

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 are 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. Issue of equity shares on preferential basis in terms of ICDR Regulations on conversion of the Funded Interest Term Loan to CDR Lenders in terms of the CDR Package

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 Section 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (the **Act**) and the Rules made thereunder (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 the Company, the equity listing agreements 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**, provisions of Chapter VII – Preferential Issue and other applicable provisions, if any, of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, from time to time (the **ICDR Regulations**), and subject to the applicable rules, notifications, guidelines and circulars issued by various authorities including but not limited to the Government of India, the Securities and Exchange Board of India (**SEBI**), the Reserve Bank of India (**RBI**) and any other competent authorities and subject to the approvals, permissions, sanctions and consents as may be necessary from any regulatory and other appropriate authorities (including but not limited to the SEBI, CDR EG, RBI, the Government of India, etc.), and all such other approvals (including approvals of the existing lenders of the Company, if required), and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, sanctions and consents, which may be agreed to by the Board of Directors (hereinafter referred to as 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 furtherance to the scheme of corporate debt restructuring (the **CDR Package**) by and between the Company and the lenders of the Company whose loans are restructured (the **CDR Lenders**) which has been approved by the Corporate Debt Restructuring Empowered Group (the **CDR EG**) on August 20, 2014, and communicated to the Company by the Corporate Debt Restructuring Cell (the **CDR Cell**) vide its letter of approval dated August 27, 2014 (**CDR LOA**) and any modifications to the terms thereof, as approved by the CDR Lenders and the Company, and in terms of the Master Restructuring Agreement dated 20th September 2014 (the **MRA**) executed by and between the Company and the CDR Lenders, the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches, upto 9,49,96,968 fully paid-up equity shares of the Company, having face value of Rs. 10/- (Rupees Ten Only) each, at a price of Rs. 32.98/- per equity share being the price calculated with reference to the "Relevant Date" i.e. August 20, 2014 for an amount not exceeding Rs.313.30 crores in consideration of the amounts outstanding from the Company to the CDR Lenders under the Funded Interest Term Loan, subject to reconciliation and price certification by auditors being the interest for the period of 2 (two) years from the cut-off date i.e. from April 1, 2014 to March 31, 2016 on the Term Loan and the Working Capital Term Loan, as and when the same accrues and is payable to the CDR Lenders as per the MRA and as and when approved by their individual sanctioning authority, by way of preferential allotment and in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit."

"RESOLVED FURTHER THAT in accordance with Regulation 71(a) of the ICDR Regulations, the "Relevant Date", for determining the price of the equity shares being allotted to the CDR Lenders, on a preferential basis, is August 20, 2014, being the date on which the CDR Package of the Company was approved by the CDR EG."

"RESOLVED FURTHER THAT the equity shares to be allotted in terms of this resolution within the period prescribed under the ICDR Regulations and shall be in dematerialized form, fully paid-up at the time of allotment and shall rank *pari passu* in all respects including as to dividend, with the existing equity shares of the Company and the same shall be subject to lock-in for such period that may be prescribed under the ICDR Regulations."

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board/Committee of the Board/be and is hereby authorized on behalf of the Company to take all actions and to do all such acts, deeds, matters and things (including sub-delegating its powers to Authorised Representatives) as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including negotiating the price in the best interests of the Company, deciding/revising the dates of allotment, deciding and/or finalizing other terms of issue and allotment in consonance with the ICDR Regulations, listing of the equity shares to be issued and allotted, and to modify, accept and give effect to any modifications to the terms and conditions of the issue as may be required by the statutory, regulatory and other appropriate authorities including but not limited to the SEBI, CDR EG, RBI, the Government of India, etc., and all such other approvals (including approvals of the existing lenders of the Company, if required) and as may be agreed by the Board, and to settle all questions, difficulties or doubts that may arise in the proposed issue, pricing of the issue, issue and allotment of the equity shares arising there from, including utilization of issue proceeds and to execute all such deeds, documents, applications, offer letters, forms, writings, agreements, and to appoint such consultants, advisors and all such agencies as may be required, in connection with the proposed issue as the Board may, in its absolute discretion, deem necessary or desirable without being required to seek any further consent or approval of the shareholders or otherwise with the intent that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any other Committee of the Board to give effect to this resolution.”

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.”

2. Issue of equity shares on preferential basis in terms of ICDR Regulations on conversion of the Sacrifice by CDR Lenders

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 Section 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (the **Act**) and the Rules made thereunder (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 the Company, the equity listing agreements 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**, provisions of Chapter VII – Preferential Issue and other applicable provisions, if any, of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, from time to time (the **ICDR Regulations**), and subject to the applicable rules, notifications, guidelines and circulars issued by various authorities including but not limited to the Government of India, the Securities and Exchange Board of India (**SEBI**), the Reserve Bank of India (**RBI**) and any other competent authorities and subject to the approvals, permissions, sanctions and consents as may be necessary from any regulatory and other appropriate authorities (including but not limited to the SEBI, CDR EG, RBI, the Government of India, etc.), and all such other approvals (including approvals of the existing lenders of the Company, if required), and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, sanctions and consents, which may be agreed to by the Board of Directors (hereinafter referred to as 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 furtherance to the scheme of corporate debt restructuring (the **CDR Package**) by and between the Company and the lenders of the Company whose loans are restructured (the **CDR Lenders**) which has been approved by the Corporate Debt Restructuring Empowered Group (the **CDR EG**) on August 20, 2014, and communicated to the Company by the Corporate Debt Restructuring Cell (the **CDR Cell**) vide its letter of approval dated August 27, 2014 (**CDR LOA**) and any modifications to the terms thereof, as approved by the CDR Lenders and the Company, in terms of the Master Restructuring Agreement dated 20th September 2014 (the **MRA**) executed by and between the Company and the CDR Lenders, and in terms of the RBI Master Circular Guidelines 1st July 2014, and the approval of the CDR EG on April 24, 2015, the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches, upto 4,59,65,044 fully paid-up equity shares of the Company, having face value of Rs. 10/- (Rupees Ten Only) each, at a price of Rs.40.05/- per equity share in consideration of the amounts considered as sacrifice on the part of the CDR Lenders in terms of the RBI Master Circular Guidelines dated 1st July 2014, and the approval of the CDR EG on April 24, 2015 up to the amount, in aggregate, not exceeding Rs 184.08 crores to the CDR Lenders subject to reconciliation and price certification by auditors as and when approved by their individual sanctioning authority, by way of preferential allotment and in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit.”

“RESOLVED FURTHER THAT in accordance with Regulation 71(a) of the ICDR Regulations, the “Relevant Date”, for determining the price of the equity shares being allotted to the CDR Lenders, on a preferential basis, is April 24, 2015, being the date on which the said conversion was approved by the CDR EG”.

“RESOLVED FURTHER THAT the equity shares to be allotted in terms of this resolution within the period prescribed under the ICDR Regulations shall be in dematerialized form, fully paid-up at the time of allotment and shall rank *pari passu* in all respects including as to dividend, with the existing equity shares of the Company and the same shall be subject to lock-in for such period that may be prescribed under the ICDR Regulations.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board/Committee of the Board be and is hereby authorized on behalf of the Company to take all actions and to do all such acts, deeds, matters and things (including sub-delegating its powers to Authorised Representatives) as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including negotiating the price in the best interests of the Company, deciding/revising the dates of allotment, deciding and/or finalizing other terms of issue and allotment in consonance with the ICDR Regulations, listing of the equity shares to be issued and allotted, and to modify, accept and give effect to any modifications to the terms and conditions of the issue as may be required by the statutory, regulatory and other appropriate authorities including but not limited to the SEBI, CDR EG, RBI, the Government of India, etc., and all such other approvals (including approvals of the existing lenders of the Company, if required) and as may be agreed by the Board, and to settle all questions, difficulties or doubts that may arise in the proposed issue, pricing of the issue, issue and allotment of the equity shares arising there from, including utilization of issue proceeds and to execute all such deeds, documents, applications, offer letters, forms, writings, agreements, and to appoint such consultants, advisors and all such agencies as may be required, in connection with the proposed issue as the Board may, in its absolute discretion, deem necessary or desirable without being required to seek any further consent or approval of the shareholders or otherwise with the intent that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any other Committee of the Board to give effect to this resolution.”

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

To consider and give assent/ dissent to following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 (the **Act**) and the Rules made thereunder (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 the Company, the equity listing agreements 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**, provisions of Chapter VII – Preferential Issue and other applicable provisions, if any, of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, from time to time (the **ICDR Regulations**), and subject to the provisions of the Foreign Exchange Management Act, 1999, the applicable rules, notifications, guidelines and circulars issued by various authorities including but not limited to the Government of India, the Securities and Exchange Board of India (**SEBI**), the Reserve Bank of India (**RBI**) and any other competent authorities and subject to the approvals, permissions, sanctions and consents as may be necessary from any regulatory and other appropriate authorities (including but not limited to the SEBI, RBI, the Government of India, etc.), and all such other approvals (including approvals of the existing lenders of the Company, if required), and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, sanctions and consents, which may be agreed to by the Board of Directors (hereinafter referred to as 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 consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches, upto 11,11,42,857 fully paid-up equity shares of the Company, having face value of Rs. 10/- each, at a minimum price of Rs. 35/- (including a premium of Rs. 25/-) per equity share or such other higher price as may be arrived at in accordance with Regulation 76 of the ICDR Regulations for an amount not exceeding Rs. 389 crores (Rupees Three Hundred Eighty Nine Crores), to Shriram Industrial Holdings Limited, the promoter of the Company, by way of preferential allotment and in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit.”

“RESOLVED FURTHER THAT the “Relevant Date” for the purpose of determining the issue price under ICDR Regulations for the Preferential Allotment shall be May 7, 2015 i.e. 30 days prior to the date of declaration of results of postal ballot.

“RESOLVED FURTHER THAT the equity shares to be allotted in terms of this resolution within the period prescribed under the ICDR Regulations shall be in dematerialized form, fully paid-up at the time of allotment and shall rank *pari passu* in all respects including as to dividend, with the existing equity shares of the Company and the same shall be subject to lock-in for such period that may be prescribed under the ICDR Regulations.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board/Committee of the Board be and is hereby authorized on behalf of the Company to take all actions and to do all such acts, deeds, matters and things (including sub-delegating its powers to Authorised Representatives) as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including negotiating the price in the best interests of the Company, deciding/revising the dates of allotment, deciding and/or finalizing other terms of issue and allotment in consonance with the ICDR Regulations, listing of the equity shares to be issued and allotted, and to modify, accept and give effect to any modifications to the terms and conditions of the issue as may be required by the statutory, regulatory and other appropriate authorities including but not limited to the SEBI, RBI, the Government of India, etc., and all such other approvals (including approvals of the existing lenders of the Company if required) and as may be agreed by the Board, and to settle all questions, difficulties or doubts that may arise in the proposed issue, pricing of the issue, issue and allotment of the equity shares arising there from, including utilization of issue proceeds and to execute all such deeds, documents, applications, offer letters, forms, writings, agreements, and to appoint such consultants, advisors and all such agencies as may be required, in connection with the proposed issue as the Board may, in its absolute discretion, deem necessary or desirable without being required to seek any further consent or approval of the shareholders or otherwise with the intent that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any other Committee of the Board to give effect to this resolution.”

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.”

4. Re-classification of Authorized Share Capital of the Company

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013, the Authorized Share Capital of the Company of Rs.410,00,00,000/- (Rupees Four Hundred and Ten Crores Only) divided into 11,00,00,000 (Eleven Crores) equity shares of Rs. 10/- (Rupees Ten Only) each aggregating to Rs. 110,00,00,000/- (Rupees Hundred and Ten Crores Only) and 3,00,00,000 (Three Crores), Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees Hundred Only) each aggregating to Rs. 300,00,00,000/- (Rupees Three Hundred Crores Only) be and is hereby re-classified as Rs.410,00,00,000/- (Rupees Four Hundred and Ten Crores Only) divided into 41,00,00,000 (Forty-One Crores) equity shares of Rs. 10/- (Rupees Ten Only) each aggregating to Rs. 410,00,00,000/- (Rupees Four Hundred and Ten Crores Only) pursuant to the redemption of the entire preference share capital aggregating to Rs. 300,00,00,000/- (Rupees Three Hundred Crores Only).”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this Resolution.”

5. Amendment to the Memorandum of Association of the Company

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a Special Resolution:

“RESOLVED THAT pursuant the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, Clause V of the Company’s Memorandum of Association be and is hereby substituted with the following:

“V. The Authorized Share Capital of the Company is Rs.410,00,00,000/- (Rupees Four Hundred and Ten Crores Only) divided into 41,00,00,000 (Forty-One Crores) equity shares of Rs. 10/- (Rupees Ten Only) each aggregating to Rs. 410,00,00,000/- (Rupees Four Hundred and Ten Crores Only) with power to increase or reduce the capital and to divide and subdivide the shares into several classes and to attach there to respectively such preferential qualified or special rights, privileges or conditions, as may be determined by or in accordance with the Articles of Association of the Company for the time being 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 as provided by the Articles of Association of the Company for the time being.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the following officials of the Company, Mr. T Shivaraman, Managing Director & CEO and Mr. K Suresh, Vice President & Company Secretary be and are hereby severally authorised, on behalf of the Company, to do all such acts, deeds, matters and things as deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form(s) with the Registrar of Companies, Tamilnadu, Chennai.”

6. Amendment to the Articles of Association of the Company

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the existing Article 3 of the Articles of Association of the Company be modified / substituted as follows:

(a) Existing Article 3 be substituted by the following:

".... The Authorized Share Capital of the Company is Rs.410,00,00,000/- (Rupees Four Hundred and Ten Crores Only) divided into 41,00,00,000 (Forty-One Crores) equity shares of Rs. 10/- (Rupees Ten Only) each aggregating to Rs. 410,00,00,000/- (Rupees Four Hundred and Ten Crores Only) with power to increase or reduce the capital and to divide and subdivide the shares into several classes and to attach there to respectively such preferential qualified or special rights, privileges or conditions, as may be determined by or in accordance with the Articles of Association of the Company for the time being 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 as provided by the Articles of Association of the Company for the time being."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the following officials of the Company, Mr. T Shivaraman, Managing Director & CEO and Mr. K Suresh, Vice President & Company Secretary be and are hereby severally authorised, on behalf of the Company, to do all such acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form(s) with the Registrar of Companies, Tamilnadu, Chennai."

7. Amendment in Object clause of Memorandum of association

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, consent of the shareholders of the Company be and is hereby accorded, subject to the approval of the Registrar of Companies, Tamilnadu, Chennai to append the following changes to the main objects of the Memorandum of Association of Company:

"To carry on business as Engineering and Procurement contractors, general engineers, mechanical engineers, process engineers, civil engineers, general mechanical and civil contractors and enter into contracts and joint ventures in relation to and to erect, construct, supervise, maintain, alter, repair, pull down and restore, either alone or jointly with other companies or persons, works of all descriptions, including plants of all descriptions, factories, mills, refineries, pipelines, gas works, electrical works, power plants, water works, water treatment plants, mines and ports including airports and to undertake turnkey projects of every description and to undertake the supervision of any plant or factory and to invest in Companies carrying on the above business."

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, Mr. T Shivaraman, Managing Director & CEO of the Company and Mr. K Suresh, Vice President & Company Secretary be and are hereby severally authorised, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form as return of appointment with the Registrar of Companies, Tamilnadu, Chennai."

By Order of the Board

Place: Chennai
Date: 5th May, 2015

K.Suresh
Vice President & Company Secretary

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

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 1st May, 2015.

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.

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 5th June, 2015. 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.

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.

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 6th June, 2015 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.

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.

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:-

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:

| | For Members holding shares in Demat Form | For Members holding shares in Physical Form |
|------------------------|--|---|
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) | |
| DOB# | 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# | 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 6th May, 2015 and ends on 05.00 p.m. on 5th June, 2015. 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 01-05-2015, 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 UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1

As per the CDR EG approval dated August 20, 2014 and the Master Restructuring Agreement dated 20th September 2014 executed by the Company with the CDR Lenders, the CDR Lenders have an option for converting the restructured facilities into equity shares of the Company during the period of the loan repayment.

Based on the above, the CDR lenders have evinced interest to convert their Funded Interest Term Loan (**FITL**) into equity. Some of the lenders have already obtained approvals from their sanctioning authorities and the others would provide their final approval letters in due course. The total amount of the FITL component is Rs 313.30 Cr.

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. The said equity shares shall rank *pari passu* with the then existing equity shares of the Company in all respects.

The following details of the proposed preferential issue of equity shares are disclosed in accordance with the provisions of 'Chapter VII – Preferential Issue' of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, from time to time (the **ICDR Regulations**) and under the applicable provisions of the Companies Act, 2013 and Rules made thereunder:

i. **Objects of the preferential issue**

To improve the Networth of the Company which would provide better opportunities for quoting larger orders and consequential reduction in debt, savings in interest and improved financial ratios of the Company.

As per the CDR scheme - Standard conditions 27(b) has stipulated a condition wherein the lenders have an option of converting the FITL into equity shares any time during the restructuring period. Some of the lenders have already obtained approvals from their sanctioning authorities and the others would provide their final approval letters in due course. Based on the restructuring terms, the FITL for the CDR Lenders works out to approximately Rs. 313 crores.

ii. **The total number of equity shares to be issued**

The Board intends to offer, issue and allot up to 9,49,96,968 fully paid-up equity shares of the Company, having face value of Rs. 10/- (Rupees Ten Only) each, at a price of Rs. 32.98/- per equity share, being the price calculated in accordance with Regulation 76(1) of the ICDR Regulations with reference to the "Relevant Date" of August 20, 2014, being the date on which the corporate debt restructuring package of the Company was approved by the CDR EG, to CDR lenders in consideration of Funded Interest Term Loan, being the interest for the period of 2 (two) years from the cut-off date i.e. from April 1, 2014 to March 31, 2016 on the Term Loan and the Working Capital Term Loan, as and when the same accrues and is payable to the CDR Lenders as per the Master Restructuring Agreement to the extent CDR lenders approve the same.

iii. **The price or price band at / within which the allotment is proposed**

The issue price is Rs 32.98/-(Rupees Thirty Two & Paise Ninety Eight only) per equity share, being the price calculated in accordance with Regulation 76(1) of the ICDR Regulations with reference to the "Relevant Date" of August 20, 2014, being the date on which the corporate debt restructuring package of the Company was approved by the CDR EG.

iv. **Basis on which the price has been arrived at along with report of the registered valuer**

The same is not applicable in the present case since the Company is a listed company; the pricing is as per the ICDR Regulations.

v. **Relevant date with reference to which the price has been arrived at**

The "Relevant Date" in terms of Regulation 71(a) of the ICDR Regulations for determination of issue price for allotment of equity shares, is August 20, 2014, being the date on which the corporate debt restructuring package of the Company was approved by the CDREG.

vi. **The class or classes of persons to whom the allotment is proposed to be made**

The allotment is proposed to be made to the CDR Lenders in terms of the CDR Package for the FITL portion.

vii. **The intention / proposal of the Promoters, Directors and Key Managerial Personnel of the Company to subscribe to the proposed preferential issue**

None of the Promoters, Directors or Key Managerial Personnel of the Company intends to subscribe to the proposed preferential issue.

viii. **Proposed time within which the allotment shall be completed**

The Company will issue and allot equity shares to the CDR Lenders within the time limit specified under the ICDR Regulations.

ix. **The identity of the proposed allottee, maximum number of equity shares proposed to be issued and the percentage of post issue capital that may be held by the proposed allottee**

Details of proposed allottees:

| SI No | Proposed Allottee | Pre issue as of 31.03.2015 | | Post issue * | |
|-------|--------------------------------|----------------------------|--------------------|--------------------|--------------------|
| | | No. of Shares | % of share capital | No. of Shares | % of share capital |
| 1. | Oriental Bank of Commerce | - | - | 1,00,09,096 | 2.96 |
| 2. | Axis Bank Limited | - | - | 48,02,911 | 1.42 |
| 3. | Yes Bank Limited | - | - | 4,21,468 | 0.12 |
| 4. | Bank Of India | - | - | 37,20,437 | 1.10 |
| 5. | IDBI Bank Limited | - | - | 77,92,602 | 2.30 |
| 6. | Punjab National Bank | - | - | 70,58,824 | 2.09 |
| 7. | Allahabad Bank | - | - | 29,41,176 | 0.87 |
| 8. | State Bank Of travancore | - | - | 60,79,442 | 1.80 |
| 9. | Indusind Bank Limited | - | - | 27,34,991 | 0.81 |
| 10. | State Bank of Patiala | - | - | 85,14,251 | 2.52 |
| 11. | Federal Bank Limited | - | - | 20,49,727 | 0.61 |
| 12. | The Lakshmi Vilas Bank Limited | - | - | 31,17,041 | 0.92 |
| 13. | ICICI Bank Limited | - | - | 6,30,685 | 0.19 |
| 14. | Central Bank of india | - | - | 1,38,84,172 | 4.11 |
| 15. | Dena Bank | - | - | 21,04,306 | 0.62 |
| 16. | The South India Bank Limited | - | - | 52,81,989 | 1.56 |
| 17. | Bank Of Maharashtra | - | - | 30,41,237 | 0.90 |
| 18. | State Bank Of Mysore | - | - | 21,04,306 | 0.62 |
| 19. | Corporation Bank | - | - | 23,31,716 | 0.69 |
| 20. | DBS Bank Limited | - | - | 59,18,739 | 1.75 |
| 21. | IFCI Factors Limited | - | - | 4,57,853 | 0.14 |
| | Total | - | - | 9,49,96,968 | 28.09 |

*Note: The post issue capital has been provided considering all the lenders are opting for conversion of the FITL of upto Rs.313.30 crores and Sacrifice of upto Rs 184.08 crores into equity shares and also the promoters' infusion of upto Rs. 389 crores as proposed under this postal ballot notice. In the event for any reason, the proposed allottee(s) approve or do not approve, partially approve or approve with variation in the amount and /or does not or is unable to subscribe to and/or is not allotted the equity shares, and subject to price certification by auditors the shareholding pattern in the above table would undergo corresponding changes.

x. **The change in control, if any, in the Company that would occur consequent to the preferential offer**

The existing promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment, except a corresponding change in shareholding pattern as well as voting rights.

xi. **The number of persons to whom allotment on preferential basis has been made in terms of number of securities as well as price**

Post March 31, 2014 and up to the date of this Notice, the following preferential allotments have been made:

| Date of allotment | No. of securities allotted | Issue Price | No. of allottee(s) | Remarks |
|-------------------|----------------------------|-----------------|--------------------|--|
| 14.11.2014 | 3,20,00,000 | Rs.50 per share | one | As per the CDR scheme, preferential issue to the Promoter, Shriram Industrial Holdings Ltd(SIHL) for the capital infusion made by them |
| 15.11.2014 | 1,00,00,000 | Rs.50 per share | one | Fresh infusion by the promoters, SIHL |

xii. **The justification for the allotment proposed to be made for consideration other than cash together with valuation report of theregistered valuer**

The allotment is proposed to be made to the CDR Lenders in terms of the CDR Package for the FITL portion. The Company being a listed company; the pricing is in terms of ICDR Regulations.

xiii. **The pre issue and post issue shareholding pattern of the Company**

The pre issue and post issue shareholding pattern of the Company after considering the preferential issue to be made to the proposed allottees is provided hereunder:

| Category | Pre issue as of 31.03.2015 | | Post issue * | |
|---|----------------------------|--------------------|---------------------|--------------------|
| | No. of Shares | % of share capital | No. of Shares | % of share capital |
| A. Promoters/ Promoter Group: | | | | |
| a. Indian Promoters | 6,03,34,526 | 69.87 | 17,14,77,383 | 50.71 |
| b. Foreign Promoters | - | - | - | - |
| Total for Promoter Group (A) | 6,03,34,526 | 69.87 | 17,14,77,383 | 50.71 |
| B. Public Shareholdings: | | | | |
| i Institutional | | | | |
| Financial Institutions / Banks | 3,22,646 | 0.37 | 14,09,62,012 | 41.69 |
| Insurance Companies | - | - | | |
| Foreign Institutional Investors | 11,28,530 | 1.31 | 11,28,530 | 0.33 |
| Others | - | - | - | - |
| Sub-total B 1 | 14,51,176 | 1.68 | 14,20,90,542 | 42.02 |
| ii Non Institutional | | | | |
| - Bodies Corporate | 39,60,308 | 4.59 | 39,60,308 | 1.17 |
| - Individuals | 47,36,471 | 5.48 | 47,36,471 | 1.40 |
| iii Any Other | | | | |
| - Directors & their Relatives & Friends | 14,120 | 0.02 | 14,120 | 0.00 |
| - NRIs | 64,810 | 0.08 | 64,810 | 0.02 |

| Category | Pre issue as of 31.03.2015 | | Post issue * | |
|---------------------------------------|----------------------------|--------------------|---------------------|--------------------|
| | No. of Shares | % of share capital | No. of Shares | % of share capital |
| - Clearing Shareholders | 44,718 | 0.05% | 44,718 | 0.01 |
| - HUFs | 2,33,514 | 0.27% | 2,33,514 | 0.07 |
| - Trusts | 37,86,779 | 4.38 | 37,86,779 | 1.12 |
| - Foreign Corporate Bodies | 1,17,31,762 | 13.59 | 1,17,31,762 | 3.47 |
| Sub-total B 2 | 2,45,72,482 | 28.45 | 2,45,72,482 | 7.27 |
| Total Public Shareholdings (B) | 2,60,23,658 | 30.13 | 16,66,63,024 | 49.29 |
| GRAND TOTAL (A) + (B) | 8,63,58,184 | 100.00 | 33,81,40,407 | 100.00 |

*Note: The post issue capital has been provided considering all the banks are opting for conversion of the FITL of upto Rs.313.30 crores and Sacrifice of upto Rs 184.08 crores into equity shares and also the promoter's infusion of upto Rs. 389 crores as proposed under this postal ballot notice. In the event for any reason, the proposed allottee(s) approve or do not approve, partially approve or approve with variation in the amount and /or does not or is unable to subscribe to and/or is not allotted the equity shares, and subject to price certification by auditors the shareholding pattern in the above table would undergo corresponding changes.

The Company will ensure compliance with all applicable laws and regulations including the ICDR Regulations at the time of allotment of equity shares of the Company.

xiv. **Undertaking to recomputed price**

Not Applicable

xv. **Undertaking to put under lock-in till the recomputed price is paid**

Not Applicable

xvi. **Certificate from Statutory Auditors**

M/sDeloitte Haskins & Sells, Statutory Auditors of the Company, have certified that the issue of securities is being made in accordance with the ICDR Regulations. A copy of the said certificate is open for inspection at the Registered Office of the Company between 2.00 p.m. to 5.00 p.m. on all working days (except Saturdays, Sundays and holidays) up to the date of announcement of the result of Postal Ballot.

xvii. **Lock-in Period**

The securities allotted shall be locked in as per Regulation 78 and other applicable provisions of ICDR Regulations.

The Board of Directors of the Company has at its meeting held on 10th April 2015 has 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 resolution under Item [1] as a special resolution.

The consent of the shareholders is sought for the issue of equity shares in terms of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of the provisions of the ICDR Regulations and the listing agreements entered into by the Company with the stock exchanges, where the Company's equity shares are listed.

None of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution. Further the Promoters or Directors or Key Managerial Personnel of the Company do not have any shareholding interest in the proposed allottee.

In light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No1 of the accompanying Notice.

Item No. 2:

As per the RBI Master Circular Guidelines 1st July 2014:

Quote: “24.5 For restructuring of dues in respect of listed companies, lenders may be ab-initio compensated for their loss/ sacrifice (diminution in fair value of account in net present value terms) by way of issuance of equities of the company upfront, subject to the extant regulations and statutory requirements. In such cases, the restructuring agreement shall not incorporate any right of recompense clause. However, if the lenders’ sacrifice is not fully compensated by way of issuance of equities, the right of recompense clause may be incorporated to the extent of shortfall. For unlisted companies, the JLF will have option of either getting equities issued or incorporate suitable ‘right to recompense’ clause.” Unquote

As per the above RBI Master Circular Guidelines, the CDR Lenders of the Company are opting to convert their sacrifice to equity for an amount not exceeding Rs 184.08 crores. Some of the lenders have already obtained approvals from their sanctioning authorities and the others may provide their final approval letters in due course. The CDR EG has approved the said conversion on April 24, 2015.

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. The said equity shares shall rank *pari passu* with the then existing equity shares of the Company in all respects.

The following details of the proposed preferential issue of equity shares are disclosed in accordance with the provisions of ‘Chapter VII – Preferential Issue’ of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, from time to time (the **ICDR Regulations**) and under the applicable provisions of the Companies Act, 2013 and Rules made thereunder:

i. **Objects of the preferential issue**

The right of recompense being a contingent liability is waived to the extent sacrifice portion is converted as per para 24.5 of RBI master circular dated 1st July 2014. This, in turn, will improve the networth and financial ratios of the Company.

With the issue of equity shares in lieu of the sacrifice, there will not be the right to recompense to the extent of allotment of equity shares. Based on the restructuring terms, sacrifice for the CDR Lenders works out to approximately Rs. 184.08 crores.

ii. **The total number of equity shares to be issued**

The Board intends to offer, issue and allot upto 4,59,65,044 fully paid-up equity shares of the Company, having face value of Rs. 10/- each, at a price of Rs. 40.05/- per equity share pursuant to the exercise by CDR Lenders to convert their sacrifice in terms of the RBI Master Circular Guidelines dated 1st July 2014 and the approval of the CDR EG on April 24, 2015, up to the amount, in aggregate, not exceeding Rs 184.08 crores to the CDR Lenders as and when approved by their individual sanctioning authority.

iii. **The price or price band at / within which the allotment is proposed**

The issue price is Rs. 40.05/- (Rupees Forty & Paise Five Only) per equity share, being the price calculated in accordance with Regulation 76(1) of the ICDR Regulations with reference to the “Relevant Date” i.e. April 24, 2015, being the date on which the said conversion was approved by the CDR EG”.

iv. **Basis on which the price has been arrived at along with report of the registered valuer**

The same is not applicable in the present case since the Company is a listed company; the pricing is as per the ICDR Regulations.

v. **Relevant date with reference to which the price has been arrived at**

The “Relevant Date” in terms of Regulation 71(a) of the ICDR Regulations for determination of issue price for allotment of equity shares being allotted to the CDR Lenders, on a preferential basis, is April 24, 2015, being the date on which the said conversion was approved by the CDR EG”.

vi. **The class or classes of persons to whom the allotment is proposed to be made**

The allotment is proposed to be made to the CDR Lenders in terms of the CDR Package and as per the RBI Master Circular Guidelines dated 1st July 2014 and the approval of the CDR EG on April 24, 2015.

vii. **The intention / proposal of the Promoters, Directors and Key Managerial Personnel of the Company to subscribe to the proposed preferential issue**

None of the Promoters, Directors or Key Managerial Personnel of the Company intends to subscribe to the proposed preferential issue.

viii. **Proposed time within which the allotment shall be completed**

The Company will issue and allot equity shares to the CDR Lenders within the time limit specified under the ICDR Regulations.

ix. **The identity of the proposed allottee, maximum number of equity shares proposed to be issued and the percentage of post issue capital that may be held by the proposed allottee**

Details of proposed allottees:

| SI No | Proposed Allottee | Pre issue as of 31.03.2015 | | Post issue * | |
|-------|--------------------------------|----------------------------|--------------------|--------------------|--------------------|
| | | No. of Shares | % of share capital | No. of Shares | % of share capital |
| 1. | Oriental Bank of Commerce | - | - | 60,29,963 | 1.78 |
| 2. | Axis Bank Limited | - | - | 21,17,353 | 0.63 |
| 3. | Bank of India | - | - | 12,40,949 | 0.37 |
| 4. | IDBI Bank Limited | - | - | 35,73,034 | 1.06 |
| 5. | Punjab National Bank | - | - | 44,94,382 | 1.33 |
| 6. | Allahabad Bank | - | - | 15,45,568 | 0.46 |
| 7. | State Bank of Travancore | - | - | 15,90,512 | 0.47 |
| 8. | State Bank of Patiala | - | - | 46,86,642 | 1.39 |
| 9. | Federal Bank Limited | - | - | 12,45,943 | 0.37 |
| 10. | The Lakshmi Vilas Bank Limited | - | - | 20,77,403 | 0.61 |
| 11. | ICICI Bank Limited | - | - | 1,77,278 | 0.05 |
| 12. | Central Bank of India | - | - | 75,25,593 | 2.23 |
| 13. | Dena Bank | - | -- | 876,404 | 0.26 |
| 14. | The South India Bank Limited | - | - | 23,64,544 | 0.70 |
| 15. | Bank of Maharashtra | - | - | 26,59,176 | 0.79 |
| 16. | State Bank of Mysore | - | - | 17,15,356 | 0.51 |
| 17. | Corporation Bank | - | - | 20,44,944 | 0.60 |
| | Total | - | - | 4,59,65,044 | 13.59 |

*Note: The post issue capital has been provided considering all the lenders are opting for conversion of the FITL of upto Rs.313.30 crores and Sacrifice of upto Rs 184.08 crores into equity shares and also the promoter's infusion of upto Rs. 389 crores as proposed under this postal ballot notice. In the event for any reason, the proposed allottee(s) approve or do not approve, partially approve or approve with variation in the amount and /or does not or is unable to subscribe to and/or is not allotted the equity shares, and subject to price certification by auditors the shareholding pattern in the above table would undergo corresponding changes.

x. **The change in control, if any, in the Company that would occur consequent to the preferential offer**

The existing promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment, except a corresponding change in shareholding pattern as well as voting rights.

xi. **The number of persons to whom allotment on preferential basis has been made in terms of number of securities as well as price**

Post March 31, 2014 and up to the date of this Notice, the following preferential allotments have been made:

| Date of allotment | No. of securities allotted | Issue Price | No. of allottee(s) | Remarks |
|-------------------|----------------------------|-----------------|--------------------|---|
| 14.11.2014 | 3,20,00,000 | Rs.50 per share | one | As per the CDR scheme, preferential issue to the Promoter, Shriram Industrial Holdings Ltd (SIHL) for the capital infusion made by them |
| 15.11.2014 | 1,00,00,000 | Rs.50 per share | one | Fresh infusion by the promoters, SIHL |

xii. **The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer**

The allotment is proposed to be made to the CDR Lenders in terms of the CDR Package and as per the RBI Master Circular Guidelines dated 1st July 2014 and the approval of the CDR EG on April 24, 2015. The Company being a listed company; the pricing is in terms of ICDR Regulations.

xiii. **The pre issue and post issue shareholding pattern of the Company**

The pre issue and post issue shareholding pattern of the Company after considering the preferential issue to be made to the proposed allottees is provided hereunder:

| Category | Pre issue as of 31.03.2015 | | Post issue * | |
|---|----------------------------|--------------------|---------------------|--------------------|
| | No. of Shares | % of share capital | No. of Shares | % of share capital |
| C. Promoters/ Promoter Group: | | | | |
| a. Indian Promoters | 6,03,34,526 | 69.87 | 17,14,77,383 | 50.66 |
| b. Foreign Promoters | - | - | - | - |
| Total for Promoter Group (A) | 6,03,34,526 | 69.87 | 17,14,77,383 | 50.66 |
| D. Public Shareholdings: | | | | |
| iv Institutional | | | | |
| Financial Institutions / Banks | 3,22,646 | 0.37 | 14,09,74,492 | 41.65 |
| Insurance Companies | - | - | - | - |
| Foreign Institutional Investors | 11,28,530 | 1.31 | 11,28,530 | 0.33 |
| Others | - | - | - | - |
| Sub-total B 1 | 14,51,176 | 1.68 | 14,21,02,922 | 41.98 |
| v Non Institutional | | | | |
| - Bodies Corporate | 39,60,308 | 4.59 | 39,60,308 | 1.17 |
| - Individuals | 47,36,471 | 5.48 | 47,36,471 | 1.40 |
| vi Any Other | | | | |
| - Directors & their Relatives & Friends | 14,120 | .02 | 14,120 | 0.00 |
| - NRIs | 64,810 | .08 | 64,810 | 0.02 |
| - Clearing Shareholders | 44,718 | .05 | 44,718 | 0.01 |
| - HUFs | 2,33,514 | .27 | 2,33,514 | 0.07 |
| - Trusts | 37,86,779 | 4.38 | 37,86,779 | 1.12 |
| - Foreign Corporate Bodies | 1,17,31,762 | 13.59 | 1,17,31,762 | 3.47 |
| Sub-total B 2 | 2,45,72,482 | 28.45 | 2,45,72,482 | 7.26 |
| Total Public Shareholdings (B) | 2,60,23,658 | 30.13 | 16,66,75,404 | 49.24 |
| GRAND TOTAL (A) + (B) | 8,63,58,184 | 100.00 | 33,84,75,533 | 100.00 |

*Note: The post issue capital has been provided considering all the banks are opting for conversion of the FITL of upto Rs.313.30 crores and Sacrifice of upto Rs 184.08 crores into equity shares and also the promoter's infusion of upto Rs. 389 crores as proposed under this postal ballot notice. In the event for any reason, the proposed allottee(s) approve or do not approve, partially approve or approve with variation in the amount and /or does not or is unable

to subscribe to and/or is not allotted the equity shares, and subject to price certification by auditors the shareholding pattern in the above table would undergo corresponding changes.

The Company will ensure compliance with all applicable laws and regulations including the ICDR Regulations at the time of allotment of equity shares of the Company.

xiv. **Undertaking to recomputed price**

Not Applicable

xv. **Undertaking to put under lock-in till the recomputed price is paid**

Not Applicable

xvi. **Certificate from Statutory Auditors**

M/s Deloitte Haskins & Sells, Statutory Auditors of the Company, have certified that the issue of securities is being made in accordance with the ICDR Regulations. A copy of the said certificate is open for inspection at the Registered Office of the Company between 2.00 p.m. to 5.00 p.m. on all working days (except Saturdays, Sundays and holidays) up to the date of announcement of the result of Postal Ballot.

xvii. **Lock-in Period**

The securities allotted shall be locked in as per Regulation 78 and other applicable provisions of ICDR Regulations.

The Board of Directors of the Company has at its meeting held on 10th April 2015 has 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 resolution under Item 2 as a special resolution.

The consent of the shareholders is sought for the issue of equity shares in terms of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of the provisions of the ICDR Regulations and the listing agreements entered into by the Company with the stock exchanges, where the Company's equity shares are listed.

None of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution. Further the Promoters or Directors or Key Managerial Personnel of the Company do not have any shareholding interest in the proposed allottee.

In light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No 2 of the accompanying Notice.

Item No. 3

The following details of the proposed preferential issue of equity shares are disclosed in accordance with the provisions of 'Chapter VII – Preferential Issue' of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, from time to time (the **ICDR Regulations**) and under the applicable provisions of the Companies Act, 2013 and Rules made thereunder:

i. **Objects of the preferential issue**

To repay the unsecured loan and also to redeem the Cumulative Redeemable Preference Shares issued to the Promoter, Shriram Industrial Holdings Limited, thereby reducing the interest and dividend liability on the Company, improving the networth, post tax cash flows and the financial ratios of the Company.

ii. **The total number of equity shares to be issued**

The Board intends to issue and allot, in one or more tranches, up to 11,11,42,857 fully paid-up equity shares of the Company, having face value of Rs. 10/- each, at a price of Rs. 35/- per equity share including premium of Rs.25/- per equity share or such higher price as may be arrived for an amount not exceeding Rs. 389 crores (Rupees Three Hundred Eighty Nine Crores), subject to compliance with the minimum issue price requirement set out in Regulation 76 of the ICDR Regulations.

iii. **The price or price band at / within which the allotment is proposed**

The issue price is Rs 35/- per equity share including premium of Rs.25/- per equity share, or such higher price as may be arrived subject to compliance with the minimum issue price requirement set out in Regulation 76 of the ICDR Regulations.

iv. **Basis on which the price has been arrived at along with report of the registered valuer**

The same is not applicable in the present case since the Company is a listed company; the pricing is as per the ICDR Regulations.

v. **Relevant date with reference to which the price has been arrived at**

The "Relevant Date" in terms of Regulation 71(a) of the ICDR Regulations for determination of issue price for allotment of equity shares, shall be 7th May, 2015 i.e. 30 days prior to the date of declaration of results of postal ballot.

vi. **The class or classes of persons to whom the allotment is proposed to be made**

The allotment is proposed to be made to Shriram Industrial Holdings Limited, the promoter of the Company.

vii. **The intention / proposal of the Promoters, Directors and Key Managerial Personnel of the Company to subscribe to the proposed preferential issue**

Except the Promoter, none of the Directors or Key Managerial Personnel of the Company intends to subscribe to the proposed preferential issue.

viii. **Proposed time within which the allotment shall be completed**

The Company will issue and allot equity shares to the Promoter within the time limit specified under the ICDR Regulations.

ix. **The identity of the proposed allottee, maximum number of equity shares proposed to be issued and the percentage of post issue capital that may be held by the proposed allottee**

Details of proposed allottee:

| SI No | Proposed Allottee - Promoter | Pre issue as of 31.03.2015 | | Post issue | |
|-------|-------------------------------------|----------------------------|--------------------|---------------|--------------------|
| | | No. of Shares | % of share capital | No. of Shares | % of share capital |
| 1. | Shriram Industrial Holdings Limited | 6,03,34,526 | 69.87 | 17,14,77,383 | 50.66 |
| | Total | 6,03,34,526 | 69.87 | 17,14,77,383 | 50.66 |

Note:

The Company will ensure compliance with all applicable laws and regulations including the ICDR Regulations at the time of allotment of equity shares of the Company.

x. **The change in control, if any, in the Company that would occur consequent to the preferential offer:**

The existing Promoter of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment, except a corresponding change in shareholding pattern as well as voting rights.

xi. **The number of persons to whom allotment on preferential basis has been made in terms of number of securities as well as price:**

Post March 31, 2014 and up to the date of this Notice, the following preferential allotments have been made:

| Date of allotment | No. of securities allotted | Issue Price | No. of allottee(s) | Remarks |
|-------------------|----------------------------|-----------------|--------------------|---|
| 14.11.2014 | 3,20,00,000 | Rs.50 per share | one | As per the CDR scheme, preferential issue to the Promoter, Shriram Industrial Holdings Ltd (SIHL) for the capital infusion made by them |
| 15.11.2014 | 1,00,00,000 | Rs.50 per share | one | Fresh infusion by the promoters, SIHL |

xii. **The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer**

The same is not applicable in the present case since the Company being a listed company; the pricing is in terms of ICDR Regulations.

xiii. **The pre issue and post issue shareholding pattern of the Company**

The pre issue and post issue shareholding pattern of the Company after considering the preferential issue to be made to the proposed allottee is provided hereunder:

| Category | Pre issue as of 31.03.2015 | | Post issue * | |
|---|----------------------------|--------------------|---------------------|--------------------|
| | No. of Shares | % of share capital | No. of Shares | % of share capital |
| E. Promoters/ Promoter Group: | | | | |
| a. Indian Promoters | 6,03,34,526 | 69.87 | 17,14,77,383 | 50.66 |
| b. Foreign Promoters | - | - | - | - |
| Total for Promoter Group (A) | 6,03,34,526 | 69.87 | 17,14,77,383 | 50.66 |
| F. Public Shareholdings: | | | | |
| vii Institutional | | | | |
| Financial Institutions / Banks | 3,22,646 | 0.37 | 14,09,74,492 | 41.65 |
| Insurance Companies | - | - | | |
| Foreign Institutional Investors | 11,28,530 | 1.31 | 11,28,530 | 0.33 |
| Others | - | - | - | - |
| Sub-total B 1 | 14,51,176 | 1.68 | 14,21,02,922 | 41.98 |
| viii Non Institutional | | | | |
| - Bodies Corporate | 39,60,308 | 4.59 | 39,60,308 | 1.17 |
| - Individuals | 47,36,471 | 5.48 | 47,36,471 | 1.40 |
| ix Any Other | | | | |
| - Directors & their Relatives & Friends | 14,120 | .02 | 14,120 | 0.00 |
| - NRIs | 64,810 | .08 | 64,810 | 0.02 |
| - Clearing Shareholders | 44,718 | .05 | 44,718 | 0.01 |
| - HUFs | 2,33,514 | .27 | 2,33,514 | 0.07 |
| - Trusts | 37,86,779 | 4.38 | 37,86,779 | 1.12 |
| - Foreign Corporate Bodies | 1,17,31,762 | 13.59 | 1,17,31,762 | 3.47 |
| Sub-total B 2 | 2,45,72,482 | 28.45 | 4,45,72,482 | 7.26 |
| Total Public Shareholdings (B) | 2,60,23,658 | 30.13 | 16,66,75,404 | 49.24 |
| GRAND TOTAL (A) + (B) | 8,63,58,184 | 100.00 | 33,84,75,533 | 100.00 |

*Note: The post issue capital has been provided considering all the banks are opting for conversion of the FITL of upto Rs.313.30 crores and Sacrifice of upto Rs 184.08 crores into equity shares and also the promoter's infusion of upto Rs. 389 crores as proposed under this postal ballot notice. In the event for any reason, the lenders approve or do not approve, partially approve or approve with variation in the amount and /or does not or is unable to subscribe to and/or is not allotted the equity shares and subject to price certification by auditors pertaining to the FITL & Sacrifice amount, then the equity infusion of the promoters would also change accordingly and thereby the shareholding pattern in the above table would also undergo corresponding changes.

Note: The Company will ensure compliance with all applicable laws and regulations including the ICDR Regulations at the time of allotment of equity shares of the Company.

xiv. **Undertaking to recomputed price:**

Not Applicable

xv. **Undertaking to put under lock-in till the recomputed price is paid**

Not Applicable

xvi. **Certificate from Statutory Auditors**

M/s Deloitte Haskins & Sells, Statutory Auditors of the Company, have certified that the issue of securities is being made in accordance with the ICDR Regulations. A copy of the said certificate is open for inspection at the Registered Office of the Company between 2.00 p.m. to 5.00 p.m. on all working days (except Saturdays, Sundays and holidays) up to the date of announcement of the result of Postal Ballot.

xvii. **Lock-in Period**

The securities allotted shall be locked in as per Regulation 78 and other applicable provisions of ICDR Regulations.

xviii. **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. May 7, 2015;
- (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. May 7, 2015, 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.

The Board of Directors of the Company has at their meeting held on 10th April 2015 has 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 3 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 the Allottee. Apart from Mr. S Srinivasan, none of the other Directors / Key Managerial Personnel of the Company or their relatives is concerned or interested. Further, except the Promoter, the Directors or Key Managerial Personnel of the Company do not have any shareholding interest in the proposed allottee.

In light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No 3 of the accompanying Notice.

Item No. 4, 5 & 6:

The present Authorized Share Capital of the Company is Rs.410,00,00,000/- (Rupees Four Hundred and Ten Crores Only) divided into 11,00,00,000 (Eleven Crores) equity shares of Rs. 10/- (Rupees Ten Only) each aggregating to Rs. 110,00,00,000/- (Rupees Hundred and Ten Crores Only) and 3,00,00,000 (Three Crores), Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees Hundred Only) each aggregating to Rs. 300,00,00,000/- (Rupees Three Hundred Crores Only). Since the Promoter of the Company, Shriram Industrial Holdings Limited (SIHL), have decided to infuse fresh equity upto Rs.389 crores, which will be used to redeem the Cumulative Redeemable Preference Shares and to repay the

unsecured loan, it has become necessary that the Authorised capital be re-classified as Rs.410,00,00,000/- (Rupees Four Hundred and Ten Crores Only) divided into 41,00,00,000 (Forty-One Crores) equity shares of Rs. 10/- (Rupees Ten Only) each aggregating to Rs. 410,00,00,000/- (Rupees Four Hundred and Ten Crores Only).

The Board of Directors, at their meeting held on 10th April 2015, subject to approval of the shareholders, approved the re-classification of the authorized share capital of the Company.

The necessary amendments in the Memorandum & Articles of Association are proposed to reflect the re-classified authorised share capital. As per the provisions of Section 13, Section 14 and other applicable provisions, the alteration to the authorised share capital of the Company requires approval of the shareholders.

The copy of Memorandum & Articles of Association of the Company is open for inspection of the shareholders at the Registered Office of the Company between 2.00 p.m. to 5:00 p.m. on all working days (except Saturdays, Sundays and holidays).

Your Directors recommend passing of the special resolutions at Item No. 4, 5 & 6 of the Notice.

None of the Directors of the Company are interested or concerned in the passing of the above resolution.

Item No. 7

The Company is rephrasing the main object clause in its Memorandum of Association to provide a clearer picture of the activities in its EPC business.

This modification in its main object clause in the Memorandum of Association was approved by the Board of Directors at their meeting held on 10th April, 2015 and have recommended the same for the approval of the shareholders. By virtue of Section 13 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014; approval of members by way of special resolution is sought for the same.

Your Directors recommend passing of the special resolution at Item No. 7 of the Notice.

None of the Directors of the Company are interested or concerned in the passing of the above resolution.

By Order of the Board

Place: Chennai
Date: 5th May, 2015

K.Suresh
Vice President & Company Secretary

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

