



SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

CIN: L65991MH1994PLC079874

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NOTICE OF POSTAL BALLOT TO THE SHAREHOLDERS

(Notice issued to Shareholders pursuant to Section 110 of the Companies Act, 2013)

Dear Shareholder(s),

Notice is hereby given pursuant to Section 110 and any other applicable provisions of the Companies Act, 2013 (Act) read with Rule 22 of the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, to transact the following business by the Shareholders of Shriram Asset Management Company Limited (“the Company”) through Postal Ballot:

SPECIAL BUSINESS

1. Reappointment of Managing Director and fixing the remuneration:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (Act), (including any amendment there to or re-enactment thereof for the time being in force), read with Schedule V to the Act, the consent of the Company be and is hereby accorded to the reappointment of Mr. Akhilesh Kumar Singh (DIN: 00421577) as Managing Director of the Company for a period of three years from February 14, 2015 to February 13, 2018 who shall perform such duties and exercise such powers as may from time to time be lawfully entrusted to and conferred upon him by the Board and he be paid the following remuneration by way of salary and other perquisites in accordance with Schedule V to the Act as approved by the Board and the Nomination and Remuneration Committee of the Board :

- 1) Salary - Rs. 1,76,000/- per month.
- 2) House Rent Allowance - Rs. 7,000/- per month
- 3) Other Allowances - Rs. 4,130/- per month
- 4) Perquisites-
 - (i) Medical reimbursement – Reimbursement of medical expenses for Managing Director and family subject to maximum of Rs. 15,000/- per annum.
 - (ii) Personal Accident/Group Insurance – The annual premium not to exceed Rs. 4,000/-.
 - (iii) Club fees – Subscription limited to a maximum of two clubs.
 - (iv) Contribution to Provident fund, Superannuation fund or Annuity fund- As per the rules of the Company. These will not be considered or included for the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - (v) Gratuity as per the rules of the Company.
 - (vi) Encashment of leave at the end of the tenure as per the rules of the Company.
 - (vii) Free telephone at residence.

The perquisites mentioned under (iv), (v) and (vi) above will not be considered or included for the computation of ceiling on perquisites.

- 5) Other applicable terms:
 - (i) The Managing Director shall not be paid any sitting fees for attending meetings of the Board or Committee of Directors and general meetings.
 - (ii) In the event of absence or inadequacy of profits in any financial year, the Managing Director will be paid the above remuneration as Minimum remuneration subject to overall ceiling laid down in Schedule V to the Act, or any modification thereof.

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- (iii) The Nomination and Remuneration Committee of the Board and the Board may revise the existing or allow any other facilities/perquisites, from time to time, within the overall ceiling.
- (iv) The Managing Director is not liable to retirement by rotation.”

2. To Appoint Mr. Prabhakar Karandikar, as an Independent Director

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (Act), if any and Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the applicable provisions of the Listing Agreement, Mr. Prabhakar Karandikar (DIN: 02142050), Director of the Company whose period of office is liable to determination by retirement of directors by rotation (under the erstwhile Companies Act, 1956) and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act signifying his intention to propose Mr. Karandikar as a candidate for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from March 01, 2015.”

3. To Appoint Mr. Dhruv Mehta, as an Independent Director

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (Act), if any and Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the applicable provisions of the Listing Agreement, Mr. Dhruv Mehta (DIN: 02083226), Director of the Company whose period of office is liable to determination by retirement of directors by rotation (under the erstwhile Companies Act, 1956), and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act signifying his intention to propose Mr. Mehta as a candidate for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from March 01, 2015.”

By order of the Board of Directors
for Shriram Asset Management Company Limited

Reena Yadav
Company Secretary

Place: Kolkata
Date: February 02, 2015

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Notes –

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act) is given herein below.
2. The postal ballot 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 on February 06, 2015 (cut off date).
3. The Board of Directors has appointed Mr. Suhas S. Ganpule, Practicing Company Secretary as Scrutinizer for conducting postal ballot voting process in a fair and transparent manner.
4. In compliance with Clause 35B of the Listing Agreement and provisions of Section 110 of the Act read with rules made there under, since the business is being transacted through postal ballot which includes e-voting, the Company is offering e-voting facility to all its Shareholders to enable them to cast their votes electronically instead of voting through postal ballot. The instructions for Shareholders for e-voting are given in the Postal Ballot Form. Please note that e-voting is optional. In case a Shareholder has voted through e-voting, he/ she is not required to send the postal ballot. In case a Shareholder votes through physical form as well as vote through e-voting, the voting through physical form shall be considered and the voting through e-voting shall be ignored. Arrangements have been made with CDSL to facilitate e-voting to the Shareholders to cast their votes electronically.
5. Shareholders desiring to exercise vote in physical form (other than through the electronic mode) are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self-addressed business reply envelope to the Scrutiniser. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the Shareholders will also be accepted.
6. The voting rights of Shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on February 06, 2015.
7. The voting through postal ballot/ e-voting will start on Tuesday, February 24, 2015 and will close on Wednesday, March 25, 2015.
8. Postal Ballot forms received after March 25, 2015 will not be valid and voting, whether by post or electronic means, is not allowed after March 25, 2015. Postal ballot Forms received after this date will be strictly treated as if the reply has not been received from the Shareholder(s).
9. The Board of Directors has appointed the Managing Director and Company Secretary, as the person responsible for the entire postal ballot process.
10. In the event the draft resolutions as set out are assented to by the requisite majority of Shareholders by means of Postal Ballot including voting by electronic means, they shall be deemed to have been duly passed at a General Meeting convened in that behalf. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on Friday, March 27, 2015 at the Registered Office of the Company. The result of the Postal Ballot will be published in the Newspaper (English and Vernacular) and will be placed on the website of the Company www.shriramamc.com for information of Shareholders besides being communicated to all the Stock Exchanges on which the equity shares of the Company are listed.
11. Relevant documents referred to in the accompanying Notice are open for inspection by the Shareholders at the Registered Office of the Company on all working days, except Saturday upto March 25, 2015.

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Explanatory Statement pursuant to Section 102 the Companies Act, 2013

Item No. 1:

Mr. Akhilesh Kumar Singh was appointed as Managing Director of the Company for a period of 3 years commencing from February 14, 2012. Your Directors are desirous that his valuable services be continued to be utilised for the benefit of the Company.

Accordingly, on the recommendation of the Nomination and Remuneration Committee of the Board, the Board at its meeting held on February 02, 2015 has appointed Mr. Singh as Managing Director of the Company for a further period of three years with effect from February 14, 2015 on remuneration, benefits, allowances and perquisites as set forth in the resolution No. 1. The proposed remuneration is within the guidelines laid down in Schedule V to the Companies Act, 2013 (Act) and require the approval of Shareholders by way of Special Resolution.

As required under the provisions of Schedule V to the Act, the following information is provided:

I GENERAL INFORMATION					
1.	Nature of Industry	The Company is the Asset Management Company and Investment Manager of Shriram Mutual Fund. It is primarily engaged in the business of promoting, establishing and acting as managers, administrators and representatives of Shriram Mutual Fund under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.			
2.	Date or expected date of commencement of commercial production	The Company operates in the financial services sector and was incorporated on July 27, 1994 and obtained certificate of commencement on December 5, 1994.			
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
4.	Financial Performance based on given indicators.	Particulars	Amount In Rupees		
			2013-14	2012-13	2011-12
		Total Revenue	5,837,457	6,776,976	8,939,855
		Profit Before Income Tax	(15,952,293)	(11,494,981)	2,331,838
		Tax Expenses	-	-	831,329
		Net Profit/Loss After Tax	(15,952,293)	(11,494,981)	1,500,509
		Net Worth	117,632,746	103,585,039	105,080,020
5.	Foreign Investment or Collaborations	There is neither direct Foreign Investment in the Company nor any foreign collaborations.			
II INFORMATION ABOUT APPOINTEE					
1.	Background Details	<p>Mr. Akhilesh Kumar Singh is a B.Tech from IIT (Kharagpur) and a PGDBM from IIM (Bangalore). He has been associated with Shriram Group since 1994, starting his career as President of Shriram City Union Finance Limited.</p> <p>During his association with the Group, he has handled responsibilities of Managing Director of Shriram City Union Finance Limited and Shriram Insight Share Brokers Limited. Currently, he is the Managing Director of Shriram Asset Management Company Limited and Shriram Credit Company Limited.</p> <p>The Company derives a lot of benefit from his diverse professional expertise and experience at Board Level and as well as in operations of the Company.</p>			

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2.	Past Remuneration	Same as proposed in the Resolution
3.	Recognition or Awards	NIL
4.	Job Profile and his sustainability	The role of Mr. Singh as Managing Director of the Company includes overall responsibility for the growth of business activity of the Company. He is also responsible for the overall affairs of the Company. He provides necessary strategic direction to all Functional Heads of the Company.
5.	Remuneration Proposed	The remuneration proposed to be paid to Mr. Singh has been specified in the Resolution
6.	Comparative remuneration profile with respect to the industry, Size of the Company, Profile of the position and person.	The proposed remuneration is commensurate with the responsibilities of the appointee and is in line with the remuneration practices prevalent in the Industry.
7.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Other than the proposed remuneration, Mr. Singh does not have any pecuniary relationship directly or indirectly with the Company. Mr. Singh is also not related to any other Director or any Managerial Personnel of the Company.
III OTHER INFORMATION		
1.	Reasons of loss or inadequate profits	The Company launched a Mutual Fund Scheme - Shriram Equity and Debt Opportunities Fund in November 2013 and was able to mop up an AUM of 23.66 Crores. Gestation period in the AMC business is long and break-even is expected over a period of at least 5 years. Since the Company is still in gestation period, currently there is loss.
2.	Steps taken or proposed to be taken for improvement	Focused marketing efforts to increase reach of business and launch of new schemes.
3.	Expected increase in productivity and profits in measurable terms	<ul style="list-style-type: none"> - Enroll more Distributors/IFA's for Business Generation - Launch of additional Schemes in next 2 Years - AUM Growth through significant Net Inflow. - Increase Branch Network and Penetration.

Mr. Singh satisfies the conditions laid down in Schedule V to the Act and also conditions set out under Sub-Section 3 of Section 196 of the Act for being appointed as the Managing Director of the Company. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Further information about Mr. Singh, in accordance with Clause 49 of the Listing Agreement is attached elsewhere in the explanatory statement.

The Memorandum of terms and conditions of service of Mr. Singh as Managing Director of the Company will be available at the Registered Office of the Company on all working days during business hours.

No director, key managerial personnel or their relatives, except Mr. Singh, to whom the resolution relates, is interested or concerned, financial or otherwise in the resolution.

The Board recommends the resolution set forth in Item no.1 for the approval of the Shareholders.

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Item No. 2:

Mr. Prabhakar Karandikar was appointed as an Independent Director of the Company under the erstwhile applicable provisions of the Companies Act, 1956, and the Listing Agreement, whose period of office is liable to determination by retirement of directors by rotation under the said Act. He joined the Board of Directors of the Company (Board) in February 2012. The Companies Act, 2013 (Act), came into effect on April 01, 2014. Section 149 (10) of the Act provides that an independent director can hold office for a term up to five consecutive years on the Board. Further, Section 149(13) of the Act states that the provisions relating to retirement of directors by rotation shall not apply to the appointment of independent directors. Additionally, the Ministry of Corporate Affairs, Government of India, by a General Circular No. 14/2014 dated June 09, 2014, has clarified that if a company intends to appoint existing independent directors as independent directors under the Act, such appointment must be made expressly within one year from April 01, 2014. Hence, the Company proposes to appoint Mr. Karandikar expressly under the provisions of Section 149 (10) and (11) read with Schedule IV of the Act and the aforesaid Circular of the Ministry of Corporate Affairs.

Accordingly, Mr. Karandikar being eligible, the resolution seeks the approval of Shareholders for his appointment as an Independent Director, not liable to retire by rotation, pursuant to Section 149, Schedule IV (other applicable provisions of the Act, if any) and Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the general notice of the Ministry of Corporate Affairs stated above.

The Company has received notice in writing pursuant to Section 160 of the Act, from a member along with a deposit of Rs. 100,000/- proposing the candidature of Mr. Karandikar for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act.

The Company has received from Mr. Karandikar (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act, and (iii) a declaration under Section 149 (7) of the Act to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act.

In the opinion of the Nomination and Remuneration Committee and the Board, Mr. Karandikar fulfills the conditions specified in the Act and the Rules made there under for his appointment as an Independent Director of the Company and is independent of the Management.

A copy of the draft letter for the appointment of Mr. Karandikar as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Shareholders at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Karandikar as an Independent Director.

The brief details of Mr. Karandikar as required under Clause 49 of the Listing Agreement are given elsewhere in the explanatory statement.

No director, key managerial personnel or their relatives, except Mr. Karandikar to whom the resolution relates, is interested or concerned, financial or otherwise in the resolution.

The Board recommends the resolution set forth in Item no.2 for the approval of the Shareholders.

Item No. 3:

Mr. Dhruv Mehta was appointed as an Independent Director of the Company under the erstwhile applicable provisions of the Companies Act, 1956, and the Listing Agreement, whose period of office is liable to determination by retirement of directors by rotation under the said Act. He joined the Board of Directors of the Company (Board) in February 2012. The Companies Act, 2013 (Act), came into effect on April 01, 2014. Section 149 (10) of the Act provides that an independent director can hold office for a term up to five consecutive years on the Board. Further, Section 149(13) of the Act states that the provisions relating to retirement of directors by rotation shall not apply to the appointment of independent directors. Additionally, the Ministry of Corporate Affairs, Government of India, by a General Circular No. 14/2014 dated June 09, 2014, has clarified that if a company intends to appoint existing independent directors as independent directors under the Act, such appointment must be made expressly within one year from April 01, 2014. Hence, the Company proposes to appoint Mr. Mehta expressly under the provisions of Section 149 (10) and (11) read with Schedule IV of the Act and the aforesaid Circular of the Ministry of Corporate Affairs.

Accordingly, Mr. Mehta being eligible, the resolution seeks the approval of Shareholders for his appointment as an Independent Director, not liable to retire by rotation, pursuant to Section 149, Schedule IV (other applicable provisions of the Act, if any) and Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the general notice of the Ministry of Corporate Affairs stated above.

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The Company has received notice in writing pursuant to Section 160 of the Act, from a member along with a deposit of Rs. 100,000/- proposing the candidature of Mr. Mehta for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act.

The Company has received from Mr. Mehta (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act, and (iii) a declaration under Section 149 (7) of the Act to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act.

In the opinion of the Nomination and Remuneration Committee and the Board, Mr. Mehta fulfills the conditions specified in the Act and the Rules made there under for his appointment as an Independent Director of the Company and is independent of the Management.

A copy of the draft letter for the appointment of Mr. Mehta as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Shareholders at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Mehta as an Independent Director.

The brief details of Mr. Mehta, as required under Clause 49 of the Listing Agreement are given elsewhere in the explanatory statement.

No director, key managerial personnel or their relatives, except Mr. Mehta to whom the resolution relates, is interested or concerned, financial or otherwise in the resolution.

The Board recommends the resolution set forth in Item no.3 for the approval of the Shareholders.

By order of the Board of Directors
for **Shriram Asset Management Company Limited**

Reena Yadav
Company Secretary

Place: Kolkata
Date: February 02, 2015

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Details of Directors seeking Appointment/ Reappointment Pursuant to Clause 49 of the Listing Agreement:-

Name of the Director	Mr. Akhilesh Kumar Singh	Mr. Prabhakar Karandikar	Mr. Dhruv Mehta
Date of Birth	December 17, 1962	December 30, 1949	July 26, 1961
Date of Appointment	December 15, 2011 as Director and February 14, 2012 as Managing Director	February 14, 2012	February 14, 2012
Qualifications	B. Tech (IIT Kharagpur) and PGDBM (IIM Bangalore)	M.A., DBM from Pune and M.Sc. (London School of Economics).	A.C.A from The Institute of Chartered Accountants of India and AICWA from The Institute of Cost and Works Accountants of India
Expertise in specific functional area	He has rich professional career of overall experience of 26 years out of which 19 years have been in the financial services sector. He has been associated with Shriram Group since 1994, starting his career as President of Shriram City Union Finance Ltd. During his association with the Group, he has handled responsibilities of Managing Directorship of Shriram City Union Ltd. and Shriram Insight Share Brokers Ltd. Currently; he is the Managing Director of Shriram Asset Management Co. Ltd. and Shriram Credit Company Ltd.	He joined the Indian Administrative Services in the year 1973 and retired voluntarily in the year 2007. He has overall experience of 39 years in his extensive career in Maharashtra State Government, Govt. of India, Public Sector Management, Investment Banking, finance and financial field.	He has overall experience of 25 years in field of finance and financial services and an independent financial advisor for over 10 years.
Directorships held in other companies	<ul style="list-style-type: none"> • Insight Commodities & Futures Private Limited • Shriram Credit Company Limited • Shriram Insight Share Brokers Limited • Shriram Wealth Advisors Limited • Shriram Financial Products Solutions (Chennai) Private Limited • Shriram Fortune Solutions Limited 	<ul style="list-style-type: none"> • Finolex Plasson Private Limited • Cabal Insurance Broking Services Private Limited • BVG India Limited • IL&FS Renewable Energy Limited • Shriram EPC Limited • Finolex Industries Limited • Rajasthan Olive Cultivation Limited 	<ul style="list-style-type: none"> • Malabar Capital Private Limited. • Malabar Capital Advisors Private Limited • Excalibur Management Consulting Private Limited • Foundation of Independent Financial Advisors • Institution for Mutual Fund Intermediaries
Membership/Chairmanship of Committees of other public companies (including only Audit Committees and Stakeholders' Relationship Committee)	NIL	Membership-Audit Committee <ul style="list-style-type: none"> • IL&FS Renewable Energy Limited • Finolex Industries Limited • BVG India Limited * Stakeholders' Relationship Committee <ul style="list-style-type: none"> • Finolex Industries Limited 	NIL
No. of Shares held	NIL	NIL	NIL

*Chairman of the Committee