

SUNDARAM FINANCE LIMITED

CIN: L65191TN1954PLC002429

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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 for appointment of Sri P N Venkatachalam, Sri S Prasad and Sri Aroon Raman, Independent Directors.

The draft of Ordinary 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: 28.07.2014

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 read the instructions printed in the Postal Ballot Form carefully 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 12th September 2014**.
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 **Tuesday, the 16th September 2014 at 4.30 PM**, 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 Ordinary 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 an **Ordinary Resolution:**

RESOLVED that, pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013 and pursuant to Clause 49 of the Listing Agreement, Sri P N Venkatachalam (holding DIN: 00499442), Director of the Company in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying the member's intention to propose Sri P N Venkatachalam as a director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to March 31, 2019, not liable to retire by rotation.

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

RESOLVED that, pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013 and pursuant to Clause 49 of the

Listing Agreement, Sri S Prasad (holding DIN: 00063667), Director of the Company in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying the member's intention to propose Sri S Prasad as a director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to March 31, 2019, not liable to retire by rotation.

3. To consider and if thought fit to pass with or without modifications, the following resolution as an **Ordinary Resolution:**

RESOLVED that, pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013 and pursuant to Clause 49 of the Listing Agreement, Sri Aroon Raman (holding DIN: 00201205), Director of the Company in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying the member's intention to propose Sri Aroon Raman as a director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to March 31, 2019, not liable to retire by rotation.

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

SPECIAL BUSINESS

ITEMS 1 - 3

Sri S Prasad, Sri Aroon Raman and Sri P N Venkatachalam are Non-Executive Independent Directors of the Company since 28th October 2008, 27th February 2009 and 28th January 2011 respectively.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 read with General Circular No.14/2014 dated 9th June 2014 issued by Ministry of Corporate Affairs and Clause 49 of the Listing Agreement, Sri S Prasad, Sri Aroon Raman and Sri P N Venkatachalam being eligible and offering themselves for appointment are proposed to be appointed as Independent Directors for 5 (five) consecutive years as mentioned in the respective Resolutions. Notices have been received from members proposing their appointment as Directors.

In the opinion of the Board, Sri S Prasad, Sri Aroon Raman and Sri P N Venkatachalam fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company and they are independent of the management.

Copies of the draft letters of appointment of Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that their appointment would be of immense benefit to the Company and it is desirable to avail their services as Independent Directors. Accordingly, the Board recommends the resolutions in relation to appointment of Independent Directors, for the approval by the shareholders of the Company.

INTEREST OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Except Sri S Prasad, Sri Aroon Raman and Sri P N Venkatachalam, being appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the respective resolutions.

By Order of the Board

Chennai 600 002
Date: 28.07.2014

P VISWANATHAN
Secretary & Compliance Officer

SUNDARAM FINANCE LIMITED

Particulars of the Directors seeking appointment pursuant to Clause 49 of the Listing Agreement

Name of Director	Sri S. Prasad	Sri Aroon Raman	Sri P N Venkatachalam
DIN	00063667	00201205	00499442
Date of Birth	May 30, 1948	March 21, 1960	March 22, 1944
Expertise in specific functional areas	Has more than ten years' experience in industry as finance professional and thirty three years experience as a practicing CA	Has nearly 2 decades of experience in manufacturing, marketing and sales of insulation business and interested in research and innovation in the area of technical non-wovens.	Has more than 35 years of experience in Banking covering all segments of Commercial Banking like Retail, Corporate and International banking. In addition, has experience in investment banking and well versed in the area of Capital markets. Retired as Managing Director of State Bank of India and prior to which he was the Managing Director of State Bank of Travancore. Was also briefly a member of the Interim Pension Fund Regulatory Authority of India.
Qualifications	F.C.A.	M.A. (Econ.) M.B.A. (Finance & Marketing)	M. A (Economics), CAIIB
List of other companies in which directorship held as on 28th July 2014	Director: - Wheels India Ltd. - India Motor Parts & Accessories Ltd. - Sakthi Auto Motors Ltd. - Royal Sundaram Alliance Insurance Company Ltd. - MSE Financial Services Ltd.	Director: - Edutech NTTF India Pvt. Ltd. - Anahita Investments Pvt. Ltd. - Wheels India Ltd. - Brigade Enterprises Ltd. - TVS Automobile Solutions Ltd. - Brigade Enterprises Ltd. - Carborundum Universal Ltd. Managing Director: - Raman FibreScience Pvt. Ltd.	Director: - Khazana Jewellery Private Limited - Edelweiss Financial Services Limited - ECL Finance Limited - Edelweiss Finance & Investments Limited - Edelweiss Commodities Services Limited - UTI Asset Management Company Limited - UTI Retirement Solutions Limited - Edelweiss Tokio Life Insurance Co. Limited
Chairman/Member of the Committees of the Board of other companies in which he is a Director as on 28th July 2014	Chairman: Audit Committee - Wheels India Ltd. - India Motor Parts & Accessories Ltd. - Royal Sundaram Alliance Insurance Company Ltd. Member: Stakeholders Relationship Committee - Wheels India Ltd. Audit Committee - MSE Financial Services Ltd.	Member: Audit Committee: - Wheels India Ltd. - Brigade Enterprises Ltd.	Chairman: Audit Committee: - UTI Asset Management Company Limited Member: Audit Committee - Edelweiss Financial Services Limited - ECL Finance Limited - UTI Retirement Solutions Limited - Edelweiss Tokio Life Insurance Co. Limited Share Transfer Committee: - Edelweiss Financial Services Limited
Shareholding as on 28th July 2014: (a) held individually (b) held jointly with others	Nil 12,600	5,37,896 shares Nil	Nil Nil
Relationship with other Directors	–	–	-

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 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 out print 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) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.