

REPORT OF THE AUDIT COMMITTEE RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF SUNDARAM INFOTECH SOLUTIONS LIMITED WITH SUNDARAM FINANCE LIMITED

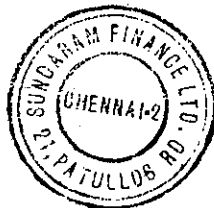
The Audit Committee of Sundaram Finance Limited (SFL) held its meeting on 25th November 2016 at 9.30 A.M. to discuss the performance of Sundaram Infotech Solutions Limited (SISL), wholly-owned subsidiary of SFL and consider the draft Scheme of Amalgamation of SISL with SFL.

SISL was incorporated on 19th July 2005 for engaging in the business pertaining to information technology and software services. The paid-up capital of SISL is ₹16.40 cr. divided into 1,64,00,000 equity shares of ₹10/- each, which is fully held by SFL and its nominees.

The Committee deliberated on the performance of SISL and noted that the company had made steady progress in their Indian operations but the overseas market had been sluggish. They had not been able to grow because of their moderate size and difficulty to compete with major IT players.

With a view to optimising the earnings of the Group as a whole, as well as to make effective use of the talented resources in SISL, many of whom could be utilised in the existing division of SFL, viz. Sundaram Infotech Solutions, to develop and deliver software solutions in the financial services domain, the Committee unanimously proposed the amalgamation of SISL with SFL and recommended the draft Scheme of Amalgamation, consisting of the following salient features, for consideration and approval by the Board of Directors:

- ◆ The appointed date will be the date on which the merger is made effective, i.e. 01.04.2016.
- ◆ The effective date will be the date on which certified copy of the Order of the High Court is filed with the Registrar of Companies.
- ◆ The scheme proposes to transfer and vest all the undertakings, the entire businesses and all the movable and immovable properties, fixed assets, current assets of the transferor company (SISL) in favour of the transferee company (SFL).
- ◆ It also envisages transfer of all the debts and liabilities of the transferor company to the transferee company.
- ◆ The business of the transferor company will be conducted till the effective date.
- ◆ All profits or income accruing or arising to the transferor company shall be treated as the profit or income of the transferee company.
- ◆ The contracts, deeds and agreements to which the transferor company is a party shall be in full force and effect against or in favour of the transferee company.



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Certified True Copy
For Sundaram Finance Limited

P. Viswanathan
P. Viswanathan
Secretary & Compliance Officer

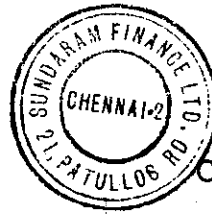
- ◆ All the employees of the transferor company will be absorbed as employees of the transferee company on the terms and conditions of employment as are applicable to the transferee company. The employees who are taken into the transferee company shall have all the benefits of employment as are applicable to the employees of the transferee company.
- ◆ The shares of the transferor company held by the transferee company will be cancelled once the amalgamation takes effect.
- ◆ The expenses to be incurred in connection with the amalgamation shall be borne by the respective companies.

Since SISL is a wholly-owned subsidiary of SFL, all the shares held by SFL and its nominees in SISL shall stand cancelled as on the Effective Date. There will be no question of issuing any shares of SFL to any person(s) upon the amalgamation and hence, there is no need to obtain a Valuation Report.

Date: 25.11.2016

Place: Chennai

For Sundaram Finance Limited



A handwritten signature in black ink, appearing to read "S. Prasad".

S. Prasad
Chairman – Audit Committee

Certified True Copy
For Sundaram Finance Limited

A handwritten signature in black ink, appearing to read "R. Viswanathan".

R. Viswanathan
Secretary & Compliance Officer

REPORT OF THE AUDIT COMMITTEE RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF SUNDARAM INFOTECH SOLUTIONS LIMITED WITH SUNDARAM FINANCE LIMITED

The Audit Committee of Sundaram Infotech Solutions Limited (SISL) held its meeting on 25th November 2016 at 3.30 P.M. to discuss the performance of the Company and consider the draft Scheme of Amalgamation of SISL with its holding company, Sundaram Finance Limited (SFL).

SISL was incorporated on 19th July 2005 for engaging in the business pertaining to information technology and software services. The paid-up capital of SISL is ₹16.40 cr. divided into 1,64,00,000 equity shares of ₹10/- each, which is fully held by SFL and its nominees.

The Committee deliberated on the performance of the company and noted that the company had made steady progress in the Indian operations but the overseas market had been sluggish. They had not been able to grow because of their moderate size and difficulty in competing with major IT players.

The Committee noted that the Board of Directors of SFL, had, at their meeting held on 25th November 2016, considered and approved the draft Scheme of Amalgamation of SISL with SFL, subject to all approvals. It was also noted that the said decision had been taken with a view to optimising the earnings of the Group as a whole, as well as to make effective use of the talented resources in SISL, many of whom could be utilised in the existing division of SFL, viz. Sundaram Infotech Solutions, to develop and deliver software solutions in the financial services domain.

After deliberations, the Committee unanimously proposed the amalgamation of SISL with SFL and recommended the draft Scheme of Amalgamation, consisting of the following salient features, for consideration and approval by the Board of Directors:

- ◆ The appointed date will be the date on which the merger is made effective, i.e. 01.04.2016.
- ◆ The effective date will be the date on which certified copy of the Order of the High Court is filed with the Registrar of Companies.
- ◆ The scheme proposes to transfer and vest all the undertakings, the entire businesses and all the movable and immovable properties, fixed assets, current assets of the transferor company (SISL) in favour of the transferee company (SFL).
- ◆ It also envisages transfer of all the debts and liabilities of the transferor company to the transferee company.
- ◆ The business of the transferor company will be conducted till the effective date.



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[Signature]

- ◆ All profits or income accruing or arising to the transferor company shall be treated as the profit or income of the transferee company.
- ◆ The contracts, deeds and agreements to which the transferor company is a party shall be in full force and effect against or in favour of the transferee company.
- ◆ All the employees of the transferor company will be absorbed as employees of the transferee company on the terms and conditions of employment as are applicable to the transferee company. The employees who are taken into the transferee company shall have all the benefits of employment as are applicable to the employees of the transferee company.
- ◆ The shares of the transferor company held by the transferee company will be cancelled once the amalgamation takes effect.
- ◆ The expenses to be incurred in connection with the amalgamation shall be borne by the respective companies.

Since SISL is a wholly-owned subsidiary of SFL, all the shares held by SFL and its nominees in the Company shall stand cancelled as on the Effective Date. There will be no question of issuing any shares of SFL to any person(s) upon the amalgamation and hence, there is no need to obtain a Valuation Report.

Date: 25.11.2016

Place: Chennai

For Sundaram Infotech Solutions Limited



T.K. Sundararajan
T.K. Sundararajan
Chairman – Audit Committee

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For SUNDARAM INFOTECH SOLUTIONS LIMITED

[Signature]
Secretary