
SUNDARAM FINANCE LIMITED

CIN: L65191TN1954PLC002429

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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 approval of the Members by way of Special Resolutions through postal ballot:

(i) for authorising the Board of Directors of the Company under Section 186 of the Companies Act, 2013 to make investments upto ₹2000 cr., from time to time (i.e. in excess of the limits prescribed under the said Section);

and

(ii) for private placement of debentures under Section 42 of the Companies Act, 2013 upto a sum of ₹7500 cr. during the period 1st April 2015 to 31st March 2016.

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.

By Order of the Board

Chennai 600 002

Date: 18.02.2015

P VISWANATHAN

Secretary & Compliance Officer

Notes:

1. The Board of Directors has appointed Sri 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 **Friday, the 27th March 2015**.
3. The Scrutinizer will submit his report to the Chairman / Audit Committee Chairman / Managing Director of the Company after completion of the scrutiny and the results of the postal ballot will be announced by the Chairman / Audit Committee Chairman / Managing Director on **Monday, the 30th March 2015 at 4.30 P.M.**, at the Registered Office of the Company at 21, Patullos Road, Chennai 600 002. The date of declaration of the postal ballot result will be taken to be the date of passing the special resolutions.
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 this notice.**

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 the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to make investments in the securities of bodies corporate, from time to time, for such amounts, such that the aggregate of investments made, do not exceed ₹2000 cr., notwithstanding that the aggregate of the investments made, loans and guarantees given and security provided may exceed the limits prescribed under the said Section.

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 from 1st April 2015 to 31st March 2016 for a sum not exceeding ₹7,500 cr., within the overall borrowing limits of the Company.

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

The Company has been making investments in other bodies corporate from time to time in the ordinary course of its business. Section 186 of the Companies Act, 2013 provides that with respect to a company which is engaged in the business of financing of companies, no investment can be made where the aggregate of investments made, loans and guarantee given, security provided exceed 60% of the paid-up share capital, free reserves and securities premium account (i.e. ₹966 cr.) or 100% of the free reserves and securities premium account of the Company (i.e. ₹1500 cr.), whichever is more except with the prior approval of the shareholders by way of Special Resolution. The higher of these two limits of your company based on the financials of the Company as on 31st March 2014 is ₹1500 cr. Your company's total investment as on 31st December 2014 is ₹1128.17 cr. Your Company can make investments, in excess of ₹1500 cr., **only with the prior approval of shareholders by way of Special Resolution.**

With the growth in the levels of business and for strategic reasons, it is expected that the total amount of investments together with the investments already made by the company in the ordinary course of business is likely to exceed the limit of ₹1500 cr. Hence, it is considered desirable to raise the said limit to ₹2000 cr., with the approval of shareholders by way of special resolution.

Section 110 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 requires that the said Special Resolution be approved by the shareholders through postal ballot / E-voting.

Accordingly, the draft Special Resolution, approving the investment limit upto ₹2000 cr., is submitted for consideration of the shareholders and the Board commends that the resolution be passed.

The Register of inter-corporate loans and investments containing the details required to be mentioned therein is open for inspection during the office hours on any working day at the Registered Office of the Company.

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 ₹13198.76 cr. of which NCDs including Subordinated Debentures, comprise ₹7307.69 cr. as on 31st January 2015.

It is proposed to offer or invite additional 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 from 1st April 2015 to 31st March 2016 for a sum not exceeding ₹7500 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 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: 18.02.2015

P VISWANATHAN
Secretary & Compliance Officer

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company) and then enter the Captcha Code (Image Verification) as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department
DOB#	Enter the Date of Birth as recorded in your demat account / folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account / folio.

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name followed by last 8 digits of Folio No. / Client ID in the PAN field. In case, the Folio No. is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramesh Kumar with Folio number 838 then enter RA00000838 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the 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.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take print out of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password, then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders & Custodians:

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates and Custodians respectively. 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 login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s) / folio numbers on which they wish to vote. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps referred above to cast vote.
- (B) 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.