2014 has clarified that resolutions passed under Section 293 of the Companies Act, 1956, prior to 12.09.2013, with reference to borrowings (subject to the limits prescribed) and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of Section 180 of the Companies Act, 2013 up to 12.09.2014, i.e. for a period of One year from 12.09.2013, (date of notification of the said section).

In the present business conditions, it is considered sufficient to retain the present limit of borrowing to Rs.15000 cr. Accordingly, the Special Resolution as set out in the notice is submitted for consideration and the Board recommends that the resolution be passed.

INTEREST OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

None of the Directors & Key Managerial Personnel of the Company and their relatives is interested in the resolution.

ITEM 2

The Ministry of Corporate Affairs has notified with effect from 1st April 2014 Section 42 of the Companies Act, 2013 dealing with offer / invitation for subscription of securities on private placement basis and Section 71 of the Companies Act, 2013 pertaining to issue of debentures.

As per section 42 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company

offering or making an invitation to subscribe to Non-Convertible Debentures (NCDs) on a private placement basis, is required to obtain the prior approval of the Members by way of a Special Resolution. Such an approval by a Special Resolution can be obtained once a year for all the offers and invitations for such NCDs during the year.

The aggregate borrowings of the Company is Rs.11796.47 cr. of which NCDs including Subordinated Debentures, comprise Rs.5779.45 cr. as on 31st March 2014.

It is proposed to offer or invite subscriptions for NCDs including Subordinated Debentures, Bonds and / or other debt securities etc., on a private placement basis, in one or more tranches, during the period ending 31st July 2015 for a sum not exceeding Rs.5500 cr., with authority to the Board to determine the terms and conditions, including the issue price of the NCDs, interest rate, tenor, repayment, security or otherwise and listing, as it may deem expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of the Resolution. Accordingly, the approval of the Members, including ratification for the debentures issued from 1st April 2014, is being sought by way of Special Resolution under Section 42, Section 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder and listing requirements.

The Board recommends the passing of the Special Resolution.

Your approval is sought by voting through postal ballot or e-voting.

INTEREST OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

None of the Directors & Key Managerial Personnel of the Company and their relatives is interested in the resolution.

By Order of the Board

Chennai 600 002
Date: 26.05.2014

P VISWANATHAN
Secretary & Compliance Officer

SUNDARAM FINANCE LIMITED

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

(A) (I) In case of members receiving e-mail:

1. If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
2. Log on to the e-voting website www.evotingindia.com.
3. Click on "Shareholders" tab to cast your votes.
4. Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT"
5. Now, fill up the following details in the appropriate boxes

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number AAAAA1234B in the PAN field.

Please enter any one of the details in order to login.

6. After entering these details appropriately, click on "SUBMIT" tab.
 7. Members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & *). Kindly note that this password is to be also 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. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
 8. Click on the relevant EVSN on which you choose to vote.
 9. 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.
 10. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
 11. 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.
 12. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (II) In case of members receiving the physical copy of Notice [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:**
- (B) Please follow all steps from sl. no.2 to sl. no. 12 above, to cast vote.
 - (C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
 - (D) 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 email to helpdesk.evoting@cdslindia.com.

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Enduring values. New age thinking.

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CIN: L65191TN1954PLC002429
Email: investorservices@sundaramfinance.in • www.sundaramfinance.in

POSTAL BALLOT FORM

Postal Ballot No :

1. Name(s) of member(s)
(including joint holders, if any) &
2. Registered address of the sole/first
named member

CANCELLED

3. Registered Folio No. /
DP ID No./Client ID No.
4. Number of shares held
5. I/We hereby exercise my/our vote in respect of the special resolutions to be passed through postal ballot for the business stated in the notice of the company by sending my/our assent or dissent to the said resolution by placing the (✓) mark at the appropriate box below:

Sl. No.	Description	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Special Resolution under Section 180(1)(c) of the Companies Act, 2013, for according consent to borrow in excess of the aggregate of paid-up share capital and free reserves.			
2	Special Resolution under Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 for private placement of debentures.			

Place:

Date:

Signature of the Member

ELECTRONIC VOTING PARTICULARS

EVSN (E-voting Sequence Number)	User ID	Password / PIN

Note: Please read the instructions printed overleaf carefully before exercising your vote.

INSTRUCTIONS

1. A Member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the company in the attached self-addressed envelope bearing the address of the Scrutinizer appointed by the Board of Directors of the Company. Postage will be borne and paid by the company. However, envelopes containing postal ballots, if sent by courier at the expenses of the registered member will also be accepted.
2. This form should be completed and signed by the member. In the case of jointholding, this form should be completed and signed (as per the specimen signature registered with the company) by the first named member and in his absence, by the next named member.
3. Incomplete, incorrect or unsigned Postal Ballot Form will be rejected.
4. Duly completed Postal Ballot Form should reach the company not later than the close of working hours (17:30 hrs) on Saturday the 5th July 2014. Postal Ballot Form received after this date will be strictly treated as if the reply from the member has not been received.
5. Voting rights shall be reckoned on the paid-up value of shares registered in the name(s) of the member(s) on the date of despatch of the notice.
6. A member need not use all his votes nor does he needs to cast all his votes in the same way.
7. Where the Postal Ballot Form has been signed by an authorised representative of a body corporate, a certified copy of the relevant authorisation should accompany the Postal Ballot Form.
8. In case the Postal Ballot Form is signed by a Power of Attorney (POA) holder, POA registration number should be mentioned.
9. A member may request for a duplicate Postal Ballot Form, if required. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified at item 4 above.
10. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed envelope.
11. **In compliance with Clause 35B of the Listing Agreement and the Companies Act, 2013, the Company is providing e-voting facility to the shareholders to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional. The e-voting procedure, as recommended by CDSL, the e-voting agency appointed by the Company, is stated in page 4 of the notice.**