

**NOTICE OF THE EXTRA-ORDINARY GENERAL MEETING OF THE SHAREHOLDERS**

NOTICE is hereby given that the Extra-Ordinary General Meeting of the shareholders of Sundaram Asset Management Company Limited will be held at shorter notice on **Wednesday, 13<sup>th</sup> December 2017 at 11.00 A.M** at the Corporate Office, II Floor, Sundaram Towers, 46, Whites Road, Royapettah, Chennai - 600 014 to transact the following business:

**SPECIAL BUSINESS:**

1. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 61 of the Companies Act, 2013 (hereinafter referred to as the Act), (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) the Authorised Share Capital of the Company be and is hereby increased from Rs.45,00,00,000/- (Rupees Forty Five Crores Only) to Rs.100,00,00,000/- (Rupees One Hundred Crores Only) and that it be reclassified as comprising 4,00,00,000 (Four Crore) Equity Shares of Rs.10/- (Rupees Ten Only) each and 60,00,000 (Sixty Lacs) Redeemable Cumulative Non-convertible Preference Shares of Rs.100/- (Rupees One Hundred Only) each by creation of additional 55,00,000 (Fifty Five Lacs) Redeemable Cumulative Non-convertible Preference Shares of Rs.100/- (Rupees One Hundred Only) each.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 13, and other applicable provisions, if any, of the Act, (including any statutory modification(s) and re-enactment(s) thereof for the time being in force),

Clause V of the Memorandum of Association be and is hereby altered by substituting in its place, the following new Clause V:

The Authorised Share Capital of the Company is Rs.100,00,00,000/- (Rupees One Hundred Crores only) divided into 4,00,00,000 (Four Crores) Equity Shares of Rs.10/- each and 60,00,000 (Sixty Lakhs) Redeemable Cumulative Non-convertible Preference Shares of Rs.100/- each.

The Company has power from time to time to increase or reduce its capital and to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions, as may be determined by or in accordance with Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions or restrictions in such manner as may for the time being permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 42, 55 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the Act), read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the rules/regulations/guidelines, if any, prescribed by the Ministry of Corporate Affairs, Government of India and/or any other regulatory authority, and subject to approval(s), consent(s), permission(s) and/or sanction(s), if any,

of appropriate authorities, institutions or bodies as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s) and/or sanction(s) and acceptable to the Board of Directors (hereinafter called "the Board") the Company be and is hereby authorised to create, offer, issue and allot, to one or more indian public companies, corporate bodies, individuals or otherwise, whether shareholders of the Company or not (including the Promoter and/or any entity in the Promoter Group) on a Private Placement basis not exceeding 60,00,000 (Sixty Lakhs) Redeemable Cumulative Non-Convertible Preference Shares (RCNCPS) of Rs.100/- (Rupees One Hundred Only) each at par, aggregating to Rs.60,00,00,000/- (Rupees Sixty Crores Only) in one or more tranches as the Board may deem appropriate in its absolute discretion on the following general terms:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Terms</b>
1.	Priority w.r.t. to Dividend or repayment of Capital vis-à-vis equity shares	RCNCPS holders shall be entitled to receive dividend (if any declared by the Company) or repayment of capital in priority to any payment of dividend or repayment of capital to the holders of any other class of shares.
2.	Participation in surplus funds/ assets and profits on winding up which may remain after the entire capital has been repaid	RCNCPS shall be non-participating and therefore, will not be entitled for participation in surplus funds / assets and profits on winding up which may remain after the entire capital has been repaid.
3.	Payment of Dividend	The Preference Dividend shall be cumulative.
4.	Conversion into Equity Shares.	RCNCPS shall be non-convertible.

5.	Voting Rights	The RCNCPS holders shall, by virtue of and in respect of its holding of RCNCPS, have the right to vote only on resolutions placed before the Company which directly affect the rights attached to its preference shares and, any resolution for the winding up of the Company or for the repayment or reduction of preference share capital.
6.	Redemption	RCNCPS shall be redeemed upon completion of a period of five (5) years from the date on which they are issued. The Company shall, however, have the right to redeem the RCNCPS before the due date with prior notice.

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

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

- a) to decide on the terms and conditions of the issue of RCNCPS, to finalise and issue the offer letter, to prescribe the form of application, to decide upon the form, timing of the offer/invitation, the dividend payable on RCNCPS, in the best interest of the Company;
- b) to identify such persons to whom the offer of the RCNCPS/ invitation to subscribe shall be made and to make such offer/ invitation to them;

- c) to settle any questions, difficulties or doubts that may arise in regard to the offer/invitation and allotment of the RCNCPS and utilization of the issue proceeds as it may in its absolute discretion deem fit;
- d) to delegate from time to time, all or any such powers conferred herein upon the Board of Directors with the right to sub-delegate further the same to any Committee thereof as permissible under the Act for allotting RCNCPS and / or any Director or Officers of the Company to file/ submit the documents as required under the various Acts / Regulations.
- e) to do all such acts, deeds, matters and things as the Board / Committee may at its sole discretion deem fit, necessary or desirable so as to give effect to the aforesaid resolution.”

**By Order of the Board**

**Date: 07-Dec-2017**  
**Place: Chennai**

**P Sundararajan**  
**Company Secretary**

**NOTE:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING WHICH IS CONVENED AT SHORTER NOTICE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxy forms should be lodged at the registered office of the company at least 48 hours before the date of the meeting.
3. The relative explanatory statement to notice pursuant to Section 102 of the Companies Act, 2013 in respect of the special business as set out in the notice is annexed hereto.

**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 1**

In order to meet the business expansion, it would be necessary to increase the authorized share capital of the Company. Hence, the Board of Directors proposes to increase the Authorised Share Capital of the Company to Rs.100,00,00,000/- (Rupees One Hundred Crores Only). Further Board also proposes that the authorized capital be reclassified as comprising 4,00,00,000 (Four Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 60,00,000 (Sixty Lacs) Redeemable Cumulative Non-convertible Preference Shares of Rs.100/- (Rupees One Hundred Only) each by creation of additional 55,00,000 (Fifty Five Lacs) Redeemable Cumulative Non-convertible Preference Shares of Rs.100/- (Rupees One Hundred Only) each.

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

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

### **INTEREST OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

#### **Item No. 2**

The company ranks 14<sup>th</sup> among mutual fund players in the industry out of 44 AMC's and commands a market share of 1.58% as of 30/09/2017. The company currently manages Asset of around Rs 40,000 Crs which has grown by 35% since Mar '17.

In order to meet the business expansion, it would be necessary to infuse additional capital in the Company. The Board proposes to issue Redeemable Cumulative Non-Convertible Preference Shares (RCNCPS) to the extent not exceeding Rs.60,00,00,000/- (Rupees Sixty Crores Only) by way of Private Placement, to meet the regulatory requirements.

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

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

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

**A.**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Terms</b>
1.	The size of the issue and number of Preference Shares to be issued and nominal value of each share	60,00,000 (Sixty Lakhs) Redeemable Cumulative Non- Convertible Preference Shares (RCNCPS) of Rs.100/- (Rupees One Hundred Only) each aggregating to Rs.60,00,00,000/- (Rupees Sixty Crores Only).
2.	Manner of Subscription	To be decided by the Board of Directors for each series
3.	Nature of Shares	Cumulative Non-convertible and Non-Participating Redeemable Cumulative Preference Shares
4.	Objective of the issue	In order to meet the business expansion and to adequately capitalise Sundaram Asset Management Singapore Pte Limited (Singapore Subsidiary) and proposed subsidiary consequent to spin off of AIF and PMS Divisions
5.	Manner of Issue of Shares	RCNCPS will be issued and offered on Private Placement basis in accordance with the



		provisions of Section 42 of the Companies Act, 2013 and Rules made thereunder.
6.	Price at which shares are proposed to be issued and justification for the same	<p>RCNCPS will be issued at par i.e. at Rs. 100/- (Rupees One Hundred Only) each.</p> <p>RCNCPS holders have only limited right with respect to dividend and repayment of capital paid up in event of winding up of the Company. Hence, the Board is of the opinion that the preference share capital cannot be equated with equity share capital. Therefore, the price of Rs.100/- per RCNCPS at which they are to be offered for subscription, being the face value thereof, is justified.</p>
7.	Basis on which the price has been arrived at	To be issued at par i.e. Rs. 100/- (Rupees One Hundred Only) per RCNCPS. M/s. Suri & Co., Chartered Accountants, Chennai vide their Certificate dated 7 <sup>th</sup> December 2017 have also given their justification for the price of RCNCPS.
8.	Terms of issue including terms and rate of dividend on each share	RCNCPS shall be non-convertible and will carry preferential (cumulative) right to dividend, at rate as may be decided by the Board of Directors.
9.	Terms of Redemption including the tenure of redemption, redemption of shares at premium and if the preference shares are	RCNCPS shall be redeemed at par upon the completion of five (5) years from the date on which they are issued. The Company shall, however, have the right to redeem the RCNCPS before the due date with prior notice.

	convertible, the terms of conversion	RCNCPS shall be non-convertible.
10.	Manner and mode of redemption	RCNCPS shall be redeemed at par upon the completion of five (5) years from the date on which they are issued out of profits available for distribution as dividend or out of proceeds of a fresh issue of shares made for the purpose of redemption.
11.	Expected dilution in equity capital upon conversion of preference share	Not applicable as RCNCPS shall be non-convertible.

**B. Current Shareholding Pattern (paid-up capital) of the Company:**

Class of equity shareholder	No. of Shares	Nominal Value per Share (in Rs.)	Amount (in Rs.)	% of Holding
<b>a) Promoters :</b>				
Indian:				
<b>Sundaram Finance Limited</b>	2,00,00,000 *	10	20,00,00,000	100
Total (a)	2,00,00,000	10	20,00,00,000	100
<b>b) Non Promoters :</b>				
Public Shareholding	Nil		Nil	
Total (b)	Nil		Nil	
<b>TOTAL (a+b)</b>	<b>2,00,00,000</b>	<b>10</b>	<b>20,00,00,000</b>	<b>100</b>

\* includes six equity shares held by nominees of Sundaram Finance Limited

It is accordingly proposed to obtain the approval of the shareholders to issue RCNCPS in one or more series as contemplated in the resolution set out above on such terms as decided by the Board and in the best interests of the Company.

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

#### **INTEREST OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

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

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

**By Order of the Board**

**Date: 07-Dec-2017**  
**Place: Chennai**

**P. Sundararajan**  
**Company Secretary**

**ROUTE MAP FOR THE VENUE OF THE MEETING**

