

August 08, 2018

To,
The Secretary,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code: 531359

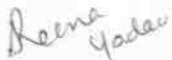
Dear Sir,

Ref: Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015: Annual Report of Shriram Asset Management Company Limited

As per the Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the 'Annual Report' for the financial year 2017-18 duly approved and adopted by the members at the Annual General Meeting held on August 07, 2018.

Thanking You,

Yours faithfully,
for Shriram Asset Management Company Limited



Reena Yadav
Company Secretary

Encl: As above

Shriram Asset Management Company Limited

SEBI Registration No. MF/017/94/4, CIN : L65991MH1994PLC079874

Mumbai Office : 208, Shiv Chambers, 'B' Wing, 2nd Floor, Sector 11, C. B. D. Belapur, Navi Mumbai-400 614

Phone : +91-22-27579301/7556, Fax : +91-22-27566634

Regd. Office : Wockhardt Towers, 2nd Floor, East Wing, C-2, G Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051

Admin. Head Office : CK-6, 2nd Floor, Sector-II, Salt Lake City, Kolkata-700 091, Phone : +91-33-23373012, Fax : +91-33-23373014

Email : srmf@shriramamc.com, Website : www.shriramamc.com



Nurturing Trust, Shaping Dreams

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

TWENTY FOURTH ANNUAL REPORT

2017-2018

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

| | |
|---|---|
| REGISTERED OFFICE: | WOCKHARDT TOWERS, 2ND FLOOR, EAST WING, C-2, G BLOCK, BANDRA KURLA COMPLEX, BANDRA (EAST), MUMBAI – 400 051. TEL.No.: +91-22-42410400 FAX: +91-22-27566634 |
| ADMINISTRATIVE HEAD OFFICE & CORRESPONDENCE: | CK-6, 2ND FLOOR, SECTOR II, SALT LAKE CITY, KOLKATA- 700 091 TEL. NO.: +91-33-23373012 TELEFAX NO.: +91-33-23373014 WEBSITE: www.shriramamc.com |
| BOARD OF DIRECTORS: | MR. PRABHAKAR KARANDIKAR - CHAIRMAN MR. AKHILESH KUMAR SINGH - MANAGING DIRECTOR MR. R. SUNDARA RAJAN MR. DHRUV MEHTA MR. ARINDOM MUKHERJEE MRS. JAYASHREE MAHESH MR. KSHITI RANJAN DAS MRS. CHANDRA IYENGAR |
| SENIOR FUND MANAGER: | MR. KARTIK SORAL |
| FUND MANAGER: | MRS. GARGI BHATTACHARYYA BANERJEE |
| CHIEF FINANCIAL OFFICER: | MRS. CHANDANA DUTT |
| COMPANY SECRETARY: | MRS. REENA YADAV |
| COMPLIANCE OFFICER FOR MUTUAL FUND: | MR. TANMOY SENGUPTA |
| AUDITORS: | M/S. G. D. APTE AND CO. CHARTERED ACCOUNTANTS, OFFICE NO.83-87, 8TH FLOOR, MITTAL TOWER, B- WING, NARIMAN POINT, MUMBAI-400 021 |
| REGISTRAR AND SHARE TRANSFER AGENTS: | PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED 9, SHIV SHAKTI INDUSTRIAL ESTATE, J.R.BORICHA MARG, MUMBAI – 400 011 TEL.NO.: +91-22-23016761 TELEFAX NO.: +91-22-23012517 |

INDEX OF ANNUAL REPORT 2017-2018

| SR. NO. | CONTENTS | PAGE NO. |
|----------------|--|-----------------|
| 1 | NOTICE | 1 |
| 2 | DIRECTORS' REPORT | 12 |
| 3 | ANNEXURES TO DIRECTORS' REPORT | 17 |
| 4 | MANAGEMENT DISCUSSION AND ANALYSIS REPORT | 22 |
| 5 | REPORT ON CORPORATE GOVERNANCE | 26 |
| 6 | AUDITORS' REPORT | 42 |
| 7 | BALANCE SHEET | 48 |
| 8 | STATEMENT OF PROFIT AND LOSS | 49 |
| 9 | CASH FLOW STATEMENT | 50 |
| 10 | NOTES TO FINANCIAL STATEMENTS | 51 |
| 11 | MAP OF LOCATION OF THE VENUE OF ANNUAL GENERAL MEETING | 64 |

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

CIN: L65991MH1994PLC079874

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Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

Tel.No.: +91-22-42410400 Fax: +91-22-27566634

Email ID: srmf@shriramamc.com Website: www.shriramamc.com

NOTICE

Notice is hereby given that the TWENTY FOURTH Annual General Meeting (AGM) of the Members of Shriram Asset Management Company Limited will be held at Hotel Parle International, Agarwal Market, Vile Parle (East), Mumbai-400 057 on Tuesday, August 07, 2018 at 2.30 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2018 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Dhruv Mehta (DIN 02083226) who retires by rotation and being eligible, offers himself for reappointment;
3. 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 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactments thereof for the time being in force) and pursuant to the approval of Members at the 23rd Annual General Meeting, the appointment of M/s. G. D. Apte and Co., Chartered Accountants, Mumbai (Firm Registration Number 100515W), as Statutory Auditors of the Company, be and is hereby ratified to hold office as such from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company, on such remuneration as may be decided by the Board of Directors of the Company.”

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 1956 (including any amendment(s) thereto or re-enactment(s) thereof for the time being in force), if any, the approval of the members of the Company be and is hereby accorded to the Board to (a) give any loan to any Body Corporate(s) / person(s) and (b) acquire by way of subscription, purchase or otherwise, securities of any Body Corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding ₹ 80,00,00,000/- (Rupees Eighty Crores Only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

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

RESOLVED FURTHER THAT for the purpose of giving effect to the above, Board and / or any Committee thereof be and is hereby empowered and authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

5. 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 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), (including any amendment(s) there to or re-enactment(s) thereof for the time being in force), read with Schedule V to the Act, the consent of the members of the Company be and is hereby accorded to the reappointment of Mr. Akhilesh Kumar Singh (DIN: 00421577) as Managing Director of the Company for a period of three years from February 14, 2018 to February 13, 2021 who 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 and he be paid the following remuneration by way of salary and other perquisites in accordance with Schedule V to the Act as approved by the Board and the Nomination and Remuneration Committee of the Board:

- 1) Salary- ₹ 1,76,000/- per month.
- 2) House Rent Allowance - ₹ 7,000/- per month
- 3) Other Allowances - ₹ 4,130/- per month
- 4) Perquisites:
 - (i) Medical reimbursement – Reimbursement of medical expenses for Managing Director and family subject to maximum of ₹ 15,000/- per annum.
 - (ii) Personal Accident/Group Insurance – The annual premium not to exceed ₹ 4,000/-.
 - (iii) Club fees – Subscription limited to a maximum of two clubs.
 - (iv) Contribution to Provident fund, Superannuation fund or Annuity fund- As per the rules of the Company. These will not be considered or included for the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - (v) Gratuity as per the rules of the Company.
 - (vi) Encashment of leave at the end of the tenure as per the rules of the Company.
 - (vii) Free telephone at residence.

The perquisites mentioned under (iv), (v) and (vi) above will not be considered or included for the computation of ceiling on perquisites.

- 5) Other applicable terms:
 - (i) The Managing Director shall not be paid any sitting fees for attending meetings of the Board or Committee of Directors and general meetings.
 - (ii) In the event of absence or inadequacy of profits in any financial year, the Managing Director will be paid the above remuneration as Minimum remuneration subject to overall ceiling laid down in Schedule V to the Act, or any modification thereof.
 - (iii) The Nomination and Remuneration Committee of the Board and the Board may revise the existing or allow any other facilities/perquisites, from time to time, within the overall ceiling.
 - (iv) The Managing Director is not liable to retirement by rotation.”

6. 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 188 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the Listing Regulations”) (including any amendment(s), modification(s), variation(s) or re-enactment(s) to any of the foregoing), and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, 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 be deemed to include any Committee of the Board), to ratify/approve all existing contracts/arrangements/ agreements/transactions

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

and to enter into new/further contracts/ arrangements/ agreements/ transactions (including any modifications, alterations, amendments or renewal thereto), in the ordinary course of business and on arm's length basis with Shriram Insight Share Brokers Limited ("SISBL") and Shriram Fortune Solutions Limited ("SFSL") being 'Related Parties' within the meaning of the Act and the Listing Regulations, as more particularly enumerated in the explanatory statement to the Notice and on such terms and conditions as may be agreed between the Company and SISBL and SFSL.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents and writings, on an ongoing basis, as may be necessary, proper or expedient for the purpose of giving effect to the above resolution."

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

Place: Chennai
Date: April 27, 2018

Reena Yadav
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY TO BE VALID MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FOR COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, August 02, 2018 to Tuesday, August 07, 2018 (both days inclusive).
4. Additional information pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter referred to as 'Listing Regulations' in respect of Directors seeking re-appointment at the AGM is furnished and forms a part of the Notice. The Directors have furnished the requisite consents / declarations for their re-appointment.
5. Members/ Proxies are requested to produce at the entrance, the attached admission slip for admission to the meeting hall. Duplicate admission slips will not be provided at the hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID nos. for easy identifications for attendance at the meeting.
6. In case of joint holders attending the meeting, only such joint holders who are higher in order of the names will be entitled to vote.
7. Members are requested to bring with them a copy of Annual Report dispatched to them by the Company.
8. Members are requested to notify change in address, if any, in case of shares held in electronic form to the concerned depository participants quoting their Client ID nos. and in case of physical shares, to the Registrar and Share Transfer Agents quoting their Folio Number.
9. Pursuant to Section 72 of the Companies Act, 2013, facility for making nominations in the prescribed Form SH-13 is available to the Members in respect of the shares held by them in physical form. Nomination forms can be obtained from the Registrar and Share Transfer Agents of the Company. Members holding shares in dematerialized form may approach their respective Depository Participants to avail and / or effect any change to the nomination facility.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

10. The Annual Report 2017-2018 of the Company circulated to the Members of the Company, will be made available on the Company's website at www.shriramamc.com and also on the website of Stock Exchange www.bseindia.com.
11. All documents referred to in the accompanying Notice and Statement setting out material facts are open for inspection at the Registered Office of the Company on all working days during working hours up to the date of the 24th AGM.
12. Shareholders seeking any information with regards to Accounts are requested to write to the Registered Office of the Company at least 15 days in advance so as to keep the information ready at the Meeting.
13. Members holding shares in physical form under multiple folios are requested to send Company's Registrar and Share Transfer Agent details of such folios together with the Share Certificate to consolidate their holdings in a single folio so as to enable us to serve them in a better, most efficient and effective manner. The Share Certificate will be returned to the Members after making the requisite changes, thereon.
14. SEBI has made it mandatory for every participant in the securities/capital market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details of PAN along with a photocopy of both sides of the PAN card, duly attested, to the Registrar and Share Transfer Agents of the Company i.e. Purva Shareregistry (India) Pvt. Ltd., Mumbai -400 011.
15. Shareholders are requested to update their email ids with Registrar and Share Transfer Agents.
16. Shareholders are requested to bring along their photo ID proofs for attending the AGM.
17. A route map showing directions to reach the venue of the 24th AGM is given at the end of the Annual Report as per the requirement of the Secretarial Standards-2 on "General Meeting".
18. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and sub clause (1) and (2) of Regulation 44 of Listing Regulations, the Company is pleased to provide members facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the AGM. The business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).

The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the AGM. The procedure for voting at the AGM will be explained at the time of the poll at the venue of the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Registrars as on the cut-off date shall be entitled to vote. If a person has ceased to be the member on the cut-off date, he/she shall not be entitled to vote. Such person should treat this notice for information purpose only.

The Company has appointed Mr. Suhas S. Ganpule, Practicing Company Secretary, as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The Scrutinizer shall submit his report to the Chairman or any person authorised by him in writing. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e. www.shriramamc.com and on the website of CDSL i.e. www.evotingindia.com after the declaration of the result by the Chairman or by the person authorised by him in this behalf. The results shall also be uploaded on the BSE Listing Portal.

It is hereby clarified that it is not mandatory for a member to vote using the remote e-voting facility, and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below:

The Procedure / Instructions to members for voting electronically are as under:

- (i) The voting period begins on Saturday, August 04, 2018 at 9.00 A.M. and ends on Monday, August 06, 2018 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

or in dematerialized form, as on the cut-off date i.e. Wednesday, August 01, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The Shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on “Shareholders”/ “Members”.
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | 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. <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 as mentioned in instruction (iv). |

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for “SHRIRAM ASSET MANAGEMENT COMPANY LIMITED”.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non - Individual Shareholders and Custodians:
- Non Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - 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.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

Place: Chennai
Date: April 27, 2018

Reena Yadav
Company Secretary

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

Item No. 4

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other body corporates or granting loans as and when required.

Pursuant to the provisions of Section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account.

Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained in the notice of the Annual General Meeting for an amount not exceeding ₹ 80,00,00,000/- (Rupees Eighty Crores Only) outstanding at any time notwithstanding that such investments and outstanding loans given or to be given are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

The Directors therefore, recommend the Special Resolution for approval of the shareholders.

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

The Board recommends the resolution set forth in Item No.4 for the approval of the Shareholders.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Item No. 5:

Mr. Akhilesh Kumar Singh was appointed as Managing Director of the Company for a period of 3 years commencing from February 14, 2015. Your Directors are desirous that his valuable services be continued to be utilised for the benefit of the Company.

Accordingly, on the recommendation of the Nomination and Remuneration Committee of the Board, the Board at its meeting held on January 31, 2018 has appointed Mr. Singh as the Managing Director of the Company for a further period of three years with effect from February 14, 2018 on remuneration, benefits, allowances and perquisites as set forth in the resolution No. 5.

The proposed remuneration is within the guidelines laid down in Schedule V to the Companies Act, 2013 ("the Act") and require the approval of Shareholders by way of Special Resolution.

As required under the provisions of Schedule V to the Act, the following information is provided:

| I GENERAL INFORMATION | | | | | |
|------------------------------|---|--|-------------------------|----------------|----------------|
| 1. | Nature of Industry | The Company is the Asset Management Company and Investment Manager of Shriram Mutual Fund. It is primarily engaged in the business of promoting, establishing and acting as managers, administrators and representatives of Shriram Mutual Fund under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996. | | | |
| 2. | Date or expected date of commencement of commercial production | The Company operates in the financial services sector and was incorporated on July 27, 1994 and obtained certificate of commencement on December 05, 1994. | | | |
| 3. | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable | | | |
| 4. | Financial performance based on given indicators | Particulars | Amount In Rupees | | |
| | | | 2017-18 | 2016-17 | 2015-16 |
| | | Total Revenue | 18,872,844 | 20,949,050 | 17,975,343 |
| | | Profit/(Loss) Before Income Tax | (19,825,973) | (6,978,995) | (11,453,549) |
| | | Tax Expenses | - | - | - |
| | | Tax Provision for Earlier Years | (302,769) | - | - |
| | | Net Profit/(Loss) After Tax | (20,128,742) | (6,978,995) | (11,453,549) |
| | | Net Worth | 522,019,465 | 192,148,207 | 199,127,202 |
| 5. | Foreign Investment or Collaborations | There is neither direct Foreign Investment in the Company nor any foreign collaboration. | | | |

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

| II | INFORMATION ABOUT APPOINTEE | |
|------------|---|---|
| 1. | Background Details | <p>Mr. Akhilesh Kumar Singh is a B.Tech from IIT (Kharagpur) and a PGDBM from IIM (Bangalore). He has a rich professional career of over 30 years out of which last 22 years have been in Financial Services sector.</p> <p>He has been associated with Shriram Group since 1994. During his association with the Group, he has handled responsibilities of Managing Directorship of Shriram City Union Limited and Shriram Insight Share Brokers Limited. Currently, he is the Managing Director of Shriram Asset Management Company Limited and Shriram Credit Company Limited.</p> <p>He is also on the Board of Shriram Insight Share Brokers Limited, Shriram Fortune Solutions Limited, Shriram Financial Products Solutions (Chennai) Private Limited, Shriram Wealth Advisors Limited and Insight Commodities and Futures Private Limited.</p> <p>He has ranging functional experience of setting up new business in a highly competitive environment.</p> <p>The Company derives a lot of benefit from his diverse professional expertise and experience at Board Level and as well as in operations of the Company.</p> |
| 2. | Past Remuneration | Same as proposed in the Resolution |
| 3. | Recognition or Awards | NIL |
| 4. | Job Profile and his sustainability | The role of Mr. Singh as Managing Director of the Company includes overall responsibility for the growth of business activity of the Company. He is also responsible for the overall affairs of the Company. He provides necessary strategic direction to all Functional Heads of the Company. |
| 5. | Remuneration Proposed | The remuneration proposed to be paid to Mr. Singh has been specified in the resolution. |
| 6. | Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person | The proposed remuneration is commensurate with the responsibilities of the appointee and is in line with the remuneration practices prevalent in the Industry. |
| 7. | Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any | Other than the proposed remuneration, Mr. Singh does not have any pecuniary relationship directly or indirectly with the Company. Mr. Singh is also not related to any other Director or any Managerial Personnel of the Company. |
| III | OTHER INFORMATION | |
| 1. | Reasons of loss or inadequate profits | The Company launched a Mutual Fund Scheme - Shriram Equity and Debt Opportunities Fund in November 2013. The AUM of the scheme as on March 31, 2018 is ₹ 42.73 Crores. Gestation period in the AMC business is long and break-even is expected over a period of atleast 5 years. Since the Company is still in gestation period, currently there is loss. |
| 2. | Steps taken or proposed to be taken for improvement | <p>Focused marketing efforts to increase reach of business and launch of new schemes.</p> <p>Setup of new office in Mumbai for Investment and Marketing. Strengthening of Investment team</p> <p>Approval from regulator to launch new scheme.</p> |
| 3. | Expected increase in productivity and profits in measurable terms | <ul style="list-style-type: none"> - Improvement in Scheme Performance - Bring more Distributors/IFA's to distribute our schemes for Business Generation - Launching of additional Schemes in next 3 Years - AUM growth through significant Net Inflow - Increase Branch Network and penetration |

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Mr. Singh satisfies the conditions laid down in Schedule V to the Act and also conditions set out under Sub-Section 3 of Section 196 of the Act for being appointed as the Managing Director of the Company. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Further information about Mr. Singh, in accordance with Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached elsewhere in the explanatory statement.

The Memorandum of terms and conditions of service of Mr. Singh as Managing Director of the Company will be available at the Registered Office of the Company on all working days during business hours.

No director, key managerial personnel or their relatives, except Mr. Singh, to whom the resolution relates, is interested or concerned, financial or otherwise in the resolution.

The Board recommends the resolution set forth in Item No.5 for the approval of the Shareholders.

Item No. 6:

Pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

However, pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), approval of the members through ordinary resolution is required for all material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a Financial Year exceed 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

All the Related Party Transactions entered into by the Company are on arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required.

The Company has existing arrangements with Shriram Insight Share Brokers Limited (SISBL) and Shriram Fortune Solutions Limited (SFSL), which is in the ordinary course of business and at arm's length basis. However, the estimated value of transaction from the current financial year onwards is likely to exceed 10% of the annual consolidated turnover of the Company, based on the audited financial statements for year ended March 31, 2018. Both the above entities are 'Related Party' as per definition under Section 2(76) of the Companies Act, 2013.

Approval of the shareholders is sought to ratify/approve all existing contracts/arrangements/ agreements/transactions with the aforesaid parties. Further, the approval is also sought to enable the Board for entering into new/further contracts/ arrangements/ agreements/ transactions (including any modifications, alterations, amendments or renewal thereto) with the aforesaid parties subject to the limits mentioned in the table below:

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

The particulars of the contract(s) / arrangement(s) are as under:

| Sr. No. | Name of the Related Party | Nature of Relationship | Duration of Contract / Arrangement | Salient Features of Contract / Arrangement | Date of Approval of the Board /Audit Committee | Value of Transaction for the year ended March 31, 2018 | Maximum Value/ limit of Contract/ Arrangement |
|---------|---|------------------------|------------------------------------|---|--|--|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1 | Shriram Insight Share Brokers Limited ("SISBL") | Fellow Subsidiary | 1 year | Rent Agreement CK - 5 | April 27, 2018 | ₹ 38,433/- per month | Amount Mentioned in Column No. 7 with maximum increase of 20% thereon |
| | | | 3 years | Rent Agreement-Turner Morrison Building | April 27, 2018 | ₹ 9,100/- per month | Amount Mentioned in Column No. 7 with maximum increase of 20% thereon |
| | | | 3 years | Infrastructure Sharing including telecommunication services | April 27, 2018 | ₹ 435,602/- per annum | Amount Mentioned in Column No. 7 with maximum increase of 20% thereon |
| | | | 5 Years | Brokerage and Distribution Commission | April 27, 2018 | ₹ 1,952,890/- | To be paid on the actual AUM generated by the entity, subject to the maximum limit specified under SEBI (Mutual Funds) Regulations, 1996 or any amendments thereof. |
| 2 | Shriram Fortune Solutions Limited ("SFSL") | Fellow Subsidiary | 5 years | Distribution Commission | April 27, 2018 | ₹ 166,813/- | To be paid on the actual AUM generated by the entity, subject to the maximum limit specified under SEBI (Mutual Funds) Regulations, 1996 or any amendments thereof. |

The transactions as described above are likely to exceed 10% of the Annual Consolidated Turnover as per last audited financial statements of the Company and may exceed the materiality threshold as prescribed under Regulation 23 of the Listing Regulations. Thus, these transactions would require the approval of the Members by way of Ordinary Resolution.

Regulation 23 (7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that the related parties shall abstain from voting on such resolutions, therefore, none of the Promoter Group entities holding share(s) will vote on the above Resolution.

None of the Directors and Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution, except Mr. Akhilesh Kumar Singh (Director in SISBL and SFSL).

The Board recommends the resolution as set out in Item No.6 of this Notice for your approval.

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

Place: Chennai
Date: April 27, 2018

Reena Yadav
Company Secretary

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:-

| | | |
|--|--|--|
| Name of the Director | Mr. Akhilesh Kumar Singh | Mr. Dhruv Mehta |
| Date of Birth | December 17, 1962 | July 26, 1961 |
| Date of Appointment | December 15, 2011 as Director and February 14, 2012 as Managing Director | March 01, 2015 |
| Qualifications | B. Tech (IIT Kharagpur) and PGDBM (IIM Bangalore) | A.C.A from The Institute of Chartered Accountants of India and AICWA from The Institute of Cost and Works Accountants of India. |
| Expertise in specific functional area | He has rich professional career of overall experience of 30 years out of which 22 years have been in the financial services sector. He has been associated with Shriram Group since 1994. During his association with the Group, he has handled responsibilities of Managing Directorship of Shriram City Union Limited and Shriram Insight Share Brokers Limited. Currently, he is the Managing Director of Shriram Asset Management Company Limited and Shriram Credit Company Limited. He has ranging functional experience of setting up new business in a highly competitive environment. | He has overall experience of 33 years in the field of finance and financial services and an independent financial advisor for over 14 years. |
| Directorships held in other companies | <ul style="list-style-type: none"> • Insight Commodities & Futures Private Limited • Shriram Credit Company Limited • Shriram Insight Share Brokers Limited • Shriram Wealth Advisors Limited • Shriram Financial Products Solutions (Chennai) Private Limited • Shriram Fortune Solutions Limited | <ul style="list-style-type: none"> • Malabar Capital Private Limited • Malabar Capital Advisors Private Limited • Shriram Wealth Advisors Limited • Foundation of Independent Financial Advisors • Institution of Mutual Fund Intermediaries. |
| Membership/ Chairmanship of Committees of other public companies (including only Audit Committee and Stakeholders Relationship Committee) | NIL | NIL |
| No. of Board Meetings attended during the last Financial Year 2017-2018 | 7 (Seven) | 6 (Six) |
| No. of shares held in the Company(#) | NIL | NIL |
| Relationship with other Directors and Key Managerial Personnel | Mr. Akhilesh Kumar Singh is not related to any Director and Key Managerial Personnel | Mr. Dhruv Mehta is not related to any Director and Key Managerial Personnel |

As on the date of Notice of AGM

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Twenty Fourth Annual Report and the Audited Statements of Accounts for the financial year ended March 31, 2018.

Financial Highlights:

| Particulars | Year Ended March 31, 2018 (₹) | Year Ended March 31, 2017 (₹) |
|---|--|--|
| Gross Income for the year | 18,872,844 | 20,949,050 |
| Total Expenditure before Depreciation and Tax | 38,462,976 | 27,596,316 |
| Profit /(Loss) before Depreciation and Tax | (19,590,132) | (6,647,266) |
| Less: Depreciation | 235,841 | 331,729 |
| Profit /(Loss) after Depreciation and Tax | (19,825,973) | (6,978,995) |
| Tax Provisions for Earlier Years | (302,769) | - |
| Balance brought forward from previous year | (47,851,793) | (40,872,798) |
| Profit /(Loss) available for Appropriation | (67,980,535) | (47,851,793) |
| Balance carried to Balance Sheet | (67,980,535) | (47,851,793) |

Dividend:

In the absence of profits, your Directors do not recommend payment of any dividend for the Financial Year 2017-2018.

State of Company's Affairs:

Some highlights of your Company's performance during the year under review are:

- The gross loss (before depreciation and tax) for the year was ₹ 19,590,132/- as against ₹ 6,647,266/- during the last year.
- Net loss after taxation for the year was ₹ 20,128,742/- as against ₹ 6,978,995/- in the last year.
- The total asset under management was ₹ 42.72 Crore as against ₹ 41.14 Crore in the last year.

The maiden scheme managed by your Company has delivered a return of 10.97% (at the end of March 2018) CAGR since inception accompanied by lower levels of volatility.

Mutual fund industry continued to support the market, infusing ₹ 1,37,624 crore into equities during FY18, which was more than double compared to ₹ 55,000 crore in FY17. The buoyancy of mutual fund investment can be gauged by the fact that mutual fund SIP accounts grew by 52% (70 lakh) to 2.05 crore in FY18. Meanwhile, the average monthly SIP contribution for the industry stood at ₹ 6,425 crore from 2.05 crore SIP accounts during the year. Better penetration into smaller towns and falling interest rate in bank FDs attracted more investors into mutual funds. As a result, asset base of the mutual fund industry surged to over ₹ 23 lakh crore in FY18. Overall addition in the last year was 32 lakh investors, while the total number of folios grew by 1.05 crore or 26% during the period.

In view of the strong potential of Indian equities and considering the prevailing market scenario, the Company is also in the process of finalizing and filing new schemes that have a complementary objective to our existing offering and address the need of lower risk adjusted stable returns from the idle funds of investors without compromising liquidity.

Nature of Business:

There was no change in the nature of the business.

Share Capital:

The total Paid up Share Capital as on March 31, 2018 was ₹ 55 Crores comprising of 60 Lakhs Equity Shares of ₹ 10/- each and 49 Lakhs Redeemable Non-Convertible Preference Shares of ₹ 100/- each.

Material Changes and Commitments:

No material changes or commitments affecting the financial position of the Company have taken place from March 31, 2018 till the date of this report.

Particulars of Loans, Guarantees or Investments:

The details of the Investments and loans covered under the provisions of Section 186 of the Act are given in the notes to the financial statements.

Cash Flow Statement:

The Cash Flow statement for the year 2017-2018 is attached to the Balance Sheet.

Directors:

The Board at its meeting held on January 31, 2018 re-appointed Mr. Akhilesh Kumar Singh as Managing Director not liable to retire by rotation for a period of three years effective February 14, 2018 subject to the approval of the Members.

In accordance with the provisions of the Act and in terms of the Memorandum and Articles of Association of the Company, Mr. Dhruv Mehta retires by rotation at the ensuing AGM and being eligible, offers himself for reappointment.

Necessary proposals for reappointment of the aforesaid Directors have been included in the notice convening the AGM and the respective Resolutions are recommended for your approval.

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Regulation 16 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter referred to as 'Listing Regulations'.

Profile of the Directors, as required under Regulation 36 of the Listing Regulations, are given in the Notice of the 24th Annual General Meeting.

Fixed Deposits:

During the year under report, your Company has not accepted any fixed deposits.

Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance and the Directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Policy on Directors' Appointment and Remuneration:

The Board has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company.

The key features of the policy are as follows:

1. Criteria for appointment and removal of Director, Key Managerial Personnel and Senior Management.
2. Criteria for performance evaluation.
3. Criteria for fixing the remuneration of Director, Key Managerial Personnel and Senior Management.

The details of this policy are explained in the Corporate Governance Report and are also available at www.shriramamc.com.

Meetings:

During the year 7 Board Meetings and 5 Audit Committee Meetings were convened and held. The details of the meetings are given in the Corporate Governance Report. The gap between the Meetings was within the period prescribed under the Act and as per Regulation 17(2) and 18 (2) of the Listing Regulations respectively.

Risk Management:

Pursuant to the requirement of Regulation 21 of the Listing Regulations, the Company has constituted Risk Management Committee. The Company has in place a Risk Management Policy, commensurate with its size of operations, which lays down a process for identification and mitigation of risks that could materially impact its performance.

Corporate Social Responsibility:

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Directors' Responsibility Statement:

Pursuant to the provisions of Section 134 (3) (c) of the Act, the Directors confirm that to the best of their knowledge and belief:

- a) In the preparation of Annual Accounts and Financial Statements for the year ended March 31, 2018, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;
- b) That such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the Loss of the Company for the year ended on that date;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Annual Accounts have been prepared on an ongoing concern basis;
- e) That they have laid down internal financial controls commensurate with the size of the Company and that such financial controls were adequate and were operating effectively;
- f) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Related Party Transactions:

All related party transactions of the Company are at arm's length basis and are in the ordinary course of business. None of the related party transactions entered into by the Company were in conflict with the Company's interest. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large. Member's approval for material Related Party Transaction, as defined under the Listing Regulations shall be obtained at the ensuing Annual General Meeting.

All Related Party Transactions are placed before the Audit Committee/Board, as applicable, for their approval. The particulars of contracts or arrangements with related parties in Form AOC -2 are annexed herewith as '**Annexure A**'.

Significant and Material Orders Passed by the Regulators or Courts or Tribunals:

During the year under report, there were no significant material orders passed by the Regulators/ Courts/ Tribunals impacting the going concern status and Company's operations in future.

Internal Financial Controls and their adequacy:

The Company has put in place adequate internal financial controls with reference to the Financial Statements commensurate with the size of the Company.

Disclosures:

Audit Committee:

The Audit Committee comprises of Mr. Prabhakar Karandikar (Independent Director) as Chairman, Mr. Arindom Mukherjee (Independent Director) as Member, Mrs. Jayashree Mahesh (Non-Independent Director) as Member and Mr. Kshiti Ranjan Das (Independent Director) as Member. All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism / Whistle Blower Policy:

As per the provisions of Section 177(9) of the Act, the Company is required to establish a Vigil Mechanism for Directors and employees to report genuine concerns. The Company has a Policy for Prevention, Detection and Investigation of Frauds and Protection of Whistleblower. The detail of the Vigil Mechanism is posted on the website of the Company i.e. www.shriramamc.com.

Establishment of Internal Complaints Committee:

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints of sexual harassment were received during the year.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Auditors and Auditor's Report:

Pursuant to provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. G. D. Apte and Co., (Firm Registration No. 100515W) Chartered Accountants, Mumbai were appointed as Statutory Auditors of the Company for a term of five years, to hold the office from the conclusion of 23rd Annual General Meeting held on August 10, 2017, until the conclusion of 28th Annual General Meeting, subject to ratification of their appointment at every subsequent Annual General Meeting.

A certificate from Statutory Auditors has been received to the effect that their appointment as Statutory Auditors of the Company, if ratified at ensuing Annual General Meeting, would be according to the terms and conditions prescribed under Section 139 of the Act and Rules framed there under.

A resolution seeking ratification of their appointment forms part of the Notice convening the 24th AGM and the same is recommended for your consideration and approval.

The Notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

No fraud has been reported by the Auditors to the Audit Committee or the Board.

Secretarial Audit:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Suhas S. Ganpule, Practising Company Secretary, Proprietor of M/s. SG & Associates, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "**Annexure B**". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Subsidiaries, Joint Ventures or Associate Companies:

During the year under report, there was no change in the associate company. The Company does not have any subsidiary or joint venture.

Corporate Governance:

The Report on Corporate Governance forms part of the Directors' Report and is annexed herewith.

As required by the Listing Regulations, Auditor's Report on Corporate Governance and a declaration by the Managing Director with regards to Code of Conduct are attached to the said Report.

The Management Discussion and Analysis is given as a separate statement forming part of the Annual Report.

As required under Listing Regulations, a detailed report on Corporate Governance along with the Certificate from the Company Auditor's confirming compliance forms an integral part of this Report and certificate duly signed by the Managing Director and Chief Financial Officer (CFO) on the Financial Statements of the Company for the year ended March 31, 2018 was submitted to the Board of Directors at their Meeting held on April 27, 2018. These certificates are attached to the Report on Corporate Governance.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:

1. Conservation of Energy

The Company has no activity involving Conservation of Energy.

2. Technology Absorption

The Company has no activity involving Technology Absorption.

3. Foreign Exchange earnings and outgo

The Company did not have any foreign exchange earnings or outgo during the year under review.

Extract of Annual Return:

The Annual Return in Form MGT 9 is available on the Company Website www.shriramamc.com.

Amount, if any, proposed to transfer to reserves:

The Company has made no transfers to reserves during FY 2017-2018.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Particulars of Employees:

During the year under report, your Company has not employed any person who was in receipt of remuneration in excess of the limits specified under Section 197 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The details required as per Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as “**Annexure C**”. As per the provisions of Section 136(1) of the Companies Act, 2013, the Annual Report excluding the information required as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 on employee’s particulars is being sent to the members which is, however, available for inspection at the Registered office of the Company during working hours of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining such information may write to the Company Secretary in this regard.

Acknowledgement:

The Board of Directors take this opportunity to express their sincere appreciation for the excellent support and co-operation received from the Securities and Exchange Board of India, Association of Mutual Funds of India, Stock Exchange Authorities, Auditors, Bankers, Distributors, other Service providers and Board of Trustees of Shriram Mutual Fund.

The Directors wish to place on record the continued enthusiasm, total commitment, dedication and efforts of the employees of the Company at all levels.

We are also deeply grateful to the Shareholders of the Company and also to the large body of investors of scheme of Shriram Mutual Fund for the continued confidence and the faith reposed in the Fund and look forward to their continued patronage.

By Order of the Board
For **Shriram Asset Management Company Limited**

Place: Chennai
Date: April 27, 2018

Prabhakar Karandikar
Chairman

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Annexure 'A' to Directors' Report

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2)
of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

- 1. Details of contracts or arrangements or transactions not at arm's length basis:** Not Applicable
- 2. Details of material contracts or arrangement or transactions at arm's length basis:**
 - (a) Name(s) of the related party and nature of relationship:
 - (1) Shriram Credit Company Limited (SCCL) - Holding Company
 - (2) Shriram Insight Share Brokers Limited (SISBL) - Fellow Subsidiary
 - (3) Shriram Fortune Solutions Limited (SFSL) - Fellow Subsidiary
 - (4) Shriram Ownership Trust (SOT) – Promoter Group
 - (b) Nature of contracts/arrangements/transactions:
 - (1) SCCL - Infrastructure Sharing
 - (2) SISBL - (i) Rental Agreement-
 - CK-5
 - Turner Morrison Building(ii) Infrastructure Sharing
 - (iii) Brokerage & Distribution Commission
 - (3) SFSL - Distribution Commission
 - (4) SOT - Royalty Expenses (artistic work on labels, letterhead, commercial literature, use of Intellectual Property)
 - (c) Duration of the contracts / arrangements/transactions:
 - (1) SCCL - Infrastructure Sharing - Duration - 3 Years
 - (2) SISBL- (i) Rental Agreement-
 - CK-5 - Duration - 1 Year
 - Turner Morrison Building - Duration - 3 Years(ii) Infrastructure Sharing - Duration - 3 Years
 - (iii) Brokerage & Distribution Commission - Duration - 5 Years
 - (3) SFSL - Distribution Commission - Duration - 5 Years
 - (4) SOT - Royalty Expenses (artistic work on labels, letterhead, commercial literature, use of Intellectual Property) - Duration - 5 Years
 - (d) The material terms of the contracts or arrangements including the value, if any:
 - (1) SCCL- Infrastructure Sharing - including telecommunication services- Reimbursement on basis of actual usage.
 - (2) SISBL - (i) Rental Agreement - ₹ 38433/- and ₹ 9100/- per month for CK-5 and Turner Morrison Building respectively.
 - (ii) Infrastructure sharing - Infrastructure sharing including telecommunication services- Reimbursement on basis of actual usage.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

- (iii) Brokerage & Distribution Commission - Broking and Distribution of the present and future schemes of Shriram Mutual Fund.
- (3) SFSL- Distrbution Commission - Distribution of the present and future schemes of Shriram Mutual Fund.
- (4) SOT - Royalty Expenses - 1% on the Total Income of the Licensee, subject to a limit of 5% on Profit before Tax and License Fee and subject to a minimum of ₹ 5 lacs, in a financial year, with effect from April 01, 2017.
- (e) Any advance paid or received for the contract or arrangement, if any:
- | | | |
|-----------|---|-----|
| (1) SCCL | - | NIL |
| (2) SISBL | - | NIL |
| (3) SFSL | - | NIL |
| (4) SOT | - | NIL |
- (f) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors:
- | | | |
|-----------|---|----|
| (1) SCCL | - | NA |
| (2) SISBL | - | NA |
| (3) SFSL | - | NA |
| (4) SOT | - | NA |
- (g) Any other information relevant or important for the Board to take a decision on the proposed transaction:
- | | | |
|-----------|---|----|
| (1) SCCL | - | NA |
| (2) SISBL | - | NA |
| (3) SFSL | - | NA |
| (4) SOT | - | NA |
- (h) Date(s) of approval by the Board, if any : January 31, 2018 and April 27, 2018
- (i) Amount paid as advances, if any : NIL

By Order of the Board
For **Shriram Asset Management Company Limited**

Place: Chennai
Date: April 27, 2018

Prabhakar Karandikar
Chairman

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Annexure 'B' to Directors' Report

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]
For the Financial Year ended March 31, 2018

To,
The Members,

Shriram Asset Management Company Limited,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shriram Asset Management Company Limited (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable during the year under review)
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - 1) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - 2) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - 3) The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
 - 4) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We further state that there were no events / actions in pursuance of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- 1) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- 2) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- 3) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- 4) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

- 5) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- 6) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined Compliance with the Applicable Clauses/Regulations of the following:

- Secretarial Standards Issued by the Institute of Company Secretaries of India

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were carried out unanimously by the members of the Board and the same were duly recorded in the minutes of the meeting of the Board of Directors.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has issued and allotted 35,00,000 (Thirty Five Lacs) 'Redeemable Non-Convertible Preference Shares' (RNCPS) of face value of ₹ 100/- (Rupees One Hundred Only) each aggregating to ₹ 35,00,00,000/- (Rupees Thirty Five Crores Only) on Private Placement basis.

We further report that during the audit period, there was no instances of:

- i. Public / Right/ Preferential issue of shares / debentures / sweat equity.
- ii. Redemption/ Buy-Back of securities.
- iii. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- iv. Merger / Amalgamation / Reconstruction etc.
- v. Foreign technical collaborations.

For **SG & Associates**

Suhas Ganpule
Proprietor

Practicing Company Secretaries
Membership No: 12122
C. P No: 5722

Place: Mumbai
Date: April 27, 2018

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Annexure 'C' to the Directors' Report

DISCLOSURE

[Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

| Sr. No. | Particulars | | | | Remarks |
|----------------|---|---|-------------------------|--|----------------|
| (i) | the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year: | | | | |
| | Sr. No. | Name of Director / Key Managerial Personnel | Designation | Ratio of remuneration of each Director to the median remuneration of the employees | |
| | 1. | Mr. Akhilesh Kumar Singh | Managing Director | 5.51:1 | |
| | 2. | Mrs. Reena Yadav | Company Secretary | 3.31:1 | |
| | 3. | Mrs. Chandana Dutt | Chief Financial Officer | 2.68:1 | |
| (ii) | the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; | | | | |
| | a) Managing Director | | | | 0.41% |
| | b) Chief Financial Officer | | | | 3.23% |
| | c) Company Secretary | | | | 17.70% |
| (iii) | the percentage increase in the median remuneration of employees in the financial year; | | | | 17.29% |
| (iv) | the number of permanent employees on the rolls of Company; | | | | 17 |
| (v) | average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | | | | |
| | a) Average % increase in Managerial personnel : | | | | 11.74% |
| | b) Average % increase in other personnel: | | | | 20.29% |
| (vi) | affirmation that the remuneration is as per the remuneration policy of the Company. | | | | Yes |

MANAGEMENT DISCUSSION AND ANALYSIS

The benchmark Nifty index rose 10.25% in FY 2018, a moderate growth compared to more than 18% growth in the previous year. The much awaited implementation of biggest tax reform in India, GST, is now a reality though the roadmap hasn't been quite smooth. On the positive side, the year also witnessed first upgrade by Moody's in over a decade. However, factors such as imposition of LTCG tax, rising bond yields, more-than-expected number of interest rate hikes in the US and emergence of trade war like situation resulted in the 8% drop in the equity market in the last two months of the fiscal.

Barring Pharma (down 19%) and PSU Banks (down 18%) all sectors were in the positive, the best performing being Realty (up 37%) benefitting from government's thrust on affordable housing. The Pharma sector has been witnessing several headwinds such as declining sales in the key US market, stringent US FDA quality norms putting some of the manufacturing facilities out of action. PSU Banks, already reeling under concerns of rising non-performing assets and lower credit growth came across the mega PNB fraud case which perhaps acted as a catalyst for investors to move to other safer places within the BFSI segment.

FII's pumped in ₹ 26,000 crores in Indian equities during FY 2018, well below ₹ 55,703 crores in the previous year because of discouraging corporate earnings, rising dollar and increasing geopolitical tension. However, huge inflow in equity mutual funds was the highlight of last fiscal year.

Investors pumped in a record ₹ 1.4 lakh crores in equity mutual funds in 2017-2018 on the back of low bank deposit rates and uncertain real estate environment. The strong inflows have pushed the asset base of equity MFs up 38% to ₹ 7.5 lakh crores.

The macro economic scenario has been stable though rise in crude prices can be a threat to inflation. Crude oil prices touched a high of around \$70 per barrel (Brent Crude), up from around \$45 in July 2017. This sharp rise in crude price has been a cause for concern as India imports around 70% of its crude oil requirement. Retail inflation eased to 4.44% in February 2018 compared to 5.1% in the previous month. The RBI lowered retail inflation target for 1HFY19 to 4.7-5.1% (previous estimate of 5.1-5.6%) on sharp moderation in food price rise and likelihood of a normal monsoon. In addition, stability in domestic currency and government's resolution to stick to the fiscal consolidation path are factors favoring the economy.

2018 is significant politically as five states are scheduled for polls with Karnataka to be the earliest (in May 2018) followed by Chattisgarh, Madhya Pradesh, Mizoram and Rajasthan; all in December.

We expect that India will continue to remain one of the leading investment destinations owing to its robust macroeconomic fundamentals. The initiatives taken by the government so far such as implementation of GST, financial inclusion of all and focus on infrastructure augurs well for long term prospects of the economy. GDP growth in 1HFY18 was languishing (1Q18 at 5.7% which is a 3-year low, 2Q18 GDP growth at 6.3%) due to de-stocking ahead of the implementation of GST and demonetization backed slowdown. However, second half of the year picked up with 7.2% GDP growth for the third quarter as the economy was on a recovery path post the impact of twin disruptions waned. In addition the Economic Survey 2018 has estimated that the Indian economy will grow by 7-7.5% in 2018-2019, thereby re-instating India as the world's fastest-growing major economy.

India's entry into the top 100 rankings on World Bank's Ease of Doing Business Index (from 130 in the previous year) has been helping build optimism in India's story and is consequently attracting more investors to the country. Implementation of GST is steadily taking Indian economy towards more formalization. Average monthly GST collection has stabilized in the range of ₹ 86,000 crores though lower than ₹ 90,000 crores collected in the first three months of implementation. However, implementation of e-way bill from April 1, 2018 is expected to boost GST collections going ahead.

Meanwhile, government's focus on infrastructure development also deserves special mention. The government in the Budget 2018 allocated a massive ₹ 5.97 lakh crores for infrastructure development. Under the ambitious 'Bharatmala' project 83,677 km of national highways are to be built by 2022 at a whopping investment of ₹ 6.92 lakh crores. During FY18, NHAI awarded 150 road projects comprising 7,400km and worth ₹ 1.2 trillion. All these measures will go a long way in steering ahead growth of Indian economy.

Mutual Fund Industry as it was in FY 2017-2018:

Mutual funds' assets base surged to over ₹ 23 lakh crore in 2017-2018, adding ₹ 4.75 lakh crore to the kitty.

Moreover, a sharp rise in systematic investment plans (SIPs) promoted more sustainable growth for the industry as more people moved away from the concept of large lump sum investments.

The industry has seen an overall addition of 32 lakh new investors over the last one year, while the total number of folios grew by 1.05 crore or 26 per cent during the period.

The SIP accounts grew by 70 lakh to 2.05 crore in the fiscal 2018. Besides, the average monthly SIP contribution for the industry stood at ₹ 6,425 crore from 2.05 crore SIP accounts during the year.

Mutual Fund Industry- Steps taken by the Regulators in FY 2017-2018:

There were some important changes in the regulation pertaining to the mutual fund industry during FY 2017-2018; the highlights of some of the changes are as given below:

- **Categorization and Rationalization of Mutual Fund Schemes:** The Board has issued circular requiring all Mutual Funds to clearly distinct their different schemes (existing as well as future) in terms of asset allocation, investment strategy etc. in order to bring in uniformity in the characteristics of similar type of schemes launched by different Mutual Funds.

The Schemes need to be broadly classified in the following groups:

- a. Equity Schemes
- b. Debt Schemes
- c. Hybrid Schemes
- d. Solution Oriented Schemes
- e. Other Schemes

Further, the details of the scheme categories under each of the aforesaid groups along with their characteristics and uniform description were also been given by the Board in a separate annexure to the said circular.

- **Benchmarking of Scheme's performance to Total Return Index:** With an objective to enable the investors to compare the performance of a scheme vis-à-vis an appropriate benchmark:
 - (a) Mutual Funds are now required to disclose the name(s) of benchmark index/indices with which the AMC and trustees would compare the performance of the scheme in scheme related documents.
 - (b) Selection of a benchmark for the scheme of a mutual fund shall be in alignment with the investment objective, asset allocation pattern and investment strategy of the scheme.
 - (c) The performance of the schemes of a mutual fund shall be benchmarked to the Total Return variant of the Index (TRI) chosen as a benchmark instead of benchmarking to the Price Return variant of an Index (PRI), the practice which presently most of the mutual fund follows to compare their schemes (other than debt mutual fund scheme)
 - (d) Mutual funds shall use a composite CAGR figure of the performance of the PRI benchmark (till the date from which TRI is available) and the TRI (subsequently) to compare the performance of their scheme in case TRI is not available for that particular period(s).
- **Review of additional expenses of up to 0.30% towards inflows from beyond top 15 cities (B15):** Earlier the Board had allowed additional TER to be charged up to 30 basis points on daily net assets of the scheme as per Regulation 52 of SEBI (Mutual Funds) Regulations, 1996, if the new inflows from beyond top 15 cities were at least (a) 30% of gross new inflows in the scheme or (b) 15% of the average assets under management (year to date) of the scheme, whichever is higher.

The additional TER for inflows from beyond top 15 cities (B15 cities) was allowed with an objective to increase penetration of mutual funds in B15 cities. Since more than five years have elapsed and on review, SEBI has now decided that the additional TER of upto 30 basis points would be allowed for inflows from beyond top 30 cities instead of beyond top 15 cities.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

- **Charging of additional expenses of upto 0.20% in terms of Regulation 52 (6A) (c) of SEBI (Mutual Funds) Regulations, 1996**
 1. Regulation 52 (6A) (c) of SEBI (Mutual Funds) Regulations, 1996, allowed an AMC to charge additional expenses, incurred towards different heads mentioned under Regulation 52 (2) and Regulation 52 (4), not exceeding 0.20 per cent of daily net assets of the scheme.
 2. In this respect, it is clarified that Mutual Fund schemes including close ended schemes, wherein exit load is not levied / not applicable, the AMCs shall not be eligible to charge the above mentioned additional expenses for such schemes.
 3. Further, existing Mutual Fund schemes including close ended schemes, wherein exit load is not levied / not applicable, shall discontinue, with immediate effect, the levy of above mentioned additional expenses, if any.
- **Total Expense Ratio – change and disclosure: SEBI has issued circular bringing the following changes**
 - (a) AMCs are now required to disclose on a daily basis, the TER of all schemes under a separate head - “Total Expense Ratio of Mutual Fund Schemes” on their website in downloadable spreadsheet format.
 - (b) Any change in the base TER (i.e. TER excluding additional expenses provided in Regulation 52(6A)(b) and 52(6A)(c) of SEBI (Mutual Funds) Regulations, 1996) in comparison to previous base TER charged to any scheme shall be communicated to investors of the scheme through notice via email or SMS at least three working days prior to effecting such change.

However, any decrease in TER due to decrease in applicable limits as prescribed in Regulation 52 (6) (i.e. due to increase in daily net assets of the scheme) would not require issuance of any prior notice to the investors. Further, such decrease in TER needs to be immediately communicated to investors of the scheme through email or SMS and uploaded on the website in terms of clause (a) above.

Further, the mutual fund is now required to update the current expense ratios on the website at least three working days (instead of 2 working days) prior to the effective date of the change. Additionally, AMCs shall provide the exact weblink of the heads under which TER is disclosed in their website.”

Performance of your Company:

The performance of the Company for year ended March 31, 2018 is given in brief below:-

| Particulars | Year Ended March 31, 2018 (₹) | Year Ended March 31, 2017 (₹) |
|---|-------------------------------------|-------------------------------------|
| Total Income | 18,872,844 | 20,949,050 |
| Total Expenditure | 38,698,817 | 27,928,045 |
| Profit Before Tax | (19,825,973) | (6,978,995) |
| Income Tax Provision For Earlier Years | 302,769 | - |
| Profit After Tax | (20,128,742) | (6,978,995) |
| Balance brought forward from previous year | (47,851,793) | (40,872,798) |
| Balance carried to Balance Sheet | (67,980,535) | (47,851,793) |

During the year 2017-2018, the Company's total income decreased by 9.91% to ₹ 18,872,844/- as compared to ₹ 20,949,050/- in 2016-2017. Consequently the Company's loss increased by 188.52% to ₹ 19,825,973/- in 2017-2018, as compared to ₹ 6,978,995/- in 2016-2017.

The above increase in total income in financial year 2016-2017 was mainly due to interest income of ₹ 1.07 crores (shown under the head other income) against pending arbitration tribunal award of BSE Limited which was finally disposed off during the previous financial year. During the year the Company also earned Management Fees from Shriram Mutual Fund amounting to ₹ 9,021,223/- (from April 2017 to March 2018).

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Performance of Maiden Scheme “Shriram Equity and Debt Opportunities Fund”

The performance of our maiden Scheme “Shriram Equity and Debt Opportunities Fund” as on March 31, 2018 is given below:

| Scheme | Returns for 3 years | Returns for 1 year | Returns since inception # |
|-----------------------|---------------------|--------------------|---------------------------|
| Regular Plan - Growth | 5.99 | 8.71 | 10.97 |
| Direct Plan-Growth | 6.66 | 9.40 | 11.63 |
| Benchmark Returns % @ | 7.59 | 9.76 | 12.29 |

Date of Inception/ Allotment November 29, 2013

@ Benchmark Index: 70% of Nifty Plus 30% CRISIL Composite Bond Fund Index. As per SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2018/04 dated January 04, 2018 in Benchmark Nifty value is taken as Total Return Index.

Above returns are compounded annualized (CAGR).

Past Performance may or may not be sustained in the future and may not necessarily provide a basis for comparison with other investments.

Risks and concern:

The Risk Management Manual sets out an enterprise wise risk management framework for Shriram Asset Management Company Limited and Shriram Mutual Fund. This Manual is intended to serve as a model, which will help the AMC and the Mutual Fund to monitor and mitigate the risks faced by the Company in the discharge of its business and also use risk management to increase value for investors.

Internal control system:

The Company has adequate system of internal controls commensurate with its size and level of operations to ensure that all assets of the Company are safeguarded and protected and that transaction of the Company are authorised, recorded and reported correctly, and also to ensure the efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these systems in line with the best available practices. The internal control system is supplemented by internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financials and all other records to prepare financial statements and other data. The Audit Committee of the Board reviews internal audit reports given along with management comments. The Audit Committee also monitors the implementation of suggestions given by the Committee.

Human Resources:

During the financial year ended March 31, 2018, the human resources aspects and built in Management Team of the Company remain unchanged.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2018

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is aimed at:

- (a) Enhancing long term shareholder value through
 - Assisting the top management in taking sound business decisions; and
 - Adopting and implementing prudent risk management techniques and thereby safeguarding the interest of shareholders, creditors, investors and employees at large.
- (b) Achieving transparency and professionalism in all decisions and activities of the Company.
- (c) Achieving excellence in Corporate Governance by
 - Conforming to the prevalent guidelines on Corporate Governance and excelling in, wherever possible.
 - Reviewing periodically the existing systems, procedures and controls for further improvements.

II. BOARD OF DIRECTORS

Composition

The Board of Directors of the Company consists of professionals from varied disciplines. The day-to-day management of the affairs of the Company is managed by the Managing Director, who functions under overall supervision, direction and control of the Board of Directors of the Company. The Board meets regularly to discuss, review and decide upon the matters such as policy formulation, setting up of goals and appraisal of management performances with the goals and control functions, etc. Some of the powers of the Board have also been delegated to Committee/s. The Board thus exercises effective control over the overall functioning of the Company with a view to enhance the shareholder value.

During the year under review, seven meetings of the Board of Directors were held on 02.05.2017, 08.07.2017, 10.08.2017, 31.10.2017, 16.11.2017, 28.12.2017 and 31.01.2018. The maximum gap between any two meetings was not more than one hundred and twenty days. The Twenty Third Annual General Meeting was held on August 10, 2017.

As mandated by Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 hereinafter called as "Listing Regulations", as on March 31, 2018, none of the Directors is a Member of more than ten Board level Committees and no such Director is a Chairman of more than five Committees of the Listed Companies in which he is a Director. The Directors have made the necessary disclosures regarding Committee positions.

There is no relationship between the Directors inter-se.

As of March 31, 2018, the Company's Board comprised of eight members. The Company has 7 Non-Executive Directors out of which 4 are Independent Directors. The Chairman of the Board is Non-Executive Director. The Managing Director is an Executive of the Company.

The agenda papers along with the explanatory notes for Board Meetings are sent in advance to the Directors. In some instances, documents are tabled at the meetings and presentations are also made by the respective executives on the matters related to them at the Board or Committee Meetings.

The information as specified in the Listing Regulations is made available to the Board, whenever applicable, for discussion and consideration.

The names and categories of Directors, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and number of memberships/chairmanships of Directors in other Boards and Board Committees are as follows:

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Composition of Board

| Name of the Director and Category of Directorship | No. of Board Meetings attended | Whether attended the last AGM | Total No. of other Directorships | Total No. of Memberships of the Committees of Board | | Total No. of Chairmanships of the Committees of Board | |
|---|--------------------------------|-------------------------------|----------------------------------|--|--------------------------------|---|----------------------------------|
| | | | | Membership in Audit / Stakeholders Relationship Committees | Membership in other Committees | Chairmanship in Audit/ Stakeholders Relationship Committees | Chairmanship in other Committees |
| Mr. Prabhakar Karandikar -Chairman Non Executive and Independent | 6 | YES | 9 | 8 | 8 | 1 | NIL |
| Mr. Akhilesh Kumar Singh- Executive and Non Independent | 7 | YES | 6 | NIL | 5 | NIL | NIL |
| Mr. R. Sundara Rajan - Non Executive and Non Independent | 5 | YES | 9 | 4 | 4 | 3 | 1 |
| Mr. Dhruv Mehta - Non Executive and Non Independent | 6 | YES | 6 | NIL | 1 | NIL | NIL |
| Mr. Arindom Mukherjee - Non Executive and Independent | 7 | YES | NIL | NIL | NIL | NIL | NIL |
| Mrs. Jayashree Mahesh -Non Executive and Non Independent | 5 | YES | NIL | NIL | NIL | NIL | NIL |
| Mr. Kshiti Ranjan Das - Non Executive and Independent | 7 | YES | 1 | NIL | NIL | NIL | NIL |
| Mr. Kalyanaraman Chandrachoodan (*) - Non Executive and Independent | 1 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Mrs. Chandra Iyengar -Non Executive and Independent | 5 | YES | 1 | NIL | NIL | NIL | NIL |

Notes:

1. While considering the total number of directorships, their directorships in private companies, Section 8 companies, if any, have been included and their directorship in the Company has been excluded.
2. The memberships and chairmanships of Directors in committees do not include their memberships and chairmanships in the Company.

(*) Mr. Kalyanaraman Chandrachoodan resigned as Director of the Company w.e.f. August 09, 2017.

Policy for prohibition of Insider Trading:

In compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has formulated Code of Practices and procedure for fair disclosure of unpublished price sensitive information. It allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits trading of Company's shares by the Directors, Designated Employees, Connected Persons and Trustees, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

III. COMMITTEES OF DIRECTORS

i) AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the Listing Regulations read with Section 177 of the Companies Act, 2013.

Terms of Reference

The terms of reference of the Audit Committee, inter alia includes:-

- Overseeing the financial reporting process.
- To ensure proper disclosure in the quarterly, half yearly and Annual Financial Statements.
- To recommend appointment, re-appointment of Auditors and the fixing of their remuneration. Approval of payment to Statutory Auditors for any other services rendered by them.
- Reviewing, with the management, the Annual Financial Statements before submission to the Board with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report to the shareholders in terms of clause (3) (c) of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications in the draft audit report.
- Reviewing, with the management, performance of Statutory and Internal Auditors, adequacies of internal control systems.
- Discussing with Internal Auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal examinations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussing with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- To discuss with management, the Internal Auditors and the Statutory Auditors the Company's major risk exposures and guidelines and policies to govern the processes by which risk assessment and risk management is undertaken by the Company, including discussing the Company's major financial risk exposures and steps taken by management to monitor and mitigate such exposures and from time to time conferring with another Committee/s of the Board about risk exposures and policies within the scope of such other Committee's oversight.
- To look into the reasons for substantial defaults in the payment to the shareholders (in case of non payment of declared dividends) and creditors, if any.
- To review the functioning of the Whistle Blower Mechanism.
- Review of half yearly and yearly financials of Mutual Fund Schemes.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Scrutiny of Inter-corporate Loans and Investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

The Audit Committee is vested with the necessary powers, as defined in its Charter, to achieve its objectives.

The Chairman of the Audit Committee was present at the 23rd Annual General Meeting held on August 10, 2017.

During the year under review, the Committee met five times on 02.05.2017, 10.08.2017, 31.10.2017, 28.12.2017 and 31.01.2018. The maximum gap between any two meetings was not more than one hundred and twenty days.

The necessary quorum was present for all the meetings.

Composition

| Name of the Member | Category | No. of Meetings Attended |
|-------------------------------------|-----------------------------------|--------------------------|
| Mr. Prabhakar Karandikar - Chairman | Non Executive and Independent | 5 |
| Mr. Arindom Mukherjee | Non Executive and Independent | 5 |
| Mrs. Jayashree Mahesh | Non Executive and Non Independent | 4 |
| Mr. Kshiti Ranjan Das (#) | Non Executive and Independent | 4 |
| Mr.Kalyanaraman Chandrachoodan (*) | Non Executive and Independent | 0 |

Note:

The Company Secretary acts as the Secretary for the Audit Committee. The Statutory Auditors and the Managing Director of the Company also attend and participate in the meetings of the Audit Committee.

(#) Mr. Kshiti Ranjan Das became Member w.e.f. May 02, 2017

(*) Mr. Kalyanaraman Chandrachoodan became Member w.e.f. May 02, 2017 and ceased to be Member w.e.f. August 09, 2017

ii) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with the Regulation 19 of the Listing Regulations read with Section 178 of the Companies Act, 2013.

Not less than one half of the Members of the Committee, including the Chairman are Independent Directors.

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee, inter alia includes:

Executive Remuneration

The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to determination on their behalf and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages and any compensation payment for the Managing Director/Whole-time Directors, Executive Directors, Key Managerial Personnel and Senior Management Personnel. The role of the Committee includes:

- Identifying persons who are qualified to become the Directors / hold other senior management position and formulating criteria for determining qualities / positive attributes of Independent Directors.
- Recommending to the Board and periodically reviewing Remuneration Policy.
- Formulation of criteria for evaluation of Independent Directors and the Board and devising Board diversity policy.
- Determine the Company's policy on specific remuneration packages for Whole-time Directors / Executive Directors, Key Managerial Personnel and Senior Management Personnel.
- To provide independent oversight of and to consult with Company management regarding the Company's compensation, bonus, pension and other benefit plans, policies and practices applicable to the Company's executive management.
- To develop guidelines for and annually review and approve (a) the annual basic salary, (b) the annual incentive and bonus, including the specific goals and amount.
- To review and approve (a) Employment Agreement and severance arrangement (b) any other benefits, compensation or arrangement for the Managing Director.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

During the year under review, the Committee met three times on 02.05.2017, 10.08.2017 and 31.01.2018.

The necessary quorum was present for the meeting.

Composition

| Name of the Member | Category | No. of Meetings Attended |
|----------------------------------|-----------------------------------|--------------------------|
| Mr. Arindom Mukherjee - Chairman | Non Executive and Independent | 3 |
| Mr. Prabhakar Karandikar | Non Executive and Independent | 3 |
| Mrs. Jayashree Mahesh | Non Executive and Non Independent | 2 |
| Mr. Kshiti Ranjan Das (#) | Non Executive and Independent | 2 |

(#) Mr. Kshiti Ranjan Das became member w.e.f. May 02, 2017.

Notes:

**Remuneration Policy of the Company
For Managing Director**

The appointment and remuneration of Managing Director is governed by the recommendation of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and Shareholders of the Company. The remuneration of the Managing Director comprises of salary, perquisites, allowance and contributions to provident fund, medical expenses, club fees and other retirement benefits as approved by the shareholders at the General Meetings. As per the Remuneration Policy the Committee shall take into consideration the experience, previous contributions, targets and market conditions while recommending the appointment and remuneration of the person as Managing Director.

For Non Executive Directors

Sitting Fees:

The Non- Executive Directors are compensated by way of sitting fees.

The Board of Directors at their Meeting held on August 10, 2017 revised the Sitting Fees payable to the Directors for attending Board Meetings.

The Sitting Fees payable to the Directors for attending Board as well as Committee Meetings is as under:

- a) Board Meeting - ₹ 20,000/-
- b) Audit Committee - ₹ 5,000/-
- c) Other Committees - ₹ 1,000/-

The details of sitting fees/remuneration paid to the Directors during the year 2017-2018, are as under:

| Sr. No. | Name of the Director | Sitting fees for attending Board Meeting (₹) | Salary, Perquisites (₹) | Commission (₹) | Total (₹) |
|---------|---|--|-------------------------|----------------|-----------|
| 1 | Mr. Prabhakar Karandikar- Chairman | 1,10,000 | NIL | NIL | 1,10,000 |
| 2 | Mr. Akhilesh Kumar Singh-Managing Director (**) | NIL | 25,36,008 | NIL | 25,36,008 |
| 3 | Mr. R. Sundara Rajan | NIL | NIL | NIL | NIL |
| 4 | Mr. Dhruv Mehta | 1,10,000 | NIL | NIL | 1,10,000 |
| 5 | Mr. Arindom Mukherjee | 1,20,000 | NIL | NIL | 1,20,000 |
| 6 | Mrs. Jayashree Mahesh | 1,00,000 | NIL | NIL | 1,00,000 |
| 7 | Mr. Kshiti Ranjan Das | 1,20,000 | NIL | NIL | 1,20,000 |
| 8 | Mr. Kalyanaraman Chandrachoodan (*) | 10,000 | NIL | NIL | 10,000 |
| 9 | Mrs. Chandra Iyengar | 90,000 | NIL | NIL | 90,000 |

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

(**) Mr. Akhilesh Kumar Singh was appointed as Managing Director for a period of 3 years with effect from February 14, 2018. His remuneration includes salary of ₹ 22,67,568/-, Perquisites of ₹ 15,000/- and contribution to Provident Fund of ₹ 2,53,440/-. The appointment may be terminated by giving three months notice in writing or salary in lieu thereof.

(*) Mr. Kalyanaraman Chandrachoodan resigned as Director of the Company w.e.f. August 09, 2017.

The Company does not have an ESOP Plan in operation.

Except the shares held, none of the Non-Executive Directors have any other pecuniary interest in the Company, as disclosed to us.

Details of Shares held by the Directors as on March 31, 2018 are as below:

| Name of the Director | Shareholdings |
|---|---------------|
| Mr. Prabhakar Karandikar - Chairman | NIL |
| Mr. Akhilesh Kumar Singh- Managing Director | NIL |
| Mr. R. Sundara Rajan | 9417 |
| Mr. Dhruv Mehta | NIL |
| Mr. Arindom Mukherjee | NIL |
| Mrs. Jayashree Mahesh | NIL |
| Mr. Kshiti Ranjan Das | NIL |
| Mrs. Chandra Iyengar | NIL |

The Company does not have any outstanding warrants.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning primarily covering the following:

1. Adequacy of the composition of the Board and its Committees.
2. Board culture.
3. Execution and performance of Specific duties
4. Attendance of Board Meetings and Board Committee Meetings
5. Quality of contribution to Board deliberations
6. Strategic perspectives or inputs regarding future growth of Company and its performance
7. Providing perspectives and feedback going beyond information provided by the management
8. Commitment to shareholder and other stakeholder interests.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman on parameters such as effectiveness of leadership, impartiality and ability to keep shareholders' interest in mind etc. and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

iii) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company is constituted in line with the Regulation 20 of the Listing Regulations read with Section 178 of the Companies Act, 2013.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

The Committee comprises of two Independent Director and two Non Independent Directors. Chairman of the Committee is Non-Executive Director.

Terms of reference

The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to attending to and redressal of the grievances of the shareholders and the investors of the Company.

The Committee in particular looks into:

- The Shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividends and matters related thereto.
- The matters that can facilitate better investor services and relations.
- Attending to investors' queries and complaints regarding transfer, annual reports etc.
- Attending to complaints of investors routed by SEBI/ Stock Exchange.

During the year under review, the Committee met four times on 02.05.2017, 10.08.2017, 30.10.2017 and 31.01.2018.

The necessary quorum was present for all the meetings.

Composition

| Name of the Member | Category | No. of Meetings Attended |
|---------------------------------|-----------------------------------|--------------------------|
| Mr. Arindom Mukherjee- Chairman | Non Executive and Independent | 4 |
| Mr. Dhruv Mehta | Non Executive and Non Independent | 3 |
| Mrs. Jayashree Mahesh | Non Executive and Non Independent | 3 |
| Mrs. Chandra Iyengar (@) | Non Executive and Independent | 3 |

(@) Mrs. Chandra Iyengar became Member w.e.f. May 02, 2017

Note:

The status of investor grievances is monitored by the Committee periodically and the minutes of the Committee are made available to the Board. The complaints received from the Shareholder, SEBI, Stock Exchange and others are reviewed and they are replied to by the Company/ Share Transfer Agents regularly. The status of the pending complaints as well as the system of redressal mechanism is reviewed by the Committee periodically.

No complaints were received during the year and there were no complaints pending for redressal at the beginning of the year 2017-2018.

Mrs. Reena Yadav, Company Secretary is the "Compliance Officer" of the Company and Mr. Tanmoy Sengupta is the "Compliance Officer" for Mutual Fund Schemes.

iv) RISK MANAGEMENT COMMITTEE

The Risk Management Committee is constituted in line with the Regulation 21 of Listing Regulations comprising of 3 Members.

The Risk Management Committee is inter-alia responsible for risk identification, evaluation and mitigation and control process for such risks, oversight the enterprise risk management system and internal control process; monitoring and reviewing risk management plan of the Company and reviewing the foreseeable trends that could significantly impact the Company's overall business objectives and mitigants thereof.

Composition

| Name of the Member | Category |
|-------------------------------------|----------------------------------|
| Mr. Akhilesh Kumar Singh – Chairman | Executive and Non Independent |
| Mr. Arindom Mukherjee | Non Executive and Independent |
| Mr. Tanmoy Sengupta | Compliance Officer (Mutual Fund) |

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

v) OPERATIONS COMMITTEE

Terms of reference

The Operations Committee has been formed to monitor and to ensure efficient and timely decisions required in the day to day management of the Company. The Committee meets regularly to discharge its functions.

During the year under review, the Committee met on 11.07.2017, 04.09.2017, 27.11.2017, 29.12.2017 and 05.03.2018

The necessary quorum was present for the meeting.

Composition

| Name of the Member | Category |
|-----------------------------------|----------------------------------|
| Mr. Akhilesh Kumar Singh-Chairman | Executive and Non Independent |
| Mr. Tanmoy Sengupta | Compliance Officer (Mutual Fund) |
| Mr. Rohit Kumar Chawda (\$) | Chief Operating Officer |

(\$) Mr. Rohit Kumar Chawda became Member w.e.f. May 02, 2017

vi) SECURITIES ISSUE COMMITTEE

Terms of reference

The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities in connection with the offer, invitation and allotment of Securities of the Company including deciding on the terms and conditions of the offer, invitation and allotment of securities, including the form, timing etc.

During the year under review, the Committee met on 01.01.2018.

The necessary quorum was present for the meeting.

Composition

| Name of the Member | Category | No. of Meetings Attended |
|-----------------------------------|-----------------------------------|--------------------------|
| Mr. Akhilesh Kumar Singh-Chairman | Executive and Non Independent | 0 |
| Mr. R. Sundara Rajan | Non Executive and Non Independent | 1 |
| Mr. Arindom Mukherjee | Non Executive and Independent | 1 |
| Mrs. Jayashree Mahesh | Non Executive and Non Independent | 1 |

vii) INTERNAL COMPLAINTS COMMITTEE

The Internal Complaints Committee as stipulated under Section 4 of CHAPTER II of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been constituted with object to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto.

During the year under review, the Committee met on 31.01.2018.

viii) OTHER COMMITTEES

Company also has other committees as Broker Empanelment Committee, Investment Committee, Valuation Committee and Risk Management Committee which have been formed as per Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

As required by Section 149(8) and Schedule IV of the Companies Act, 2013 and also by Regulation 25(3) of the Listing Regulations, the Independent Directors of the Company met on 31.01.2018.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

GENERAL BODY MEETINGS

Details of location and time of holding the last three AGMs:

| Year | AGM | Location | Date | Time |
|-----------|------------------|--|-----------------|-----------|
| 2014-2015 | 21 st | Hotel Parle International, Mumbai - 400 057 | August 13, 2015 | 2.30 P.M. |
| 2015-2016 | 22 nd | Hotel Parle International, Mumbai - 400 057 | August 09, 2016 | 2.30 P.M. |
| 2016-2017 | 23 rd | Hotel Parle International, Mumbai - 400 057 | August 10, 2017 | 3.00 P.M. |

- A) At 21st AGM held on August 13, 2015- following Special Resolutions were passed:
- 1) Alteration of Articles of Association of the Company pursuant to Section 14 of the Companies Act, 2013.
 - 2) Increase and Reclassification of the Authorised Share Capital of the Company and alteration of the Capital Clause of Memorandum of Association.
 - 3) Issue of Redeemable Non-Convertible Preference Shares on Private Placement basis upto an amount not exceeding ₹ 10,00,00,000/- (Rupees Ten Crores).
 - 4) Authority to Invest as per the provisions of Section 186 of the Companies Act, 2013.

The above Special resolutions were passed unanimously.

- B) At 22nd AGM held on August 09, 2016- No Special Resolution was passed.
- C) At 23rd AGM held on August 10, 2017- No Special Resolution was passed.
- D) Postal Ballot - During the year 2017-2018, one Postal Ballot was conducted as per Section 110 of the Companies Act, 2013.

Pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the following Resolutions were passed on December 28, 2017 by the Members by way of Postal Ballot:-

- 1) Special Resolution: Increase in the Authorized Share Capital of the Company and Amendment to the Memorandum of Association.
- 2) Special Resolution: Issue of Redeemable Non-Convertible Preference Shares (RNCPS)
- 3) Special Resolution: Authority to invest funds in excess of limit specified under Section 186 of the Companies Act, 2013.

Voting Pattern and Procedure for Postal Ballot:

1. Company at its meeting held on November 16, 2017, appointed Mr. Suhas S. Ganpule as the Scrutinizer for conducting the postal ballot voting process.
2. The Postal Ballot process was carried out in a fair and transparent manner. The postal ballot forms had been kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
3. All postal ballot forms received up to the close of working hours on December 27, 2017 the last date and time fixed by the Company for receipt of the forms, had been considered.
4. The Results of the Postal Ballot were announced on December 28, 2017 at the Registered Office of the Company as per the Scrutinizer's Report and was also placed on Company's website.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

| Promoter/ Public | No. of Shares held | No. of Votes Polled | % of Votes Polled on out stand ing shares | Resolution No.1 | | | | Resolution No.2 | | | | Resolution No.3 | | | |
|---|--------------------------|---------------------------|--|---------------------------------|----------------------------|--|---|---------------------------------|----------------------------|--|---|---------------------------------|----------------------------|--|---|
| | | | | No. of Votes in favour | No. of Votes against | % of Votes in favour on Votes Polled | % of Votes against Votes Polled | No. of Votes in favour | No. of Votes against | % of Votes in favour on Votes Polled | % of Votes against Votes Polled | No. of Votes in favour | No. of Votes against | % of Votes in favour on Votes Polled | % of Votes against Votes Polled |
| Promoter And Promoter Group | 4120010 | 4120010 | 100 | 4120010 | NIL | 100 | NIL | 4120010 | NIL | 100 | NIL | 4120010 | NIL | 100 | NIL |
| Public Institu- tional holders | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Public- Others | 1879990 | 119261 | 6.34 | 118506 | 755 | 99.37 | 0.63 | 117986 | 1275 | 98.93 | 1.07 | 118486 | 775 | 99.35 | 0.65 |
| Total | 6000000 | 4239271 | | 4238516 | 755 | 99.98 | 0.02 | 4237996 | 1275 | 99.97 | 0.03 | 4238496 | 775 | 99.98 | 0.02 |

All the Resolutions indicated above have been passed by the requisite majority.

At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

SUBSIDIARY COMPANY

The Company does not have any subsidiary.

DISCLOSURES

There are no materially significant related party transactions with the Company's Promoters, Directors, Key Managerial Personnel or their relatives, which may have potential conflict with the interest of the Company at large. The Company has framed policy on dealing with the related party transactions; the policy is available on the website of the Company i.e. www.shriramamc.com.

Disclosures on transactions with related parties as required under Indian Accounting Standard 18 have been incorporated in the Notes to Financial Statements.

There are no instances of non-compliance by the Company, penalties or strictures imposed on the Company by the Stock Exchange and SEBI, or any matter related to capital markets during the last three years.

Company has complied with all applicable mandatory requirements of the Listing Regulations.

The paid up equity share capital and net worth of the Company as on the last day of previous financial year i.e. March 31, 2017 does not exceed the threshold limit for compliance with Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Listing Regulations.

However, for better corporate governance the Company has adopted the following non-mandatory requirements of Listing Regulations:

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

| I. Compliance with non-mandatory requirements | |
|---|-----------------------------|
| Particulars | Regulation |
| Board of Directors | 17 (1) to (3) & (5) to (10) |
| Audit Committee | 18 |
| Nomination & Remuneration Committee | 19 (1), (2) & (4) |
| Stakeholder Relationship Committee | 20 |
| Risk Management Committee | 21 (1) to (4) |
| Vigil Mechanism | 22 |
| Related party Transactions | 23 (1) and (2) |
| Obligations with respect to Independent Directors | 25(1) to (4) & (6) |
| Obligations with respect to directors and senior management | 26 |
| Other Corporate Governance Requirements | 27 |
| II. Disclosure on website in terms of Listing Regulations | |
| Company has disseminated the information required under clauses (b) to (g) of sub-regulation (2) of Regulation 46 on its website. | |
| III. Compliance with Schedule V of the Listing Regulations | |
| Particulars | Paragraph |
| Corporate Governance Report | Para C |
| Declaration regarding compliance by board members and senior management personnel with the company's code of conduct | Para D |
| Auditors Certificate on Corporate Governance | Para E |

Disclosures with regards to compliances with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 have been given above.

The Company has adopted Code of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Regulation 26(3) of the Listing Regulations. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect signed by the Managing Director. Further, the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also posted on the website of the Company.

ADOPTION OF DISCRETIONARY REQUIREMENTS:

- A. **The Board:** The Company does not maintain separate office for Non- Executive Chairman however the expenses incurred by him in connection with the performance of his duties as Chairman are reimbursed.
- B. **Shareholders Rights:** The Quarterly financial results are published in the newspaper and not sent to individual shareholders on a half-yearly basis. Financial Results are also available on the website of the Company and of Stock Exchange where the Equity shares of the Company are listed.
- C. **Modified Opinion(s) in Audit Report:** There are no modified opinions in audit report.
- D. **Separate Posts of Chairman and CEO:** The Board of Directors of Shriram Asset Management Company Limited has a Non-executive Chairman (Independent Director) i.e. Mr. Prabhakar Karandikar and Mr. Akhilesh Kumar Singh is the Managing Director who also functions as Chief Executive Officer.
- E. **Reporting of Internal Auditor:** M/s. Datta Roy & Associates, Chartered Accountants, Kolkata, acts as the Internal Auditor of the Company pursuant to Section 138 of the Act read with the Companies (Accounts) Rules, 2014. The Internal Auditors directly present their report to the Audit Committee for its consideration.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Policy for Prevention, Detection and Investigation of Frauds and Protection of Whistleblowers (the Whistleblower Policy)/ Vigil Mechanism:

The Company is committed to provide an open, honest and transparent working environment and seeks to eliminate fraudulent activities in its operations. To maintain high level of legal, ethical and moral standards and to provide a gateway for employees to report unethical behaviour and actual or suspected frauds, the Company has adopted the Whistleblower Policy/ Vigil Mechanism in line with Regulation 22 of the Listing Regulations. No personnel have been denied access to the Audit Committee. The Whistleblower Policy/ Vigil Mechanism broadly cover a detailed process for reporting, handling and investigation of fraudulent activities and providing necessary protection to the employees who report such fraudulent activities / unethical behaviour.

CAPITAL AUDIT

As required under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 read with SEBI Circular No. D&CC/FITTC/Cir-16/2002 dated 31/12/2002 and SEBI Circular No. CIR/MRD/DP/30/2010, a Qualified Practicing Company Secretary carries out Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. This audit is carried out every quarter and the report thereon is submitted to the BSE Limited and to the Board of Directors.

RISK MANAGEMENT

The Company has in place a Risk Management Policy, commensurate with its size of operations, which lays down a process for identification and mitigation of risks that could materially impact its performance. The Audit Committee reviews the risk management and mitigation plan from time to time.

CERTIFICATION BY THE MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

Certification by the Managing Director & CEO and Chief Financial Officer (CFO) in their capacity as such is provided elsewhere in the Annual Report.

MEANS OF COMMUNICATION

All important information relating to the Company, its performance, shareholding pattern, business, quarterly results, other information as per the Listing Regulations, are regularly posted on Company's website and also forwarded to the stock exchange. The quarterly, half-yearly and annual financial results of the Company are published in one English (Free Press Journal, Mumbai) and in one Marathi newspaper (Navashakti, Mumbai). They are also available on the Company's Website: www.shriramamc.com and website of BSE Limited: www.bseindia.com.

GENERAL SHAREHOLDER INFORMATION

(As required by Regulation 34(3) of the Listing Regulations)

24th Annual General Meeting

| | |
|--|--|
| a. Date and Time | August 07, 2018 at 2.30 P.M. |
| b. Venue | Hotel Parle International, Agarwal Market, Vile Parle (East), Mumbai - 400 057 |
| c. Book Closure Date | From August 02, 2018 to August 07, 2018 (both days inclusive) |
| d. Dividend | The Board of Directors has not recommended any dividend for the year 2017-2018 |
| e. Name and Address of Stock Exchange where Company's shares are listed | BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 |
| f. Financial Calendar | 2018-2019 |
| Annual General Meeting | September 2019 |
| Unaudited results for the quarter ending June 30, 2018 | Last week of July 2018 |
| Unaudited results for the quarter/ half - year ending September 30, 2018 | Last week of October 2018 |

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

| | |
|--|---------------------------|
| Unaudited results for the quarter ending December 31, 2018 | Last week of January 2019 |
| Audited results for the year ending March 31, 2019 | May 2019 |
| g. Stock Code | |
| BSE Limited (BSE) | 531359 |
| Demat ISIN in NSDL & CDSL | INE777G01012 |

Payment of Listing Fees

The Company has paid the annual listing fees for the financial year 2018-2019 to the above stock exchange.

Custodial Fees to Depositories

The annual custodial fees for the financial year 2018-2019 has been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Management Discussion and Analysis Report is forming part of the Directors' Report.

h. Stock Market Data

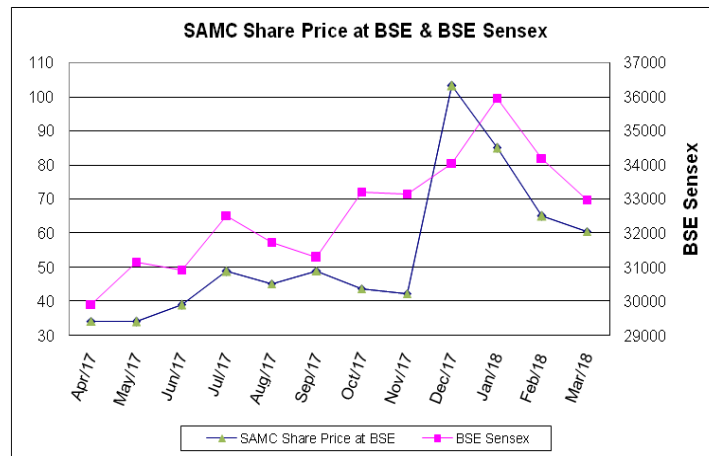
The high and low of the closing market price and volume of shares traded during each month of the financial year ended March 31, 2018 are given below:

BSE Limited

| Month | Share price | | Volume |
|--------------|-------------|---------|--------|
| | High (₹) | Low (₹) | |
| April-17 | 40.00 | 34.25 | 52560 |
| May-17 | 37.25 | 32.90 | 44996 |
| June-17 | 39.00 | 33.00 | 1792 |
| July-17 | 59.40 | 40.00 | 108358 |
| August -17 | 53.25 | 45.10 | 3495 |
| September-17 | 49.25 | 36.75 | 7317 |
| October-17 | 48.95 | 43.70 | 10832 |
| November-17 | 48.00 | 39.10 | 79606 |
| December-17 | 103.35 | 40.35 | 114465 |
| January-18 | 113.80 | 72.95 | 88126 |
| February -18 | 89.00 | 64.60 | 9398 |
| March-18 | 61.80 | 49.50 | 110895 |

i. SAMC Share Price performance in comparison to BSE Sensex

The Company's closing share price movement during the Financial Year 2017-2018 on BSE Sensex:



SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

j. Registrar and Share Transfer Agents

The Registrar and Share Transfer Agents of the Company are:
Purva Sharegistry (India) Private Limited
9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Mumbai - 400 011
Tel. No.: +91-22-23016761, Fax: +91-22-23012517

k. Share Transfer System

The authority to approve share transfers/transmissions has been delegated by the Board of Directors to the Registrar and Share Transfer Agents. Requests received for transfer of shares are processed within 30 days of receipt.

l. Distribution of Shareholdings as on March 31, 2018

| No. of Equity Shares | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|----------------------|---------------------|-------------------|--------------------|-------------------|
| Upto 500 | 689 | 66.00 | 134818 | 2.25 |
| 501-1000 | 198 | 18.97 | 174608 | 2.91 |
| 1001-2000 | 57 | 5.46 | 88177 | 1.47 |
| 2001-3000 | 24 | 2.30 | 59235 | 0.99 |
| 3001- 4000 | 7 | 0.67 | 26106 | 0.44 |
| 4001- 5000 | 11 | 1.05 | 50304 | 0.83 |
| 5001- 10000 | 31 | 2.96 | 227632 | 3.79 |
| 10001 and above | 27 | 2.59 | 5239120 | 87.32 |
| Total | 1044 | 100.00 | 6000000 | 100.00 |

m. Category of Shareholders as on March 31, 2018

| Category of Shareholders | No. of Shares held | % of Shareholding |
|------------------------------|--------------------|-------------------|
| Promoters and Promoter Group | 4120010 | 68.67 |
| Individuals | 1655521 | 27.59 |
| Bodies Corporate | 190391 | 3.17 |
| NRI | 1627 | 0.03 |
| HUF | 16147 | 0.27 |
| Clearing Members | 16304 | 0.27 |
| Total | 6000000 | 100 |

n. Dematerialisation of shares and liquidity

The Company's scrip forms part of the compulsory demat segment for all investors effective January 20, 2005. To facilitate investors in having an easy access to the demat system, the Company has signed up with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The connectivity has been established through Purva Sharegistry (India) Pvt. Ltd. As on March 31, 2018 total of 5695869 equity shares constituting 94.93% of the paid up capital, have been dematerialised.

The Company has not issued any GDRs/ADRs, warrants or other instruments which are pending for conversion.

o. Address for correspondence and Registered Office

Registered Office: Wockhardt Towers, 2nd Floor, East Wing, C-2, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. Tel. No.: +91-22-4241 0400.

Website: www.shriramamc.com, Email ID: srmf@shriramamc.com

CIN No.: L65991MH1994PLC079874

Administrative Head Office: CK-6, 2nd Floor, Sector II, Salt Lake City, Kolkata-700 091,

Tel. No.: +91 -33-2337 3012, Fax No.: +91-33-2337 3014.

E-mail ID for investor grievance: srmf@shriramamc.com

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

CEO (MANAGING DIRECTOR)

I, Akhilesh Kumar Singh, in my capacity as the Managing Director and, to the best of my knowledge and belief, certify that:

- a) I have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of my knowledge and belief;
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the Auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. That there are no significant changes in accounting policies during the year; and
 - iii. That there are no instances of significant fraud of which I have become aware.

Place: Chennai
Date: April 27, 2018

Akhilesh Kumar Singh
Managing Director

CHIEF FINANCIAL OFFICER

I, Chandana Dutt, in my capacity as the Chief Financial Officer, to the best of my knowledge and belief, certify that:

- a) I have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of my knowledge and belief;
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the Auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. That there are no significant changes in accounting policies during the year; and
 - iii. That there are no instances of significant fraud of which I have become aware.

Place: Kolkata
Date: April 27, 2018

Chandana Dutt
Chief Financial Officer

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2018.

Place: Chennai
Date: April 27, 2018

Akhilesh Kumar Singh
Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Shriram Asset Management Company Limited

We have examined the compliance of conditions of Corporate Governance by Shriram Asset Management Company Limited for the financial year ended March 31, 2018, as stipulated in provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For G. D. Apte & Co.
Chartered Accountants
(Firm Registration No. 100515W)

Place: Mumbai
Date: April 27, 2018

Chetan R. Sapre
(Partner)
(Membership No. 116952)

INDEPENDENT AUDITORS' REPORT

To,

The Members of Shriram Asset Management Company Limited

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Shriram Asset Management Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Accounts) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors' considered internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

- II. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Accounts) Rules, 2015;
 - e) On the basis of the written representations received from the directors as March 31, 2018 taken on the record by the Board of Directors, none of the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Separate Report in **Annexure B**; and
 - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigations which would impact its financial position. Disputes pending before various appellate authorities are disclosed in **Note No. 20**;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For G. D. Apte & Co.
Chartered Accountants
(Firm Registration No. 100515W)

Chetan R. Sapre
(Partner)
(Membership No.: 116952)

Place: Mumbai
Date: April 27, 2018

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

“ANNEXURE A” TO INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph I under ‘Report on Other Legal and Regulatory Requirements’ Section of our Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended March 31, 2018)

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As per the information and explanations given to us, the fixed assets have been physically verified by the management at reasonable intervals, which in our opinion is reasonable, having regard to the size of company and nature of its business.
- c) On the basis of our examination of the title deeds of immovable properties, the same are held in the name of the Company.
- (ii) The Company is a service company primarily rendering asset management, portfolio management and advisory services. Accordingly it does not hold any inventories. Thus paragraph 3 (ii) is not applicable.
- (iii) The Company has granted Short Term Loan to one of its Associate Company covered in the register maintained under Section 189 of the Act.
- a) The terms and conditions of the grant of such loans are prima facie not prejudicial to the company's interest.
- b) In the case of the loans granted, the terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Payment of interest has been stipulated, and the receipts thereof are regular.
- c) There are no overdue amounts for more than ninety days in respect of the loans granted.
- (iv) According to information and explanation given to us and in our opinion, the Company has advanced loans to the Directors/ to a Company in which the Directors are interested to which the provisions of Section 185 of the Act apply. The Company has complied with the provision of Section 186 to the extent applicable.
- (v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act, or any other relevant provisions of the Act, and the rules framed there under, are not applicable and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the Company, and therefore the provisions of clause (vi) of the order are not applicable to the company.
- (vii) a) According to records of the Company verified by us, we report that the Company is generally regular in payment of undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income tax, service tax, goods and services tax and other statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- b) I. According to the information and explanations given to us, there are no dues, of duty, of Customs and Excise, which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Income Tax have not been deposited by the Company on account of disputes.

| Nature of Dues | Year | Amount Involved (₹ in lacs) # | From where Dispute is pending |
|----------------|--------------|----------------------------------|----------------------------------|
| Income Tax | AY 2010-2011 | 19.59 | CIT (Appeal) |

Dues to the extent not deposited (Refer Note No. 20)

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

II. Company's appeal against disallowance made by CIT (A) of an amount of ₹ 27.10 lacs in respect of Assessment Year 2007-2008 has been allowed by ITAT in favor of the Company. No adjustment has been carried out in the books of account pending receipt of the Order from the Income Tax Department for giving effect to the ITAT Order.

- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) The Company did not raise any money by way of public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) In our opinion and according to the information and explanations given to us, no material fraud by the company, or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the said order is not applicable to the company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has issued 35,00,000 (6%) Preference Shares of ₹ 100/- each to its Holding and Associate Company, total amounting to ₹ 35,00,00,000/-, to comply with the SEBI Regulations. Out of which an amount of ₹ 20,00,00,000/- , are invested in the schemes of Mutual fund and balance ₹ 15,00,00,000/- are given as a 'Short Term Loan' to one of its Associate Company.
- (xv) The company has not entered into any non-cash transactions with the directors or persons connected with them and therefore the paragraph 3(xv) of the said order is not applicable to the company.
- (xvi) According to the information and explanation provided by the management, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For G. D. Apte & Co.
Chartered Accountants
(Firm Registration No. 100515W)

Place: Mumbai
Date: April 27, 2018

Chetan R. Sapre
(Partner)
(Membership No.: 116952)

ANNEXURE B- TO INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the standalone financial statements of Shriram Asset Management Company Ltd. ("the Company") as of and for the year ended March 31, 2018, we have audited the Internal Financial Controls over financial reporting of the Company as of that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G. D. Apte & Co.
Chartered Accountants
(Firm Registration No. 100515W)

Place: Mumbai
Date: April 27, 2018

Chetan R. Sapre
(Partner)
(Membership No.: 116952)

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

BALANCE SHEET AS AT MARCH 31, 2018

| PARTICULARS | Note No. | As at March 31, 2018 (₹) | As at March 31, 2017 (₹) |
|----------------------------------|----------|--------------------------------|--------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 550,000,000 | 200,000,000 |
| Reserves and Surplus | 3 | (27,980,535) | (7,851,793) |
| Non-Current Liabilities | | | |
| Long term liabilities | 4 | 117,059,026 | 105,334,730 |
| Long term provisions | 5 | 3,080,639 | 2,129,455 |
| Current Liabilities | | | |
| Current liabilities | 6 | 2,370,271 | 3,648,006 |
| Short-term provisions | 7 | 97,828 | 62,896 |
| Total | | 644,627,229 | 303,323,294 |
| II. ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 8 | 2,225,434 | 2,612,984 |
| Intangible assets | 8 | - | - |
| Non-current investments | 9 | 111,070,629 | 100,518,764 |
| Long term loans and advances | 10 | 961,885 | 301,885 |
| Current Assets | | | |
| Current investments | 11 | 368,067,549 | 188,258,466 |
| Cash and cash equivalents | 12 | 1,385,103 | 1,397,907 |
| Short-term loans and advances | 13 | 157,508,868 | 7,948,798 |
| Other current assets | 14 | 3,407,761 | 2,284,490 |
| Total | | 644,627,229 | 303,323,294 |

Summary of Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

FOR G. D. APTE & CO.

CHARTERED ACCOUNTANTS

FIRM REGISTRATION NO.100515W

FOR SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

AKHILESH KUMAR SINGH

MANAGING DIRECTOR

DIN No.00421577

R.SUNDARA RAJAN

DIRECTOR

DIN No.00498404

CHETAN R. SAPRE

PARTNER

MEMBERSHIP NO.116952

REENA YADAV

COMPANY SECRETARY

CHANDANA DUTT

CHIEF FINANCIAL OFFICER

Place : Mumbai

Date : April 27, 2018

Place : Chennai

Date : April 27, 2018

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

| PARTICULARS | Note No. | For the year ended March 31, 2018 (₹) | For the year ended March 31, 2017 (₹) |
|---|-----------------|--|--|
| I. Revenue from operations | 15 | 9,021,223 | 8,642,030 |
| II. Other income | 16 | 9,851,621 | 12,307,020 |
| III. Total Revenue (I +II) | | 18,872,844 | 20,949,050 |
| IV. Expenses: | | | |
| Employee benefit expense | 17 | 18,146,732 | 15,052,321 |
| Depreciation and amortization expense | 8 | 235,841 | 331,729 |
| Other expenses | 18 | 15,022,198 | 8,199,919 |
| Mutual fund expenses | 18 | 5,294,046 | 4,344,076 |
| Total Expenses | | 38,698,817 | 27,928,045 |
| V. Profit/(Loss) before tax (III - IV) | | (19,825,973) | (6,978,995) |
| VI. Tax expense: | | | |
| (1) Current tax | | - | - |
| (2) Deferred tax asset | | - | - |
| (3) Income Tax Provision For Earlier Years | | 302,769 | - |
| VII. Profit/(Loss) after tax (V-VI) | | (20,128,742) | (6,978,995) |
| VIII. Earning per equity share: | | | |
| (1) Basic | 25 | (3.35) | (1.16) |
| (2) Diluted | | (3.35) | (1.16) |

Summary of Significant Accounting Policies **1**

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

FOR G. D. APTE & CO.

CHARTERED ACCOUNTANTS

FIRM REGISTRATION NO.100515W

FOR SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

AKHILESH KUMAR SINGH

MANAGING DIRECTOR

DIN No.00421577

R.SUNDARA RAJAN

DIRECTOR

DIN No.00498404

CHETAN R. SAPRE

PARTNER

MEMBERSHIP NO.116952

REENA YADAV

COMPANY SECRETARY

CHANDANA DUTT

CHIEF FINANCIAL OFFICER

Place : Mumbai

Date : April 27, 2018

Place : Chennai

Date : April 27, 2018

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

| PARTICULARS | Year ended March 31, 2018 | | Year ended March 31, 2017 | |
|--|------------------------------|----------------------|------------------------------|---------------------|
| | (₹) | (₹) | (₹) | (₹) |
| Cash Flow From Operating Activities | | | | |
| Profit as per Profit and Loss Account | | (19,825,973) | | (6,978,995) |
| Depreciation | 235,841 | | 331,729 | |
| Interest Income | (29,618) | | (10,779,689) | |
| Capital Gain MF | (4,105,480) | | (1,174,498) | |
| Profit on Sale of Fixed Assets | (3,367,709) | | 23,243 | |
| Dividend Income | (3,000) | | (1,500) | |
| Operating Profit Before Change in Working Capital | | (7,269,966) | | (11,600,715) |
| Movement in Working Capital | | | | |
| Decrease / (Increase) in Loans and Advances | (150,220,070) | | (3,374,009) | |
| Decrease / (Increase) in Other Current Assets | (1,123,271) | | 6,695,802 | |
| Increase / (Decrease) in Liabilities | 10,446,561 | | 10,491,763 | |
| Increase / (Decrease) in Provisions | 307,022 | | 3,264,961 | |
| Net Change in Working Capital | | (140,589,758) | | 17,078,517 |
| Direct Taxes Paid | | 376,325 | | (3,187,971) |
| Net Cash From Operation | | (167,309,372) | | (4,689,165) |
| Cash Flow From Investing Activities | | | | |
| Purchase of Fixed Assets | (280,582) | | - | |
| Net purchase of Investment | (186,255,468) | | (6,473,162) | |
| Sale of Fixed Assets | 3,800,000 | | - | |
| Interest Received | 29,618 | | 10,779,689 | |
| Dividend Received | 3,000 | | 1,500 | |
| Net Cash From Investment Activities | | (182,703,432) | | 4,308,028 |
| Cash Flow From Financing Activities | | | | |
| Issue of Preference Share | 350,000,000 | | - | - |
| Net Cash from Financing Activities | | 350,000,000 | | - |
| Net Change in Cash Balance | | (12,804) | | (381,136) |
| Opening Cash & Cash Equivalents | | 1,397,907 | | 1,779,043 |
| Closing Cash & Cash Equivalents | | 1,385,103 | | 1,397,907 |

As per our report of even date attached
FOR G. D. APTE & CO.
 CHARTERED ACCOUNTANTS
 FIRM REGISTRATION NO.100515W

FOR SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

AKHILESH KUMAR SINGH
 MANAGING DIRECTOR
 DIN No.00421577

R.SUNDARA RAJAN
 DIRECTOR
 DIN No.00498404

CHETAN R. SAPRE
 PARTNER
 MEMBERSHIP NO.116952

REENA YADAV
 COMPANY SECRETARY

CHANDANA DUTT
 CHIEF FINANCIAL OFFICER

Place : Mumbai
 Date : April 27, 2018

Place : Chennai
 Date : April 27, 2018

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

A. Corporate Information

Shriram Asset Management Company Limited ('the Company') was incorporated under the Companies Act, 1956 on 27th July, 1994 and received the Certificate of Commencement of Business on 5th December, 1994. The Company received permission from Securities and Exchange Board of India (SEBI) to act as the Asset Management Company of Shriram Mutual Fund on 21st November, 1994 vide registration no. MF/017/94/4.

B. Basis of Preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounts) Rule, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

NOTE NO.1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

1.2 Property, Plant and Equipment / Intangible Fixed Assets, Depreciation/ Amortisation and Impairment

Property, Plant and Equipment

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on Property, Plant and Equipment

Depreciation is provided on Written Down Value (WDV), at the rates prescribed in Schedule II of the Companies Act 2013. Additions during the year are being depreciated on a pro-rata basis from the date on which the asset was put to use. Similarly where any asset has been sold, discarded, demolished or destroyed, the depreciation on such asset is calculated on pro-rata basis up to the date, on which such asset has been sold, discarded, demolished or destroyed.

Intangible Fixed Assets

Intangible assets (herein being software) are stated at cost less amortizations & impairment losses if any. Cost of internally generated Software includes purchase price of materials and other expenses directly attributable and also other cost allocable on a reasonable and consistent basis for creating, producing and making the software ready for its intended use have been considered as per Accounting Standard 26 issued by ICAI.

Amortization of Intangible Assets

Since the pattern of future economic benefit cannot be estimated reliably, the software shall be amortized over a period of five years on straight line method. Considering the level of technological changes in software, the management has ascertained the useful life of the software to be five years

1.3 Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investment are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried in the financial statement at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd.)

1.4. Retirement and other Employee Benefits

Provident Fund

All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future Provident Fund benefits other than its annual contribution and recognizes such contributions as an expense in the year it is incurred.

Gratuity

The Company provides for the gratuity, a defined unfunded benefit retirement plan covering all employees. The plan provides for lump sum payments to employees at retirement, death while in employment or on termination of employment. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out annually for assessing liability as at the balance sheet date.

Leave Encashment

Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method carried out annually for assessing liability as at the balance sheet date.

1.5 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i. Management Fees are recognized on accrual basis at specific rates, applied on daily net assets of the scheme. The fees charged are in accordance with the terms of Scheme Information Documents of the scheme and are in line with provisions of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.
- ii. Dividend income is recognized when the right to receive dividend is established.
- iii. Interest income is recognized on a time proportion basis, taking into account the amount outstanding and the rates applicable.

1.6 Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

1.7 Provisions

A provision is recognized when the company has a present obligation as a result of past event; it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

1.8 Cash and Cash Equivalents

Cash and Cash Equivalents in the cash flow statement comprise cash at bank and in hand.

1.9 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

1.10 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd.)

| | March 31, 2018 (₹) | March 31, 2017 (₹) |
|--|-----------------------|-----------------------|
| 2 SHARE CAPITAL | | |
| 2.1) Authorised Shares | | |
| 90,00,000 (P.Y. 90,00,000) Equity Shares of ₹ 10/- each | 90,000,000 | 90,000,000 |
| 16,00,000 (P.Y. 16,00,000) Preference Shares of ₹ 100/- each | 510,000,000 | 160,000,000 |
| Total | 600,000,000 | 250,000,000 |

2.2) Issued, subscribed and fully paid-up shares

| | | |
|--|--------------------|--------------------|
| 60,00,000 (P.Y. 60,00,000) Equity Shares of ₹ 10/- each * | 60,000,000 | 60,000,000 |
| 14,00,000 (P.Y. 14,00,000) (0.01%) Preference Shares of ₹ 100/- each | 140,000,000 | 140,000,000 |
| 35,00,000 (P.Y. NIL) (6%) Preference Shares of ₹ 100/- each | 350,000,000 | - |
| Total | 550,000,000 | 200,000,000 |

* Note : Shriram Credit Company Limited (Holding Company) holds 68.67%

2.3) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

| | March 31, 2018 | | March 31, 2017 | |
|---|------------------|-------------------|------------------|-------------------|
| Equity Shares | Quantity | (₹) | Quantity | (₹) |
| At the beginning of the year | 6,000,000 | 60,000,000 | 6,000,000 | 60,000,000 |
| Outstanding at the end of the year | 6,000,000 | 60,000,000 | 6,000,000 | 60,000,000 |

2.4) Preference Shares

A) 14,00,000 (P.Y. 14,00,000) 0.01% Redeemable Non Convertible Preference Shares of ₹ 100/- each.

| | March 31, 2018 | | March 31, 2017 | |
|---|------------------|--------------------|------------------|--------------------|
| | Quantity | (₹) | Quantity | (₹) |
| At the beginning of the year | 1,400,000 | 140,000,000 | 1,400,000 | 140,000,000 |
| Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 1,400,000 | 140,000,000 | 1,400,000 | 140,000,000 |

B) 35,00,000 (P.Y. NIL) 6% Redeemable Non Convertible Preference Shares of ₹ 100/- each

| | March 31, 2018 | | March 31, 2017 | |
|---|------------------|--------------------|----------------|----------|
| | Quantity | (₹) | Quantity | (₹) |
| At the beginning of the year | - | - | - | - |
| Issued during the year | 3,500,000 | 350,000,000 | - | - |
| Outstanding at the end of the year | 3,500,000 | 350,000,000 | - | - |

2.5) Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. Dividend, as and when recommended by the Board of Directors, is subject to approval of the shareholders in their Annual General Meeting. The Directors have not recommended any dividend for the year ended March 31, 2018.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd.)

2.6) Terms/rights attached to Redeemable Non Convertible Preference Shares (RNCPS)

- a) During the financial year 2017-18 the Company issued 3500000 (Thirty Five Lakhs) (6%) RNCPS of ₹ 100/-each fully paid up, over and above 1400000 (Fourteen lakh) (0.01%) issued in earlier Financial Years, taking the total amount of RNCPS to ₹ 49,00,00,000/-.
- b) These RNCPS carry non cumulative dividend @ 0.01% and 6% p.a. Each holder of RNCPS is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to RNCPS. The RNCPS shall be redeemed by the Company at par on expiry of five years/ten years from the date of allotment /issue of Preference Shares as per norms attached with the issue.
- c) The Company shall, however, has the right to redeem the RNCPS before the due date.
- d) Subject to the applicable laws, and the approvals/consents as may be necessary or required, the date of redemption of RNCPS can be extended for such further term as may be mutually agreed to between the Company and the holder of RNCPS.
- e) During the year no provision has been made for dividend on Preference Shares on account of the loss for the year and carry forward losses.

2.7) Details of shareholders holding more than 5% equity shares in the Company

| | March 31, 2018 | | March 31, 2017 | |
|---|----------------|---------------------------|----------------|---------------------------|
| | Quantity | % holding in the class | Quantity | % holding in the class |
| Equity share of ₹ 10/- each fully paid | | | | |
| Shriram Credit Company Limited | 4,120,010 | 68.67% | 4,120,010 | 68.67% |

2.8) Details of shareholders holding more than 5% preference shares in the Company

Redeemable Non Convertible Preference Shares of ₹ 100/- each fully paid

| | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Shriram Credit Company Limited | 2,800,000 | 800,000 |
| Shriram Insight Share Brokers Limited | 600,000 | 600,000 |
| Shriram Financial Products Solutions (Chennai) Private Limited | 1,500,000 | - |

3 RESERVES AND SURPLUS

3.1) Capital Redemption Reserve

(Deficit) in the Statement of Profit and Loss

| | March 31, 2018 (₹) | March 31, 2017 (₹) |
|---|-----------------------|-----------------------|
| Balance as per last financial statements | (47,851,793) | (40,872,798) |
| Profit/(Loss) for the year ended | (20,128,742) | (6,978,995) |
| Net deficit in the Statement of profit and loss | (67,980,535) | (47,851,793) |
| Total | (27,980,535) | (7,851,793) |

4 LONG TERM LIABILITIES

Payable to the rightful owner (Original amount due)
(Note no. 4.1)

Add: Contingency provision for interest payable to the rightful
owner (Net of Tax)

| | | |
|--------------|--------------------|--------------------|
| | 22,785,000 | 22,785,000 |
| | 94,274,026 | 82,549,730 |
| Total | 117,059,026 | 105,334,730 |

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd.)

4.1) An amount of ₹ 22,785,000/- representing disputed redemption money on 35,00,000 units of "Risk Guardian 95" is held by the Company in trust to be paid to the rightful owner when the dispute is settled by the appropriate court/ forum. This amount has been deployed in subordinated bond and along with interest accrued thereon, the present value of which is ₹ 11,70,59,026/- (inclusive of tax of ₹ 11,122,842/- for the period from 2001-02 to 2010-11). The disputed amount of ₹ 22,785,000/- along with interest accrued thereon has been recognised in the accounts as payable to the rightful owner.

| | March 31, 2018 (₹) | March 31, 2017 (₹) |
|--|---|---|
| 5 LONG TERM PROVISIONS | | |
| Provision for gratuity | 1,912,229 | 1,545,649 |
| Provision for leave benefit | 1,168,410 | 583,806 |
| Total | 3,080,639 | 2,129,455 |
| Disclosure as per revised Accounting Standard (AS 15) | | |
| | Gratuity non-funded - As at March 31, 2018 | Gratuity non-funded - As at March 31, 2017 |
| I. Table showing change in benefit obligation | | |
| Liability at the beginning of the current period | 1,590,747 | 1,543,978 |
| Current service cost | 118,433 | 105,618 |
| Interest cost | 115,965 | 122,901 |
| Past service cost (Vested benefits) recognised during the period | 284,006 | - |
| Benefits Paid Directly by the Employer | (75,923) | (190,731) |
| Actuarial (gain)/loss on obligations | (60,841) | 8,981 |
| Liability at the end of the current period | 1,972,387 | 1,590,747 |
| II. Table of recognition of transitional liability | | |
| Unrecognised transitional liability at the start of the period | - | - |
| Transitional liability recognised during the period | - | - |
| Unrecognised transitional liability at the end of the period | - | - |
| III. Amount recognised in the Balance Sheet | | |
| (Present Value of Benefit Obligation at the end of the Period) | (1,972,387) | (1,590,747) |
| Fair value of plan assets at the end of the period | - | - |
| Funded Status (Surplus/ (Deficit)) | (1,972,387) | (1,590,747) |
| Unrecognised past service cost at the end of the period | - | - |
| Net amount recognised in the Balance Sheet | (1,972,387) | (1,590,747) |
| IV. Expenses recognised in the income statement | | |
| Current service cost | 118,433 | 105,618 |
| Net Interest cost | 115,965 | 122,901 |
| Actuarial (Gain)/Loss | (60,841) | 8,981 |
| Past service cost (Non vested benefits) recognised during the period | - | - |
| Past service cost (Vested benefits) recognised during the period | 284,006 | - |
| (Expected Contributions by the Employees) | - | - |

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd.)

| | Gratuity non-funded - As at March 31, 2018 | Gratuity non-funded - As at March 31, 2017 |
|---|---|---|
| (Gains)/Losses on Curtailments And Settlements | - | - |
| Net Effect of Changes in Foreign Exchange Rates | - | - |
| Change in Asset Ceiling | - | - |
| Expense recognised in Profit and Loss | 457,563 | 237,500 |
| V. Balance Sheet reconciliation | | |
| Opening net liability | 1,590,747 | 1,543,978 |
| Expense Recognized in Statement of Profit and Loss | 457,563 | 237,500 |
| Benefits Paid Directly by the Employer | (75,923) | (190,731) |
| Net Liability/(Asset) Transfer In | - | - |
| Net (Liability)/Asset Transfer Out | - | - |
| (Benefit Paid Directly by the Employer) | - | - |
| Employers' contribution | - | - |
| Amount recognised in the Balance Sheet | 1,972,387 | 1,590,747 |
| VI. Other details | | |
| No. of members | 17 | 16 |
| Per Month Salary For Active Members | 596,612 | 457,212 |
| Notes: Gratuity is payable as per Company's scheme as detailed in the report. Actuarial gain/loss is accounted for in the period of occurrence. Salary escalation and attrition rate are considered as advised by the Company, they appear to be in line with the industry practice considering promotion and demand and supply of the employees. | | |
| VII. Assumptions | | |
| Discount rate - previous | 7.96% | 7.99% |
| Salary escalation - previous | 5.00% | 5.00% |
| Attrition rate - previous | 2.00% | 2.00% |
| Discount rate - current | 7.29% | 7.96% |
| Salary escalation - current | 5.00% | 5.00% |
| Attrition rate - current | 2.00% | 2.00% |
| VIII. Experience adjustment | | |
| On plan liability (gain)/loss | - | - |
| | March 31, 2018 | March 31, 2017 |
| | (₹) | (₹) |
| 6 OTHER CURRENT LIABILITIES | | |
| Sundry creditors | 1,326,741 | 2,899,705 |
| Other Liabilities | 1,043,530 | 748,301 |
| Total | 2,370,271 | 3,648,006 |
| 7 SHORT TERM PROVISIONS | | |
| Provision for gratuity | 60,158 | 45,098 |
| Provision for leave benefits | 37,670 | 17,798 |
| Total | 97,828 | 62,896 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd.)

8 PROPERTY, PLANT & EQUIPMENT

| DESCRIPTION | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|---|------------------------------|-------------------------------|---------------------------------------|------------------------------|------------------------------|------------------|---------------------------------------|------------------------------|------------------------------|
| | BALANCE AS ON 01.04.2017 (₹) | ADDITIONS DURING THE YEAR (₹) | SALE / ADJUSTMENT DURING THE YEAR (₹) | BALANCE AS ON 31.03.2018 (₹) | BALANCE AS ON 01.04.2017 (₹) | FOR THE YEAR (₹) | SALE / ADJUSTMENT DURING THE YEAR (₹) | BALANCE AS ON 31.03.2018 (₹) | BALANCE AS ON 31.03.2017 (₹) |
| A. PROPERTY, PLANT & EQUIPMENT | | | | | | | | | |
| 1) Office Premises | 4,573,907 | - | 1,335,300 | 3,238,607 | 2,429,445 | 99,979 | 944,154 | 1,585,270 | 2,144,462 |
| 2) Plant and Equipment | 76,459 | - | 8,709 | 67,750 | 26,673 | 5,668 | - | 32,341 | 49,786 |
| a) Air conditioner | 1,341,343 | 257,192 | - | 1,598,535 | 1,290,211 | 71,084 | - | 1,361,295 | 51,132 |
| b) Computers | 68,630 | - | 10,523 | 58,107 | 23,711 | 5,028 | - | 28,739 | 44,919 |
| c) Electrical fitting and Installations | 2,617,411 | - | 779,114 | 1,838,297 | 2,330,183 | 28,871 | 757,201 | 1,601,853 | 287,228 |
| 3) Furniture and Fixtures | 230,694 | 23,390 | - | 254,084 | 195,237 | 25,211 | - | 220,448 | 35,457 |
| 4) Office Equipments | 8,908,444 | 280,582 | 2,133,646 | 7,055,380 | 6,295,460 | 235,841 | 1,701,355 | 4,829,946 | 2,612,984 |
| TOTAL (A) | | | | | | | | | |
| AMORTISATION | | | | | | | | | |
| B. INTANGIBLE ASSETS | | | | | | | | | |
| Software and Solutions | 495,000 | - | - | 495,000 | 495,000 | - | - | 495,000 | - |
| TOTAL (B) | | | | | | | | | |
| TOTAL (A+B) | 9,403,444 | 280,582 | 2,133,646 | 7,550,380 | 6,790,460 | 235,841 | 1,701,355 | 5,324,946 | 2,612,984 |
| AS ON 31.03.2017 | 9,426,688 | - | 23,244 | 9,403,444 | 6,458,731 | 331,729 | - | 6,790,460 | 2,967,957 |

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd.)

| | March 31, 2018 (₹) | March 31, 2017 (₹) |
|--|-----------------------|-----------------------|
| 9 NON-CURRENT INVESTMENTS (AT COST) | | |
| 9.1) Trade investments (Unquoted) | | |
| Investment in associates | | |
| 600,000 (P.Y.600,000) Equity Shares of ₹ 10/- each of Ceylenco Shriram Capital Management Services Co. Pvt. Ltd. | 3,878,332 | 3,878,332 |
| Sub Total | 3,878,332 | 3,878,332 |
| 9.2) Non-trade investments (Unquoted) | | |
| Investment in subordinate bond with STFC (Original investment) | 22,785,000 | 22,785,000 |
| Add:- Additional amount invested on 30.08.2013 | 114 | 114 |
| Add:- Interest accrued till date (net of TDS of ₹ 81,82,182/-) | 88,275,515 | 77,723,650 |
| Sub Total | 111,060,629 | 100,508,764 |
| 9.3) Equity instruments (Unquoted) | | |
| 1,000 (P.Y.1,000) Equity Shares of ₹10/- each of The Saraswat Co-operative Bank Ltd | 10,000 | 10,000 |
| Sub Total | 10,000 | 10,000 |
| Total (9.1+9.2+9.3) | 114,948,961 | 104,397,096 |
| Less: Provision for diminution in value of investment | 3,878,332 | 3,878,332 |
| Total | 111,070,629 | 100,518,764 |
| Aggregate amount of quoted investments | - | - |
| Aggregate amount of unquoted investments | 114,948,961 | 104,397,096 |
| Aggregate provision for diminution in value of long term investments | 3,878,332 | 3,878,332 |
| 10 LONG TERM LOANS AND ADVANCES | | |
| Security Deposit | | |
| Secured, considered good | 61,885 | 61,885 |
| Unsecured, considered good | 900,000 | 240,000 |
| Total | 961,885 | 301,885 |
| 11 CURRENT INVESTMENTS (valued at lower of cost and net realisable value) | | |
| Quoted Mutual Fund Investments - Long Term | | |
| 851006.158 (P.Y.NIL) ICICI Prudential Liquid Fund | 200,000,000 | - |
| Quoted Mutual Fund Investments | | |
| 26891.985 (P.Y. 35446.667) SBI Premier Liquid Fund Growth | 62,859,586 | 83,258,466 |
| 194819.363 (P.Y.455168.00) ICICI Prudential Liquid Fund | 50,000,000 | 100,000,000 |
| 500000.00 (P.Y. 500000) Shriram Equity & Debt Opportunities Fund | 5,000,000 | 5,000,000 |
| 14915.706 (P.Y. NIL) HDFC Liquid Fund | 50,207,963 | - |
| Total | 368,067,549 | 188,258,466 |
| Aggregate amount of quoted investments (Market value ₹ 401,291,473/-) | 368,067,549 | 188,258,466 |

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd.)

| | March 31, 2018 (₹) | March 31, 2017 (₹) |
|--|-----------------------|-----------------------|
| 12 CASH AND CASH EQUIVALENTS | | |
| Balances with banks | | |
| On current accounts | 1,374,942 | 1,388,464 |
| Cash in hand | 10,161 | 9,443 |
| Total | 1,385,103 | 1,397,907 |
| 13 SHORT TERM LOANS AND ADVANCES | | |
| 13.1) Advances recoverable in cash or kind | | |
| Unsecured considered good | 44,484 | 44,857 |
| Sub Total | 44,484 | 44,857 |
| 13.2) Other Loans and Advances | | |
| Prepaid expenses | 218,770 | 111,959 |
| Loans to employees | 352,992 | 220,266 |
| Advance to Income Tax (net of provision for taxation) | 6,892,622 | 7,571,716 |
| Short Term Loan to Related Party | 150,000,000 | - |
| Sub Total | 157,464,384 | 7,903,941 |
| Total (13.1 + 13.2) | 157,508,868 | 7,948,798 |
| 14 OTHER CURRENT ASSETS | | |
| GST Input | 2,338,739 | - |
| Service Tax Input | - | 1,324,218 |
| Other Assets | 1,069,022 | 960,272 |
| Total | 3,407,761 | 2,284,490 |
| 15 INCOME FROM OPERATION | | |
| Management Fees | 9,021,223 | 8,642,030 |
| Total | 9,021,223 | 8,642,030 |
| 16 OTHER INCOME | | |
| Interest received on staff loan | 29,618 | 26,741 |
| Dividend Income - Equity | 3,000 | 1,500 |
| Rent received | 180,000 | 180,000 |
| Profit /(Loss) on sale of Fixed Assets | 3,367,709 | - |
| Income on Sale of Mutual Fund Units | 4,105,480 | 1,174,498 |
| Interest received on Income Tax Refund | 289,346 | - |
| Liability no longer required | 10,007 | 171,000 |
| Interest Income on Arbitration Award # | - | 10,752,948 |
| Interest on Loan From SISBL | 1,863,014 | - |
| Miscellaneous Income | 3,447 | 333 |
| Interest Received on Subordinate Bond (Gross) for the year ended 31.03.2018 ** | 11,724,296 | 10,534,624 |
| | 11,724,296 | 10,534,624 |
| Less: Contingency provision for interest payable to the rightful owner | 11,724,296 | 10,534,624 |
| Total | 9,851,621 | 12,307,020 |

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd.)

16.1) Interest income on subordinate bond

** Interest of ₹ 57,21,434/- (net of tax,if any) for the period from 01.04.2017 to 31.03.2018 has been recognised as interest received in the accounts.

Interest Income on Arbitration Award

In the previous FY 2016-17 the Company had received an interest of ₹ 1,07,52,948/- against an arbitration award from BSE Limited.

| | March 31, 2018 (₹) | March 31, 2017 (₹) |
|---|-----------------------|-----------------------|
| 17 EMPLOYEE BENEFIT EXPENSES | | |
| Salaries,wages and bonus | 16,593,778 | 14,012,410 |
| Contribution to provident and other fund | 882,854 | 690,287 |
| Gratuity expense | 457,563 | 237,500 |
| Medical Expenses | 83,821 | 90,786 |
| Staff welfare expenses | 128,716 | 21,338 |
| Total | 18,146,732 | 15,052,321 |
| 18 OTHER EXPENSES | | |
| Advertisement and Business Promotion Expenses | 242,196 | 156,666 |
| Annual Custodial Fees | 20,250 | 37,500 |
| Auditors' Remuneration | 353,335 | 314,290 |
| Board and General Meeting expenses | 49,100 | 58,239 |
| Depository fees | 40,000 | 70,132 |
| Directors' Sitting Fees | 778,000 | 209,000 |
| Telephone, Courier and Postage Expenses | 258,781 | 209,653 |
| Membership Subscription | 400,000 | 400,000 |
| Annual Fees | 128,750 | 128,750 |
| Insurance Premium | 72,387 | 67,977 |
| Professional Charges | 830,765 | 595,513 |
| Filing Fees | 3,335,152 | 11,710 |
| Listing Fees | 250,000 | 200,000 |
| Printing & Stationery | 203,677 | 119,307 |
| Sundry Expenses | 337,387 | 121,499 |
| Trustee Meeting Fees | 520,000 | 270,000 |
| Travelling, Hotel and Conveyance expenses | 661,060 | 466,998 |
| HR IT & Network Support | 330,000 | 342,054 |
| Software expenses | 436,992 | 12,054 |
| Retainership Fees | 1,806,667 | 1,670,000 |
| Rent | 2,014,202 | 1,367,162 |
| Repairs & Maintenance | 435,387 | 378,691 |
| Share of Common Infrastructure Costs | 795,602 | 835,794 |
| Rates & Taxes | 5,000 | 21,948 |
| Car hire Charges | 84,561 | 92,411 |
| Write Off of Fixed Assets | - | 23,243 |
| General Expenses | 24,773 | 31,382 |
| Interest Paid To Income Tax | 108,174 | - |
| Royalty Expenses | 500,000 | - |
| Total | 15,022,198 | 8,211,973 |

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd.)

| | March 31, 2018 (₹) | March 31, 2017 (₹) |
|---|-----------------------|-----------------------|
| 18.1) Auditors' Remuneration | | |
| Statutory Audit fee | 272,000 | 228,000 |
| Tax audit fee | 60,000 | 60,000 |
| Corporate Governance and Other Certification Fees | 18,000 | 20,500 |
| Out of pocket expenses | 3,335 | 5,790 |
| Total | 353,335 | 314,290 |
| 18.2) Mutual Fund Expenses | | |
| Mutual Fund Expense | 1,823,911 | 539,957 |
| Brokerage | 2,358,768 | 2,706,198 |
| RTA Expenses | 875,106 | 879,379 |
| Fund Accounting Charges | 123,108 | 114,543 |
| DMAT Rolling and Safe Custody Charges | 113,154 | 103,999 |
| Total | 5,294,046 | 4,344,076 |

18.2.1) In terms of decision by the Operations Committee as delegated to it by Board, Mutual Fund Expenses of ₹ 52.94 Lakhs representing total expenditure absorbed during current year against ₹ 43.44 Lakhs of previous year. The overall revenue from operation amounted to ₹ 90.21 Lakhs from ₹ 86.42 Lakhs of previous year. Such accounting has the effect of increasing the loss for the year by ₹ 5.74 Lakhs over the previous year.

19. The "Unclaimed Redemption Money" with respect to Mutual Fund Schemes wound up during earlier years amounts to ₹ 3,67,888/- as on March 31, 2018. The company has decided not to charge any "Management Fees" with respect to these Funds, as the same is not material.

20. Contingent Liabilities not provided for:

| Particulars | For the year ended March 31, 2018 (₹) | For the year ended March 31, 2017 (₹) |
|--|---|---|
| a) Demand in respect of Income Tax AY 2010-11 (Amount of ₹ 2,00,000 has been paid under protest on May 08, 2013). | 21,59,460 | 21,59,460 |
| b) As regards A.Y. 2007-08, the Company has received a favourable order from ITAT allowing bad debts amounting to ₹ 27,10,000/- in respect of dues from Ahmedabad Urban Co-operative Bank Ltd., which was previously disallowed by CIT (A). There will be a refund due to the Company if the order giving effect to the decision of the ITAT is issued which is awaited. | - | - |

21. The components of Deferred Tax Liability and Assets as at March 31, 2018 are as under:

| Particulars | For the year ended March 31, 2018 (₹) | For the year ended March 31, 2017 (₹) |
|--|--|--|
| Deferred tax liability : | | |
| (i) W.D.V on fixed assets | (418,221) | (520,553) |
| | (418,221) | (520,553) |
| Deferred tax assets : | | |
| (i) Provision for Gratuity and Leave encashment | 982,146 | 677,436 |
| (ii) Diminution in value of investments | 798,936 | 798,936 |
| (iii) Contingency provision for interest payable to rightful owner | 29,805,428 | 26,182,621 |
| (iv) Provision for Bonus | 80,340 | 71,070 |
| | 31,666,851 | 27,730,063 |
| Net Deferred Tax Asset/(Liability) | # 31,248,630 | # 27,209,510 |

Deferred tax asset has not been recognized in the accounts on the basis of prudence as per AS 22 for the financial year 2017-18.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd.)

22. In view of the Loss incurred during the period, no provision for Income Tax is considered necessary.
23. The Company operates in only one segment. Hence segment reporting under AS17 is not applicable to the Company.
24. Related party disclosure as required by Accounting Standard (AS)-18 "Related Party Disclosure" as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013.

| Name | Relationship |
|--|--------------------------|
| Shriram Ownership Trust | Promoter Group |
| Shriram Credit Company Limited | Holding Company |
| Ceylinco Shriram Capital Management Services Co. Private Limited | Associate Company |
| Shriram Insight Share Brokers Limited | Associate Company |
| Shriram Fortune Solutions Limited | Associate Company |
| Shriram Financial Products Solutions (Chennai) Private Limited | Associate Company |
| Mr. Akhilesh Kumar Singh (M.D) | Key Managerial Personnel |
| Ms. Chandana Dutt (CFO) | Key Managerial Personnel |
| Ms. Reena Yadav (CS) | Key Managerial Personnel |

The following transactions were carried out with the related parties in the ordinary course of business.

| Particulars | Promoter Group / Holding Company | | Associates | | Key Management Personnel | | Total | |
|--|----------------------------------|------------|-------------|------------|--------------------------|------------|-------------|------------|
| | 31.03.2018 | 31.03.2017 | 31.03.2018 | 31.03.2017 | 31.03.2018 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| Payments : | | | | | | | | |
| Rent | - | - | 648,396 | 807,162 | - | - | 648,396 | 807,162 |
| Brokerage: | | | | | | | | |
| Shriram Insight Share Brokers Ltd. | - | - | 1,952,890 | 2,007,113 | - | - | 1,952,890 | 2,007,113 |
| Shriram Fortune Solutions Ltd. | - | - | 166,813 | 212,326 | - | - | 166,813 | 212,326 |
| Other Expenses | - | - | 8,400 | 22,600 | - | - | 8,400 | 22,600 |
| Share of Common Infrastructure Costs | - | - | 435,602 | 475,794 | - | - | 435,602 | 475,794 |
| Royalty Expenses | 500,000 | - | - | - | - | - | 500,000 | - |
| Reimbursement of actual Salary | - | 884,000 | - | 2,500,000 | - | - | - | 3,384,000 |
| Employee Benefits for Key Managerial Personnel | - | - | - | - | 5,295,776 | 5,038,484 | 5,295,776 | 5,038,484 |
| Short Term Loan Receivable from: | | | | | | | | |
| Shriram Insight Share Brokers Ltd. | - | - | 150,000,000 | - | - | - | 150,000,000 | - |
| Interest received on above Short Term Loan | - | - | 1,863,014 | - | - | - | 1,863,014 | - |
| Balance Outstanding : | | | | | | | | |
| Investment in equity shares of Ceylinco Shriram Capital Management Services Co Private Limited | - | - | 3,878,332 | 3,878,332 | - | - | 3,878,332 | 3,878,332 |
| Shriram Insight Share Brokers Limited | - | - | 536,117 | 518,442 | - | - | 536,117 | 518,442 |
| Shriram Fortune Solutions Limited | - | - | 12,748 | - | - | - | 12,748 | - |
| Shriram Ownership Trust | 135,000 | - | - | - | - | - | 135,000 | - |

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (contd.)

25. Earnings per share (EPS) computed in accordance with Accounting Standard 20 "Earning per Share" Basic and Diluted

| Particulars | | March 31, 2018 (₹) | March 31, 2017 (₹) |
|---|----------------|-----------------------|-----------------------|
| Profit after tax as per accounts (₹) | | (20,128,742) | (6,978,995) |
| Add/(Less):Prior Period Adjustment/ (Excess provision w/back) | | - | - |
| Profit attributable to Equity share holders | (A) | (20,128,742) | (6,978,995) |
| Number of shares issued | (B) | 6,000,000 | 6,000,000 |
| Basic EPS (Rupees) (Face value ₹ 10 each) | (A)/(B) | (3.35) | (1.16) |

26. The Company does not have 'suppliers' registered under the Micro, Small and Medium Enterprises Development ("MSMED") Act, 2006. Accordingly, no disclosure relating to amounts unpaid as at the year end, together with interest paid / payable are required to be furnished.

27. No dividend is proposed on 14,00,000 (Fourteen Lakhs) (0.01%) RNCPS of ₹ 100/- each fully paid up and 35,00,000 (Thirty Five Lakhs) (6%) RNCPS of ₹ 100/-each fully paid up, in view of loss incurred by the Company.

28. Previous period figures have been re-grouped and re-arranged, wherever considered necessary.

As per our report of even date attached

FOR G. D. APTE & CO.

CHARTERED ACCOUNTANTS

FIRM REGISTRATION NO.100515W

FOR SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

AKHILESH KUMAR SINGH

MANAGING DIRECTOR

DIN No.00421577

R.SUNDARA RAJAN

DIRECTOR

DIN No.00498404

CHETAN R. SAPRE

PARTNER

MEMBERSHIP NO.116952

REENA YADAV

COMPANY SECRETARY

CHANDANA DUTT

CHIEF FINANCIAL OFFICER

Place : Mumbai

Date : April 27, 2018

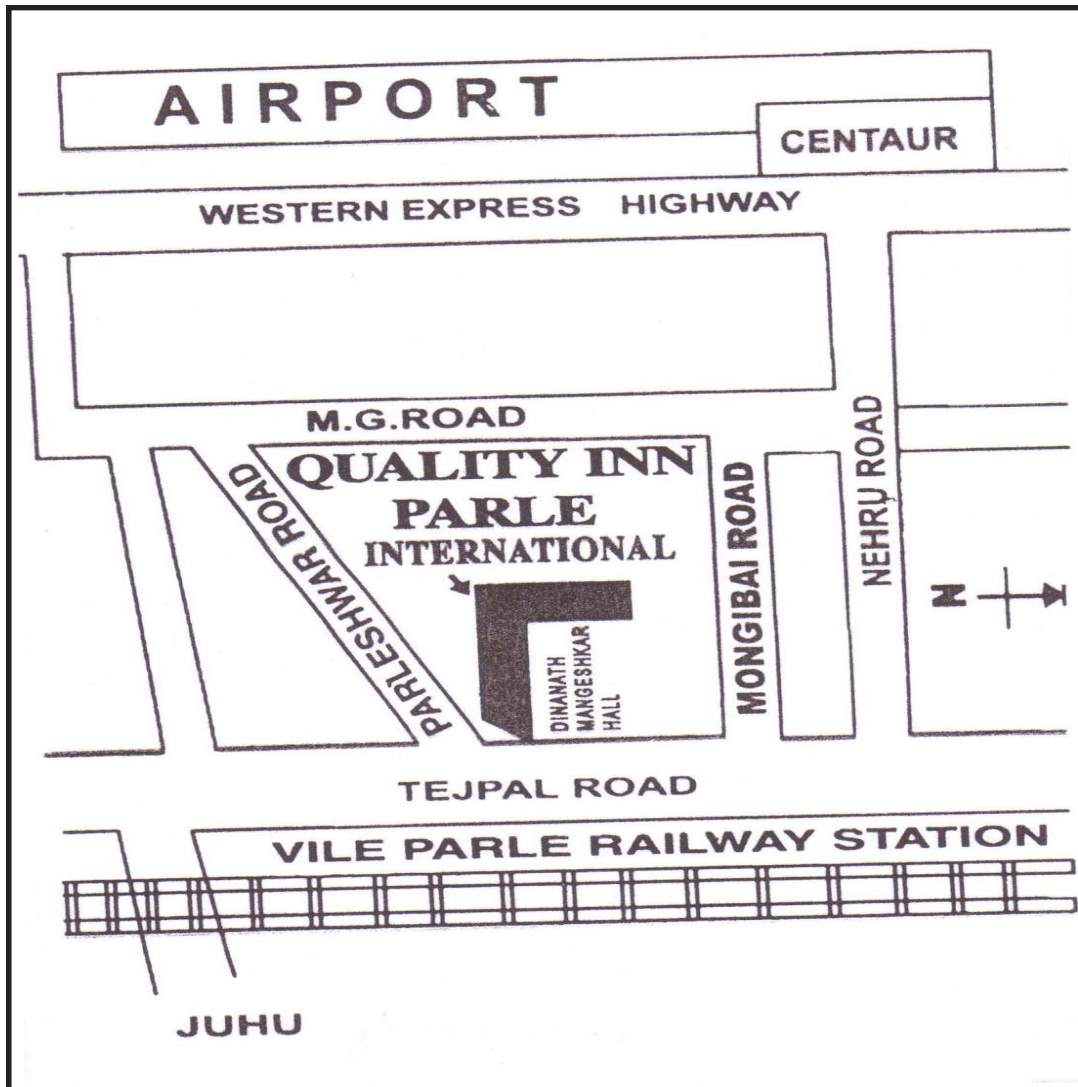
Place : Chennai

Date : April 27, 2018

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

MAP SHOWING LOCATION OF THE VENUE OF 24TH ANNUAL GENERAL MEETING OF SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

VENUE: Hotel Parle International, Agarwal Market,
Vile Parle (East), Mumbai 400 057



- Distance approximate 15 kms from Dadar station and approximate 22 kms from Mumbai CST.
- Distance Approximate 1.5 kms from Domestic Airport and approximate 5 kms from International Airport.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

CIN: L65991MH1994PLC079874

Registered Office: Wockhardt Towers, 2nd Floor, East Wing, C-2, G Block,

Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

Tel. No.: +91-22-42410400 Fax: +91-22-27566634

Email ID: srmf@shriramamc.com Website: www.shriramamc.com

ATTENDANCE SLIP

24th Annual General Meeting - Tuesday, August 07, 2018

I certify that I am a member/ proxy for the member of the Company.

I hereby record my presence at the 24th Annual General Meeting of the Company at Hotel Parle International, Agarwal Market, Vile Parle (East), Mumbai-400 057 on Tuesday, August 07, 2018 at 2.30 P.M.

Name of the Member/ Proxy (In Block Letters)

Signature of the Member/ Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

— — — — ✂ — — — — ✂ — — — — ✂ — — — —

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

CIN: L65991MH1994PLC079874

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Email ID: srmf@shriramamc.com Website: www.shriramamc.com

FORM MGT-11

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014

PROXY FORM

24th Annual General Meeting - Tuesday, August 07, 2018

Name of the member (s): _____ Registered address: _____

E-mail Id: _____ Folio No. / DP ID No. & Client ID _____

I/We, being the member (s) of _____ shares of the above named company, hereby appoint:

1. Name: _____ 2. Name: _____ 3. Name: _____

Address: _____ Address: _____ Address: _____

E-mail Id: _____ E-mail Id: _____ E-mail Id: _____

Signature: _____ or failing him /her Signature: _____ or failing him/her Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting (AGM) of the Company, to be held on Tuesday, August 07, 2018 at 2.30 P.M., at Hotel Parle International, Agarwal Market, Vile Parle (East), Mumbai- 400 057 and at any adjournment thereof in respect of such resolutions as indicated below.

Signed this _____ day of _____ 2018 Signature of Member _____

Signature of Proxy holder(s) _____



Notes:

- This form of proxy in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the time fixed for holding the aforesaid Meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 24th Annual General Meeting.
- The proxy need not be a member of the Company.
- Please complete all details including details of member (s) in above box before submission.

| ORDINARY BUSINESS | |
|--------------------------|--|
| 1 | Adoption of Annual Accounts for the year ended March 31, 2018. |
| 2 | Appoint a Director in place of Mr. Dhruv Mehta, who retires by rotation and being eligible, seeks re-appointment. |
| 3 | Appointment of Statutory Auditors. |
| SPECIAL BUSINESS | |
| 4 | Approval of the limits for the Loans and Investment by the Company in terms of the provisions of Section 186 of the Companies Act, 2013. |
| 5 | Appointment of Mr. Akhilesh Kumar Singh as Managing Director. |
| 6 | Approval for related party transactions. |

