

Format for furnishing the details of employee benefit schemes involving dealings in secondary market, not covered under SEBI (ESOS and ESPS) Guidelines 1999

1.	Name of the Issuer	Sundaram Finance Limited
2.	Name of the Scheme	Sundaram Finance Employee Stock Option Scheme -2008 (SFESOS -2008)
3.	Date of implementation	24.07.2008
4.	Mode of Implementation (Trust/Direct)	Trust
5.	Brief particulars about the Scheme (modus operandi) Details of Trust, Trustees, and their relationship with Promoters or Directors of the company	As per Annexure I
6.	Whether promoters/persons belonging to the promoter group/directors, are also beneficiaries in the scheme. If so, the details thereof and their entitlements	None of the promoters/ persons belonging to the promoter group is beneficiaries. Non- Promoter Directors are eligible. Details of Stock Options granted to Directors is enclosed vide Annexure II .
7.	No. of shares held by Trust/any other agency managing the scheme as on the date of the circular	10,77,660 Equity Shares of Rs. 10/- each
8.	How the Trust/agency is proposing to deal with the existing holding (whether to be transferred to the employees, or to be sold in the market for transferring the benefits to the employees, if so, details regarding proposed date of such transfer or sale shall be given) Such date shall not be later than June 30, 2013	The shares held by the Trust will be used to grant Stock Options to eligible employees.

9.	Details of persons who are entitled to shares or benefits accruing out of the shares, which form part of more than 1 percent of the paid up share capital, as on the date of the circular in the following format	Nil
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Name of the employee	Whether falling under Promoter/promoter group/directors	No. of entitled shares	% of such entitlement over the paid-up share capital	No. of shares transferred/alloted to them/benefits of which is passed on to them out of (3)
Nil				

10. Details of secondary market purchases/sales by the company/Trust/ any other agency managing the scheme if any, since April 01, 2012 in the following format

S. No	Date/Time (Trading)	Type of Transaction (Purchase/ Sale)	No. of Securities	Price at which purchased/ sold* (In Rupees)
1.	14.12.2012 14:55:29- 15:05:21	Purchase	5000	512.70- 514.00
2.	18.12.2012 13:15:16- 13:41:36	Purchase	6091	502.30- 510.00
3.	20.12.2012 10: 13:00- 11:10:13	Purchase	9741	512.00- 514.00
4.	21.12.2012 11:18:04- 14:39:03	Purchase	4168	513.50- 515.00
5.	24.12.2012 11:19:50- 15:13:11	Purchase	25000	510.00- 515.00
6.	26.12.2012 10:10:01- 13:50:17	Purchase	4500	512.00- 514.00
Total			54500	

* The price range of the shares purchased has been furnished.



Annexure I

Name of the Trust	Sundaram Finance Employees Welfare Trust
Names of Trustees	Mr Srinivas Acharya Mr S. Venkatesan Mr P Viswanathan
Relationship of Trustees with the Promoters/ Directors of the Company	Mr Srinivas Acharya - Director Mr S Venkatesan – Advisor Mr P Viswanathan - Secretary & Compliance Officer
Salient Features of the Scheme	As detailed hereunder

THE PRINCIPAL TERMS AND CONDITIONS OF THIS STOCK OPTION SCHEME ARE AS FOLLOWS:

- a. **Total number of options/shares to be issued under the SFESOS:** The total number of Equity Stock Options to be granted under SFESOS shall not exceed 1% of the paid up capital of the Company. Options granted to any one employee will not exceed 0.1% of the number of equity shares of the Company.
- b. **Identification of classes of employees entitled to participate in SFESOS:** All permanent and confirmed employees of the Company, (including past employees), in Senior Management Grades including Directors/Whole-time-Directors/Managing Director (other than employees who are promoters or who belong to the promoter group or promoter directors or directors who either by themselves or through their relatives or through anybody corporate, directly or indirectly hold more than 10% of the outstanding equity shares of the Company) and such other designated employees as may be recommended by the Managing Director to the Compensation Committee will be eligible for grant of Stock Options, based on the recommendations of the Managing Director to the Compensation Committee of the Board.
- c. **Date of Grant:** The date of grant to such of the eligible employees as the Compensation Committee may determine would be such date as would be decided by the Board/Compensation Committee for the purpose of grant of options.
- d. **Requirements of Vesting and period of vesting and Maximum period within which the Options shall be vested:** The Options granted to any individual employee will vest in one or more tranches over a period specified by the Compensation Committee in each case. This period shall not be less than one year and not more than five years from the date of grant of the options. For the Options to vest, the employee in question should continue to be in employment of the Company and/or its subsidiaries.
- e. **Exercise Period:** The exercise period shall be a period of upto five years from the date of vesting of options as specified by the Compensation Committee in each case. Any options not exercised within such period shall lapse.



- f. **Appraisal process for determining the eligibility of employees to the Options under SFESOS:** The Managing Director, as a part of the annual appraisal process of employees, will submit to the Compensation Committee of the Board his recommendations on the employees to be granted options that year, along with his recommendations on the quantum of options and terms of vesting in each case. While deciding the eligibility amongst employees of the company and also for determining the number of Options to be granted to each of them, the Managing Director would take into account the grade, performance and direct or indirect contribution towards profit by the employee, and such other factors as may be deemed appropriate and recommend to the Compensation Committee. The Compensation Committee of the Board at its sole discretion will make a final decision on the number of Options granted and the terms relating thereto.
- g. **Exercise Process:** The employee may exercise options by written notice to the Company or to the Trustees of the Sundaram Finance Employees Welfare Trust, as the case may be, along with a cheque for the full price of Options to be exercised. The Compensation Committee shall form rules governing such eventualities as (a) resignation, retirement or termination of employees who have options vested but unexercised, (b) employees on long leave, and (c) adjustment to the terms of options granted to account for changes in value due to Corporate Actions. Shares against which options have been exercised will be transferred by the Employees Welfare Trust to the eligible employees. For this purpose, the company will, at its discretion, either issue shares to the Trust or fund the Trust to acquire shares
- h. **Exercise Price:** The grant price of the Options under SFESOS shall be par value of the share or at any price as may be fixed by the Compensation Committee.
- i. (i) The Company shall use the intrinsic value method to value the Options.
- (ii) In case the Company calculates the employee compensation cost using the intrinsic value of the Options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' report and also impact of this difference on profits and on EPS of the company shall also be disclosed in the Directors' report.
- (iii) In the context of the above, the company shall conform to the accounting policies specified by SEBI(Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, from time to time.



Annexure II

**DETAILS OF STOCK OPTIONS GRANTED TO MR SRINIVAS ACHARYA,
NON – PROMOTER DIRECTOR**

S. No	Name of the Non-Promoter Director	GRANT - 1	GRANT - 2	GRANT - 3	GRANT - 4	Total
		2009	2010	2011	2012	
1	Sri. Srinivas Acharya	1500	2000	2500	3000	9000

TERMS OF GRANT					
1	Date of Grant	29.05.2009	28.05.2010	30.05.2011	28.05.2012
2	Date of Vesting	31.05.2010	31.05.2011	31.05.2012	31.05.2013
3	Exercise Period	01.06.2010 - 31.08.2010	01.06.2011 - 31.08.2011	01.06.2012- 31.08.2012	01.06.2013- 31.08.2013

