

SEC/FILING/NSE-BSE/22-23/68B

January 21, 2023

BSE Limited

P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 001.
Scrip Code: 511218

National Stock Exchange of India Limited

Listing Department
Exchange Plaza, 5th Floor,
Plot no. C/1, G- Block,
Bandra-Kurla Complex,
Mumbai – 400 051.
NSE Symbol: SHRIRAMFIN

Dear Sir/Madam,

Sub.: Postal Ballot Notice – Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

In furtherance to our letter dated December 24, 2022, please find enclosed herewith the Postal Ballot Notice dated December 24, 2022 together with the Explanatory Statement which is being sent to the Members of the Company for seeking approval of the Members of the Company to the resolutions contained in the said Postal Ballot Notice.

In compliance with Companies Act, 2013 and Circulars issued by Ministry of Corporate Affairs (‘MCA’), the Postal Ballot Notice is being sent through e-mail to those Members whose e-mail addresses are available in the beneficial ownership data of National Securities Depository Limited and Central Depository Services (India) Limited (‘**Depositories**’) and in the record of the Integrated Registry Management Services Private Limited, Registrar and Share Transfer Agent (‘**RTA**’) of the Company. Members whose names appeared in the Register of Members/ List of Beneficial Owners as on the Cut-off Date i.e., Friday, January 13, 2023 are eligible for the purpose of remote e-voting. In terms of the MCA circulars, the hard copy of the Notice of Postal Ballot along with Postal Ballot Form and pre-paid business reply envelope is not required to be sent to the Members for this Postal Ballot.

In compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Section 108 and 110 of the Companies Act, 2013 read with the Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and the relaxations and clarifications issued by MCA, the Resolutions appended to the attached Postal Ballot

Shriram Finance Limited

(Formerly known as Shriram Transport Finance Company Limited)

Corporate Office : Wockhardt Towers, Level - III, West Wing, C-2, G-Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051, Maharashtra. Ph: +91 22 4095 9595**Registered Office:** Sri Towers, Plot No.14A, South Phase, Industrial Estate, Guindy, Chennai - 600 032. Tamil Nadu, India. Ph: +91 44 4852 4666Website : www.shriramfinance.in | Corporate Identity Number (CIN) - L65191TN1979PLC007874

Notice are proposed to be passed through electronic voting (remote e-voting). The Company has engaged the services of Central Depository Services (India) Limited for facilitating e-voting in a secure manner. The voting period will commence on **Monday, January 23, 2023 (9:00 Hours IST)** and will end on **Tuesday, February 21, 2023 (17:00 Hours IST)**. The Communication of the assent/dissent to the Resolutions proposed in the Notice would take place only through remote e-voting. The details of the procedure to cast the vote forms part of the 'Notes' section to the Postal Ballot Notice. The remote e-voting results will be declared on **Thursday, February 23, 2023 (17:00 Hours IST)** at the Corporate office of the Company, the results of the e-voting and the Scrutinizer's report will be placed on the Company's website www.shriramfinance.in and will be communicated to the National Stock Exchange of India Limited and BSE Limited, where the equity shares / securities of the Company are listed.

Members who have not registered their email address are requested to register/update their email address, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with RTA by sending an email to csdstd@integratedindia.in with the details of their Folio/Demat Account No. so as to receive the Postal Ballot Notice and the procedure for e-voting alongwith the login ID credentials on or before 17 Hours IST on Monday, February 20, 2023. After updation, the electronic copy of the Postal Ballot Notice will be sent by RTA through email.

The Postal Ballot Notice will also be available on the Company's website (<https://bit.ly/3iUzZVs>), the website of CDSL, the remote e-voting service providing agency to the Company (<https://www.evotingindia.com/>) and NSDL at (<https://www.evoting.nsdl.com/>).

Kindly take the same on record.

Thanking you,
Yours faithfully,

For **SHRIRAM FINANCE LIMITED**

U BALASUNDARARAO
COMPANY SECRETARY

Encl:a/a

Shriram Finance Limited

(Formerly known as Shriram Transport Finance Company Limited)

Corporate Office : Wockhardt Towers, Level - III, West Wing, C-2, G-Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051, Maharashtra. Ph: +91 22 4095 9595

Registered Office: Sri Towers, Plot No.14A, South Phase, Industrial Estate, Guindy, Chennai - 600 032. Tamil Nadu, India. Ph: +91 44 4852 4666

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SHRIRAM FINANCE LIMITED

(Formerly known as Shriram Transport Finance Company Limited)

CIN: L65191TN1979PLC007874

Regd. Office: Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai –
600 032

Tel No: +91 44 4852 4666 Fax: +91 44 4852 5666

Website: www.shriramfinance.in Email id: secretarial@shriramfinance.in

POSTAL BALLOT NOTICE

Notice pursuant to the provisions of Section 110 of the Companies Act, 2013

Dear Member(s),

NOTICE is hereby given pursuant to Section 110 read with Section 108 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘**Act**’) read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, as amended (the ‘**Rules**’), (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘**Listing Regulations**’), as amended, Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India (‘**SS-2**’), as amended and the relaxations and clarifications issued by Ministry of Corporate Affairs (‘**MCA**’) vide General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 08, 2021, 3/2022 dated May 05, 2022 and 11/2022 dated December 28, 2022 (‘**MCA Circulars**’) that the resolutions appended below are proposed to be passed by way of Postal Ballot only through electronic means (‘remote e-voting’). The proposed resolutions together with the explanatory statement setting out the material facts and reasons/rationale for the passing of these resolutions are being sent to you for your consideration.

In compliance with the aforesaid MCA Circulars, this Postal Ballot Notice is being sent by email to all the Members whose email addresses are available in the beneficial ownership data of National Securities Depository Limited and Central Depository Services (India) Limited (‘**Depositories**’) and the record of the Integrated Registry Management Services Private Limited, Registrar and Share Transfer Agent (‘**RTA**’) of the Company. As such, please note that the hard copy of the Postal Ballot Notice along with Postal Ballot Form and pre-paid business reply envelope will not be sent to the

Members for this Postal Ballot. Accordingly, the Members are required to communicate their assent or dissent through the remote e-voting facility only. For more details in this regard, your attention is invited to Note Nos. 2 to 5 of the Notes to this Postal Ballot Notice.

The remote e-voting commences on **Monday, January 23, 2023 at 9:00 Hours IST** and concludes on **Tuesday, February 21, 2023 at 17:00 Hours IST**. The Members are requested to carefully read and follow the instructions on e-voting contained in the Notes to this Postal Ballot Notice (**‘Notice’**). The e-voting module shall be disabled by Central Depository Services (India) Limited (**‘CDSL’**) for voting thereafter.

The Company has appointed Mr. P. Sriram (Membership No. FCS 4862), Practising Company Secretary (PCS No. 3310) or failing him Ms. Nithya Pasupathy (Membership No. FCS 10601), Practising Company Secretary (PCS No. 22562) of SPNP & Associates, Chennai as the Scrutinizer for conducting process of remote e-voting in accordance with the provisions of the Act read with Rules and the MCA Circulars in a fair and transparent manner.

The Scrutinizer will submit his report to the Authorized Director or any Authorized person appointed by the Chairman/Managing Director & CEO of the Company for declaration of the result of the remote e-voting on **Thursday, February 23, 2023 at 17:00 Hours IST** at the Corporate Office of the Company. The results of the remote e-voting and the Scrutinizer’s report will be placed on the Company’s website www.shriramfinance.in and will be communicated to the National Stock Exchange of India Limited and BSE Limited, where the equity shares / securities of the Company are listed.

SPECIAL BUSINESS:

ITEM NO. 1

Appointment of Mr. Jugal Kishore Mohapatra (DIN 03190289) as an Independent Director of the Company

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter to be referred as ‘the Act’)

read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other rules framed thereunder and pursuant to Regulation 25 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Jugal Kishore Mohapatra (DIN 03190289) who was appointed as an Additional Director of the Company with effect from December 4, 2022 by the Board of Directors as per Section 161(1) of the Act and Article 21 of the Articles of Association of the Company in the category of Non-Executive Independent Director and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing the candidature of Mr. Jugal Kishore Mohapatra for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 3 (three) consecutive years with effect from December 4, 2022 to December 3, 2025 (both dates inclusive).

RESOLVED FURTHER THAT pursuant to the provision of sections 149, 197 and other applicable provisions of the Act and the rules made thereunder, Mr. Jugal Kishore Mohapatra be paid sitting fees and commission as may be approved by the Board/ Members subject to the limits prescribed under the Act.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution.”

ITEM NO. 2

Appointment of Mrs. Maya S. Sinha (DIN 03056226) as an Independent Director of the Company

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter to be referred as ‘the Act’)

read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other Rules framed thereunder and pursuant to Regulation 25 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mrs. Maya S Sinha (DIN 03056226) who was appointed as an Additional Director of the Company with effect from December 4, 2022 by the Board of Directors as per Section 161(1) of the Act and Article 21 of the Articles of Association of the Company in the category of Non-Executive Independent Director and who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing the candidature of Mrs. Maya S. Sinha for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 2 (two) consecutive years with effect from December 4, 2022 to December 3, 2024 (both dates inclusive).

RESOLVED FURTHER THAT pursuant to the provision of sections 149, 197 and other applicable provisions of the Act and the rules made thereunder, Mrs. Maya S. Sinha be paid sitting fees and such commission as may be approved by the Board subject to limits prescribed under the Act.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution.”

ITEM NO. 3

Re-designation of Mr. Umesh Revankar (DIN 00141189) as Executive Vice Chairman of the Company

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

“**RESOLVED THAT** in partial modification of (i) the ordinary resolution passed by the Members of the Company at the 40th Annual General Meeting held on June 27, 2019 for re-appointment and payment of remuneration to Mr. Umesh Revankar (DIN 00141189) as Managing Director and CEO of the Company (ii) the ordinary resolution

passed at the 42nd Annual General Meeting held on June 24, 2021 for his re-designation as Vice Chairman and Managing Director, consent of the Members of the Company be and is hereby accorded for re-designation of Mr. Umesh Revankar as Executive Vice Chairman of the Company with effect from December 5, 2022, for the remainder of his tenure i.e. up to October 25, 2024.”

ITEM NO. 4

Restructuring and revision in remuneration of Mr. Umesh Revankar (DIN 00141189), Executive Vice Chairman of the Company

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

“**RESOLVED THAT** in partial modification of the ordinary resolution passed by the Members of the Company at the 40th Annual General Meeting held on June 27, 2019 for re-appointment and payment of remuneration to Mr. Umesh Revankar as Managing Director and CEO of the Company and in accordance with the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter to be referred as ‘the Act’) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and any other applicable rules framed thereunder and Circular No. RBI/2022-23/36 DOR.GOV.REC.No.29/ 18.10.002/2022-23 dated April 29, 2022 issued by the Reserve Bank of India (RBI Circular) and Remuneration Policy of the Company as amended pursuant to the RBI Circular and the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for restructuring and revision in remuneration of Mr. Umesh Revankar (DIN 00141189), re-designated as Executive Vice Chairman of the Company, with effect from December 5, 2022 as under:

A. Fixed Pay:

- a. Fixed Pay of Rs.1,63,20,000/- per annum or Rs.13,60,000/- per month, consisting of basic Salary of Rs.7,50,000 per month, allowances and contribution to provident fund, national pension scheme (‘retirement benefits’), etc. The Board on the recommendation of the Nomination and Remuneration Committee may approve further increase in the Fixed Pay up to Rs.1,92,00,000/- per annum or Rs.16,00,000 per month during the remaining tenure of his appointment. The above mentioned

Fixed Pay will also cover the annual increase in his basic Salary, allowances and retirement benefits as linked to the revision in the basic Salary effective from 1st April 2024 till the end of his tenure. The quantum of the annual increase in the Fixed Pay will be based on the performance evaluation of the Executive Vice Chairman made by the Board of Directors and the Nomination and Remuneration Committee.

b. Other Perquisites /benefits:

- i. Personal Accident / Group Insurance applicable to other employees in accordance with policy of the Company.
- ii. Club Fees - Subscription limited to a maximum of two clubs. No life membership or admission fees shall be paid by the Company. All official expense in connection with such membership incurred would be reimbursed by the Company.
- iii. Expenditure on official entertainment would be on the Company's account.
- iv. Reimbursement of actual Expenses incurred towards telephone, mobile, internet, broadband, data card and other communication facilities as per the rules of the Company.
- v. Company's car with driver for use on Company's business and maintenance expenses thereon.
- vi. Other Terms – applicable to other employees in accordance with the Company's policy.

The value of the Perquisites /benefits would be evaluated as per Income-tax Rules, 1962 wherever applicable and at cost in the absence of any such Rule.

B. Variable Pay:

In addition to the Fixed Pay as mentioned above, the Executive Vice Chairman would be entitled to variable pay linked to achievement of performance parameters by him as assessed by the Nomination and Remuneration Committee and the Board of Directors at their sole discretion subject to limit of 50% of the Fixed Pay for every financial year or part thereof as determined by the Board of directors on the recommendation of the Nomination and Remuneration Committee.

Upon framing and implementation of Employee Stock Option Scheme (ESOS) by the Board of Directors subject to approval of Members during tenure of the Executive Vice Chairman, the grant of Stock Options to the Executive Vice Chairman shall be decided by the Nomination and Remuneration Committee /Board of Directors of the Company. The vesting of stock options to the Executive Vice Chairman under the ESOS shall be based on achievement of performance parameters by the Executive Vice Chairman as assessed by the Nomination and Remuneration Committee and/or the Board of Directors at their sole discretion. The value of the benefit/perquisite arising out of such vesting of stock options during a Financial Year shall be subject to limit of 50% of the Fixed Pay of the Executive Vice Chairman.

Other Applicable Terms:

- i. The Executive Vice Chairman shall not be paid any sitting fees for attending Meetings of the Board or Committee thereof.
- ii. The Board may revise, alter and vary the terms and conditions of his appointment, including his remuneration, in accordance with the policies of the Company, subject to the applicable provisions of Schedule V to the Act.
- iii. Unless the Board decides otherwise, the Executive Vice Chairman will not liable to retire by rotation at the Annual General Meeting till such time he holds the office of the Executive Vice Chairman of the Company.

RESOLVED FURTHER THAT if in any financial year the Company has no profits or its profits are inadequate, Executive Vice Chairman shall be entitled to receive the Fixed Pay and Other Perquisites /benefits on the same terms as set out above, except Variable Pay as per clause (B), subject to compliance with the applicable provisions of Schedule V to the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

ITEM NO. 5

Appointment of Mr. Y. S. Chakravarti (DIN 00052308) as Managing Director & CEO of the Company and payment of remuneration to him

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter to be referred as ‘the Act’) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and any other rules framed thereunder and Circular No. RBI/2022-23/36 DOR.GOV. REC.No.29/ 18.10.002/ 2022-23 dated April 29, 2022 issued by the Reserve Bank of India (‘RBI Circular’) and Remuneration Policy of the Company as amended pursuant to the RBI Circular and the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for appointment of Mr. Y. S. Chakravarti (DIN 00052308) as Managing Director & CEO of the Company for a period of 3 (three) years with effect from December 5, 2022 to December 04, 2025 (both dates inclusive) and that he shall perform such duties and exercise such powers as may from time to time be lawfully entrusted to and conferred upon him by the Board of Directors of the Company and he be paid the following remuneration, as detailed below:

A. Fixed Pay:

- a. Fixed Pay of Rs.81,60,000/- per annum or Rs.6,80,000/- per month, consisting of basic Salary of Rs.5,00,000 per month, allowances and contribution to provident fund, national pension scheme (‘retirement benefits’), etc. The Board on the recommendation of the Nomination and Remuneration Committee may approve further increase in the Fixed Pay up to Rs.1,20,00,000/- per annum or Rs.10,00,000 per month during the remaining tenure of his appointment. The above mentioned Fixed Pay will also cover the annual increase in his basic Salary, allowances and retirement benefits as linked to the revision in the basic Salary effective from 1st April 2024 every year till the end of his tenure. The quantum of the annual increase in the Fixed Pay will be based on the performance evaluation of the Managing Director & CEO made by the Board of Directors and the Nomination and Remuneration Committee.
- b. Rent free residential accommodation owned/ leased/ rented by the Company
- c. Other Perquisites /benefits:
 - i. Personal Accident / Group Insurance applicable to other employees in accordance with policy of the Company.

- ii. Club Fees - Subscription limited to a maximum of two clubs. No life membership or admission fees shall be paid by the Company. All official expense in connection with such membership incurred would be reimbursed by the Company.
- iii. Expenditure on official entertainment would be on the Company's account.
- iv. Reimbursement of actual Expenses incurred towards telephone, mobile, internet, broadband, data card and other communication facilities as per the rules of the Company.
- v. Other Terms – applicable to other employees in accordance with the Company's policy.

The value of the Perquisites /benefits would be evaluated as per Income-tax Rules, 1962 wherever applicable and at cost in the absence of any such Rule.

B. Variable Pay:

In addition to the Fixed Pay as mentioned above, the Managing Director & CEO would be entitled to variable pay linked to achievement of performance parameters by him as assessed by the Nomination and Remuneration Committee and the Board of Directors at their sole discretion subject to limit of 50% of the Fixed Pay for every financial year or part thereof as determined by the Board of directors on the recommendation of the Nomination and Remuneration Committee.

Upon framing and implementation of Employee Stock Option Scheme (ESOS) by the Board of Directors subject to approval of Members during tenure of the Managing Director & CEO, the grant of Stock Options to the Managing Director & CEO shall be decided by the Nomination and Remuneration Committee /Board of Directors of the Company. The vesting of stock options to the Managing Director & CEO under the ESOS shall be based on achievement of performance parameters by the Managing Director & CEO as assessed by the Nomination and Remuneration Committee and the Board of Directors at their sole discretion. The value of the benefit/perquisite arising out of such vesting of stock options during a Financial Year shall be subject to limit of 50% of the Fixed Pay of the Managing Director & CEO.

Other Applicable Terms:

- i. The Managing Director and CEO shall not be paid any sitting fees for attending Meetings of the Board or Committee thereof.
- ii. The Board may revise, alter and vary the terms and conditions of his appointment, including his remuneration, in accordance with the policies of the Company, subject to the applicable provisions of Schedule V to the Act.
- iii. Unless the Board decides otherwise, the Managing Director & CEO will be liable to retire by rotation at the Annual General Meeting.

RESOLVED FURTHER THAT if in any financial year the Company has no profits or its profits are inadequate, Managing Director and CEO shall be entitled to receive the Fixed Pay, Housing and Other Perquisites/benefits on the same terms as set out above, except variable pay as per clause (B), subject to compliance with the applicable provisions of Schedule V to the Act.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

ITEM NO. 6

Restructuring and revision in remuneration of Mr. Parag Sharma (DIN 02916744), Whole-time Director designated as “Joint Managing Director and Chief Financial Officer” of the Company

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

“RESOLVED THAT in partial modification of the ordinary resolution passed by the Members of the Company at the 43rd Annual General Meeting held on June 23, 2022 and in accordance with the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter to be referred as ‘the Act’) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and any other rules framed thereunder and Circular No. RBI/2022-23/36 DOR.GOV.REC.No.29/18.10.002/2022-23 dated April 29, 2022 issued by the Reserve Bank of India (RBI Circular) and Remuneration Policy of the Company as amended pursuant to the RBI Circular and the recommendation of Nomination and Remuneration Committee and the approval of the Board of Directors of the Company, consent of the Members of the

Company be and is hereby accorded for restructuring and revision in remuneration of Mr. Parag Sharma (DIN 02916744), Whole Time Director designated as 'Joint Managing Director and Chief Financial Officer' of the Company with effect from January 1, 2023 as per the details given below:

A. Fixed Pay:

a. Fixed Pay of Rs.1,00,56,000/- per annum or Rs.8,38,000/- per month, consisting of basic Salary of Rs.4,00,000 per month, allowances and contribution to provident fund, national pension scheme ('retirement benefits'), etc. The Board on the recommendation of the Nomination and Remuneration Committee may approve further increase in the Fixed Pay up to Rs.1,44,00,000/- per annum or Rs.12,00,000 per month during the remaining tenure of his appointment. The above mentioned Fixed Pay will also cover the annual increase in his basic Salary, allowances and retirement benefits as linked to the revision in the basic Salary effective from 1st April 2024 every year till the end of his tenure. The quantum of the annual increase in the Fixed Pay will be based on the performance evaluation of the Joint Managing Director and Chief Financial Officer made by the Board of Directors and the Nomination and Remuneration Committee.

b. Other Perquisites /benefits:

- i. Personal Accident / Group Insurance applicable to other employees in accordance with policy of the Company.
- ii. Club Fees - Subscription limited to a maximum of two clubs. No life membership or admission fees shall be paid by the Company. All official expense in connection with such membership incurred would be reimbursed by the Company.
- iii. Expenditure on official entertainment would be on the Company's account.
- iv. Reimbursement of actual Expenses incurred towards telephone, mobile, internet, broadband, data card and other communication facilities as per the rules of the Company.
- v. Other Terms – applicable to other employees in accordance with the Company's policy.

The value of the Perquisites /benefits would be evaluated as per Income-tax Rules, 1962 wherever applicable and at cost in the absence of any such Rule.

B. Variable Pay:

In addition to the Fixed Pay as mentioned above, the Joint Managing Director and Chief Financial Officer would be entitled to variable pay linked to achievement of performance parameters by him as assessed by the Nomination and Remuneration Committee and the Board of Directors at their sole discretion subject to limit of 50% of the Fixed Pay for every financial year or part thereof as determined by the Board of directors on the recommendation of the Nomination and Remuneration Committee.

Upon framing and implementation of Employee Stock Option Scheme (ESOS) by the Board of Directors subject to approval of Members during tenure of the Joint Managing Director and Chief Financial Officer, the grant of Stock Options to the Joint Managing Director and Chief Financial Officer shall be decided by the Nomination and Remuneration Committee /Board of Directors of the Company. The vesting of stock options to the Joint Managing Director and Chief Financial Officer under the ESOS shall be based on achievement of performance parameters by the Joint Managing Director and Chief Financial Officer as assessed by the Nomination and Remuneration Committee and the Board of Directors at their sole discretion. The value of the benefit/perquisite arising out of such vesting of stock options during a Financial Year shall be subject to limit of 50% of the Fixed Pay of the Joint Managing Director and Chief Financial Officer.

Other Applicable Terms:

- i. The Joint Managing Director and Chief Financial Officer shall not be paid any sitting fees for attending Meetings of the Board or Committee thereof.
- ii. The Board may revise, alter and vary the terms and conditions of his appointment, including his remuneration, in accordance with the policies of the Company, subject to the applicable provisions of Schedule V to the Act.
- iii. Unless the Board decides otherwise, the Joint Managing Director and Chief Financial Officer will liable to retire by rotation at the Annual General Meeting.

RESOLVED FURTHER THAT if in any financial year the Company has no profits or its profits are inadequate, Joint Managing Director and Chief Financial Officer shall be entitled to receive the Fixed Pay and other Perquisites /benefits on the same terms as

set out above, except variable pay as per clause (B), subject to compliance with the applicable provisions of Schedule V to the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

ITEM NO. 7

Enhancement of limits of creation of security by the Board in connection with borrowing

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (**‘the Act’**) read with such Rules as may be applicable (including any statutory modification(s) or amendment(s) thereto or re-enactment thereof for the time being in force) and in terms of the Memorandum and Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to the Board of directors of the Company (hereinafter referred to as **“the Board”** which term shall include Banking and Finance Committee or any other committee constituted by the Board) for mortgaging and/or hypothecating and/or charging (including creation/perfection/ modification thereof) in such form and manner and on such terms and at such time(s) as the Board may deem fit, the movable (including loan receivables) and/or immovable properties including the whole or substantially the whole of the undertaking(s) of the Company, wherever situate, present and future, whether presently belonging to the Company or not, in favour of any person(s) including, but not limited to, financial/ investment institution(s), bank(s), insurance company(ies), mutual fund(s), corporate body(ies), trustee(s) (including any security trustee(s), agent(s) appointed to act and hold the relevant security for such persons), the debenture trustee/ agent/ trustee appointed to secure the debentures, notes, bonds or any other debt security issued/ to be issued by the Company in the domestic or international markets, as security for term loans and/or credit facilities availed by the Company and/or debentures, notes, bonds or any other debt security issued/ to be issued by the Company and/or any other form of debt such as external commercial borrowings, hire purchase and/or lease portfolio management transaction(s) for finance and other credit facilities entered into/ availed by the Company (**“Credit Facilities”**), up to a sum not exceeding Rs.2,37,500 Crores (Rupees Two Lakhs Thirty Seven Thousand Five Hundred Crores Only), which Credit Facilities

have been/ will be borrowed by the Company pursuant to Section 180(1)(c) of the Act, for a sum which, apart from temporary loans obtained and /or to be obtained from the Company's bankers in the ordinary course of business, is not exceeding Rs.1,90,000 crores (Rupees One Lakh Ninety Thousand Crore only) outstanding at any point of time, notwithstanding that the said borrowings will or may exceed the aggregate of the paid up share capital, free reserves and securities premium of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize the documents and deeds, as may be necessary with respect to borrowings and creation/perfection/ modification of mortgages and/or hypothecation and/or charges created/to be created on such immovable properties, receivables and other movable properties of the Company in connection with the borrowing on such terms and conditions as may be decided by the Board in consultation with the lenders/ trustees/ relevant parties and for reserving the aforesaid right and for performing all such acts, things and deeds as may be necessary.

RESOLVED FURTHER THAT the Board/person/(s) as authorized by the Board be and are hereby authorized to do all such acts, deeds, matters and things as it/they may consider necessary, expedient, usual or proper to give full effect to the aforesaid resolution, including but not limited to settle any questions or resolve difficulties that may arise in this regard, if any, as it may, in its absolute discretion, deem fit, without requiring the Board to secure any further consent or approval of the members of the Company to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

ITEM NO. 8

Renewal of limit to issue debentures on private placement basis by the Board

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 42, Section 71 and other applicable provisions of the Companies Act, 2013 (**‘the Act’**) read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the **‘Rules’**) and in accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**‘Debt Regulations’**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time and the directions issued by Reserve Bank of India (**‘RBI’**) as applicable to the Non-Banking Financial Companies

(‘NBFC’) from time to time, and such other laws and regulations as may be applicable to the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as ‘**the Board**’ which term shall include Banking and Finance Committee or any other committee constituted by the Board) to make offer(s), invitation(s) to subscribe and issue redeemable non-convertible debentures (NCDs), subordinated debentures, bonds or any other structured/hybrid debt securities (hereinafter referred to as ‘**Debentures**’) at such face value as may be permissible under the Act and RBI directions on private placement basis at par, discount or premium, in one or more tranches during the period of one year from the date of passing of this resolution for a sum not exceeding Rs.35,000 crores (Rupees Thirty Five Thousand Crores Only) within the overall borrowing limits of the Company approved by the Members, to the qualified institutional buyers, foreign institutional investors/foreign portfolio investors, banks, financial institutions, multilateral financial institutions, regional financial institutions, mutual funds, pension fund, provident fund and gratuity funds, corporates, insurance companies, trusts, High Net-worth Individuals (HNIs) and such other entities/ persons eligible to subscribe the Debentures on such terms and conditions including the rate of interest/coupon, tenure, repayment and security cover thereof etc. as may be finalized by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary in relation thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any director(s), key managerial person(s) and/or officer(s) of the Company, to give effect to the resolution.”

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (**‘the Act’**) read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (**‘the Rules’**) and other applicable provisions, if any, setting out all the material facts relating to the resolutions contained in this Postal Ballot Notice dated December 24, 2022 is annexed hereto.
2. In accordance with MCA Circulars, this Notice is being sent to the Members whose names appeared in the List of Beneficial Owners received from National Securities Depository Limited/ Central Depository Services (India) Limited (**‘Depositories’**) as at the close of business hours on **Friday, January 13, 2023** (**‘Cut-off Date’**).

Members as on the Cut-off Date would be entitled to vote by way of remote e-voting and a person who is not a Member as on the Cut-off Date should treat this Notice for information purpose only. This Notice is being sent electronically to all Members whose e-mail addresses are registered with Integrated Registry Management Services Private Limited, Company's Registrar and Share Transfer Agents ('RTA'), or the Depositories/Depository Participants. A Member cannot exercise his/ her vote by proxy on Postal Ballot.

3. For Members whose e-mail addresses are not registered but mobile numbers are registered with RTA/Depositories/Depository Participants, the web-link for downloading the Notice is being sent through SMS.
4. Members who have not registered their email address are requested to register/update their email address, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with RTA by sending an email to csdstd@integratedindia.in with the details of their Folio/Demat Account No. so as to receive this Postal Ballot Notice and the procedure for e-voting alongwith the login ID credentials on or before 17 Hours IST on Monday, February 20, 2023. After updation, the electronic copy of the Postal Ballot Notice will be sent by RTA through email.
5. The Communication of the assent/dissent to the Resolutions proposed in the Notice would take place only through remote e-voting.
6. The Company will issue necessary advertisements in the newspaper/ e-newspaper having all India circulation and the newspaper circulating in the District where registered office of the Company is situated for the information of Members whose e-mail addresses are not available in the records of RTA and Depositories/ Depository Participants.
7. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. The voting period will commence on **Monday, January 23, 2023 (9:00 Hours IST)** and ends on **Tuesday, February 21, 2023 (17:00 Hours IST)** for the Members exercising their vote through electronic voting. The remote e-voting module shall be disabled by Central Depository Services (India) Limited ('CDSL') for voting thereafter.

9. This Postal Ballot Notice will also be available on the website of the Company (<https://bit.ly/3iUzZVs>), the relevant section of the websites of the Stock Exchanges on which the Equity Shares are listed i.e. BSE Limited (<https://www.bseindia.com/>) and National Stock Exchange of India Limited (<https://www.nseindia.com/>), the website of CDSL, the e-voting service providing agency to the Company (<https://www.evotingindia.com/>) and NSDL at (<https://www.evoting.nsdl.com/>)
10. All relevant documents referred in this Notice will be made available for inspection at the registered office of the Company until Tuesday, February 21, 2023 during office hours on all working days (except Saturday and Sunday) and shall also be accessible through electronic mode. In this regard, the Member may write to the Company Secretary of the Company at secretarial@shriramfinance.in.
11. The Board of Directors has appointed Mr. P. Sriram (Membership No. FCS 4862), Practising Company Secretary (PCS No. 3310) or failing him Ms. Nithya Pasupathy (Membership No. FCS 10601), Practising Company Secretary (PCS No. 22562) of SPNP & Associates, Chennai as Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner and they have consented to act as scrutinizer.
12. The results of the remote e-voting will be declared on **Thursday, February 23, 2023 at 17:00 Hours IST** at the Corporate office of the Company. The e-voting results and report of the Scrutinizer will be furnished to the National Stock Exchange of India Limited at www.nseindia.com and BSE Limited at www.bseindia.com and will also be uploaded on the Company's website www.shriramfinance.in. The e-voting results will also be available on the website of CDSL www.cdslindia.com. The e-voting results of the Postal Ballot will also be displayed on the Notice Board of the Company at its Registered Office and Corporate Office.
13. The Resolutions in the Notice shall be deemed to be passed on the last date of e-voting period i.e. **Tuesday, February 21, 2023**, if approved by the requisite majority.

14. Voting through electronic means

In compliance with the provisions of Sections 108 and 110 of the Act read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations, MCA Circulars and SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020

in relation to e-voting Facility provided by Listed Entities, the Company has provided the facility of remote e-voting to all the Members, to enable them to cast their votes electronically. The Company has engaged the services of CDSL to provide remote e-voting facility to its Members for voting on all the resolutions set out in this Notice.

During this period, members holding shares either in physical form or in dematerialized form, as on **Friday, January 13, 2023** i.e. Cut-off Date, may cast their vote electronically. Voting rights of the Members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on Cut-off Date. Once the vote on the resolution is cast by the Member, he/she shall not be allowed to change it subsequently.

The details of the process and manner for remote e-voting are explained herein below:

- a. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- b. Pursuant to above said SEBI Circular, Login method for e-Voting **for Individual Members holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Members holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL Website www.cdslindia.com and click on Login icon and select New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

	<p>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login and New System Myeasi Tab and then click on registration option.</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Members holding securities in demat mode with NSDL Depository</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting</p>

	service provider website for casting your vote during the remote e-Voting period.
Individual Members (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

c. Login method for e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field(3).

- d. After entering these details appropriately, click on “**SUBMIT**” tab.
- e. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

- f. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- g. Click on the EVSN for the **“Shriram Finance Limited”** on which you choose to vote.
- h. Click on the **“RESOLUTIONS FILE LINK”** if you wish to view the entire Resolution details.
- i. 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.
- j. 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.
- k. Once you **“CONFIRM”** your vote on the resolution, you will not be allowed to modify your vote.
- l. You can also take a print of the votes cast by clicking on **“Click here to print”** option on the Voting page.
- m. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on **Forgot Password &** enter the details as prompted by the system.
- n. There is also optional provision to upload Board Resolution /Power Of Attorney if any uploaded which will be made available to scrutinizer for verification.
- o. Additional Facility for Non – Individual Members and Custodians –For Remote Voting only.
 - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the **“Corporates”** module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote and can be delinked in case of any wrong mapping.
- It is mandatory that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual Shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address sfldtd.scrutinizer@gmail.com, with a copy marked to helpdesk.evoting@cdslindia.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- Members of the Company including Institutional Investors are encouraged to vote on the resolutions proposed in this Notice.

15. Process for those shareholders whose email/mobile no. are not registered with the company/depositories

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id, csdstd@integratedindia.in. Members who hold shares in physical form and who have not updated KYC details, may contact RTA at their below mentioned address: Integrated Registry

Management Services Private Limited, 2nd Floor, Kences Towers, No.1 Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017. Phone: 044-28140801 to 28140803 Fax: 044-28142479

- For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
- For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Senior Manager, Central Depository Services (India) Limited, A Wing , 25th Floor, Marathon Futurex, Mafatlal Mill Compound, N.M. Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33.

Any query in relation to the resolutions proposed to be passed through Postal Ballot may be addressed to: Ms. Shaila M, Corporate Office - Wockhardt Towers, Level-2, East Wing, C-2, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051. Telephone Number: +91-022-40959595 (except Saturday and Sunday), Email Id: secretarial@shriramfinance.in.

Important Notice

Updation of mandatory KYC details

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021 read with Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, has mandated physical shareholders to furnish PAN, nomination, contact details (postal address with PIN, mobile number & E-mail address), bank account details (bank name & branch, bank account number and IFSC code) and specimen signature ('mandatory KYC'). Accordingly, Members holding shares in physical form are requested to complete the mandatory KYC by sending an E-mail request along with duly signed Form ISR-1 and other relevant forms



to Integrated Registry Management Services Pvt. Ltd at the E-mail ID: csdstd@integratedindia.in

As per SEBI circular, non-availability of any of the above documents/details with RTA on or after April 1, 2023 will result in freezing of the physical shareholders' folios.

By Order of the Board
For **Shriram Finance Limited**

Place: Mumbai
Date: December 24, 2022

U Balasundararao
Company Secretary
Membership No.: ACS 40941
CIN: L65191TN1979PLC007874
Regd. Office: Sri Towers, Plot No.14A, South Phase,
Industrial Estate, Guindy, Chennai 600 032
Tel No: +91 44 4852 4666 Fax: +91 44 4852 5666
Website: www.shriramfinance.in Email id: secretarial@shriramfinance.in

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item Nos. 1 and 2

The Board of directors of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee (NRC) and in terms of Article 21 of the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013 (the Act), in its meeting held on December 04, 2022, appointed Mr. Jugal Kishore Mohapatra (DIN 03190289) and Mrs. Maya S. Sinha (DIN 03056226) as Additional Directors of the Company, in the category of Non-executive Independent Directors (hereinafter collectively referred to as ‘Additional Independent Directors’), not liable to retirement by rotation, for a term of 3 (three) consecutive years and 2 (two) consecutive years respectively, as set out at Item Nos. 1 and 2 of this Notice, with effect from December 4, 2022, subject to approval of Members of the Company.

Brief Profile of the Additional Independent Directors

Mr. Jugal Kishore Mohapatra

Mr. Jugal Kishore Mohapatra, a Post Graduate from Delhi School of Economics, joined Odisha Cadre of Indian Administrative Service (IAS) in 1979. He also holds Masters’ Degree in Economics from Boston University, USA. He was secretary to the Hon’ble Chief Minister, Odisha, Principal Secretary Finance and Chief Secretary in the Government of Odisha. He had all round experience in Government of India and Government of Odisha. He served as Secretary in the Department of Fertilisers and Rural Development in Government of India during 2014-16. He served on the Board of NABARD Financial Services Limited as an Independent Director and also on the Board of NHPC Limited as an Independent Director. The disclosures and details of terms and conditions of appointment of Mr. Jugal Kishore Mohapatra as stipulated under Regulation 36(3) of the Listing Regulations and the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India are provided in the Annexure to this Explanatory Statement.

Mrs. Maya S. Sinha

Mrs. Maya S. Sinha is a graduate B.A. (Honours) in Economics and Mathematics from Lady Shri Ram College, Delhi University and holds a Masters' degree from the Delhi School of Economics, Delhi University, specialised in Econometrics, Monetary Finance and Public Economics. Mrs Sinha was a member of the Indian Revenue Service (IRS), 1981 Batch. She was Deputy Chairman of the Jawaharlal Nehru Port Trust. In her almost 30 year career in the Government of India, she served for about 23 years in the Income Tax Department. She worked for a considerable time in the Investigation Wing in New Delhi and Mumbai, apart from handling assessment and appeals of large

corporates. She was on deputation as the Commissioner of Khadi and Village Industries Commission, a Government of India Undertaking engaged in employment generation through promotion of rural entrepreneurship. The disclosures and details of terms and conditions of appointment of Mrs. Maya S. Sinha as stipulated under Regulation 36(3) of the Listing Regulations and the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India are provided in the Annexure to this Explanatory Statement.

The Company has received from the said Additional Independent Directors consents, declarations, confirmations and disclosures as per the requirements of the Act and Listing Regulations, including the following:

- (i) consents in writing to act as director under section 152(5) of the Act in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014.
- (ii) declarations in Form DIR 8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014 that the said Additional Independent Directors are not disqualified under sub-section (2) of Section 164 of the Act from being appointed as a director of the Company.
- (iii) declarations confirming that the said Additional Independent Directors meet the criteria of independence as provided in sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations.
- (iv) confirmations in terms of Regulation 25(8) of the Listing Regulations that the said Additional Independent Directors are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.
- (v) confirmations in compliance with Securities and Exchange Board of India (SEBI) Order dated June 14, 2018 to the Stock Exchanges and further Circular No. LIST/COMP/ 14/2018-19 of BSE Limited and Circular Ref No: NSE/CML/2018/24 of National Stock Exchange of India Limited both dated June 20, 2018 stating that the said Additional Independent Directors are not debarred from holding the office of director by virtue of any order of SEBI or any other such authority.
- (vi) confirmations that the said Additional Independent Directors satisfy the criteria of 'fit and proper' as prescribed by the Reserve Bank of India vide Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 No. DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 ("Master Direction").

- (vii) confirmations that directorships/ committee memberships of the said Independent Directors are within the statutorily permitted limits.
- (viii) confirmations that the said Independent Directors are registered with the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs ("IICA").

The Board of Directors have adopted a skill matrix consisting of core skills/ expertise/competencies required to be collectively possessed by the Board of Directors of the Company in the context of the business of the Company. As per self- assessment of the skill/ expertise/ competence made by the said Additional Independent Directors and evaluated by the NRC and the Board of Directors, the said Additional Independent directors possess the required skill sets, expertise and experience as per the skill matrix approved by the Board of Directors of the Company.

In the opinion of the Board of Directors of the Company, the said Additional Independent Directors meet the conditions for appointment as an independent director as specified in the Act and the Listing Regulations and are independent of the management and the persons of integrity. The Company would enormously benefit from their rich experience, skills and expertise.

The proposed appointments are in line with the requirements of the Articles of Association of the Company, the Company's policy on fit and proper criteria for directors, policy on Board diversity and Remuneration policy of the Company. The appointment of Mrs. Maya S. Sinha will enable the Company to fulfil the requirement of the Listing Regulations and the Act for having a woman Independent Director on the Board of Directors of a listed entity, consequent to resignation of Mrs. Kishori Udeshi from directorship of the Company with effect from commencement of business hours on December 5, 2022.

The Board of Directors of the Company in its meeting held on December 4, 2022 also passed resolution for electing Mr. Jugal Kishore Mohapatra as Chairman of the Board with effect from December 5, 2022 in place of Mr. S. Lakshminarayanan, independent director and Chairman of the Board who resigned from directorship of the Company with effect from commencement of business hours on December 5, 2022.

The said Additional Independent Directors shall be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof within the limits prescribed under the Act and for re-imbursment for expenses incurred in connection with attending Board/Committee meetings. The details of the sittings fee are given in the Remuneration Policy of the Company.

The said Additional Independent directors shall also be entitled to commission as determined by the Board of Directors of the Company, within the limits approved by the Members of the Company and as permitted by law. The attention of members is invited to the resolution passed at 43rd Annual General Meeting of the Company held on June 23, 2022 for payment of commission to Independent Directors of the Company for the period from 1st April, 2022 to 31st March, 2025 as may be decided by the Board of directors of the Company, provided that the aggregate amount of commission paid to all Independent directors shall not exceed Rs.200 lakhs in a financial year, subject to ceiling of 1% of the net profits of the Company in any financial year in terms of Section 197 of the Act. In the last financial year 2021-22, the aggregate amount of commission paid by the Company to Independent directors was Rs.80 lakhs.

As per Section 161 of the Act, an Additional director shall hold office up to the date of the next annual general meeting of the company or up to the last date on which the annual general meeting should have been held, whichever is earlier. Further, in terms of Regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a listed entity shall ensure that approval of shareholders for appointment of a person on the board of directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, the said Additional Independent directors can hold the office as an Additional director of the Company up to March 3, 2023.

The Company has received a notice in writing under the provisions of Section 160 of the Act, from Members proposing the candidature of the said Additional Independent Directors for the office of directors.

The Board of Directors commends passing of the special resolutions as set out at Item No. 1 and 2 of this Notice.

In terms of Regulation 25(2A) of the Listing Regulations, appointment of an Independent Director of a listed entity, shall require approval of shareholders by way of a special resolution. In terms of SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022, which came into effect from November 14, 2022, if the special resolution for appointment of Independent Director fails to get the requisite majority of votes; but the votes cast in favour of the resolution exceeds the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution, the resolution for appointment of such Independent Director(s) shall be deemed to be passed.

The said Additional Independent Directors and their relatives are interested in passing the resolution for their respective appointment(s) as Independent directors as set out at Item Nos. 1 and 2 of this Notice. None of the other directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolutions proposed at Item No. 1 and 2 of this Notice.

A copy of the letters of appointment issued by the Company to the said Additional Independent Directors setting out the terms and conditions of their appointment as an Independent Director and all other documents referred to in this Notice and Explanatory Statement shall be available for electronic inspection without any fee by the Members from the date of dispatch of this Notice up to Tuesday, February 21, 2023. The Members seeking to inspect such documents can send an email to secretarial@shriramfinance.in. The terms and conditions of appointment of the said Independent directors have been posted on the Company's website.

Item Nos. 3 to 6

The Members of the Company at its 40th Annual General Meeting held on June 29, 2019 passed an ordinary resolution approving the re-appointment of and payment of remuneration to Mr. Umesh Revankar (DIN 00141189) as Managing Director & CEO of the Company for a period of five years with effect from October 26, 2019 up to October 25, 2024. The terms and conditions of re-appointment of Mr. Umesh Revankar as Managing Director and CEO including his remuneration are in accordance with the provisions contained in Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Act.

The Members of the Company at its 42nd Annual General Meeting held on June 24, 2021 approved elevation and re-designation of Mr. Umesh Revankar as Vice Chairman and Managing Director of the Company with effect from 1st April, 2021, for the remainder of his tenure i.e. from April 01, 2021 to October 25, 2024 on the same terms for payment of remuneration as approved in the 40th Annual General Meeting held on June 29, 2019.

The Board of Directors of the Company in its meeting held on December 13, 2021 approved the Composite Scheme of Arrangement and Amalgamation between Shri Lekha Business Consultancy Private Limited and Shriram Financial Ventures (Chennai) Private Limited and Shriram Capital Limited and Shriram Transport Finance Company Limited (now Shriram Finance Limited) (herein after referred as 'the Company') and Shriram City Union Finance Limited and Shriram LI Holdings Private Limited and Shriram GI Holdings Private Limited and Shriram Investment Holdings

Limited and their respective shareholders ('the Scheme') subject to approval of members and creditors of the Company and by all statutory and regulatory approvals including sanction of the Scheme by the Hon'ble National Company Law Tribunal, Chennai (NCLT) and approval of the Scheme by Reserve Bank of India, Competition Commission of India, stock exchanges where securities of the Company are listed (regulatory authorities).

In the same Board Meeting held on December 13, 2021, the Board of directors appointed Mr. Parag Sharma, as Joint Managing Director and Chief Financial Officer, for a period of 5 years with effect from December 13, 2021 and payment of remuneration to him subject to approval of Members of the Company. The Members of the Company at its 43rd Annual General Meeting held on June 23, 2022 passed an ordinary resolution for approval of the appointment and payment of remuneration to Mr. Parag Sharma (DIN 02916744) as a Whole-time director designated as Joint Managing Director and Chief Financial Officer of the Company for a period of five years from December 13, 2021 to December 12, 2026. The terms and conditions of his appointment including remuneration are in accordance with the provisions contained in Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Act. of Schedule V to the Act.

The members and creditors of the Company in their respective meetings held on July 4, 2022 passed the Resolution by the requisite majority for approval of the Scheme, subject to sanction of the Scheme by Hon'ble NCLT and approval of regulatory authorities. Subsequently, the Company obtained sanction/approvals to the Scheme from the Hon'ble NCLT and all regulatory authorities. The Hon'ble NCLT vide its order dated November 14, 2022 read with Corrigendum dated November 17, 2022 accorded its sanction to the Scheme. The Scheme became effective from Appointed date being April 1, 2022.

Post-amalgamation of Shriram City Union Finance Limited (SCUF) and the amalgamation of the Remaining undertaking of erstwhile Shriram Capital Limited with the Company, the entire undertaking of erstwhile SCUF and Remaining undertaking of erstwhile SCL were transferred to the Company pursuant to the Scheme. The Company has become one of the largest non-banking financial companies in India offering variety of financial products to service its large customer base exceeding 6.7 million. The Company has ambitious business plan for substantial increase of the scale of business, its financial products offering, adopting cutting edge technologies and on-boarding of customers on its digital platform. Having regard to the business plan and in order to cope up with future challenges, the Board of directors, based on recommendation of the

Nomination and Remuneration Committee, have made necessary changes in the organization and the roles, responsibilities and functions of the whole-time director(s) (WTDs), key managerial personnel (KMPs) and senior management personnel (SMP) for successful implementation of business plan of the Company.

Reserve Bank of India vide Circular No. RBI/2022-23/36 DOR.GOV. REC.No.29 /18.10.002/2022-23 dated April 29, 2022 issued guidelines on compensation of Key Managerial Personnel (KMP) and Senior Management in Non-Banking Financial Companies (NBFCs) to be implemented by NBFCs on or before April 1, 2023 ('RBI Circular'). Pursuant to the said RBI Circular, the Company shall put in place a Board approved policy determining principles for fixed/ variable pay structures and malus/clawback provisions. Accordingly, on the recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on December 24, 2022 had approved the amended Remuneration Policy.

In the light of the above, the Nomination and Remuneration Committee in its meeting held on December 4, 2022 recommended changes in the roles, responsibilities and functions of whole-time directors and key managerial personnel and senior managerial personnel. The NRC in its meeting held on December 24, 2022 recommended restructuring/revision of their remuneration of whole-time directors of the Company in line with requirements of RBI Circular and Remuneration policy of the Company and the same were accepted and approved by the Board.

The Highlights of the same, are as under:

- (i) Mr. Umesh Revankar, Executive Vice Chairman and Managing Director is re-designated as Executive Vice Chairman and the terms and conditions of his appointment and remuneration are restructured as per requirement of RBI Circular and his remuneration is revised as per Remuneration policy of the Company as amended, with effect from December 5, 2022 subject to approval of Members of the Company as per the details set out at Item No.4 of this Notice. Mr. Umesh Revankar, Executive Vice Chairman will be responsible for strategic matters including long term vision of the Company. He will also focus on relationships with Investors, Regulatory Authorities, Banks, Rating Agencies, etc. and represent the Company in all stakeholder forums/Associations for further strengthening competitive position of the Company in the market.
- (ii) Mr. Y.S. Chakravarti, who held the office of Managing Director and CEO of erstwhile Shriram City Union Finance Limited and who was appointed as an Additional Director in the category of non-executive non-independent director of the Company with effect from December 13, 2021 as approved by Members in the 43rd Annual General Meeting

of the Company held on June 23, 2022 is appointed as Managing Director and CEO of the Company with effect from December 5, 2022 for a period of three years on the remuneration as per the details set out at Item No.5 of this Notice, subject to approval of Members of the Company. Mr. Y. S. Chakravarti, Managing Director and CEO has been delegated powers for day to day management of business operations of the Company. He is responsible for leading the executive team of the organisation and ensuring alignment for delivery of business results. He is also responsible for growth in business volumes and profits, product innovation/offerings, branch expansion in new and existing geographies, laying and implementing the digital roadmap (digitalisation) for the Company.

- (iii) Restructuring of the terms and conditions of appointment and remuneration of Mr. Parag Sharma, Joint Managing Director and Chief Financial Officer of the Company, as per the RBI Circular and revision of his remuneration as per Remuneration Policy of the Company as amended with effect from January 1, 2023 as per the details set out at Item no.6 of this Notice, subject to approval of Members of the Company. Mr. Parag Sharma is responsible for mobilization of funds in cost effective manner, treasury management, prudent assets and liability management, planning and budgeting, relationships with credit rating agencies, banks, financial institutions, lenders, etc., assisting the Managing Director and CEO in steering the business performance, enhancing credit rating and savings through smart treasury initiatives, supporting the Managing Director and CEO on growing new businesses, stewardship in business responsibility and sustainability reporting.

On the basis of recommendation of NRC and in line with the requirements of the RBI Circular and the amended Remuneration Policy and subject to the approval of the Members of the Company, the Board of Directors in its meeting held on December 24, 2022 approved restructuring and revision in remuneration of Mr. Umesh Revankar as Executive Vice Chairman of the Company with effect from December 5, 2022, restructuring and revision in remuneration of Mr. Parag Sharma, Joint Managing Director and Chief Financial Officer with effect from January 1, 2023. The Board approved the appointment of Mr. Y.S. Chakravarti (DIN 00052308) as Managing Director & CEO of the Company with effect from December 5, 2022 and approved his remuneration in its meeting held on December 24, 2022 in line with requirements of RBI Circular and Remuneration Policy of the Company as amended. The terms and conditions of appointment and payment of remuneration of the whole-time directors Mr. Umesh Revankar, Mr. Y. S. Chakravarti and Mr. Parag Sharma are given in the resolutions as set out at Item nos. 3 to 6 respectively of this Postal Ballot Notice.

At present the Company does not have any Employee Stock Option Scheme (ESOS). However, the Company is in the process of formulating ESOS during the Financial Year 2023-24 and the Company will seek approval of Members to the ESOS. In the absence of the Board approved ESOS, the exact amount of deferred variable pay of the whole-time directors on account of the employee stock options is not known as on date and hence the same cannot be disclosed in this Notice. However, the deferred variable pay on account of the employee stock option benefit/perquisite computed as per applicable law shall be up to subject to limit of 50% of the Fixed Pay for the whole-time directors in a financial year.

The provisions with respect to Malus and/or Clawback shall be applicable for Variable Pay as prescribed in the Remuneration Policy of the Company in accordance with RBI Circular. The appointment of whole-time directors may be terminated by giving three months' notice in writing or salary in lieu thereof. There is no separate provision for the payment of severance fees.

The revision in remuneration proposed to be paid to whole-time directors of the Company viz. Mr. Umesh Revankar with effect from December 5, 2022 and Mr. Parag Sharma with effect from January 1, 2023 has been approved by the Nomination and Remuneration Committee and the Board of Directors of the Company in their respective meetings held on December 24, 2022 and the same is in accordance with Section 196, 197 and 203 and other applicable provisions, if any, of the Act read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The details of remuneration drawn by the whole-time directors are given below:

Name of Whole-Time Director	Mr. Umesh Revankar	Mr. Y. S. Chakravarti	Mr. Parag Sharma
Date of appointment	October 25, 2016	December 5, 2022	December 13, 2021
Remuneration drawn in F.Y. 2021-22	Rs.1,36,37,016/-	Since Mr. Y.S. Chakravarti was a Non-Executive Non Independent Director, no remuneration was	Total remuneration paid to Mr. Parag Sharma for the F.Y. 2021-22 was Rs.72,36,154/- out of which Rs.24,34,983/- remuneration was paid

		paid to him in the F.Y. 2021-22.	for his appointment as Whole Time Director during the period December 13, 2021 to March 31, 2022.
Remuneration drawn during the Financial Year 2022-23	Rs.1,04,03,924/- (from April 2022 to December 2022)	Rs. 6,80,000/- (December 2022)	Rs.67,64,938/- (from April 2022 to December 2022)

All the whole-time directors have been working in Shriram Group for more than 3 decades and have gained considerable knowledge and deep domain expertise in the fields of vehicle financing, business development, team development, and demonstrated their leadership qualities in their career path. They have made immense contribution for growth of business of the Company. As excellent team leaders with deep and intrinsic understanding and knowledge of the Company's business they have successfully led the Company during difficult period of NBFC sector. In the light of the above, the Nomination and Remuneration Committee and the Board of Directors is of the opinion that having regard to the knowledge, experience, domain expertise, the roles, functions and responsibilities shared by them, the remuneration proposed to be paid to the whole-time directors viz. Mr. Umesh Revankar and Mr. Y. S. Chakravarti with from December 5, 2022 and Mr. Parag Sharma with effect from January 1, 2023 as set out in resolutions of the respective whole-time directors forming part of this Notice is reasonable and commensurate with their roles and responsibilities, experience and hence the same is recommended by the Nomination and Remuneration Committee and Board for approval of Members.

The details of membership of committee held by Mr. Umesh Revankar and Mr. Y. S. Chakravarti and Mr. Parag Sharma are given below:

Name of Committee	Mr. Umesh Revankar	Mr. Y. S. Chakravarti	Mr. Parag Sharma
Stakeholders' Relationship Committee	Member	Member	-
Corporate Social Responsibility Committee	Chairman	Member	-
IT Strategy Committee	Member	Member	-
Asset Liability Management Committee	Member	Chairman	Member

Risk Management Committee	Chairman	Member	-
Environmental, Social & Governance Committee	Member	Member	Member
Securities Transfer Committee	Member	Chairman	Member
Investment Review Committee	Chairman	Member	Member
Banking & Finance Committee	Member	Chairman	Member
Allotment Committee (NCDs)	Chairman	Member	Member

In terms of Regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company is required to obtain the approval of the Members of the Company for the appointment of Mr. Y. S. Chakravarti as a Managing Director and CEO of the Company at the next annual general meeting or within three months from the date of appointment, i.e., December 05, 2022, whichever is earlier. Hence, approval of the Members is being sought through Postal Ballot for the appointment of Mr. Y. S. Chakravarti as a Managing Director and CEO of the Company. The Company has received notice in writing under the provisions of Section 160 of the Act, from a Member proposing the candidature of Mr. Y. S. Chakravarti for the office of director.

The Profiles of whole-time directors are as under:

Profile of Mr. Umesh Revankar

Mr. Umesh Revankar holds a bachelor's degree in business management from Mangalore University and a master of business administration (MBA) in finance. He attended the Advanced Management Program at Harvard Business School. Mr. Revankar started his career with the Shriram group as an executive trainee in 1987. He has been associated with the Shriram group for more than 3 decades and has extensive experience in the financial services industry. During his stint with the Shriram Group, he has shouldered various responsibilities and worked in several key roles of business operations.

Profile of Mr. Y. S. Chakravarti

Mr. Y. S. Chakravarti, (DIN 00052308) was a Managing Director and CEO of erstwhile Shriram City Union Finance Limited (SCUF). He is Bachelor of Commerce. He started his career in Shriram Chits Private Limited, Andhra Pradesh ('Shriram Chits') in June 1991 as an executive trainee. In the year 1998, he rose to the position of Chief Executive of Shriram Chits and was promoted to the position of Executive Director of Shriram Chits in March 2004. He was instrumental in achieving manifold expansion of the branch network business of Shriram Chits with 35,000 customer base and auction turnover of Rs.40 crores per annum. In the year 2008, he was promoted to take charge

as Executive Director of erstwhile Shriram City Union Finance Limited (SCUF), initially as Business Head for financing purchase of two wheelers in the state of Andhra Pradesh. Under his leadership, Shriram Chits had expanded to 187 branches covering 5,00,000 customers and with an auction turnover of Rs.2,000 Crores per annum. 40% of the customers were small business owners. He was responsible for Andhra Pradesh becoming the leading contributor of the business of SCUF.

Profile of Mr. Parag Sharma

Mr. Parag Sharma has been working in Shriram group for more than three decades in the senior management positions and is playing key roles in the growth and expansion of business of the Company. Mr. Parag Sharma is a dynamic and accomplished Chief Financial Officer of the Company. He introduced innovative techniques and methods of raising funds through domestic as well as international sources and is expert in handling matters related to Finance & Accounts, MIS, Resource Mobilisation, Treasury Management, Planning and Budgeting, Corporate Strategy and relationships with Rating agencies, Banks, Investors, Regulators, etc.

The whole-time directors meet the fit and proper criteria for director as prescribed under Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

The Ordinary Resolutions at Item Nos. 3 to 6 and the Explanatory Statement as set out in this Notice may be considered as a written Memorandum setting out terms and conditions of appointment and remuneration of the whole-time directors in terms of Section 190 of the Act.

Disclosures and details of terms and conditions of appointment of the whole-time directors as stipulated under Regulation 36(3) of the Listing Regulations and the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India are provided in the Annexure to this Explanatory Statement.

The Board of Directors recommend passing of these resolutions as set out in Item nos. 3 to 6 of this Notice.

The whole-time directors and their relatives are interested in their respective resolutions set out in this Notice. None of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the proposed resolution.

The Members of the Company in the 40th Annual General Meeting held on June 27, 2019 had authorized the Board of Directors of the Company to approve revision in remuneration of Mr. Umesh Revankar. Similar delegation of powers for revision in

remuneration of Mr. Parag Sharma was also granted by the Members to the Board of Directors vide resolution passed in the 43rd Annual General Meeting held on June 23, 2022. Hence, approval of Members of the Company is not required for revision of remuneration of Mr. Umesh Revankar and Mr. Parag Sharma as per the resolutions set out at Item nos. 4 and 6 of this Postal Ballot Notice. However, the Member's approval is now being sought as a measure of good corporate governance.

All relevant documents referred in this Notice and Explanatory Statement shall be available for electronic inspection without any fee by the Members from the date of dispatch of this Notice up to Tuesday, February 21, 2023. Members seeking to inspect such documents can send an email to secretarial@shriramfinance.in.

Notice of 40th Annual General Meeting held on June 27, 2019 - <https://cdn.shriramfinance.in/uploads/investor/pdf/STFC-AGM-Notice-June-2019.pdf>

Notice of 43rd Annual General Meeting held on June 23, 2022 - https://cdn.shriramfinance.in/uploads/investor/pdf/STFC_AG_Notice_2022-1%20.pdf

Amended Remuneration Policy - <https://cdn.shriramfinance.in/uploads/investor/pdf/11.Remuneration%20Policy.pdf>

Item No. 7

The Board of Directors of the Company in its meeting held on December 13, 2021 approved the Composite Scheme of Arrangement and Amalgamation between Shri Lekha Business Consultancy Private Limited and Shriram Financial Ventures (Chennai) Private Limited and Shriram Capital Limited and Shriram Transport Finance Company Limited (now Shriram Finance Limited) (herein after referred as 'the Company') and Shriram City Union Finance Limited and Shriram LI Holdings Private Limited and Shriram GI Holdings Private Limited and Shriram Investment Holdings Limited and their respective shareholders ('the Scheme') subject to approval of members and creditors of the Company and by all statutory and regulatory approvals including sanction of the Scheme by the Hon'ble National Company Law Tribunal, Chennai (NCLT) and approval of the Scheme by Reserve Bank of India, Competition Commission of India, stock exchanges where securities of the Company are listed (regulatory authorities).

The members and creditors of the Company in their respective meetings held on July 4, 2022 passed necessary Resolutions by the requisite majority for approval of the Scheme, subject to sanction of the Scheme by Hon'ble NCLT and approval of regulatory authorities. Subsequently, the Company obtained sanction/approvals to the Scheme from the Hon'ble NCLT and all regulatory authorities. The Hon'ble NCLT vide its order dated November 14, 2022 read with Corrigendum dated November 17, 2022

accorded its sanction to the Scheme. The Scheme became effective from Appointed date being April 1, 2022.

Upon coming into effect of the Scheme, the entire undertaking and business of erstwhile Shriram City Union Finance Limited ('SCUF') and the Remaining undertaking of erstwhile Shriram Capital Limited was transferred to and merged into the Company pursuant to the Scheme, the Company has become one of the largest non-banking financial companies in India offering variety of financial products to service its large customer base exceeding 6.7 million. The clause 6.4 of the Scheme states that as an integral part of the Scheme and without the requirement of any further act, deed, approval or consent, the borrowing powers of the Transferee Company 2 i.e. Shriram Transport Finance Company Limited (Now 'Shriram Finance Limited' or 'the Company'), shall stand increased to an amount of Rs.1,90,000 crores and approval of this Scheme under Section 230 to 232 of the Companies Act ("the Act") will be deemed to constitute approvals required under all other applicable provisions of the Act and Applicable Law. Accordingly, the borrowing power of the Company stood increased to Rs.1,90,000 crores.

The Company being a non-banking financial company engaged in the business of asset financing, it is required to raise funds from time to time for the purpose of on-lending to its customers. In connection with the secured borrowings, the Company creates security by way of mortgage/charge/hypothecation of receivables/movable or immovable properties of the Company, both present and future, in favour of the bank(s), financial institution(s), debenture trustees, security trustees, fixed deposits trustees or any other persons ('the Lenders') in such form, manner and ranking as may be required by the Lenders including modification/perfection thereof from time to time.

This may involve sale, lease or disposal of whole or substantially whole of the Company's undertaking. In line with increase in borrowing powers of the Board of Directors of the Company up to Rs.1,90,000 crores pursuant to the Scheme, the corresponding increase in the power of the Board of Directors to create charge(s) in favour of the Lenders to secure the borrowings of the Company by way of hypothecation/mortgage of movable and immovable assets and properties of the Company is also necessary and incidental. In terms of Section 180(1)(a) of the Act any proposal to sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertaking(s), requires the approval of the Members by way of a special resolution.

The Board of Directors of the Company considered that the increase in mobilization of funds is necessary for the Company's growing business which is expected to grow in

the range of 12% -15% in the current financial year. The outstanding borrowings of the Company as at March 31, 2022 amounted to Rs.1,14,496.71 crores. The Company has plans to disburse about Rs.1,00,000 crores during the F.Y. 2023-24, for the purpose of its business. The Company will continue to maintain capital adequacy ratio as per the regulatory requirement of the Reserve Bank of India.

The Board of Directors commend passing of the said resolution.

None of the directors, key managerial personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the said resolution.

Item No.8

Issue of debentures on private placement basis is an important and cost-effective source of faster raising of funds by a Non-Banking Financial Companies (NBFCs). The Company being NBFC has been using this method of fund raising in the ordinary course of its business and will utilize proceeds of the issue of Debentures for on-lending, growing the Company's asset book, refinancing existing debt and other general purposes as may be decided by the Board from time to time.

The Members of the Company by way of passing the special resolution through postal ballot/e-voting on March 6, 2022 had authorised the Board of Directors to issue redeemable non-convertible debentures, subordinated debentures, bonds, structured/hybrid instruments or any other debt securities (hereinafter referred to as 'Debentures') on private placement basis up to the limit of Rs.35,000 crores. In accordance with Section 42 of the Companies Act, 2013 ('the Act') read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ('the Rules'), the said Special Resolution is valid up to March 5, 2023. The issue of Debentures up to Rs.35,000 crores, as mentioned in the enabling Special Resolution proposed in this Notice will be within the overall authorized limits of borrowing i.e. Rs.1,90,000 crores outstanding at any point of time, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, pursuant to the Scheme approved by Members of the Company by way of passing of Resolution with the requisite majority in the meeting held on July 4, 2022. The approval of the shareholders being sought vide this Notice as a matter of abundant caution and to provide complete clarity for doubts, if any, raised in the process of invitation, offer, subscription, allotment and issue of Debentures on private placement basis. The Company continues to be judicious in borrowing funds including through issue of non-convertible debentures and evaluates various factors including cost of the issue, prevailing market conditions, etc.

Pursuant to Section 42 of the Act read with Rule 14 of the Rules, any offer or invitation for subscription of debentures and its issuance on private placement basis shall be approved by the Members by way of a Special Resolution. The said rules provide that the special resolution shall be passed in respect of all offers or invitations for the debentures to be issued during the year.

The Company may be required to issue rated structured debt products depending on market conditions such as Covered Bonds, Dual Recourse Bonds, Principal Protected Market Linked non-convertible debentures or any other hybrid debentures etc. The terms and conditions of the issue of Debentures including face value, coupon rate/interest rate, tenure, repayment, security, listing, payment of interest accrued on issue/reissue of Debentures, etc. will be decided by the Board or the Joint Managing Director & Chief Financial Officer or any person(s) as may be authorized by the Board as may be mutually agreed to between the Company and subscribers of the Debentures through stock exchange bidding platform and/or any other permitted method. The Company may also issue the Debentures at discount or premium depending upon the product structure, debt market conditions prevailing on the date of issue of the Debentures and regulatory requirements with regard to capping of number of ISINs maturing per financial year, etc.

All relevant documents referred in this Notice and Explanatory Statement shall be available for electronic inspection without any fee by the Members from the date of dispatch of this Notice up to Tuesday, February 21, 2023. Members seeking to inspect such documents can send an email to secretarial@shriramfinance.in.

The Board of directors commend passing of this resolution.

None of the Directors, Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the proposed resolution.

By Order of the Board
For **Shriram Finance Limited**

Place: Mumbai
Date: December 24, 2022

U Balasundararao
Company Secretary
Membership No.: ACS 40941
CIN: L65191TN1979PLC007874
Regd. Office: Sri Towers, Plot No.14A, South Phase,
Industrial Estate, Guindy, Chennai 600 032
Tel No: +91 44 4852 4666 Fax: +91 44 4852 5666
Website: www.shriramfinance.in Email id: secretarial@shriramfinance.in

DISCLOSURES AND DETAILS OF TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS AND WHOLE-TIME DIRECTORS AS STIPULATED UNDER REGULATION 36(3) OF THE LISTING REGULATIONS AND THE SECRETARIAL STANDARD - 2 ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

Particulars	Mr. Jugal Kishore Mohapatra	Mrs. Maya S Sinha
Date of Birth and Age	February 12, 1956 and 66 Years	March 09, 1959 and 63 Years
Directors Identification Number (DIN)	03190289	03056226
Date of first appointment on the Board	December 04, 2022	December 04, 2022
Nationality	Indian	Indian
Expertise in specific functional areas	As set out at Item Nos. 1 and 2 in the explanatory statement of this Notice	
Profile of Director	As set out at Item Nos. 1 and 2 in the explanatory statement of this Notice	
Qualification	Post Graduate from Delhi School of Economics and Master's in Economics from Boston University, USA.	Bachelor of Arts (Honours) in Economics and Mathematics from Lady Shri Ram College, Delhi University and Master's degree from the Delhi School of Economics, Delhi University specialised in Econometrics, Monetary Finance and Public Economics.
Directorship held in other companies	i. Urban Mass Transit Company Limited ii. India International Bullion Exchange IFSC Limited iii. Foundation for Development of Rural Value Chain	i. Shreyas Shipping and Logistics Limited (Listed) ii. Tata Lockheed Martin Aerostructures Limited iii. Tata Advanced Systems Limited iv. Tata Boeing Aerospace Limited v. Prabhat Properties Private Limited vi. Clear Maze Consulting Private Limited vii. CMC Skills Private Limited viii. CMCEE Mega Skills Private Limited
Membership/Chairmanship of Committees of such companies	Chairman of Nomination and Remuneration Committee - Urban Mass Transit Company Limited Member of Nomination and Remuneration Committee - India International Bullion Exchange IFSC Limited	Member of Audit Committee - Tata Advanced Systems Limited - Tata Boeing Aerospace Limited Chairperson of Audit Committee - Shreyas Shipping and Logistics Limited Chairperson of Nomination and Remuneration Committee - Shreyas Shipping and Logistics Limited

Particulars	Mr. Jugal Kishore Mohapatra	Mrs. Maya S Sinha
	Member of Audit Committee - Urban Mass Transit Company Limited	Member of Corporate Social Responsibility Committee - Shreyas Shipping and Logistics Limited
Name of listed entities from which the person has resigned in the past three years	NHPC Limited – September 7, 2020	Shriram City Union Finance Limited (company amalgamated)
Shareholdings in the Company, including shareholding as a beneficial owner	NIL	NIL
Disclosure of relationships between Directors /Key Managerial Personnel inter-se	There is no inter se relationship between Mr. Jugal Kishore Mohapatra, other Members of the Board and Key Managerial Personnel of the Company.	There is no inter se relationship between Mrs. Maya S. Sinha, other Members of the Board and Key Managerial Personnel of the Company.
Remuneration received from the Company in the F.Y. 2021-22 and F.Y. 2022-23	Not Applicable Sitting Fees: Rs.3,01,500/- (Net of TDS) for attending Meetings of the Board of Directors and Committees thereof from December 4, 2022 till the date of this Notice	Not Applicable Sitting Fees: Rs.3,69,000/- (Net of TDS) for attending Meetings of the Board of Directors and Committees thereof from December 4, 2022 till the date of this Notice
Terms and conditions of appointment/ re-appointment alongwith details of remuneration sought to be paid	The appointment is for a term of 3 (three) consecutive years commencing from December 04, 2022. He shall be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof, reimbursement for expenses incurred in connection with attending Board/Committee meetings and commission as determined for each year by the Board within the limits approved/will be approved by the Members of the Company and as permitted by law and as per remuneration policy of the Company. Presently, sitting fees is Rs.1,00,000/- for each Board Meeting, Rs.75,000/- for each Audit Committee Meeting, Rs.35,000/- for each Committee Meeting and every meeting of Independent Directors attended by them.	The appointment is for a term of 2 (two) consecutive years commencing from December 04, 2022. She shall be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof, reimbursement for expenses incurred in connection with attending Board/Committee meetings and commission as determined for each year by the Board within the limits approved/will be approved by the Members of the Company and as permitted by law and as per remuneration policy of the Company. Presently, sitting fees is Rs.1,00,000/- for each Board Meeting, Rs.75,000/- for each Audit Committee Meeting, Rs.35,000/- for each Committee Meeting and every meeting of Independent Directors attended by them.
Number of Meetings of the Board attended during the F.Y. 2021-22 and F.Y. 2022-23	Not Applicable for F.Y. 2021-22 Attended all meetings from the date of appointment i.e. 3 out of 3 Meetings entitled to attend (from December 4, 2022 till the date of this Notice)	Not Applicable for F.Y. 2021-22 Attended all meetings from the date of appointment i.e. 3 out of 3 Meetings entitled to attend (from December 4, 2022 till the date of this Notice)

Particulars	Mr. Umesh Revankar	Mr. Y. S. Chakravarti
Date of Birth and Age	October 27, 1964 and 58 Years	June 10, 1963 and 59 Years
Directors Identification Number (DIN)	00141189	00052308
Date of first appointment on the Board	October 25, 2016	December 13, 2021
Nationality	Indian	Indian
Expertise in specific functional areas	As set out at Item Nos. 3 to 6 in the explanatory statement of this Notice	
Profile of Director	As set out at Item Nos. 3 to 6 in the explanatory statement of this Notice	
Qualification	Bachelor's degree in Business Management from Mangalore University and a Master of Business Administration in Finance.	Bachelor of Commerce
Directorship held in other companies and Membership/ Chairmanship of Committees of such companies	<ul style="list-style-type: none"> i. Shriram Automall India Limited ii. Shriram Investment Holdings Limited iii. Shriram Credit Company Limited iv. Shriram General Insurance Company Limited v. Shriram Life Insurance Company Limited vi. Finance Industry Development Council (Section 8 company) vii. Shriram Financial Ventures (Chennai) Private Limited (now Shriram Capital Private Limited) viii. Shriram GI Holdings Private Limited ix. Shriram LI Holdings Private Limited 	<ul style="list-style-type: none"> i. Shriram Housing Finance Limited ii. Shriram Chits (India) Private Limited
Membership/ Chairmanship of Committees of such companies	<p>Member of Audit Committee</p> <ul style="list-style-type: none"> - Shriram Automall India Limited - Shriram Credit Company Limited <p>Member of Nomination and Remuneration Committee</p> <ul style="list-style-type: none"> - Shriram Life Insurance Company Limited - Shriram Credit Company Limited <p>Chairman of Nomination and Remuneration Committee</p> <ul style="list-style-type: none"> - Shriram Automall India Limited <p>Member of Corporate Social Responsibility Committee</p> <ul style="list-style-type: none"> - Shriram Automall India Limited - Shriram Credit Company Limited <p>Chairman of Banking and Borrowing Committee</p>	<p>Member of Corporate Social Responsibility Committee</p> <ul style="list-style-type: none"> - Shriram Housing Finance Limited <p>Member of Nomination and Remuneration Committee</p> <ul style="list-style-type: none"> - Shriram Housing Finance Limited <p>Chairman of Stakeholders Relationship Committee</p> <ul style="list-style-type: none"> - Shriram Housing Finance Limited <p>Member of Risk Management Committee</p> <ul style="list-style-type: none"> - Shriram Housing Finance Limited

Particulars	Mr. Umesh Revankar	Mr. Y. S. Chakravarti
	<p>- Shriram Life Insurance Company Limited</p> <p>Member of Business Development Committee</p> <p>- Shriram Automall India Limited</p> <p>Member of Audit Committee</p> <p>- Shriram Financial Ventures (Chennai) Private Limited (now Shriram Capital Private Limited)</p> <p>Member of Allotment Committee</p> <p>- Shriram Financial Ventures (Chennai) Private Limited (now Shriram Capital Private Limited)</p> <p>Member of Finance Committee</p> <p>- Shriram Financial Ventures (Chennai) Private Limited (now Shriram Capital Private Limited)</p>	
Name of listed entities from which the person has resigned in the past three years	Shriram City Union Finance Limited (company amalgamated)	Shriram City Union Finance Limited (company amalgamated)
Shareholdings in the Company, including shareholding as a beneficial owner	NIL	NIL
Disclosure of relationships between Directors /Key Managerial Personnel inter-se.	There is no inter se relationship between Mr. Umesh Revankar, other Members of the Board and Key Managerial Personnel of the Company.	There is no inter se relationship between Mr. Y. S. Chakravarti, other Members of the Board and Key Managerial Personnel of the Company.
Remuneration received from the Company in the F.Y. 2021-22 and F.Y. 2022-23	<p>Total remuneration for F.Y. 2021-22 was Rs.1,36,37,016/-</p> <p>Total remuneration for the period from April 2022 to December 2022 was Rs.1,04,03,924/-</p>	<p>Since Mr. Y.S. Chakravarti was a Non-Executive Non Independent Director, no remuneration was paid to him in the F.Y. 2021-22.</p> <p>Remuneration for December 2022 was Rs.6,80,000/-</p>
Terms and conditions of appointment/ re-appointment alongwith details of remuneration sought to be paid	As set out at Item Nos. 3 and 4 in the resolution and Item Nos. 3 to 6 in the explanatory statement of this Notice	As set out at Item No. 5 in the resolution and Item Nos. 3 to 6 in the explanatory statement of this Notice
Number of Meetings of the Board attended during the F.Y. 2021-22 and F.Y. 2022-23	<p>Attended all meetings i.e. 10 out of 10 Meetings during the F.Y. 2021-22.</p> <p>Attended all meetings i.e. 8 out of 8 Meetings (from April 1, 2022 till the date of this Notice)</p>	<p>Attended all meetings from the date of appointment i.e. 2 out of 2 Meetings entitled to attend during the F.Y. 2021-22.</p> <p>Attended all meetings i.e. 8 out of 8 Meetings (from April 1, 2022 till the date of this Notice)</p>

Particulars	Mr. Parag Sharma
Date of Birth and Age	July 12, 1969 and 52 years
Directors Identification Number (DIN)	02916744
Date of first appointment on the Board	December 13, 2021
Nationality	Indian
Expertise in specific functional areas	As set out at Item Nos. 3 to 6 in the explanatory statement of this Notice
Profile of Director	As set out at Item Nos. 3 to 6 in the explanatory statement of this Notice
Qualification	Bachelor of Commerce and Grad CWA
Directorship held in other companies and Membership/ Chairmanship of Committees of such companies	NIL
Membership/ Chairmanship of Committees of such companies	Not Applicable
Name of listed entities from which the person has resigned in the past three years	NIL
Shareholdings in the Company, including shareholding as a beneficial owner	46,628 Equity Shares
Disclosure of relationships between Directors /Key Managerial Personnel inter-se.	There is no inter se relationship between Mr. Parag Sharma, other Members of the Board and Key Managerial Personnel of the Company.
Remuneration received from the Company in the F.Y. 2021-22 and F.Y. 2022-23	Total remuneration for F.Y. 2021-22 was Rs.72,36,154/- out of which Rs.24,34,983/- remuneration was paid for his appointment as Whole Time Director during the period December 13, 2021 to March 31, 2022 Total remuneration for the period from April 2022 to December 2022 was Rs.67,64,938/-
Terms and conditions of appointment/ re-appointment alongwith details of remuneration sought to be paid	As set out at Item No. 6 in the resolution and Item Nos. 3 to 6 in the explanatory statement of this Notice
Number of Meetings of the Board attended during the F.Y. 2021-22 and F.Y. 2022-23	Attended all meetings from the date of appointment i.e. 3 out of 3 Meetings entitled to attend during the F.Y. 2021-22. Attended all meetings i.e. 8 out of 8 Meetings (from April 1, 2022 till the date of this Notice)