

Sundaram Finance Limited

CIN: L65191TN1954PLC002429

Registered Office: 21 Patullas Road, Chennai 600 002

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www.sundaramfinance.in

NOTICE

Notice is hereby given that the 65th Annual General Meeting of the Shareholders of the Company will be held on Friday, the 20th July 2018, at 10.00 A.M. at the Music Academy, New No.168, Old No.306, TTK Road, Chennai 600 014, to transact the following business:

ORDINARY BUSINESS

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

“**RESOLVED** that the Audited Financial Statements, including the Consolidated Financial Statements, of the Company, for the year ended 31st March 2018 and the Board's and Auditors' Reports thereon, be and are hereby approved and adopted.”

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

“**RESOLVED** that a final dividend of ₹7.00 per share (70% on the face value of ₹10/-), as recommended by the Directors, be and is hereby declared for the year ended 31st March 2018 on the paid-up capital of ₹111.10 cr. and the same be paid to shareholders, whose names stand on the Register of Members of the Company on 5th July 2018, making with the interim dividend of ₹5.00 per share (50% on the face value of ₹10/-), a total dividend of ₹12.00/- per share (120% on the face value of ₹10/-) for the year 2017-18 and that the total dividend amount of ₹13,332.46 lakhs representing the said total dividend of ₹12/- per share (120% on the face value of ₹10/-) be paid out of the profits for the year 2017-18

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

“**RESOLVED** that Sri S. Viji (holding DIN:00139043), the retiring Director, be and is hereby re-elected as Director of the Company, liable for retirement by rotation.”

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

“**RESOLVED** that pursuant to the amendments to Section 139(1) of the Companies Act, 2013 and Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (Regn. No. 004207S), made at the 64th Annual General Meeting as the Statutory Auditors of the Company, to hold office for a term of five (5) consecutive years from the conclusion of the 64th Annual General Meeting until the

conclusion of the 69th Annual General Meeting, be and is hereby ratified with effect from the conclusion of the 65th Annual General Meeting until the conclusion of the 69th Annual General Meeting.”

“**FURTHER RESOLVED** that the remuneration payable to M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, towards statutory audit, tax audit and certification, apart from GST and reimbursement of travelling and other out-of-pocket expenses incurred by them, may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors, for the period commencing from the conclusion of the 65th Annual General Meeting until the conclusion of the 69th Annual General Meeting of the Company.”

SPECIAL BUSINESS

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

“**RESOLVED** that Sri S. Ram (holding DIN: 00018309), the retiring Director, be and is hereby re-elected as Director of the Company, liable for retirement by rotation.”

6. 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 loans to any persons or other bodies corporate, from time to time, for such amounts, such that the outstanding loans together with investments made, guarantees given and securities provided by the Company, does not exceed ₹50,000 cr. at any one time, notwithstanding that the aggregate of the said loans/investments/guarantees/securities, may exceed the limits prescribed under the said section.”

“**FURTHER RESOLVED** that the Board of Directors of the Company be and are hereby authorised to determine the (a) persons/bodies corporate to whom the loans can be granted and (b) terms and conditions (including the rate of interest which shall not be less than the prevailing yield on the government securities closest to the tenor of the loan), tenor, margin required, security to be provided, etc., relating to such loans.”

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

“**RESOLVED** that pursuant to Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with applicable provisions of the Companies Act, 2013, the Company be and is hereby authorised to pay remuneration by way of commission to the Non-Executive Directors upto 1% of the net profits of the company, commencing from the financial year 2019-20.

FURTHER RESOLVED that the Board of Directors may, at its discretion, decide the quantum of remuneration by way of commission within the above limit and distribute the same amongst the eligible Directors in such proportion and in such manner, as may be decided, from time to time.”

By Order of the Board

Chennai 600 002
25.05.2018

P VISWANATHAN
Secretary & Compliance Officer

NOTE:

This Notice is being sent to all the shareholders whose names appear on the Register of Members / list of Beneficial Owners, as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as at the close of business hours on 15th June 2018.

1. Appointment of Proxy

A member entitled to attend and vote is entitled to appoint a proxy and such a proxy need not be a member. The proxy form duly stamped and executed, should be deposited at the Registered Office of the Company at least forty-eight hours before the time fixed for the commencement of the meeting. A person can act as proxy on behalf of not more than fifty (50) members holding in the aggregate not more than 10% of the total share capital of the Company.

2. Book Closure

The register of members and share transfer books of the Company will remain closed from 6th July 2018 to 20th July 2018 (both days inclusive). The dividend, if declared at the meeting, will be paid on 23rd July 2018.

3. Unclaimed and Unpaid Dividends

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and other relevant provisions,

- (a) the Company has transferred the unclaimed and unpaid dividends for the financial years 1995-96 to Interim Dividend 2010-11, to the Investor Education and Protection Fund (the IEPF) established by the Central Government.
- (b) the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 20th July 2017 (date of last Annual General Meeting) on the website of the Company (www.sundaramfinance.in), as also on the Ministry of Corporate Affairs (MCA) website; and
- (c) the Company has transferred the relevant equity shares of the shareholders who have not claimed the dividend for seven consecutive years or more, to the demat account of Investor Education and Protection Fund Authority.

4. Voting

In accordance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has provided the facility of voting by electronic means (remote e-voting) to the members.

The Board of Directors has appointed Sri T.K. Bhaskar, Partner, HSB Partners, Advocates, Chennai, as the Scrutinizer, for conducting the

e-voting process in a fair and transparent manner.

The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) to provide e-voting facilities, enabling the members to cast their vote electronically in a secure manner.

It may be noted that the remote e-voting facility is optional. The remote e-voting facility will be available at the link www.evotingindia.com during the following voting period:

The remote e-voting would commence on Sunday, the 15th July 2018 (9:00 A.M.) and ends on Thursday, the 19th July 2018 (5:00 P.M.).

During the above period, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 13th July 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 P.M. on 19th July 2018. Once the vote on a resolution is cast by the shareholder, the shareholder cannot change it subsequently.

The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 13th July 2018. Only those persons, whose names is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date (13th July 2018), shall be entitled to avail the facility of remote e-voting/voting at the venue through polling paper.

Any person, who acquires shares of the Company and becomes a member after despatch of the Notice, but holds shares as on the cut-off date for remote e-voting i.e. 13th July 2018, may obtain the login Id and password by sending a request to helpdesk.evoting@cdslindia.com or contact our Registrar & Share Transfer Agent at the address mentioned on Note no.5 (ii).

The facility for voting through polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

Members intending to vote at the venue are requested to bring their photo identity card.

The procedure and instructions for e-voting is furnished in this notice.

The Scrutinizer will submit his report to the Company after completion of the scrutiny and the results of e-voting/poll, will be announced by the Company on its website – www.sundaramfinance.in within 48 hours of the conclusion of the AGM.

5. Members are requested to:

- Provide Permanent Account Number if not already provided;
- Opt for NACH / NEFT / RTGS facility by providing latest bank account details for prompt credit and for avoiding fraudulent encashment / loss in postal transit of dividend warrant; and
- Avail nomination facility.

For the above purposes,

(i) shareholders holding shares in electronic mode may approach their respective depository participants (DP) and

(ii) shareholders holding shares in physical mode can approach M/s. Cameo Corporate Services Limited, Registrar & Share Transfer Agent, 'Subramanian Building', No. 1, Club House Road, Chennai 600 002, Tel. No. 044 2846 0390 - 0395, Email: investor@cameoindia.com.

6. Members who are holding shares in physical form are requested to avail dematerialisation facility. For further information, please refer to FAQs posted by National Securities Depository Limited on its website www.nsdl.co.in and Central Depository Services (India) Limited on its website www.cdslindia.com.

Explanatory Statement Under Section 102 of the Companies Act, 2013

SPECIAL BUSINESS

ITEM 5

Pursuant to Section 152 (6) (c) of the Companies Act, 2013, one-third of such of the non-independent directors as are liable to retire by rotation, shall retire at every Annual General Meeting. Section 152 (6) (d) of the Companies Act, 2013 provides that the directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment.

Accordingly, Sri S. Ram, Director is due for retirement and eligible for re-appointment at the 65th Annual General Meeting, based on the duration in office since the last re-appointment. Since he has attained the age of 75 years, his appointment/continuity as a non-executive director requires passing of a Special Resolution pursuant to the amendments proposed to the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

Sri S. Ram has over 5 decades of experience in the field of vehicle and component industry. The Board considers that his re-appointment would be in the best interests of the Company and recommends the acceptance of the resolution. Accordingly, a Special Resolution is submitted for your consent.

DISCLOSURE OF INTEREST

Sri S. Viji, Chairman, Sri S. Ram, Director and Sri Harsha Viji, Deputy Managing Director are interested in the resolution.

ITEM 6

The Company has been giving loans in the ordinary course of its business for acquisition of vehicles/equipment/machinery/tyres/fuel and for working capital needs to its retail customers, being corporates, as well as non-corporates. The total of investments made in bodies corporate and loans granted/guarantees given/securities provided to bodies corporates and/or other persons under Section 186 of the Companies Act, 2013, so far (i.e. from 7th May 2018 to 25th May 2018), amounts to ₹947 cr. Section 186 provides that the aggregate of the loans given/guarantees given/securities provided to any person or body corporate and investments

made in any body corporate should not exceed 60% of the paid-up share capital, free reserves and securities premium account or 100% of the free reserves and securities premium account, whichever is more. Your Company can make loans/give guarantees/provide securities provided to any person or body corporate and/or make investments in any body corporate in excess of the limits prescribed under this Section (which, as on 31-03-2018, is ₹2578.80 cr.) only with the prior approval of the shareholders by a Special Resolution.

It is expected that the total amount of loans already made and guarantee/security already provided to bodies corporate and other persons, together with the loans that are proposed to be made by the Company to various persons/bodies corporate in the ordinary course of business are likely to exceed the limit prescribed under the said Section.

Accordingly, the enclosed draft Special Resolution, authorising the making of loans/providing of guarantee/making of investments to/in bodies corporate and other persons, from time to time, such that the loans outstanding, together with the investments made, guarantees given and securities provided by the Company under Section 186 of the Companies Act, 2013, does not exceed ₹50000 cr., at any one time, is submitted for consideration of the shareholders and the Board recommends that the resolution be passed.

The register of loans/guarantees/security 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.

DISCLOSURE OF INTEREST

None of the Directors of the Company is interested in the resolution.

ITEM 7

The Company has been paying commission to non-executive directors within the limit of 1% of the net profits pursuant to the approval accorded at the 60th Annual General Meeting held on 18.07.2013. The non-executive directors of your company devote considerable time in laying down the policies and directions for the management of the

company. The company derives substantial benefit through their expertise and wise counsel. The ever-changing corporate laws and regulations demand an increased involvement and participation on the part of the Directors in Board and Board constituted Committee meetings. Having regard to their contribution and increased responsibilities, it is proposed to renew the payment of commission commencing from the financial year 2019-20.

Accordingly, the Ordinary Resolution is submitted for your consent.

INTEREST OF DIRECTORS

All the Non-Executive Directors of the company are deemed to be interested in the resolution.

By Order of the Board

Chennai 600 002

25.05.2018

P VISWANATHAN

Secretary & Compliance Officer

Particulars of the Directors seeking re-appointment in the forthcoming Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements)

ITEMS 3 & 5

Name of Director	Sri S. Viji	Sri S Ram
DIN	00139043	00018309
Date of Birth	June 7, 1946	April 27, 1940
Expertise in specific functional areas	Has nearly 5 decades of experience in Banking, Finance, Insurance and Automotive Component Manufacturing Industry.	Has over 5 decades of work experience in Vehicle and Component Industry.
Qualifications	B.Com, A.C.A, M.B.A (University of Michigan – USA)	BE (Mech.), MS (Prod. Engg.)
List of other public companies in which directorship held as on 31st March 2018	Chairman: - Sundaram BNP Paribas Home Finance Ltd. Director: - Sundaram Finance Holdings Limited - Wheels India Ltd. - Sundaram Trustee Co. Ltd. - Royal Sundaram General Insurance Co. Ltd.	Chairman: - Wheels India Ltd. - Axles India Ltd. - India Motor Parts & Accessories Ltd. Director: - Southern Roadways Ltd. - Global TVS Bus Body Builders Ltd. - TVS Logistics Services Ltd.
Chairman/Member of the Committees of the Board of other public companies in which he is a Director as on 31st March 2018	Chairman: Stakeholders Relationship Committee - Wheels India Ltd. Member: Audit Committee - Sundaram Finance Holdings Limited - Wheels India Ltd. Corporate Social Responsibility Committee - Wheels India Ltd.	Chairman: Stakeholders Relationship Committee - Axles India Ltd. Corporate Social Responsibility Committee - Axles India Ltd. Member: Nomination Remuneration Committee - Axles India Ltd - India Motor Parts & Accessories Limited Stakeholders Relationship Committee - Wheels India Ltd.
Shareholding as on 31st March 2018 (a) held individually (b) held as Karta of HUF (c) held jointly with others (d) held as Executor / Trustee	9,09,780 shares 4,79,912 shares 8,684 shares 12,25,160 shares*	5,06,788 shares Nil 6,09,896 shares 12,25,160 shares*
Relationship with other Directors	Brother of Sri S. Ram, Director & Father of Sri Harsha Viji, Deputy Managing Director	Brother of Sri S. Viji, Chairman

* Held jointly as Trustees, Sri T S Santhanam Testamentary Trust.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on and ends on 15th July 2018 (9:00 A.M.) and ends on 19th July 2018 (5:00 P.M.) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 13th July 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none">• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, 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. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (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 Resolution details.
- (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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- 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 a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login 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.

(xx) 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.

