



SUNDARAM FINANCE

Enduring values. New age thinking.

SEC:0435:10/PAL
December 21, 2010

The Manager - Listing
National Stock Exchange of India Limited
Capital Market - Listing
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

Dear Sir,

Re: Compliance under Clause 31 (c) of the Listing Agreement

We enclose three copies of the announcement given in the Business Line relating to result of voting conducted through postal ballot in connection with the following Special / Ordinary Resolutions:

- (a) Special Resolution under Section 372A of the Companies Act, 1956 authorising the Board of Directors to make loans to bodies corporate in excess of the limits prescribed under the said Section;

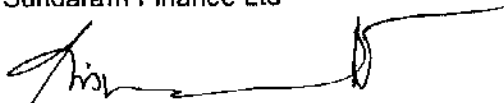
and

- (b) an Ordinary Resolution under Sections 198, 269 read with Schedule XIII, 309 and 317 of the Companies Act, 1956 for appointing Sri Harsha Viji as Director (Strategy & Planning).

We also enclose minutes of the proceedings held on 20th December 2010 relating to declaration of the result on the voting by postal ballot, for your information.

Thanking you,

Yours truly,
for Sundaram Finance Ltd


P. Viswanathan
Deputy Secretary & Compliance Officer
Encl:

CC: National Stock Exchange of India Limited
2nd Floor, Ispahani Centre
Door No.123-124
Nungambakkam High Road
Nungambakkam
Chennai 600 034

Sundaram Finance Limited



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Announcement

The Company is pleased to announce that Sri S Prasad, Director, declared that the Special / Ordinary Resolutions, as circulated in the Postal Ballot Notice dated 29.10.2010, were carried with requisite majority:

Special Resolution under Section 372A of the Companies Act 1956:

2,96,29,803 votes were cast in favour of the resolution (99.97%) and 8,197 votes against (0.03%). 5 Postal Ballot Forms were invalid.

Ordinary Resolution appointing Sri Harsha Vijl as Director (Strategy & Planning):

2,96,32,671 votes were cast in favour of the resolution (99.99%) and 4,429 votes against (0.01%). 5 Postal Ballot Forms were invalid.

Chennai
20.12.2010

For Sundaram Finance Limited
S. Venkatesan
CFO & Secretary

Sundaram Finance Limited

Regd. Office: 21, Patullos Road, Chennai 600 002.

www.sundaramfinance.in

E-mail : investorservices@sundaramfinance.in

BUSINESS LINE
21-12-2010

**MINUTES OF THE PROCEEDINGS HELD AT THE REGISTERED
OFFICE ON MONDAY, THE 20TH DECEMBER 2010 AT 16:00 HOURS
FOR DECLARATION OF RESULTS OF VOTING BY POSTAL BALLOT**

PRESENT:

Chairman of the meeting : Sri S. Prasad
Managing Director : Sri T T Srinivasaraghavan
Scrutinizer : Sri T.K. Bhaskar
Secretary : Sri S. Venkatesan

Since Sri S. Viji, Chairman, could not be present, as authorised vide Board Resolution dated 29th October 2010, Sri S. Prasad, Chairman, Audit Committee, occupied the Chair.

Sri T.K. Bhaskar, Scrutinizer, stated that he had carried out the scrutiny of all the postal ballot forms received upto the close of working hours (17:30 hrs) on 15th December 2010 and submitted his report relating to the results on the voting by Postal Ballot to the Chairman.

The Report submitted by the Scrutinizer was taken on record and the Chairman announced the results of the voting by Postal Ballot as under:

**1. SPECIAL RESOLUTION UNDER SECTION 372A OF THE
COMPANIES ACT, 1956:**

Number of valid postal ballot forms received	1,435
Votes in favour of the Resolution	2,96,29,803
Votes against the Resolution	8,197
Number of invalid postal ballot forms received	5
% of votes in favour	99.97

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DEPUTY SECRETARY & COMPLIANCE OFFICER

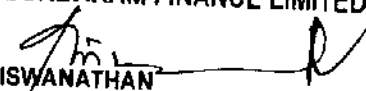
The Chairman then declared that the following Special Resolution, as set out in the Postal Ballot Notice dated 29th October 2010, was carried with the requisite majority:

"RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company, to make loans to bodies corporate, from time to time, for such amounts, such that the outstanding loans together with investments made, guarantees given, securities provided by the Company, do not exceed Rs.3000 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 terms and conditions subject to which such loans shall be granted are as under:

- i. The bodies corporate to whom such loans shall be made would be domestic companies, both private and public excepting (a) companies with accumulated losses for a consecutive period of 3 financial years (b) companies which have been referred to Board for Industrial and Financial Reconstruction (c) companies in respect of which a liquidator / administrator / receiver has been appointed in respect of any part or all assets and properties.
- ii. Such loans shall be against hypothecation of vehicles / equipment, inventories or other assets or for purchase of tyre / fuel / insurance for vehicles or for working capital requirements.
- iii. The other terms and conditions like maximum amount of loan, interest to be charged, repayment period, margin requirements etc. shall be governed by the credit policy applicable to such loans from

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time to time, and in any other case, as may be approved by the Board of Directors.

- iv. The said loans are made out of the owned funds/borrowings, where necessary.
- v. Maximum amount of such loans shall be subject to a limit of Rs.15 cr. per transaction."

2. ORDINARY RESOLUTION APPOINTING SRI HARSHA VIJI AS DIRECTOR (STRATEGY & PLANNING):

Number of valid postal ballot forms received	1,435
Votes in favour of the Resolution	2,96,32,671
Votes against the Resolution	4,429
Number of invalid postal ballot forms received	5
% of votes in favour	99.99

The Chairman then declared that the following Ordinary Resolution, as set out in the Postal Ballot Notice dated 29th October 2010, was carried with the requisite majority:

"RESOLVED that in accordance with the provisions of Sections 198, 269 read with Schedule XIII, 309 and 317 of the Companies Act, 1956 (the Act) and other applicable provisions, if any, of the Act, the Company hereby accords its approval and consent to the appointment of Sri Harsha Viji as Director (Strategy & Planning) for a period of 5 years with effect from 24th

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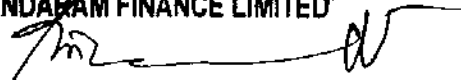
September 2010 and for the payment of remuneration to him for his services as Director (Strategy & Planning), as set out hereunder:

SALARY	Rs.1,75,000/- per month in the scale of Rs.1,75,000 to Rs.3,00,000. Annual increase will be effective 1 st April every year and the quantum will be decided by the Board of Directors.
SPECIAL ALLOWANCE	100% of basic salary per month.
COMMISSION	Subject to a ceiling of 1% on the net profits of the Company the quantum whereof to be determined by the Board of Directors.
PERQUISITES	As detailed in the Annexure to the Explanatory Statement, the annual value of which will be limited to a ceiling of 150% of annual salary.
MINIMUM REMUNERATION	Where in any financial year, during the currency of tenure of the Director (Strategy & Planning), the Company has no profits or its profits are inadequate, it may pay him remuneration by way of salary, allowances, commission and perquisites not exceeding the limits specified in Part II of Section II of Schedule XIII to the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

Date: 20.12.2010


20/12/2010
CHAIRMAN

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ANNEXURE TO THE EXPLANATORY STATEMENT

Details of perquisites provided to Sri Harsha Viji

1. Housing:
 - i) the expenditure incurred by the Company on hiring unfurnished accommodation will be subject to a ceiling of 60% of the salary over and above 10% payable by the managerial person;
 - ii)
 - a) the expenditure incurred by the Company on gas, electricity and water will be evaluated as per Income-tax Rules, 1962.
 - b) perquisites in the form of furniture, furnishings and other utilities in accordance with the rules of the Company, the value of which will be evaluated as per Income-tax Rules, 1962;
 - iii) wherever the Company does not provide accommodation, House Rent Allowance may be paid in accordance with (i) above;
 - iv) where accommodation in a Company-owned house is provided, the Company will charge 10% of his salary by way of rent.
2. Medical reimbursement: Expenses incurred for self and family including premium payable for medical insurance in accordance with the rules of the Company.

Explanation: "Family" means the spouse, dependant children and dependant parents of the appointee.
3. Personal Accident Insurance as per the rules of the Company.
4. Leave Travel Assistance for self and family once in a year in accordance with the rules of the Company.
5. Payment of company's contributions to Provident Fund/Pension Fund/Superannuation Fund/Gratuity Fund and encashment of leave

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(at the end of the tenure) shall not be included in the computation of remuneration or ceiling on the perquisites.

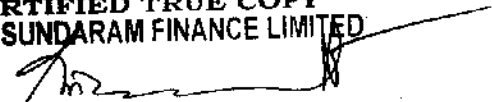
6. Fees for clubs, subject to a maximum of two clubs excluding admission and life membership fee.
7. Sitting fee for attending the meeting of Board of Directors and Committee thereof as applicable to other Directors.
8. Provision of chauffeur driven company car(s).
9. Provision of telephone(s) at the residence of the Director.
10. Such other allowances, perquisites, benefits and amenities as may be provided by the company to other senior executives from time to time.
11. Benefits under the loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time, subject to the provisions of the Companies Act, 1956.

For the purpose of calculating the ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, the same shall be evaluated at actual cost.

The above said remuneration and perquisites shall be subject to the ceiling laid down in Sections 198, 309 and all other applicable provisions of the Companies Act, 1956 as may be amended from time to time.



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