

POSTAL BALLOT NOTICE

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

Dear Member(s),

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 (the **Act**), and other applicable provisions of the Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and other applicable rules under the Act that the resolutions appended below is proposed to be passed by way of postal ballot. Members' consent is requested for the proposal contained in the resolutions appended below. The explanatory statement pertaining to the said resolutions setting out the material facts and the reasons thereof is annexed hereto along with a postal ballot form.

1. TO CONSIDER AND GIVE ASSENT / DISSENT TO FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

To approve, ratify and confirm the corporate debt restructuring scheme in relation to the Company's debt:

"RESOLVED THAT subject to the applicable provisions of the Companies Act, 2013, along with the rules thereunder and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of Shriram EPC Limited (the **Company**), listing agreements entered into with stock exchanges on which the equity shares of the Company of face value of Rs. 10 each are listed (the **Equity Shares**), the applicable rules, regulations, notifications, guidelines, circulars issued by the Government of India, the Reserve Bank of India and any regulatory or other appropriate authorities (including but not limited to Securities and Exchange Board of India (**SEBI**)), and subject to approvals, permissions, sanctions and consents as may be necessary from any regulatory or other appropriate authorities (including but not limited to SEBI, the Corporate Debt Restructuring Empowered Group (the **CDR EG**), the Reserve Bank of India (the **RBI**), Government of India, etc.) which may be agreed to by the board of directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred under this resolution), the Company hereby approves, ratifies and confirms the corporate debt restructuring package by and between the Company and the lenders of the Company whose loans are being restructured (the **CDR Lenders**) under the corporate debt restructuring scheme issued by the RBI and the corporate debt restructuring guidelines formulated thereunder, which has been approved by the CDR EG and communicated to the Company by the Corporate Debt Restructuring Cell (the **CDR Cell**) vide its letter of approval dated 11th September, 2014 (the "**CDR LOA**") and the Board and/or any person authorised by the Board in respect thereof from time to time, be and is hereby authorised on behalf of the Company to discuss, negotiate, amend, if required, the terms of the CDR LOA in the manner as may be approved by and between the Company and the CDR Lenders, to execute the master restructuring agreement between the Company and the CDR lenders ("MRA") to amend or make changes to the MRA and enter into other documents in pursuance of the CDR LOA and the MRA, implement the CDR LOA and the MRA, on the basis of the terms set out in the CDR LOA and the MRA as may be agreed between the respective parties, and execute the necessary documents for the same including, inter alia issuance of Equity Shares to the promoter of the Company and to such other persons in terms of the CDR LOA and MRA."

2. TO CONSIDER AND GIVE ASSENT/ DISSENT TO FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

Issue of equity shares of the Company to Shriram Industrial Holdings Limited, the promoter of the Company, on preferential basis pursuant to Corporate Debt Restructuring Scheme.

"RESOLVED THAT pursuant/subject to the provisions of Section 42, Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 (the **Act**) and rules made there under (including any statutory modification or re-enactment thereof for the time being in force), and/or the applicable rules, regulations, notifications, guidelines and circulars, if any, issued by the Securities and Exchange Board of India (**SEBI**) from time to time, including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, from time to time (the **ICDR Regulations**), the Reserve Bank of India (**RBI**), the Government of India or any other competent authority and clarifications, if any, issued thereon from time to time by the appropriate authorities, and subject to the provisions of the Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof), the equity listing agreements (the **Listing Agreement**) entered into by Shriram EPC Limited ('Company') with BSE Limited (**BSE**) and

the National Stock Exchange of India Limited (**NSE**, together with the BSE, the **Stock Exchanges**) where the Company's equity shares of face value of Rs. 10 each (the **Equity Shares**) are listed and other concerned and appropriate authorities, and other applicable laws, if any, and relevant provisions of the Memorandum and Articles of Association of the Company and subject to such approval(s), consent(s), permission(s) and/or sanction(s), if any, of the Government of India, RBI, SEBI and any other appropriate authority(ies), bank(s), institution(s) or body(ies) whether in India or outside India, as may be necessary and subject to such conditions as may be prescribed by any of them in granting any such approval, consent, permission or sanction, as are accepted by the Board of Directors of the Company (the **Board**, which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred hereunder or any person(s) authorized by the Board to exercise the powers conferred on the Board) and in terms of and furtherance to the scheme of corporate debt restructuring package (the **CDR Package**) by and between the Company and the lenders of the Company whose loans are being restructured (the **CDR Lenders**) and pursuant to the CDR Package under the corporate debt restructuring scheme issued by the RBI and the corporate debt restructuring guidelines formulated thereunder, which has been approved by the CDR Empowered Group (the **CDR EG**) and communicated to the Company by the Corporate Debt Restructuring Cell (the **CDR Cell**) vide its letter of approval dated 11th September, 2014 (the **CDR LOA**) and approval of the shareholders and any modifications to the terms thereof, as approved by the CDR Lenders and the Company, and in compliance of the terms of the master restructuring agreement to be executed by and between the Company and its CDR Lenders (the **MRA**), the Company and the Board be and is hereby authorised to create, offer, issue and allot, up to 3,20,00,000 Equity Shares to Shriram Industrial Holdings Limited (**Promoter**), at a price of Rs. 50/- (Rupees fifty) per Equity Share (including premium of Rs. 40 (Rupees forty) per Equity Share aggregating up to Rs. 160 crores (Rupees one hundred and sixty crores), on a preferential allotment basis (**Preferential Allotment**) in one or more tranches, at such time or times and on such further terms and conditions as may be finalized by the Board, subject to compliance with the minimum issue price requirement set out in Regulation 76 of the ICDR Regulations.

RESOLVED FURTHER THAT the said Equity Shares to be so issued and allotted pursuant to the Preferential Allotment shall be in dematerialized form, fully paid-up and shall rank pari passu in all respects including as to dividend, with the existing fully paid-up Equity Shares of the Company, subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the "Relevant Date" for the purpose of determining the issue price under ICDR Regulations for the Preferential Allotment shall be Thursday, 11th September, 2014, i.e. the date of approval of Corporate Debt Restructuring Scheme / Package by CDR EG.

RESOLVED FURTHER THAT the Equity Shares shall be issued and allotted within the period prescribed under the applicable laws and shall be subject to lock in as provided under the ICDR Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to negotiate the price and terms and conditions of the said Equity Shares to be issued pursuant to the Preferential Allotment, in the best interests of the Company, and to do all such acts, deeds and things as may be considered expedient and necessary in order to give effect to the Preferential Allotment.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorised on behalf of the Company, to decide the terms and conditions (including without limitation terms and conditions relating to variation of price) of the Equity Shares to be issued pursuant to the Preferential Allotment, in the best interests of the Company, and take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient for issue or allotment of the said Equity Shares and listing thereof with the Stock Exchanges where the existing Equity Shares of the Company are listed and to take all such steps and to do all such things as may be required to comply with the requirements of the ICDR Regulations and other applicable laws and give all such directions as the Board may consider necessary, expedient or desirable, including without limitation, effecting any modification to the foregoing (including any modifications to the terms of the allotment), to prescribe the forms of application, private placement offer letters, allotment, to enter into any definitive agreements and other incidental documents or other instruments and writings, and to take such actions or give such directions as may be necessary or desirable and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to resolve and settle all questions and difficulties that may arise in relation to the proposed creation, issue, offer and allotment of the said Equity Shares pursuant to the Preferential Allotment and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit and to appoint such consultants, valuers, legal advisors, advisors and all such agencies as may be required for the issue and allotment of the said Equity Shares pursuant to the Preferential Allotment, without being required to seek any further consent or approval of the members of

the Company and that the members of the Company shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT subject to the provisions of ICDR Regulations and other applicable laws, the Board be and is hereby authorized on behalf of the Company to vary, modify, or alter any of the relevant terms and conditions of the Preferential Allotment to Shriram Industrial Holdings Limited as it may deem expedient.

RESOLVED FURTHER THAT the Board be and is hereby authorised to negotiate, finalise and execute all definitive agreements and other incidental documents, instruments and writings and to do any / all acts, deeds and things on behalf of the Company as may be considered expedient and necessary in order to give effect to each of the aforesaid resolutions for creation, issue and allotment of the said Equity Shares pursuant to the Preferential Allotment.

RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to execute and file any and all requisite forms, documents, returns, and/or deeds with any regulatory authority in connection with the above resolutions, (including e-Forms to be filed with the Registrar of Companies, SEBI and other notifications required to be made to the Stock Exchanges).

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred on it, to any Committee of Directors/Managing Director or any other Officer(s) of the Company to implement the aforesaid resolutions.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

3. TO CONSIDER AND GIVE ASSENT/ DISSENT TO FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

To increase the authorised share capital of the company

“**RESOLVED THAT** pursuant to Section 61 and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereunder the authorised share capital of Shriram EPC Limited (‘Company’) be increased from Rs.385,00,00,000/- (Rupees three hundred and eighty five crores) divided into 8,50,00,000 Equity Shares of Rs.10/- each and 3,00,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each to Rs.410,00,00,000/- divided into 11,00,00,000 equity shares of Rs.10/- each and 3,00,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each and consequently, the existing Clause V of the Memorandum of Association of the Company relating to the share capital be amended by replacing the same with following, as given below.

- V. The Authorised Share Capital of the Company is Rs. 410,00,00,000/- divided into 11,00,00,000 equity shares of Rs.10/- each and 3,00,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each with the rights and conditions attached thereto as provided by the Articles of Association of the Company for the time being, with powers to divide the shares in the Capital into different classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013 or provided by the Articles of Association of the Company for the time being. The Company has power to increase or reduce the Share Capital in accordance with the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to finalize and execute all documents, instruments and writings and to do any / all acts, deeds and things on behalf of the Company as may be considered expedient and necessary in order to give effect to the aforesaid resolution.”

4. TO CONSIDER AND GIVE ASSENT/ DISSENT TO FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

To Sell, Lease or otherwise dispose of the whole or substantially whole of the Undertaking(s) of the Company

“**RESOLVED THAT –**

The consent of Shriram EPC Limited (‘Company’) be and is hereby accorded in terms of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules thereunder:

- A) To mortgaging and/or charging by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall deem to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution) of all the immovable and moveable properties of the Company wheresoever situate, present and future, and the whole of the undertaking of the Company to or in favour of institutions / banks (lenders) or the trustees for the lenders of the Company to secure the financial assistances

granted / to be granted by the lenders upto an amount in the aggregate not exceeding Rs.4000 crores, together with all interest thereon, commitment charge, costs, charges, expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in the rates of foreign currencies involved and all other moneys payable by the Company to the lenders in terms of the respective facility agreements entered into by the Company in respect of the aforesaid assistances and

- B) To the Board of the Company agreeing with the lenders in terms of the respective facility agreements / security documents to reserve a right to take over the management of the business and concern of the Company in certain events.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to finalise with the lenders / trustees for the lenders of the Company documents for creating aforesaid mortgage and /or charge and for reserving the aforesaid right and to do all such acts and things as may be necessary for giving effect to the above resolutions.

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalize and execute all documents, instruments and writings and to do any / all acts, deeds and things on behalf of the Company as may be considered expedient and necessary in order to give effect to the aforesaid resolution.”

5. TO CONSIDER AND GIVE ASSENT/ DISSENT TO FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

To increase the limit of loans and advances / investments

“**RESOLVED THAT** in supersession of all the resolution passed by the shareholders of the Company, consent of the Company be and is hereby accorded in terms of the provisions of Section 186 of the Companies Act, 2013 and rules thereunder and subject to the approval of the Reserve Bank of India, if any, and other applicable rules, regulations, guidelines notifications and circulars (including any statutory modifications or re-enactment thereof for the time being in force), if any and such conditions as may be prescribed by any of the concerned authorities, to the board of directors of the Company (hereinafter referred to as the “Board”, which term shall deem to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution) to make/ give from time to time any loan(s) and / or advance(s) to any Body or Bodies Corporate including Firms, Limited Liability Company (LLC), Limited Liability Partnerships (LLP), One Person Company (OPC), Foreign Companies etc., whether in India or outside, which may or may not be subsidiary(ies) of the Company, as the Board may think fit, in pursuance of Section 186 of the Companies Act, 2013 and rules thereunder (including any ordinance or statutory modification or re-enactment thereof, for the time being in force) to the extent of Rs.1000 Crores.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board / Committee be and is hereby authorized to agree, make, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as it may deem fit including the terms and conditions within the above limit upto which loans / advances / guarantees, that may be given or made, as may be determined by the Board thereof and the Board is also hereby authorized to resolve and settle all questions, difficulties or doubts that may arise in this regard and to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental thereto as the Board in its absolute discretion may deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution.”

6. TO CONSIDER AND GIVE ASSENT/ DISSENT TO FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

To increase the limit of borrowings by the Company

“**RESOLVED THAT** in supersession of the resolutions passed earlier by the shareholders of the Company, consent of the Company be and is hereby accorded in terms of the provisions of Section 180 (1) (c) of the Companies Act, 2013, to the Board of Directors of the Company (the Board), (including any committee which the board of directors has constituted or may constitute to exercise its powers, including the powers conferred by this resolution), to borrow moneys from time to time notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided however the total amount of such borrowings shall not exceed at any one time a sum of Rs.3000 crores (Rupees three thousand crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalize and execute all documents, instruments and writings and to do any / all acts, deeds and things on behalf of the Company as may be considered expedient and necessary in order to give effect to the aforesaid resolution.”

7. TO CONSIDER AND GIVE ASSENT/ DISSENT TO FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

Approval for alteration in the Articles of Association of Company

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

“RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and rules thereunder, the following Article 3 be substituted in place of existing Article 3 of the Articles of Association of the Company.

ARTICLE 3:

The Authorised Share Capital of the Company is Rs. 410,00,00,000/- divided into 11,00,00,000 Equity Shares of Rs.10/- each and 3,00,00,000 Convertible Preference Shares of Rs. 100/- each. The Company shall have power to increase or reduce its capital into different classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company or the legislative provisions in force in that behalf.

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalize and execute all documents, instruments and writings and to do any / all acts, deeds and things on behalf of the Company as may be considered expedient and necessary in order to give effect to the aforesaid resolution.”

8. TO CONSIDER AND GIVE ASSENT/ DISSENT TO FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

Issue of equity shares to Shriram Industrial Holdings Limited, the promoter of the Company, on preferential basis

“RESOLVED THAT pursuant to the provisions of Sections 42 and 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (the **Act**) and rules made there under (including any statutory modification or re-enactment thereof for the time being in force), and/or the applicable rules, regulations, notifications, guidelines and circulars, if any, issued by the Securities and Exchange Board of India (**SEBI**) from time to time, including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, from time to time (the **ICDR Regulations**), the Reserve Bank of India (**RBI**), the Government of India or any other competent authority and clarifications, if any, issued thereon from time to time by the appropriate authorities, and subject to the provisions of the Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof), the Consolidated Foreign Direct Investment Policy, updated annually, with the latest policy dated 17th April 2014 issued by the Department of Industrial Policy and Promotion, the equity listing agreements (the **Listing Agreement**) entered into by the Company with BSE Limited (**BSE**) and the National Stock Exchange of India Limited (**NSE**, together with the BSE, the **Stock Exchanges**) where the Company's equity shares of face value of Rs. 10 each (the **Equity Shares**) are listed and other concerned and appropriate authorities, and other applicable laws, if any, and relevant provisions of the Memorandum and Articles of Association of the Company and subject to such approval(s), consent(s), permission(s) and/or sanction(s), if any, of the Government of India, RBI, SEBI, the Foreign Investment Promotion Board (**FIPB**) and any other appropriate authority(ies), bank(s), institution(s) or body(ies) whether in India or outside India, as may be necessary and subject to such conditions as may be prescribed by any of them in granting any such approval, consent, permission or sanction, as are accepted by the Board of Directors of the Company (the **Board**), which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred hereunder or any person(s) authorized by the Board to exercise the powers conferred on the Board), the Company and the Board be and is hereby authorised to create, offer, issue and allot, up to 10000000 fully paid-up Equity Shares to the following allottee, at a price of Rs.50/- (Rupees fifty) per Equity Share including premium of Rs. 40 (Rupees forty) per Equity Share aggregating up to Rs. 50 crores (Rupees fifty crores), on a preferential allotment basis (**Preferential Allotment**) in one or more tranches at such time or times and on such further terms and conditions as may be finalized by the Board, subject to compliance with the minimum issue price requirement set out in Regulation 76 of the ICDR Regulations:

Sr. No.	Name of the Investor	Number of Shares	Nominal Value (In Rs.)	Premium (In Rs.)	Issue Price (In Rs.)	Total Amount (In Rs.)
1	SHRIRAM INDUSTRIAL HOLDINGS LIMITED (PROMOTER)	10000000	10	40	50	500000000
	Total	10000000				500000000

RESOLVED FURTHER THAT the said Equity Shares to be so issued and allotted pursuant to the Preferential Allotment shall be in dematerialized form, fully paid-up and shall rank pari passu in all respects including as to dividend, with the existing fully paid-up Equity Shares of the Company, subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the “Relevant Date” for the purpose of determining the issue price under ICDR Regulations for the Preferential Allotment shall be 1st October, 2014, i.e. 30 days prior to the date of declaration of results of postal ballot.

RESOLVED FURTHER THAT the Equity Shares shall be issued and allotted by the Company to Shriram Industrial Holdings Limited within a period of 15 days from the date of passing of this resolution, provided that where any application for exemption from the applicability of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or any approval or permission by any regulatory authority or the Central Government for allotment is pending, the period of 15 days shall be counted from the date of order on such application or the date of approval or permission, as the case may be.

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted shall be subject to lock in as provided under the ICDR Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to negotiate the price and terms and conditions of the said Equity Shares to be issued pursuant to the Preferential Allotment, in the best interests of the Company, and to do all such acts, deeds and things as may be considered expedient and necessary in order to give effect to the Preferential Allotment.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorised on behalf of the Company, to decide the terms and conditions (including without limitation terms and conditions relating to variation of price) of the Equity Shares to be issued pursuant to the Preferential Allotment, in the best interests of the Company, and take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient for issue or allotment of the said Equity Shares and listing thereof with the Stock Exchanges where the existing Equity Shares of the Company are listed and to take all such steps and to do all such things as may be required to comply with the requirements of the ICDR Regulations and other applicable laws and give all such directions as the Board may consider necessary, expedient or desirable, including without limitation, effecting any modification to the foregoing (including any modifications to the terms of the allotment), to prescribe the forms of application, private placement offer letters, allotment, to enter into any definitive agreements and other incidental documents or other instruments and writings, and to take such actions or give such directions as may be necessary or desirable and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to resolve and settle all questions and difficulties that may arise in relation to the proposed creation, issue, offer and allotment of the said Equity Shares pursuant to the Preferential Allotment and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit and to appoint such consultants, valuers, legal advisors, advisors and all such agencies as may be required for the issue and allotment of the said Equity Shares pursuant to the Preferential Allotment, without being required to seek any further consent or approval of the members of the Company and that the members of the Company shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT subject to the provisions of ICDR Regulations and other applicable laws, the Board be and is hereby authorized on behalf of the Company to vary, modify, or alter any of the relevant terms and conditions of the Preferential Allotment to Shriram Industrial Holdings Limited as it may deem expedient.

RESOLVED FURTHER THAT the Board be and is hereby authorised to negotiate, finalise and execute all definitive agreements and other incidental documents, instruments and writings and to do any / all acts, deeds and things on behalf of the Company as may be considered expedient and necessary in order to give effect to each of the aforesaid resolutions for creation, issue and allotment of the said Equity Shares pursuant to the Preferential Allotment.

RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to execute and file any and all requisite forms, documents, returns, and/or deeds with any regulatory authority in connection with the above resolutions, (including e-Forms to be filed with the Registrar of Companies, SEBI and other notifications required to be made to the Stock Exchanges).

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred on it, to any Committee of Directors/Managing Director or any other Officer(s) of the Company to implement the aforesaid resolutions.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

By Order of the Board

Place: Chennai

Date: September 26th, 2014

Registered Office: 4th Floor, Sigappi Achi Building,
18/3 Rukmini Lakshmi pathi Salai, Egmore, Chennai-600008.

K.Suresh

Vice President & Company Secretary

NOTES:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 read with Section 110 of the Companies Act, 2013 setting out all material facts is annexed hereto.
2. The Notice is being sent to all the Shareholders, whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on 26th September, 2014.
3. The Board has appointed Mr. R. Sridharan of Messrs. R. Sridharan & Associates, Company Secretaries, Chennai, as the Scrutinizer for conducting the postal ballot voting process in accordance with the law and in a fair and transparent manner.
4. The shareholders of the Company are requested to carefully read the instructions printed in the attached postal ballot form. The postal ballot form, duly completed and signed should be returned in the enclosed self-addressed postage prepaid envelope directly to the Scrutinizer so as to reach the Scrutinizer not later than 05.00 P.M. on or before 29th October, 2014. Any postal ballot form received after this date shall be treated as if the reply from the shareholder of the Company has not been received.
5. The shareholders of the Company are required to exercise their voting rights by using the attached postal ballot form only. No other form or photocopy of the form is permitted. Shareholders who do not receive the postal ballot form may apply to the Company and obtain a duplicate thereof. Facility of voting through electronic mode is also provided by the Company.
6. The special resolutions mentioned above shall be declared as passed if the number of votes cast in favour of the resolutions is three times more than the votes, if any, cast against the said resolutions.

The Scrutinizer will submit their report to either Mr. T Shivaraman – Managing Director & CEO of the Company or Mr. K Suresh, Vice President & Company Secretary of the Company after completion of the scrutiny and the results of the postal ballot will be announced by Mr. T Shivaraman – Managing Director & CEO or Mr. K Suresh, Vice President & Company Secretary or any one of the Directors of the Company on Friday, 31st October, 2014 at 11.00 A.M. at 4th Floor, Sigappi Achi Building, 18/3 Rukmini Lakshmi pathi Salai, Egmore, Chennai-600008. The date of declaration of the postal ballot result will be taken to be the date of passing of the resolutions. The results shall also be displayed on the website of the Company www.shriramepc.com.

7. The results of the postal ballot will be published in one English Newspaper with nationwide circulation and in one Tamil Newspaper for the information of members, and will also be informed to the stock exchanges where the equity shares of the Company are listed.
8. In compliance with Clause 35B of the listing agreements entered into with the Stock Exchanges and the provisions of Section 110 of the Companies Act 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company has also extended e-voting facility as an alternate, for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional

The instructions for e-voting are as under:-

9. 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:

10.

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	11. Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	12. Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	13. Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

*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 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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. Incase both the details are not recorded with the depository and 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 physical form will then reach directly 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.

(xvii) 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 from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 10.00 a.m. on 30-9-2014 and ends on 05.00 p.m. on 29-10-2014. 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 26-9-2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) 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 or rsaevoting@gmail.com.

(xviii) Mr. R Sridharan, Practising Company Secretary (Membership No. FCS 4775) of R Sridharan & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

Members who have registered their e-mail ids for receipt of documents in electronic mode under the Green Initiatives of Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and others are sent by post along with Ballot Form. Members have option to vote either through e-voting or through Postal Ballot Form. Members who have received Postal Ballot Notice by e-mail and who wish to vote through Postal Ballot Form can download Postal Ballot Form from the link [https:// www.evotingindia.com](https://www.evotingindia.com) / or www.shriramepc.com or seek duplicate Postal Ballot Form from M/s. Cameo Corporate Services Limited fill in the details and send the same to the Scrutinizer.

Kindly note that the Members can opt only one mode of voting, i.e. either by Physical Ballot or e-Voting. If you are opting for e-Voting, then do not vote by Physical Ballot also and vice versa.

EXPLANATORY STATEMENT

ANNEXURE TO NOTICE - EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 1:

Due to the market imbalances and global economic slowdown in the past, the Company has been facing cash flow mismatch, and has been working on various alternatives to align its debt obligations with the cash flows of the Company. The Company held a joint lenders forum meeting on 15th April 2014 with the lenders of the Company and it was discussed and decided to refer for restructuring under the Corporate Debt Restructuring (CDR) process through CDR mechanism envisaged under the guidelines issued by the Reserve Bank of India. The corporate debt restructuring scheme was approved by the Corporate Debt Restructuring Empowered Group (CDR EG) and communicated to the Company by the Corporate Debt Restructuring Cell (the **CDR Cell**) vide its letter of approval dated 11th September, 2014 (the "**CDR LOA**").

The Company is entering into a Master Restructuring Agreement (**MRA**) with the lenders of the Company whose loans are being restructured (the **CDR Lenders**) in furtherance to the CDR package of the Company, besides various other related documents as envisaged under the MRA and CDR LOA. The broad terms of the Company's CDR scheme includes inter alia:

- a. Restructuring the existing debt facilities availed by the Company from the CDR Lenders including revision of the interest rates, principal payment schedule and grant of certain new facilities;
- b. The Promoter Shriram Industrial Holdings Ltd (**SIHL**), shall furnish unconditional and irrevocable guarantee in the form and manner acceptable to Corporate Debt Restructuring Empowered Group. Further Shriram Ventures Limited and SVL Trust will also furnish unconditional and irrevocable guarantee in the form and manner acceptable to Corporate Debt Restructuring Empowered Group.
- c. Promoter's contribution should be minimum 25% of Banks' sacrifice or 2% of the restructured debt (excluding priority debt) whichever is higher.

The special resolution as provided in item no. 1, proposed to be passed by the members of Shriram EPC Limited (the **Company**) by way of a special resolution by postal ballot, shall be deemed to be an authorization, confirmation and ratification by the members of the Company, in terms of Regulation 10 (2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the scheme of corporate debt restructuring set out in letter of approval dated 11th September, 2014 issued by the Corporate Debt Restructuring Cell and the master restructuring agreement to be entered into between the Company and the CDR Lenders (the **MRA**).

The above proposal is in the interest of the Company and your Directors recommend the resolution in Item No. 1 as special resolution for your approval by way of postal ballot. None of the directors, key managerial personnel or their relatives is concerned or interested in this resolution.

ITEM NO.2

The members of the Company are informed that the Company had approached their banks for restructuring the debts. The CDR Cell approved the restructuring scheme and issued the letter of approval (**CDR LOA**) dated 11th September, 2014. The members are further informed that one of the conditions mentioned in the scheme is the capital infusion by the promoter.

Under the guidelines issued by the Reserve Bank of India, it is sufficient if the promoter bring in 25% of the amount of sacrifice of the lenders. However, in the case of the Company, the promoter-Shriram Industrial Holdings Limited (SIHL) have brought in Rs.160,00,00,000 as their contribution, which is 87% of the sacrifice amount as this quantum is necessary for the smooth operation of the Company. SIHL will be subscribing to 3,20,00,000 fully paid up equity shares of the Company, having face value of Rs.10/- (Rupees ten only) each (**Equity Shares**), at a price of Rs. 50 per equity share in accordance with the ICDR Regulations or applicable law, aggregating to Rs.160,00,00,000/- (Rupees one hundred sixty crores only) in order to comply with the provisions of the CDR LOA and Master Restructuring Agreement (**MRA**) to be entered into by the Company and the lenders in accordance with the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the "ICDR Regulations") and the Companies Act, 2013 and the rules thereunder.

The above acquisition of Equity Shares would have resulted in SIHL requiring to make a public announcement of an open offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time (**Takeover Regulations**). However, SIHL is exempted from making a public announcement for an open offer under Regulation 10 (2) of the Takeover Regulations if the preferential issue of Equity Shares is made as per the scheme of corporate debt restructuring approved by the shareholders by way of special resolution by postal ballot.

The Equity Shares that are to be issued shall be listed at BSE Limited (the **BSE**) and the National Stock Exchange of India Limited (the **NSE** and together with the BSE, the **Indian Stock Exchanges**). The consent of the shareholders is also being sought pursuant to the provisions of Section 62, Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder and in terms of the provisions of the listing agreement executed by the Company with the Indian Stock Exchanges where the Equity Shares of the Company are listed.

Other terms applicable to the Equity Shares:

1. The Equity Shares shall rank pari passu inter se and with the then existing Equity Shares of the Company in all respects.
2. The disclosures prescribed under Chapter VII of the ICDR Regulations and under the applicable provisions of the Companies Act, 2013 and Rules made thereunder are as follows:

a. Objects of the preferential issue:

To raise funds by making allotment of Equity Shares to SIHL, the promoter of the Company, in accordance with the terms of the CDR LOA and MRA.

b. Proposal of the promoter to subscribe to the offer:

SIHL, the promoter of the Company, has conveyed their intention to subscribe to 3,20,00,000 Equity Shares of the Company of face value Rs. 10 each at a premium of Rs.40/- per share aggregating to Rs.160,00,00,000/-. No Equity Shares are being offered to any other director or key management personnel of the Company.

c. Shareholding pattern before and after the preferential issue:

Shareholding pattern as on September 26, 2014, being the latest practicable date on which shareholder data was available prior to the date of approval and issuance of notice to the members and post-allotments shareholding pattern of the Company is set out below:

Sr. No.	Category	Pre-issue equity shareholding		No of Equity Shares proposed to be allotted	Post-issue equity shareholding	
		Number of Equity Shares	%		Number of Equity Shares	%
A.	Promoter and Promoter Group					
	Promoter and Promoter Group	18334526	41.33 %	320,00,000	50334526	65.92 %
	Total (A)	18334526	41.33 %	320,00,000	50334526	65.92 %
B.	Public					
	a) Foreign Institutional Investors	13169398	29.69 %	-	13169398	17.25 %
	(b) Mutual Funds	-	-	-	-	-
	(c) Other Public Shareholders	12854260	28.98 %	-	12854260	16.83 %
	Total (B)	26023658	58.67 %	-	26023658	34.08 %
	Grand Total (A+B)	44358184	100.00 %	320,00,000	76323658	100 %

The above pre-issue shareholding pattern has been prepared on the basis of the shareholding of the Company as on 26th September 2014 and post issue pattern has been prepared considering all the 3,20,00,000 Equity Shares have been allotted.

The post issue shareholding pattern in the above table has been prepared on the basis that SIHL would have subscribed to and been allotted 3,20,00,000 Equity Shares of the Company.

In the event for any reason, SIHL does not or is unable to subscribe to and/or is not allotted 3,20,00,000 Equity Shares, the shareholding pattern in the above table would undergo corresponding changes.

It is further assumed that shareholding of the Company in all other categories will remain unchanged and excludes possible conversion of stock options

- d. The time within which the preferential issue shall be completed:

The allotment of 3,20,00,000 Equity Shares pursuant to this resolution will be completed on or before 15th November 2014.

- e. Identity of the natural persons who are the ultimate beneficial owners of the Equity Shares proposed to be allotted and/or who ultimately control SIHL, the percentage of pre and post issue share capital that may be held by SIHL in the Company consequent to the Preferential Allotment:

Name	Category	Pre-Issue Holding		No. of Equity Shares to be allotted	Post-Issue Holding	
		No. of Equity Shares	%		No. of Equity Shares	%
Shriram Industrial Holdings Limited	Promoter	18334526	41.33 %	320,00,000	50334526	65.92 %

There are no natural persons who are either the ultimate beneficial owners of the Equity Shares proposed to be allotted to the SIHL or who ultimately control the SIHL.

The Preferential Allotment to the SIHL will not result in a change in the control or management of the Company.

- f. Undertaking to recompute price and lock-in till the recomputed price is paid

The undertakings required under paragraphs (f) and (g) of Regulation 73(1) of Chapter VII of the ICDR Regulations

will not be applicable to the Company as the Company's Equity Shares are listed on the stock exchange(s) for more than the minimum period as specified under Regulation 76(2) of the ICDR Regulations.

g. Certificate from statutory auditors

Deloitte Haskins and Sells, the statutory auditors of the Company have certified that the Preferential Allotment is being made in accordance with the requirements contained in Chapter VII of the ICDR Regulations and the same will also be made available for inspection at the registered office of the Company on all working days except public holidays starting from 29th September, 2014 during the hours between 10.00 a.m. to 5.00 p.m. up to the last date for voting under the postal ballot.

h. Relevant date and issue price

The Equity Shares of the Company are 'frequently traded shares' as per Regulation 71A of the ICDR Regulations.

The price at which the Equity Shares are proposed to be issued to SIHL has been determined in accordance with Chapter VII of the ICDR Regulations, based on the higher of:

- (a) the average of the weekly high and low of the volume weighted average price of the Equity Shares quoted on National Stock Exchange of India Limited during the twenty six weeks preceding the Relevant Date (as defined below); **or**
- (b) the average of the weekly high and low of the volume weighted average prices of the Equity Shares quoted on National Stock Exchange of India Limited during the two weeks preceding the Relevant Date (as defined below).

The "Relevant Date" for the purpose of calculating the price of the Equity Shares is 11th September, 2014 i.e., date of the final approval of the Company's Corporate Debt Restructuring Scheme.

Accordingly, the issue price of Rs. 50 per at which the Equity Shares are proposed to be issued and allotted to SIHL is in compliance with the minimum issue price determined in accordance with Regulation 76 of the ICDR Regulations.

i. Miscellaneous

- (a) The Company is in compliance with the conditions for continuous listing of Equity Shares as specified in the equity listing agreement with the stock exchange(s);
- (b) The PAN of SIHL is AAACS7696D;
- (c) SIHL have not sold Equity Shares of the Company during the 6 (six) months preceding the relevant date, i.e. 11th September, 2014;
- (d) The entire pre-preferential issue shareholding of SIHL, in the Company shall be locked-in from the Relevant Date, i.e. 11th September, 2014, up to a period of 6 (six) months from the date of trading approval for preferential issue;
- (e) The Equity Shares to be allotted to SIHL pursuant to the preferential issue shall be subject to a lock-in for a period of one year from the date of trading approval for preferential issue or such other time frame as may be imposed under SEBI rules, regulations and guidelines or by the BSE Limited, National Stock Exchange of India Limited or other regulatory or governmental agency.
- (f) All the Equity Shares held by SIHL in the Company prior to the preferential issue are in dematerialised form.

The board of directors of the Company (**Board**) has at its meeting held on 11 September, 2014 approved the creation, offer, issuance and allotment of the above mentioned Equity Shares of the Company on preferential basis. Pursuant to the provisions of Section 62 of the Companies Act, 2013 and Regulation 72(1) (a) of the ICDR Regulations, the preferential issue requires approval of the shareholders by way of a special resolution. The Board recommends passing of the resolutions under Item 2 as a special resolution.

Mr. S Srinivasan, director of the Company, is deemed to be interested in the passing of this Resolution as set out in the accompanying Notice pursuant to Section 110 of the Companies Act, 2013, since he is also a director of SIHL.

None of the other Directors / Key Managerial Personnel of the Company or their relatives is concerned or interested.

ITEM NO. 3 AND ITEM NO. 7:

The Members are informed that the present Authorised Share Capital of the Company is Rs.385,00,00,000/- (Rupees Eighty Five Crores only) divided into 8,50,00,000 Equity shares of Rs.10/- each and 3,00,00,000 Cumulative Redeemable Preference Shares of Rs.100/- each.

In view of the infusion of capital to the Company by Shriram Industrial Holdings Limited (**SIHL**), there will be a need to increase the authorized share capital of the Company from Rs.385,00,00,000/- (Rupees Three Hundred and Eighty Five Crores only) to Rs. 410,00,00,000/- divided into 11,00,00,000 Equity shares of Rs.10/- each and 3,00,00,000 Convertible Preference Shares of Rs. 100/- each.

The proposed increase in authorized capital of the Company requires the approval of the members and consequential amendment of the Company's Memorandum and Articles of Association.

The amended copy of the Memorandum and Articles of Association of the Company are available for inspection on all working days from 10.00 A.M., to 01.00 P.M., till the cut-off date for casting of votes.

None of the other Directors / Key Managerial Personnel of the Company or their relatives is concerned or interested.

ITEM NO. 4:

The Company is presently enjoying working capital facilities from its bankers in the form of fund based/non fund based and term loan facility. Generally, the terms of sanction of such borrowings, require the Company to create a mortgage / charge on the moveable (stocks & book debts) and immovable properties of the Company in favour of the lenders, as set out in the resolution under Item No 4 of the Notice. Creation of such mortgage / charge, as mentioned above, may be construed as "otherwise" disposing of the undertaking of the Company within the meaning of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules thereunder. Hence, approval of the Members is sought by way of a Special Resolution under the applicable provisions of the Companies Act, 2013 and the rules made thereunder for mortgaging / charging the movable and immovable assets of the Company, present and future, to the extent of Rs.4000 crs.

None of the Directors / Key Managerial Personnel of the Company and their relatives is concerned or interested

ITEM NO. 5:

At the Extra Ordinary General Meeting of the Company held on 05th August 2014, the shareholders of the Company had granted to the Board of Directors powers to make / give from time to time any loan(s) and / or advance(s) to any Body or bodies corporate including Firms, Limited Liability Company (LLC), Limited Liability Partnerships (LLP), One Person Company (OPC), Foreign Companies etc., whether in India or outside, which may or may not be subsidiary(ies) of the Company as the Board may think fit, in pursuance of Section 186 of the Companies Act, 2013 and rules thereunder (including any ordinance or statutory modification or re-enactment thereof, for the time being in force) to the extent of Rs.500 Crores and Guarantees to the extent of Rs. 100 Crores.

The Company has received approval from the CDR cell for restructuring the Company's debts on 11th September, 2014. Apart from the infusion of Rs.160 Crores towards capital under the direction of CDR EG, the promoter has also brought in additional funds as unsecured loan as and when required. The Company proposes to make further loans and advances from time to time exceeding the present limit of Rs. 500 Crores, approval of the shareholders is sought for increasing the limit from Rs.500 Crores to Rs.1000 Crores with the guarantee limit remaining at the existing Rs.100 crores.

Hence, as per the provisions of Section 186 of the Companies Act, 2013 and the applicable rules thereunder, approval of the shareholders is sought for the increase in limits by way of a Special Resolution. The below mentioned table will detail the present limits and the increased limits sought:

Rs. In Crores			
Particulars	Present limits	Increased limit sought	Total not exceeding
Loans/ advances to Subsidiary /associate Companies/ Other Bodies Corporate	500.00	500.00	1000.00
Guarantees to Subsidiary /associate Companies/ Other Bodies Corporate	100.00	-	100.00
Total	600.00	500.00	1100.00

The following Directors of the Company is deemed to be concerned/interested in the above said resolution being Directors of the subsidiary/associate/ group companies of the Company:

S.NO.	Name & Designation
1.	Mr. R. Sundararajan, Director
2.	Mr. S Srinivasan , Director
3.	Mr. T Shivaraman, Managing Director & CEO
4.	Mr. Vishal Gupta, Director

None of the Directors / Key Managerial Personnel of the Company or their relatives other than above is concerned or interested.

The Board recommends the passing of the resolution by the Members of the Company, as set out in Item No.4 of the Postal Ballot Notice.

ITEM NO. 6:

The Shareholders of the Company vide Extra ordinary resolution dated 5th August 2014 authorized the Board of Directors pursuant to Section 180(1) (c) of the Companies Act, 2013 and rules thereunder to borrow (apart from temporary loans to be obtained from the Company's bankers in the ordinary course of business) up to a limit of Rs 2,500 crores (Rupees two thousand five hundred crores only) in excess of the aggregate of the paid-up capital and free reserves of the Company.

The CDR Empowered Group (**CDREG**) has sanctioned the restructuring scheme of the Company in their CDREG meeting held on 20th August, 2014 and communicated the letter of acceptance (**LOA**) vide their letter dated 11th September, 2014. The LOA provides for additional funding to meet the Company's working requirements resulting in increased eligibility for Company to borrow.

Hence, approval of the Members is sought by way of a Special Resolution under the applicable provisions of the Companies Act, 2013 and the Rules made thereunder for increasing the borrowing limit to Rs.3000 Crores from the existing limit of Rs.2500 Crores.

None of the Directors / Key Managerial Personnel of the Company and their relatives is concerned or interested

ITEM NO. 8:

The Company is proposing a preferential issue of up to Rs. 50 Crores to SIHL for increasing the networth of the Company and repaying debt. In accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2009, as amended from time to time (ICDR Regulations) under the provisions of Sections 62 and Section 42 of the Companies Act, 2013 and rules thereunder.

Through the resolution passed on 11th September 2014, the Board of Directors of the Company has, subject to the approval of the shareholders and requisite statutory approvals, as may be applicable, approved the issuance of up to 1,00,00,000 Equity Shares to Shriram Industrial Holdings Limited (hereinafter referred to as the **Allottee**), at a price of Rs. 50/- (Rupees fifty) per Equity Share (being the price higher than the minimum price determined in accordance with the ICDR Regulations) aggregating to Rs. 50 Crores (Rupees fifty crores only) (the **Preferential Allotment**).

INFORMATION AS REQUIRED UNDER REGULATION 73 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (ICDR REGULATIONS) IS SET OUT BELOW:

1. Objects of the Preferential Allotment:

To increase the networth of the Company and repaying debt.

2. Intention of the promoter, directors or key management personnel of the Company to subscribe to the Preferential Allotment:

Shriram Industrial Holdings Limited, the promoter of the Company, is subscribing to the Preferential Allotment. No preferential issue to the directors or key management personnel of the Company.

3. Shareholding Pattern:

The shareholding pattern of the Company before and after the Preferential Allotment is as under:

Sr. No.	Category	Pre-issue equity shareholding		No of Equity Shares proposed to be allotted	Post-issue equity shareholding	
		Number of Equity Shares	%		Number of Equity Shares	%
A.	Promoter and Promoter Group	50334526	65.92	10000000	60334526	69.87
	Total (A)	50334526	65.92	10000000	60334526	69.87
	B. Public					
	a) Foreign Institutional Investors	-	-	-	-	-
	(b) Mutual Funds	-	-	-	-	-
	(c) Other Public Shareholders	-	-	-	-	-
	Total (B)	26023658	34.08	-	26023658	30.13
	Grand Total (A+B)	76334526	100.00	10000000	86334526	100.00

4. Proposed time within which the Preferential Allotment shall be completed:

The Preferential Allotment is proposed to be completed within a period of 15 days from the date on which the shareholders' sanction is obtained for the Preferential Allotment, provided that where any application for exemption from the applicability of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or any approval or permission by any regulatory authority or the Central Government for allotment is pending, the period of 15 days shall be counted from the date of order on such application or the date of approval or permission, as the case may be.

5. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottee, the percentage of pre and post issue share capital that may be held by the proposed allottee in the Company consequent to the Preferential Allotment:

Name	Category	Pre-Issue Holding		No. of Equity Shares to be allotted	Post-Issue Holding	
		No. of Equity Shares	%		No. of Equity Shares	%
Shriram Industrial Holdings Limited	Promoter	50334526	65.92	10000000	60334526	69.87

There are no natural persons who are either the ultimate beneficial owners of the Equity Shares proposed to be allotted to the Allottee or who ultimately control the Allottee.

The Preferential Allotment to the Allottee will not result in a change in the control or management of the Company.

6. Company's undertaking:

The undertakings required under paragraphs (f) and (g) of Regulation 73(1) of Chapter VII of the ICDR Regulations will not be applicable to the Company as the Company's Equity Shares have been listed on the Stock Exchanges for a period exceeding the minimum period as specified under Regulation 76(2) of the ICDR Regulations.

7. Auditors' Certificate:

Deloitte Haskins and Sells, the statutory auditors of the Company have certified that the Preferential Allotment is being made in accordance with the requirements contained in Chapter VII of the ICDR Regulations and the same

will also be made available for inspection at the registered office of the Company on all working days except public holidays starting from 29th September, 2014 during the hours between 10.00 a.m.to 5.00 p.m. up to the last date for voting under the postal ballot.

8. Relevant Date and Issue Price:

The Equity Shares of the Company are 'frequently traded shares' as per Regulation 71A of the ICDR Regulations.

The Equity Shares proposed to be issued to the Allottee pursuant to the Preferential Allotment will be issued and allotted at a price not less than the higher of the following in terms of Regulation 76 of the ICDR Regulations:

- (a) the average of the weekly high and low of the volume weighted average price of the Equity Shares of the Company quoted on the National Stock Exchange of India Limited during the 26 (twenty-six) weeks preceding the Relevant Date (as defined below); or
- (b) the average of the weekly high and low of the volume weighted average price of the Equity Shares of the Company quoted on the National Stock Exchange of India Limited during the 2 (two) weeks preceding the Relevant Date (as defined below).

Explanation: The relevant date for the Preferential Allotment, as per Chapter VII of the ICDR Regulations, as amended up to date, for the determination of the applicable price shall be 26th September 2014 i.e. 30 days prior to the date of declaration of results of postal ballot) (**Relevant Date**).

Accordingly, the issue price of Rs.50 (Rupees fifty only) per Equity Share at which the Equity Shares are proposed to be issued and allotted to the Allottee is higher than the minimum issue price determined in accordance with Regulation 76 of the ICDR Regulations.

9. Miscellaneous

- (a) The Company is in compliance with the conditions for continuous listing of Equity Shares as specified in the Listing Agreement with the Stock Exchanges;
- (b) The Company has obtained the Permanent Account Number of the Allottee;
- (c) The Allottee has not sold Equity Shares of the Company during the 6 (six) months preceding the Relevant Date, i.e. 1st October, 2014;
- (d) The entire pre-Preferential Allotment shareholding of the Allottee, if any, in the Company shall be locked-in from the Relevant Date, i.e. 1st October, 2014, up to a period of 6 months from the date of trading approval for Preferential Allotment;
- (e) The Equity Shares to be allotted to the Allottee pursuant to the Preferential Allotment shall be locked-in accordance with the provisions of the ICDR Regulations; and
- (f) All the Equity Shares, if any, held by the Allottee in the Company prior to the Preferential Allotment are in dematerialized form.

Mr. S Srinivasan, director of the Company, is deemed to be interested in the passing of this Resolution as set out in the accompanying Notice pursuant to Section 110 of the Companies Act, 2013, since he is also a director of the Allottee.

None of the other Directors / Key Managerial Personnel of the Company or their relatives is concerned or interested.

By Order of the Board

Place: Chennai

Date: September 26th, 2014

K. Suresh

Vice President & Company Secretary

Registered Office: 4th Floor, Sigappi Achi Building,
18/3 Rukmini Lakshmipathi Salai, Egmore, Chennai-600008.