

**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. Increase in the Authorised Share Capital of the Company and Amendment to Memorandum of Association:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 61 of the Companies Act, 2013 (hereinafter referred to as the Act), (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) the Authorised Share Capital of the Company be and is hereby increased from Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 90,00,000 (Ninety Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 16,00,000 (Sixteen Lacs) Preference Shares of Rs.100/- (Rupees One Hundred Only) each to Rs. 60,00,00,000/- (Rupees Sixty Crores Only) divided into 90,00,000 (Ninety Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 51,00,000 (Fifty One Lacs) Preference Shares of Rs.100/- (Rupees One Hundred Only) each by creation of additional 35,00,000 (Thirty Five Lacs) Preference Shares of Rs. 100/- (Rupees One Hundred Only) each.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 13, and other applicable provisions, if any, of the Act, (including any statutory modification(s) and re-enactment(s) thereof for the time being in force), Clause V of the Memorandum of Association be and is hereby altered by substituting in its place, the following new Clause V:

The Authorised Share Capital of the Company is Rs.60,00,00,000/- (Rupees Sixty Crores Only) comprising 90,00,000 (Ninety Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 51,00,000 ( Fifty One Lacs) Preference Shares of Rs.100/- (Rupees One Hundred Only) each.”

**2. Issue of Redeemable Non-Convertible Preference Shares (RNCPS)**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 55 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the Act), read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the rules/regulations/guidelines, if any, prescribed by the Ministry of Corporate Affairs, Government of India, the Reserve Bank of India, the Securities and Exchange Board of India and/or any other regulatory authority, and subject to approval(s), consent(s), permission(s) and/or sanction(s), if any, of appropriate authorities, institutions or bodies as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s) and/or sanction(s) and acceptable to the Board of Directors (hereinafter called “the Board”) the Company be and is hereby authorised to create, offer, issue and allot, to domestic and/or foreign institutions, non-resident indians, indian public companies, corporate bodies, trusts, mutual funds, venture capital funds, foreign venture capital investors, banks (including co-operative banks and regional rural banks), insurance companies, provident funds, pension funds, superannuation funds, national investment fund, individuals or otherwise, whether shareholders of the Company or not (including the Promoter and/or any entity in the Promoter Group) on a Private Placement basis not exceeding 35,00,000 (Thirty Five Lacs) Redeemable Non-Convertible Preference Shares (RNCPS) of Rs. 100/- (Rupees One Hundred Only) each at par aggregating to Rs. 35,00,00,000/- (Rupees Thirty Five Crores Only) as the Board may deem appropriate in its absolute discretion on the following general terms:

Sr. No.	Particulars	Terms
1.	Priority w.r.t. to Dividend or repayment of Capital vis-à-vis equity shares	RNCPS holders shall be entitled to receive dividend (if any declared by the Company) or repayment of capital in priority to any payment of dividend or repayment of capital to the holders of any other class of shares.
2.	Participation in surplus funds/ assets and profits on winding up which may remain after the entire capital has been repaid	RNCPS shall be non-participating and therefore, will not be entitled for participation in surplus funds / assets and profits on winding up which may remain after the entire capital has been repaid.
3.	Payment of Dividend	The Preferential Dividend shall be non-cumulative.
4.	Conversion into Equity Shares.	RNCPS shall be non-convertible.
5.	Voting Rights	The RNCPS holders shall, by virtue of and in respect of its holding of RNCPS, have the right to vote only on resolutions placed before the company which directly affect the rights attached to its preference shares and any resolution for the winding up of the company or for the repayment or reduction of preference share capital.
6.	Redemption	RNCPS shall be redeemed upon completion of a period of ten (10) years from the date on which they are issued. The date of redemption of RNCPS can be extended for such further term as may be mutually agreed to between the Company and the holder of RNCPS, but shall in no circumstances exceed twenty (20) years from the date of issue. The Company shall, however, have the right to redeem the RNCPS before the due date with prior notice.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to offer / invite and allot the RNCPS in one or more tranches and/ or in one or more occasions as may be permissible under the Act and as may be deemed fit by the Board.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the forgoing and without being required to seek any further consent or approval of the Shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution, the Board be and is hereby authorised for and on behalf of the Company:

- a) to decide on the terms and conditions of the issue of RNCPS, to finalise and issue the offer letter, to prescribe the form of application, to decide upon the form, timing of the offer/ invitation, the dividend payable on RNCPS, in the best interest of the Company;
- b) to identify such persons to whom the offer of the RNCPS/ invitation to subscribe shall be made and to make such offer/ invitation to them;
- c) to settle any questions, difficulties or doubts that may arise in regard to the offer/ invitation and allotment of the RNCPS and utilization of the issue proceeds as it may in its absolute discretion deem fit;
- d) to delegate from time to time, all or any such powers conferred herein upon the Board of Directors with the right to delegate further the same to any Committee thereof and /or any other Officer or Officers of the Company as permissible under the Act including the power to allot RNCPS, to file/ submit the documents as required under the various Acts/ Regulations;
- e) to do all such acts, deeds, matters and things as the Board may at its sole discretion deem fit, necessary or desirable so as to give effect to the aforesaid resolution.”

### 3. Authority to Invest Funds of the Company

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

“**RESOLVED THAT** pursuant to Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the Act), read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) in addition to the amount already invested, the Company hereby do invest such further sum, which is in excess of the limits specified under Section 186 of the Act in Central Government Securities, PSU Bonds, State Government Securities, State Level Undertakings Bonds, Units of Mutual Funds, Warrants, Shares (whether Equity, Debentures or otherwise) or some other instruments whether Convertible or Non-Convertible, Redeemable or Non-Redeemable subject to maximum investment of Rs. 80,00,00,000/- (Rupees Eighty Crores Only) outstanding at any given time.

**RESOLVED FURTHER THAT** the Board and / or any Committee thereof be and is hereby authorised to take from time to time all decisions and steps necessary or expedient or proper in respect of the above investments including the timing, the amount and other terms and conditions of such investments and varying the same through transfer, sale, disinvestments or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate.”

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

Place: Mumbai  
Date: 16.11.2017

**Reena Yadav**  
Company Secretary

#### 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 Friday, November 17, 2017 (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 Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 remote e-voting, the Company is offering remote 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 remote e-voting are given in the Postal Ballot form. Please note that remote e-voting is optional. In case a Shareholder has voted through remote 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 remote e-voting, the voting through physical form shall be considered and the voting through remote e-voting shall be ignored. Arrangements have been made with CDSL to facilitate remote 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 November 17, 2017.
7. The voting through postal ballot/ remote e-voting will start on Tuesday, November 28, 2017 and will close on Wednesday, December 27, 2017.
8. Postal Ballot forms received after December 27, 2017 will not be valid and voting whether by post or electronic means is not allowed after December 27, 2017. 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 at 01.00 P.M. on Thursday, December 28, 2017 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 the Stock Exchange 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 December 27, 2017.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**ITEM NO. 1**

In order to meet the net worth requirements as directed by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2014 dated May 06, 2014, it would be necessary to increase the authorized share capital of the Company. Hence, the Board of Directors proposes to increase the Authorised Share Capital of the Company to Rs.60,00,00,000/- (Rupees Sixty Crores Only). The increased authorized share capital shall be comprising 90,00,000 (Ninety Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 51,00,000 (Fifty One Lacs) Preference Shares of Rs.100/- (Rupees One Hundred Only) each by creation of additional 35,00,000 (Thirty Five Lacs) Preference Shares of Rs. 100/- (Rupees One Hundred Only) each.

Consequently, it is proposed to make alteration in the Memorandum of Association (MOA) to reflect the changes in the Authorised Share Capital of the Company.

The Board of Directors commend passing of the resolution set out in item No. 1 of the Notice for the approval of the shareholders.

No director, key managerial personnel or their relatives, is interested or concerned, financial or otherwise in the resolution.

**ITEM NO. 2**

As directed by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2014 dated May 06, 2014, it would be necessary to infuse additional capital in the Company. The Board proposes to issue Redeemable Non-Convertible Preference Shares (RNCPS) to the extent not exceeding Rs. 35,00,00,000 (Rupees Thirty Five Crores Only) by way of Private Placement, to meet the regulatory requirements.

It is proposed to issue RNCPS in one or more tranches and on such occasion or occasions as may be permissible under the Companies Act, 2013 and Rules made thereunder.

Pursuant to the provisions of Section 42 and 55 of the Companies Act, 2013 and the Rules made thereunder approval of the shareholders is required by way of Special Resolution for issuing the preference shares on private placement basis.

**Justification of price**

The RNCPS are proposed to be issued at issue price of Rs. 100/- (Rupees One Hundred Only) per share. RNCPS holders have only limited right with respect to dividend and repayment of capital paid up in event of winding up of the Company. Hence, the Board is of the opinion that the preference share capital cannot be equated with equity share capital. Therefore, the price of Rs. 100/- (Rupees One Hundred Only) per RNCPS at which they are to be offered for subscription, being the face value thereof, is justified. M/s. T. K. Niyogi & Associates, Chartered Accountants, Kolkata, vide their Certificate dated November 09, 2017 have also given their justification for the price of RNCPS.

Pursuant to Rule 9 of the Companies (Share Capital and Debenture) Rules 2014, material facts relating the issue of RNCPS have been set out as under:

**A.**

Sr. No.	Particulars	Terms
1.	The Size of the issue and number of Preference Shares to be issued and nominal value of each share	35,00,000 (Thirty Five Lacs) Redeemable Non- Convertible Preference Shares (RNCPS) of Rs. 100/- (Rupees One Hundred Only) each aggregating to Rs. 35,00,00,000 (Rupees Thirty Five Crores Only).
2.	Nature of Shares	Non-cumulative Non-convertible and Non- Participating Redeemable Preference Shares
3.	Objective of the issue	Objective of the issue is to meet the net worth requirement as per SEBI (Mutual Funds) (Amendment) Regulations, 2014 dated May 06, 2014
4.	Manner of Issue of Shares	RNCPS will be issued and offered on Private Placement basis in accordance with the provisions of Section 42 of the Companies Act, 2013 and Rules made thereunder.
5.	Price at which shares are proposed to be issued	RNCPS will be issued at par i.e. at Rs. 100/- (Rupees One Hundred only) each.
6.	Basis on which the price has been arrived at	To be issued at par i.e. Rs. 100/- (Rupees One Hundred Only) per RNCPS. M/s. T. K. Niyogi & Associates, Chartered Accountants, Kolkata, vide their Certificate dated November 09, 2017 have also given their justification for the price of RNCPS.
7.	Terms of issue including terms and rate of dividend on each share	RNCPS shall be non convertible and will carry preferential (non cumulative) right to dividend, at rate as may be decided by the Board of Directors.
8.	Terms of Redemption including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion	RNCPS shall be redeemed at par upon the completion of ten (10) years from the date on which they are issued. The date of redemption of RNCPS can be extended for such further term as may be mutually agreed to between the Company and the holder of RNCPS, but shall in no circumstances exceed twenty (20) years from the date of issue. The Company shall, however, have the right to redeem the RNCPS before the due date with prior notice. RNCPS shall be non-convertible.

9.	Manner and mode of redemption	RNCPS shall be redeemed at par upon the completion of ten (10) years from the date on which they are issued out of profits available for distribution as dividend or out of proceeds of a fresh issue of shares made for the purpose of redemption or any other manner as permissible under the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof.
10.	Expected dilution in equity capital upon conversion of preference shares	Not applicable as RNCPS shall be non-convertible.

**B. Current Shareholding Pattern of the Company:**

I. Equity Shares:

Class of Shareholder	No. of Shares	Nominal Value per Share (in Rs.)	Amount (in Rs.)	% of Holding
<b>a) Promoters :</b>				
Indian				
Shriram Credit Company Limited	4,120,010	10	41,200,100	68.67
<b>Total (a)</b>	<b>4,120,010</b>	<b>10</b>	<b>41,200,100</b>	<b>68.67</b>
<b>b) Non Promoters :</b>				
Public Shareholding	1,879,990	10	18,799,900	31.33
<b>Total (b)</b>	<b>1,879,990</b>	<b>10</b>	<b>18,799,900</b>	<b>31.33</b>
<b>TOTAL (a+b)</b>	<b>6,000,000</b>	<b>10</b>	<b>60,000,000</b>	<b>100.00</b>

II. Redeemable Non Convertible Preference Shares (RNCPS):

Class of Shareholder	No. of Shares	Nominal Value per Share (in Rs.)	Amount (in Rs.)	% of Holding
<b>Promoters :</b>				
Shriram Credit Company Limited	800,000	100	80,000,000	57.14
<b>Promoter Group/Persons Acting in Concert:</b>				
Shriram Insight Share Brokers Limited	600,000	100	60,000,000	42.86
<b>TOTAL</b>	<b>1,400,000</b>	<b>100</b>	<b>140,000,000</b>	<b>100.00</b>

It is accordingly proposed to obtain the approval of the shareholders to issue RNCPS as contemplated in the resolution set out above on such terms as may be decided by the Board and in the best interests of the Company.

The Board of Directors commend passing of the resolution set out in item No. 2 of the Notice for the approval of the shareholders.

No director, key managerial personnel or their relatives, is interested or concerned, financial or otherwise in the resolution.

If RNCPS are offered for subscription to the Promoter and/or any entity in the Promoter Group, then the Promoter or such entity will be deemed to be interested in the aforesaid resolution.

Further, if RNCPS are offered for subscription to any Director of the Company or to a body corporate in which Director or such Director in association with any Director holds more than two percent of shareholding of that body corporate or is a promoter, manager, chief executive officer of that body corporate or to any firm or other entity in which, such director is a partner, owner or member, as the case may be, then such director will be deemed to be interested in the aforesaid resolution.

**ITEM NO. 3**

According to the provisions of Section 186 of the Companies Act, 2013, no company shall directly or indirectly acquire by way of subscription, purchase or otherwise, the securities of any other body corporate which exceeds 60% of the paid up share capital and free reserves and securities premium account or 100% of its free reserves and securities premium account whichever is more, without obtaining shareholders approval by means of a Special Resolution.

It is proposed, the Board of Directors of the Company and / or any Committee thereof be and is hereby authorised to take from time to time all decisions and steps necessary or expedient or proper in respect of the above investment and varying the same through transfer, sale, disinvestment or otherwise, either in part or in full, as it may, in its discretion, deem appropriate.

The Board of Directors commend passing of the resolution set out in item No. 3 of the Notice for the approval of the shareholders.

No director, key managerial personnel or their relatives, is interested or concerned, financial or otherwise in the resolution.

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

Place: Mumbai  
Date: 16.11.2017

**Reena Yadav**  
Company Secretary