



Nurturing Trust, Shaping Dreams

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**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

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**TWENTY SIXTH ANNUAL REPORT**

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**2019-2020**

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**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

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<b>REGISTERED OFFICE:</b>	1006, 10 <sup>TH</sup> FLOOR, MEADOWS, SAHAR PLAZA, ANDHERI - KURLA ROAD, J. B. NAGAR, ANDHERI (EAST), MUMBAI - 400 059 TEL. No.: +91-22-49794024 FAX: +91-22-27566634
<b>ADMINISTRATIVE HEAD OFFICE &amp; CORRESPONDENCE:</b>	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
<b>BOARD OF DIRECTORS:</b>	MR. PRABHAKAR KARANDIKAR - CHAIRMAN MR. AKHILESH KUMAR SINGH - MANAGING DIRECTOR MR. R. SUNDARA RAJAN MR. DHIRUV MEHTA MR. ARINDOM MUKHERJEE MRS. JAYASHREE MAHESH MR. KSHITI RANJAN DAS MRS. CHANDRA IYENGAR
<b>FUND MANAGER:</b>	MRS. GARGI BHATTACHARYYA BANERJEE
<b>CHIEF FINANCIAL OFFICER:</b>	MRS. CHANDANA DUTT
<b>COMPANY SECRETARY:</b>	MRS. REENA YADAV
<b>COMPLIANCE OFFICER FOR MUTUAL FUND:</b>	MR. TANMOY SENGUPTA
<b>AUDITORS:</b>	M/S. G. D. APTE & CO. CHARTERED ACCOUNTANTS, OFFICE NO. 604, 6TH FLOOR, WINDSOR BUILDING, OFF CST ROAD, KALINA, SANTACRUZ EAST, MUMBAI-400 098
<b>REGISTRAR AND SHARE TRANSFER AGENTS:</b>	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

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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CIN: L65991MH1994PLC079874  
Registered Office: 1006, 10<sup>th</sup> Floor, Meadows, Sahar Plaza,  
Andheri-Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059  
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Email ID: srmf@shriramamc.com Website: www.shriramamc.com

### NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting (AGM) of the Members of Shriram Asset Management Company Limited will be held on Friday, September 04, 2020 at 11.30 A.M. through Video- conference (VC) / Other Audio-Visual Means (OAVM) to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2020 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. R. Sundara Rajan (DIN 00498404) who retires by rotation and being eligible, offers himself for reappointment;

#### SPECIAL BUSINESS

3. 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 149, 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Prabhakar Karandikar (DIN 02142050) be and is hereby reappointed as an Independent Director of the Company for a second term and to hold the office up to February 13, 2022 , not liable to retire by rotation as per recommendation of Nomination and Remuneration Committee.”

4. 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 statutory modification(s) or re-enactment(s) thereof, for the time being in force), 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 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) being ‘Related Party’ 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.

**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.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 185 of the Companies Act, 2013 (“the Act”) read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force) and other applicable provisions of the Act and the rules and regulations made thereunder and the enabling provisions of the Memorandum and Articles of Association of the Company and Regulation 23 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby accorded to grant a loan

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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up to ₹ 20,00,00,000/- (Rupees Twenty Crores only) to Shriram Insight Share Brokers Limited ("SISBL") (at any given point) in one or more tranches and at such occasion or occasions as per requirement of SISBL, as working capital for expansion of the business activities of SISBL, on such terms and conditions as may be mutually agreed between the Company and SISBL.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this special resolution, the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee thereof) be and is hereby authorised to negotiate and decide from time to time, the terms and conditions, execute necessary documents, papers, agreements, etc for the aforesaid grant of loans to SISBL and to do all such acts, deeds and things and to give such directions as may be necessary or expedient in its absolute discretion as it deems fit and such decisions shall be final and binding on the Company and to settle any question, difficulty that may arise in this regard and to delegate all or any of these powers to any committee of directors or any other officer in this regard."

6. 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 61 of the Companies Act, 2013 (hereinafter referred to as the Act), (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) the Authorised Share Capital of the Company be and is hereby increased from ₹ 60,00,00,000/- (Rupees Sixty Crores Only) divided into 90,00,000 (Ninety Lacs) Equity Shares of ₹10/- (Rupees Ten Only) each and 51,00,000 (Fifty One Lacs) Preference Shares of ₹100/- (Rupees One Hundred Only) each to ₹ 70,00,00,000/- (Rupees Seventy Crores Only) divided into 90,00,000 (Ninety Lacs) Equity Shares of ₹10/- (Rupees Ten Only) each and 61,00,000 (Sixty One Lacs) Preference Shares of ₹100/- (Rupees One Hundred Only) each by creation of additional 10,00,000 (Ten Lacs) Preference Shares of ₹ 100/- (Rupees One Hundred Only) each.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 13, and other applicable provisions, if any, of the Act, (including any statutory modification(s) and re-enactment(s) thereof for the time being in force), Clause V of the Memorandum of Association be and is hereby altered by substituting in its place, the following new Clause V:

The Authorised Share Capital of the Company is ₹ 70,00,00,000/- (Rupees Seventy Crores Only) comprising 90,00,000 (Ninety Lacs) Equity Shares of ₹10/- (Rupees Ten Only) each and 61,00,000 (Sixty One Lacs) Preference Shares of ₹100/- (Rupees One Hundred Only) each."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 42, 55 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the Act), read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the rules/regulations/guidelines, if any, prescribed by the Ministry of Corporate Affairs, Government of India, the Reserve Bank of India, the Securities and Exchange Board of India and/or any other regulatory authority, and subject to approval(s), consent(s), permission(s) and/or sanction(s), if any, of appropriate authorities, institutions or bodies as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s) and/or sanction(s) and acceptable to the Board of Directors (hereinafter called "the Board") the Company be and is hereby authorised to create, offer, issue and allot, to the identified investors {collectively called 'investors' which term shall be deemed to include domestic and/or foreign institutions, non-resident indians, indian public companies, corporate bodies, trusts, mutual funds, venture capital funds, foreign venture capital investors, banks (including co-operative banks and regional rural banks), insurance companies, provident funds, pension funds, superannuation funds, national investment fund, individuals or otherwise, whether shareholders of the Company or not (including the Promoter and/or any entity in the Promoter Group)} on a Private Placement basis not exceeding 10,00,000 (Ten Lacs) Redeemable Non-Convertible Preference Shares (RNCPS) of ₹ 100/- (Rupees One Hundred Only) each at par aggregating to ₹ 10,00,00,000/- (Rupees Ten Crores Only) on the following general terms:

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Sr. No.	Particulars	Terms
1.	Priority w.r.t. to Dividend or repayment of Capital vis-à-vis equity shares	RNCPS holders shall be entitled to receive dividend (if any declared by the Company) or repayment of capital in priority to any payment of dividend or repayment of capital to the holders of any other class of shares.
2.	Participation in surplus funds/ assets and profits on winding up which may remain after the entire capital has been repaid	RNCPS shall be non-participating and therefore, will not be entitled for participation in surplus funds / assets and profits on winding up which may remain after the entire capital has been repaid.
3.	Payment of Dividend	The Preferential Dividend shall be non-cumulative.
4.	Conversion into Equity Shares.	RNCPS shall be non-convertible.
5.	Voting Rights	The RNCPS holders shall, by virtue of and in respect of its holding of RNCPS, have the right to vote only on resolutions placed before the company which directly affect the rights attached to its preference shares and any resolution for the winding up of the company or for the repayment or reduction of preference share capital.
6.	Redemption	RNCPS shall be redeemed upon completion of a period of ten (10) years from the date on which they are issued. 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, but shall in no circumstances exceed twenty (20) years from the date of issue. The Company shall, however, have the right to redeem the RNCPS before the due date with prior notice.

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

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

- to decide on the terms and conditions of the issue of RNCPS, to finalise and issue the offer letter, to prescribe the form of application, to decide upon the form, timing of the offer/ invitation, the dividend payable on RNCPS, in the best interest of the Company;
- to identify such persons to whom the offer of the RNCPS/ invitation to subscribe shall be made and to make such offer/ invitation to them;
- to settle any questions, difficulties or doubts that may arise in regard to the offer/ invitation and allotment of the RNCPS and utilization of the issue proceeds as it may in its absolute discretion deem fit;
- to delegate from time to time, all or any such powers conferred herein upon the Board of Directors with the right to delegate further the same to any Committee thereof and /or any other Officer or Officers of the Company as permissible under the Act including the power to allot RNCPS, to file/ submit the documents as required under the various Acts/ Regulations;
- to do all such acts, deeds, matters and things as the Board may at its sole discretion deem fit, necessary or desirable so as to give effect to the aforesaid resolution."

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

Place: Kolkata  
Date: August 04, 2020

Reena Yadav  
Company Secretary

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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### NOTES:

1. In view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 through VC / OAVM without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. As per the guidelines issued by MCA vide Circulars mentioned above, and in view of the current extraordinary circumstances due to COVID 19, Notice of AGM along with Annual Report 2019-20 is being sent through electronic mode to those members whose email addresses are registered with the Company/Registrar and Share Transfer Agents (RTA)/ Depositories.
3. The Company's Statutory Auditors, M/s. G. D. Apte & Co., (Firm Registration No. 100515W) Chartered Accountants, Mumbai, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the 23<sup>rd</sup> Annual General Meeting held on August 10, 2017 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.  
  
Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on August 10, 2017. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 07, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute.  
  
In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.
4. 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.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting.
6. Body Corporates whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to send to the Company on their email id srmf@shriramamc.com, a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting and through e-voting.
7. 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 Saturday, August 29, 2020 to Friday, September 04, 2020 (both days inclusive).
8. 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.
9. 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.
10. 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 RTA quoting their Folio Number.
11. 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 RTA 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.



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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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12. The Notice and Annual Report 2019-2020 of the Company circulated to the Members of the Company, will be made available on the Company's website at [www.shriramamc.com](http://www.shriramamc.com) and also on the website of Stock Exchange [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
13. All documents referred to in the accompanying Notice and Statement setting out material facts are open for inspection online on all working days during working hours up to the date of the 26th AGM.
14. Shareholders seeking any information with regards to Accounts are requested to send email at [srmf@shriramamc.com](mailto:srmf@shriramamc.com) at least 15 days in advance so as to keep the information ready at the Meeting.
15. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the RTA of the Company/Company.
16. Shareholders are requested to update their email ids with RTA at <http://www.purvashare.com/email-and-phone-updation/>
17. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 01, 2019, except in case of request received or transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's RTA for assistance in this regard.
18. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
19. **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 read with MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, 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 can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

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](http://www.shriramamc.com) and on the website of CDSL i.e. [www.evotingindia.com](http://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.

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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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 INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on Tuesday, September 01, 2020 and ends on Thursday, September 03, 2020, During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on Friday, August 28, 2020 the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	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"><li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is mentioned in the email sending the Annual Report.</li></ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	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"><li>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 (v).</li></ul>

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



- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [srmf@shriramamc.com/support@purvashare.com](mailto:srmf@shriramamc.com/support@purvashare.com).
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self- attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [srmf@shriramamc.com/support@purvashare.com](mailto:srmf@shriramamc.com/support@purvashare.com).
3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above-mentioned shareholders.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [srmf@shriramamc.com](mailto:srmf@shriramamc.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [srmf@shriramamc.com](mailto:srmf@shriramamc.com). These queries will be replied to by the Company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [srmf@shriramamc.com](mailto:srmf@shriramamc.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

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

Place: Kolkata  
Date: August 04, 2020

**Reena Yadav**  
Company Secretary

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

**Item No. 3:**

Mr. Prabhakar Karandikar (DIN 02142050) was appointed as Independent Director of the Company on February 12, 2012. His first term as an Independent Director of the Company was up to February 29, 2020. The Board of Directors subject to the approval of the Shareholders and on the recommendation of Nomination and Remuneration Committee reappointed Mr. Karandikar as an Independent Director of the Company for a second term, to hold office up to February 13, 2022, not liable to retire by rotation.

Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/IMD/DF2/CIR/P/2017/125 dated November 30, 2017 states that the existing independent director should hold office for a maximum of 10 years (including all preceding years for which such individual has held office). Further, individuals who had held office for 9 years or more (as on date of issuance of this circular) may continue for a maximum of 1 year from date of issuance of this circular.

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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Further, Mr. Karandikar completed a tenure of 8 (eight) years as an Independent Director of the Company on February 13, 2020. In order to comply with the provisions of the above-mentioned SEBI Circular, the Nomination and Remuneration Committee (NRC) of Board of Directors, on the basis of the report of performance evaluation, recommended re-appointment of Mr. Karandikar as an Independent Director for balance period i.e. upto February 13, 2022.

The Company has received notice in writing pursuant to Section 160 of the Act, from a Member proposing the candidature of Mr. Karandikar for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act.

The Company has received from Mr. Karandikar (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act, and (iii) a declaration under Section 149 (7) of the Act to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and (iv) a declaration that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

In the opinion of the Board, Mr. Karandikar fulfils the conditions specified in the Act and the Rules made thereunder as well as the conditions specified in the Listing Regulations for his appointment as Independent Director and he is independent of the Management. A copy of the letter for the appointment of Mr. Karandikar as an Independent Director setting out the terms and conditions would be available for online inspection without any fees by the Members during normal business hours on working days.

The brief details of Mr. Karandikar as required under Regulation 36 of the Listing Regulations are given elsewhere in the explanatory statement.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Karandikar as an Independent Director of the Company up to February 13, 2022 on the Board of the Company. Mr. Karandikar is not liable to retire by rotation.

No Director, Key Managerial Personnel or their relatives, except Mr. Karandikar to whom the resolution relates, is interested or concerned, financial or otherwise in the resolution.

The Board recommends the Special Resolution set forth in Item no.3 for the approval of the Members.

### **Item No. 4:**

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) which is in the ordinary course of business and at arm's length basis. However, the estimated value of transaction (existing and proposed) is likely to exceed 10% of the annual consolidated turnover of the Company for the financial year ended on March 31, 2020 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. The above entity is a 'Related Party' as per definition under Section 2(76) of the Companies Act, 2013. and Regulation 2 (1) (zb) of the Listing Regulations.

Approval of the Members is sought to ratify/approve all existing contracts/arrangements/ agreements/ transactions with the aforesaid party. Further, the approval is also sought to enable the Board for entering

## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

into new/further contracts/ arrangements/ agreements/ transactions (including any modifications, alterations, amendments or renewal thereto) with the aforesaid party subject to the limits mentioned in the table below:

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 on March 31, 2020	Maximum Value / limit of Contract / Arrangement
1	2	3	4	5	6	7	8
1	Shriram Insight Share Brokers Limited (SISBL)	Fellow Subsidiary	10 years	Online Trading Account	October 30, 2019	₹ 10,789/- per annum (excluding applicable taxes)	Brokerage as per the standard rate chart of the Company (SISBL) subject to the relevant SEBI Regulations in this regard with a maximum amount of ₹ 10,000,000/- per annum (excluding applicable taxes)
			10 years	Demat Account	January 29, 2020	₹ 1,167/- (excluding applicable taxes)	Annual maintenance charges, transactions & Demat Charges as per the standard rate chart of the Company (SISBL) as per relevant SEBI Regulations/ Guidelines subject to the maximum of ₹ 2,00,000/- per annum (excluding applicable taxes)

Regulation 23 (7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that the related parties shall not - vote on such resolutions, therefore, none of the Promoter Group entities holding share(s) will vote on the above Resolution.

The Board considers that the existing arrangement with SISBL is in the ordinary course of business and at arm's length basis.

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).

The Board recommends the Ordinary Resolution as set out in Item No.4 of this Notice for approval of the Members.

### Item No. 5:

Shriram Insight Share Brokers Limited ("SISBL") being fellow Subsidiary is Related Party as per Section 2 (76) of the Companies Act, 2013 and Regulation 2 (1) (zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

SISBL requires loan of working capital for expansion of the business activities and the matters connected and incidental thereto (the "Principal Business Activities").

The loan qualifies as 'Material Related Party Transaction' as per Regulation 23 of the Listing Regulations which provides for approval of the shareholders.

Further, Mr. A. K. Singh, Managing Director, is also Director on the Board of SISBL. SISBL, its Board of Directors or Managing Director are not accustomed to act in accordance with the instructions of Mr. Singh and the decisions are taken with the majority. However, for better corporate governance approval of the shareholders of the Company by way of special resolution is being sought as per provisions of Section 185 of the Companies Act, 2013.

Further, the said loan is within the limits specified in Section 186 of the Companies Act, 2013.

Following are the brief particulars of Loan :

## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Name of the Body Corporate	Particulars of Loan	Purpose
Shriram Insight Share Brokers Limited	Aggregate amount of Loan shall not exceed ₹ 20,00,00,000/- (Twenty Crores) (at any given time). Loan may be given in one or more tranches and at such occasion or occasions as per requirement of SISBL.	Loan of working capital for expansion of the business activities and the matters connected and incidental thereto (the "Principal Business Activities").

Regulation 23 (7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that the related parties shall not - vote 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).

The Board recommend the Special Resolution set out in Item No. 5 of this Notice for the approval of the members.

### Item No.6:

In order to comply with the worth requirements as directed by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2014, it would be necessary to increase the authorized share capital of the Company. Hence, the Board of Directors proposes to increase the Authorised Share Capital of the Company to ₹ 70,00,00,000 /- (Rupees Seventy Crores Only). The increased authorized share capital shall be comprising 90,00,000 (Ninety Lacs) Equity Shares of ₹10/- (Rupees Ten Only) each and 61,00,000 (Sixty One Lacs) Preference Shares of ₹100/- (Rupees One Hundred Only) each by creation of additional 10,00,000 (Ten Lacs) Preference Shares of ₹ 100/- (Rupees One Hundred Only) each.

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

The Board of Directors commend passing of the resolution set out in item No.6 of the Notice for the approval of the shareholders.

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

### Item No.7:

In order to comply with the net worth requirements as directed by the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2014, it would be necessary to infuse additional capital in the Company. The Board proposes to issue Redeemable Non-Convertible Preference Shares (RNCPS) to the extent not exceeding ₹ 10,00,00,000 (Rupees Ten Crores Only) by way of Private Placement, to meet the regulatory requirements.

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

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

### Justification of price:

The RNCPS are proposed to be issued at issue price of ₹ 100/- (Rupees One Hundred Only) per share. RNCPS holders have only limited right with respect to dividend and repayment of capital paid up in event of winding up of the Company. Hence, the Board is of the opinion that the preference share capital cannot be equated with equity share capital. Therefore, the price of ₹ 100/- (Rupees One Hundred Only) per RNCPS at which they are to be offered for subscription, being the face value thereof, is justified. M/s. Datta Roy & Associates, Chartered Accountants, Kolkata, vide their Certificate dated July 24, 2020 have also given their justification for the price of RNCPS.

I. Disclosures as required under Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are as follows:

1.	Particulars of the offer including date of passing of Board Resolution	Private Placement of Redeemable Non- Convertible Preference Shares. Approved by the Board on August 04, 2020
2.	Kinds of securities offered and the price at which security is being offered	Redeemable Non- Convertible Preference Shares (RNCPS) RNCPS will be issued (at par) at face value



**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

3.	Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Not Applicable as the securities are non-convertible preference shares which are proposed to be issued (at par) at face value
4.	Name and address of valuer who performed valuation	Not Applicable as the securities are non-convertible preference shares which are proposed to be issued (at par) at face value
5.	Amount which the company intends to raise by way of such securities	Upto ₹ 10,00,00,000 (Rupees Ten Crores)
6.	Material Terms of raising securities Proposed Time Schedule  Purposes or objects of Issue  Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects  Principle terms of assets charged as securities	Material Terms specified in Paragraph II below  As the securities can be issued in one or more tranches, the exact dates shall be specified in the private placement offer application /disclosure document issued pursuant to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014  Specified in Paragraph II below  None  Not Applicable

II. Disclosures as required under Rule 9 (3) of the Companies (Share Capital and Debenture) Rules, 2014 stating material facts relating the issue of RNCPS are as follows:

**A.**

Sr. No.	Particulars	Terms
1.	The Size of the issue and number of Preference Shares to be issued and nominal value of each share	10,00,000 (Ten Lacs) Redeemable Non- Convertible Preference Shares (RNCPS) of ₹ 100/- (Rupees One Hundred Only) each aggregating to ₹ 10,00,00,000 (Rupees Ten Crores Only).
2.	Nature of Shares	Non-cumulative Non-convertible and Non- Participating Redeemable Preference Shares
3.	Objective of the issue	Objective of the issue is to meet the net worth requirement as per SEBI (Mutual Funds) (Amendment) Regulations, 2014
4.	Manner of Issue of Shares	RNCPS will be issued and offered on Private Placement basis in accordance with the provisions of Section 42 of the Companies Act, 2013 and Rules made thereunder.
5.	Price at which shares are proposed to be issued	RNCPS will be issued at par i.e. at ₹ 100/- (Rupees One Hundred only) each.
6.	Basis on which the price has been arrived at	To be issued at par i.e. ₹ 100/- (Rupees One Hundred Only) per RNCPS. M/s. Datta Roy & Associates, Chartered Accountants, Kolkata, vide their Certificate dated July 24, 2020 have also given their justification for the price of RNCPS.
7.	Terms of issue including terms and rate of dividend on each share	RNCPS shall be non convertible and will carry preferential (non cumulative) right to dividend, at rate as may be decided by the Board of Directors.
8.	Terms of Redemption including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion	RNCPS shall be redeemed at par upon the completion of ten (10) years from the date on which they are issued. 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, but shall in no circumstances exceed twenty (20) years from the date of issue. The Company shall, however, have the right to redeem the RNCPS before the due date with prior notice. RNCPS shall be non-convertible.



**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

9.	Manner and mode of redemption	RNCPS shall be redeemed at par upon the completion of ten (10) years from the date on which they are issued out of profits available for distribution as dividend or out of proceeds of a fresh issue of shares made for the purpose of redemption or any other manner as permissible under the Companies Act, 2013 including any statutory modification (s) or re-enactment (s) thereof.
10.	Expected dilution in equity capital upon conversion of preference shares	Not applicable as RNCPS shall be non-convertible.

**B Current Shareholding Pattern of the Company:**

**I. Equity Shares:**

Class of Shareholder	No. of Shares	Nominal Value per Share (in ₹)	Amount (in ₹)	% of Holding
<b>a) Promoters:</b>				
Indian				
Shriram Credit Company Limited	4,120,010	10	41,200,100	68.67
<b>Total (a)</b>	<b>4,120,010</b>	<b>10</b>	<b>41,200,100</b>	<b>68.67</b>
<b>b) Non-Promoters:</b>				
Public Shareholding	1,879,990	10	18,799,900	31.33
<b>Total (b)</b>	<b>1,879,990</b>	<b>10</b>	<b>18,799,900</b>	<b>31.33</b>
<b>TOTAL (a+b)</b>	<b>6,000,000</b>	<b>10</b>	<b>60,000,000</b>	<b>100.00</b>

**II. Redeemable Non Convertible Preference Shares (RNCPS):**

Class of Shareholder	No. of Shares	Nominal Value per Share (in ₹)	Amount (in ₹)	% of Holding
<b>Promoters:</b>				
Shriram Credit Company Limited	2,800,000	100	280,000,000	57.14
<b>Promoter Group/ Persons Acting in Concert:</b>				
Shriram Insight Share Brokers Limited	600,000	100	60,000,000	12.25
Shriram Financial Products Solutions (Chennai) Private Limited	1,500,000	100	150,000,000	30.61
<b>TOTAL</b>	<b>4,900,000</b>	<b>100</b>	<b>490,000,000</b>	<b>100.00</b>

It is accordingly proposed to obtain the approval of the shareholders to issue RNCPS as contemplated in the resolution set out above on such terms as may be decided by the Board and in the best interests of the Company.

The Board of Directors commend passing of the resolution set out in item No.7 of the Notice for the approval of the shareholders.

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

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

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

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

Place: Kolkata  
Date: August 04, 2020

**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:-**

<b>Name of the Director</b>	Mr. R. Sundara Rajan	Mr. Prabhakar Karandikar
<b>Date of Birth</b>	April 28, 1948	December 30, 1949
<b>Date of Appointment</b>	April 01, 2007	February 14, 2012
<b>Qualifications</b>	He is a Mechanical Engineer from Jadavpur University and an MBA from Indian Institute of Management (Ahmedabad), Chartered Engineer and an Associate of Insurance Institute of India.	M.A., DBM from Pune and M.Sc. (London School of Economics).
<b>Expertise in specific functional area</b>	He has around 35 years of experience in Pharmaceutical Industry of which 16 years was in a CEO role and 14 years as a Management Consultant. He has experience of 6 years as a Loss Assessor for General Insurance Industry in India specializing in Fire and Consequential Loss Insurance. In the last 15 years he has been an Advisor to Shriram Group of Companies and on the Board of several companies in the Group.	He joined the Indian Administrative Services in the year 1973 and retired voluntarily in the year 2007. He has overall experience of 40 years in his extensive career in Maharashtra State Government, Govt. of India, Public Sector Management, Investment Banking, finance and financial field
<b>Directorships held in other companies</b>	<ul style="list-style-type: none"> <li>Namo Technology Ventures India Private Limited</li> <li>Tenshi Life Care Private Limited</li> <li>Take Solutions Limited</li> <li>Shriram EPC Limited</li> <li>Rambal Limited</li> <li>Shriram Credit Company Limited</li> <li>Orient Green Power Company Limited</li> <li>Medispan Limited</li> </ul>	<ul style="list-style-type: none"> <li>Finolex Plasson Private Limited</li> <li>Shriram EPC Limited</li> <li>BVG India Private Limited</li> </ul>
<b>Membership/ Chairmanship of Committees of other public companies (including only Audit Committee and Stakeholders Relationship Committee)</b>	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>Take Solutions Limited *</li> <li>Shriram EPC Limited</li> <li>Orient Green Power Company Limited</li> <li>Rambal Limited</li> </ul> <b>Stakeholders Relationship Committee</b> <ul style="list-style-type: none"> <li>Take Solutions Limited</li> <li>Shriram EPC Limited *</li> <li>Orient Green Power Company Limited *</li> </ul>	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>Shriram EPC Limited *</li> </ul> <b>Stakeholders Relationship Committee</b> <ul style="list-style-type: none"> <li>Shriram EPC Limited</li> </ul>
<b>No. of Board Meetings attended during the last Financial Year 2019-2020</b>	2	5
<b>No. of shares held in the Company (#)</b>	8156	NIL
<b>Relationship with other Directors and Key Managerial Personnel</b>	Mr. R. Sundara Rajan is not related to any Director and Key Managerial Personnel	Mr. Prabhakar Karandikar is not related to any Director and Key Managerial Personnel

\* Chairman of the Committee

# As on the date of Notice of AGM

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**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

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**DIRECTORS' REPORT**

**Dear Members,**

Your Directors have pleasure in presenting their Twenty Sixth Annual Report and the Audited Statements of Accounts for the financial year ended March 31, 2020.

**Financial Highlights:**

Particulars	Year Ended March 31, 2020 (₹)	Year Ended March 31, 2019 (₹)
Gross Income for the year	33,159,725	50,995,151
Total Expenditure before Depreciation and Tax	60,911,297	61,773,033
<b>Profit /(Loss) before Depreciation</b>	<b>(27,751,572)</b>	<b>(10,777,882)</b>
Less: Depreciation	1,766,664	311,672
<b>Tax Provisions for the year</b>	<b>(2,256,197)</b>	4,840,946
<b>Profit /(Loss) after Depreciation and Tax</b>	<b>(27,262,039)</b>	<b>(15,930,500)</b>
<b>Other Comprehensive Income for the year</b>	<b>166,001</b>	<b>(638,785)</b>
Balance brought forward from previous year	(53,849,723)	(37,280,439)
<b>Profit /(Loss) available for Appropriation</b>	<b>(80,945,761)</b>	<b>(53,849,723)</b>
<b>Balance carried to Balance Sheet</b>	<b>(80,945,761)</b>	<b>(53,849,723)</b>

**Dividend:**

In the absence of profits, your Directors do not recommend payment of any dividend for the Financial Year 2019-2020.

**State of Company's Affairs:**

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

- The gross loss (before depreciation) for the year was ₹ 27,751,572/- as against ₹ 10,777,882/- during the last year.
- Net loss after taxation for the year was ₹ 27,096,038/- as against ₹ 16,569,285/- in the last year.
- The total asset under management was ₹ 155.49 Crore as against ₹128.38 Crore in the last year.

Shriram Hybrid Equity Fund, launched in November 2013, delivered return of 5.86% (at the end of March 2020 on a CAGR basis) since inception accompanied by lower levels of volatility. Shriram Multicap Fund, launched in September 2019, delivered return of -12.0% (at the end of March 2020 on a CAGR basis) since inception. Shriram Long Term Equity Fund, launched in January 2019, delivered return of -9.68% (at the end of March 2020 on a CAGR basis) since inception. Performance of the funds were adversely impacted by the sudden outbreak of Covid 19 that led to a sharp fall in equity markets during the last two months of the fiscal. Another fund has been launched by your Company in FY 2018-19 - Shriram Balanced Advantage Fund.

Mutual fund industry continued to support the market, infusing ₹ 91,602.75 crores into equities during FY20, which was higher than ₹ 77,673 crores in FY19 (source: SEBI). The rise in inflow comes against the backdrop of the outbreak of novel corona virus (COVID-19) pandemic.

The buoyancy of mutual fund investment can be gauged by the massive increase in contributions through Systematic Investment Plan (SIPs). The contribution of SIP stood at ₹ 1,00,083 crores in FY20, up 7.97% even in a volatile equity market. 9.95 lakh SIP accounts were added on an average each month during the financial year with an average SIP size of about ₹ 2,750 per account taking the total number of SIP accounts to about 3.12 crores in FY20. Rising awareness about mutual funds through various initiatives and campaigns like 'Mutual Funds Sahi Hai' has bolstered investor sentiment about the benefits of SIPs. Owing to a volatile equity market and several headwinds, Average Assets Under Management (AAUM) of Indian Mutual Fund Industry at the end of March 2020 grew 0.49% to ₹ 24.70 lakh crores.

The Covid crisis is spreading across the world and India also is getting affected. It creates unprecedented level of uncertainty in business environment due to lockdown and restriction on movement of people. The management has taken steps to meet these challenges by designing an effective 'work from home' system and strong cost control measures. At the same time, in view of the strong potential of Indian equities, the Company is also in the process of finalizing and filing new schemes, at an appropriate time, 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, 2020 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, 2020 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 2019-2020 is attached to the Balance Sheet.

**Directors:**

In accordance with the provisions of the Companies Act, 2013 ("the Act") and in terms of the Memorandum and Articles of Association of the Company, Mr. R. Sundara Rajan, retires by rotation at the ensuing AGM and being eligible, offers himself for reappointment.

Further, Nomination and Remuneration Committee on the basis of performance evaluation of Independent Directors has recommended to the Board that the continued association of Mr. Prabhakar Karandikar, as Independent Director of the Company would be beneficial to the Company. Based on the above, the Board recommends the re-appointment of Mr. Karandikar as Independent Director of the Company for a second term, to hold office up to February 13, 2022. Mr. Karandikar is not liable to retire by rotation.

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'. In the opinion of the Board, they fulfil the conditions of independence as specified in the Act and the Listing Regulations and are independent of the management. Further, the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

Profile of the Directors, as required under Regulation 36 of the Listing Regulations, are given in the Notice of the 26<sup>th</sup> 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 Act 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](http://www.shriramamc.com).

**Meetings:**

During the year 5 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.

**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, 2020, 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, 2020 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. Members 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. Regulation 4 (2) (d) (iv) of Listing Regulations also provides for establishment of vigil mechanism for directors and employees for above mentioned matters. 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](http://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.



**Auditors and Auditors' Report:**

The Company's Statutory Auditors, M/s. G. D. Apte & Co., (Firm Registration No. 100515W) Chartered Accountants, Mumbai, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the 23<sup>rd</sup> Annual General Meeting held on August 10, 2017 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.

Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on August 10, 2017. Pursuant to the amendments made to Section 139 of the Act, by the Companies (Amendment) Act, 2017 effective from May 07, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute.

In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' 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, Auditors' 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 Auditors' 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, 2020 was submitted to the Board of Directors at their Meeting held on June 03, 2020. 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 :**

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in the prescribed Form MGT-9 is annexed herewith as "**Annexure C**". The complete Annual Return is available on the Company's Website [www.shriramamc.com](http://www.shriramamc.com)

**Compliance with Secretarial Standards:**

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (SS1 and SS2) respectively relating to Meetings of the Board and its Committees which have mandatory application.

**Amount, if any, proposed to transfer to reserves:**

The Company has made no transfers to reserves during FY 2019-2020.



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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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### 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 D**”. As per the provisions of Section 136(1) of the Act, 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 online inspection 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: Kolkata  
Date: June 03, 2020

**Prabhakar Karandikar**  
Chairman  
DIN No.02142050

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### 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 Insight Share Brokers Limited (SISBL) - Fellow Subsidiary
    - (2) Shriram Value Services Limited (SVS) - Associate
    - (3) Shriram General Insurance Company Limited (SGICL) - Associate
    - (4) Novac Technology Solution Private Limited (NTSPL) - Associate
  - (b) Nature of contracts/arrangements/transactions:
    - (1) SISBL - (i) Online Trading Account  
(ii) Demat Account
    - (2) SVS - Royalty Expenses (artistic work on labels, letterhead, commercial literature, use of Intellectual Property)
    - (3) SGICL- Fire, GPA and Electric Equipment Insurance.
    - (4) NTSPL- HR, IT & Network Support Services.

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**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

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(c) Duration of the contracts / arrangements/transactions:

Name of the related party	Salient Features of Contract / Arrangement	Duration of Contract / Arrangement	With effect from
(1) SISBL	Online Trading Account	10 years	December 05, 2019
	Demat Account	10 years	February 12, 2020
(2) SVS	Royalty Expenses (artistic work on labels, letterhead, commercial literature, use of Intellectual Property)	5 years	October 01, 2019
(3) SGICL	Fire, GPA and Electric Equipment Insurance	10 years	October 01, 2019
(4) NTSPL	HR, IT & Network Support Services	3 years	April 01, 2019

(d) The material terms of the contracts or arrangements including the value, if any:

- (1) SISBL - Online Trading: Brokerage as per the standard rate chart of the Company (SISBL) subject to the relevant SEBI Regulations in this regard and Demat Account- Annual Maintenance Charges, Transactions & Demat charges as per the standard rate chart of the Company (SISBL) as per the relevant SEBI Regulations/ Guidelines
- (2) SVS - 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
- (3) SGICL - Fire, GPA insurance and Electric Equipment Insurance - As per the General Insurance policy terms of the Company (SGICL) subject to the relevant IRDA Regulations in his regard
- (4) NTSPL-HR, IT & Network Support Services- ₹ 3,63,000/- per year and after completion of first year price will be increased by 10% year on year (Prices quoted are exclusive of Taxes)

(e) Any advance paid or received for the contract or arrangement, if any:

- (1) SISBL - NIL
- (2) SVS - NIL
- (3) SGICL - NIL
- (4) NTSPL - 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) SISBL - NA
- (2) SVS - NA
- (3) SGICL - NA
- (4) NTSPL - NA

(g) Any other information relevant or important for the Board to take a decision on the proposed transaction:

- (1) SISBL - NA
- (2) SVS - NA
- (3) SGICL - NA
- (4) NTSPL - NA

(h) Date(s) of approval by the Board, if any: May 08, 2019, October 30, 2019 and January 29, 2020.

(i) Amount paid as advances, if any: NIL

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

Place: Kolkata  
Date: June 03, 2020

**Prabhakar Karandikar**  
Chairman  
DIN No.02142050

**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, 2020

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, 2020 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, 2020 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') :-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
  - d) 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, 2018;
2. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
3. 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;
4. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
5. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
6. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
7. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013

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.

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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### 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, 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: May 09, 2020

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### Annexure to Secretarial Audit Report

To

The Members,

**Shriram Asset Management Company Limited,**

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on my audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained Management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of Management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **SG & Associates**

**Suhas Ganpule**

Proprietor

Practicing Company Secretaries

Membership No: 12122

C. P. No: 5722

Place: Mumbai  
Date: May 09, 2020

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**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

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**Annexure 'C' to the Directors' Report****FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN**

As on the financial year ended March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. Registration and other Details:**

CIN	L65991MH1994PLC079874
Registration Date	July 27, 1994
Name of the Company	Shriram Asset Management Company Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	Wockhardt Towers, 2 <sup>nd</sup> Floor, East Wing, C-2, G Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051. Tel.No.: +91-22-42410400
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Purva Sharegistry (India) Pvt. Ltd. 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Mumbai-400 011 Tel.No.: +91-22-23016761

**II. Principal Business Activities of the Company:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Financial and related services	663 Fund Management Activities	100

**III. Particulars of Holding, Subsidiary and Associate Companies:**

Sr. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary /Associate	% of Shares held	Applicable Section
1	Shriram Credit Company Limited Shriram House, No 4, Burkit Road, T. Nagar, Chennai - 600 017	U65993TN1980PLC008215	Holding	68.67	2(46)
2	Ceylinco Shriram Capital Management Services Co. Pvt. Limited 97, Hyde Park Corner, Colombo -2	Company has been incorporated in Sri Lanka	Associate	30	2 (6)

**Note:** Registered Office of the Company has been shifted to 1006, 10<sup>th</sup> Floor, Meadows, Sahar Plaza, Andheri-Kurla Road, J. B. Nagar, Andheri (East), Mumbai 400 059, w.e.f. August 01, 2020.

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**IV. Share Holding Pattern (Equity Share Capital breakup as percentage of total equity):**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) Individual / HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	4120010	0	4120010	68.67	4120010	0	4120010	68.67	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub total (A) (1):</b>	<b>4120010</b>	<b>0</b>	<b>4120010</b>	<b>68.67</b>	<b>4120010</b>	<b>0</b>	<b>4120010</b>	<b>68.67</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>4120010</b>	<b>0</b>	<b>4120010</b>	<b>68.67</b>	<b>4120010</b>	<b>0</b>	<b>4120010</b>	<b>68.67</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total(B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	187554	24000	211554	3.53	187118	24000	211118	3.52	(0.01)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual Shareholders holding nominal share capital upto 1 lakh	401180	204959	606139	10.10	382557	179259	561816	9.36	(0.74)
ii) Individual Shareholders holding nominal share capital in excess of 1 lakh	1014141	24501	1038642	17.31	1060395	24501	1084896	18.08	0.77



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NBFC Registered with RBI	3690	0	3690	0.06	0	0	0	0	(0.06)
c) Others (specify)									
i.NRI	158	0	158	0.00	1045	0	1045	0.02	0.02
ii.Hindu Undivided Family	16938	0	16938	0.28	19400	0	19400	0.32	0.04
iii.Clearing Members	2869	0	2869	0.05	1715	0	1715	0.03	(0.02)
<b>Sub-Total(B)(2):</b>	<b>1626530</b>	<b>253460</b>	<b>1879990</b>	<b>31.33</b>	<b>1652230</b>	<b>227760</b>	<b>1879990</b>	<b>31.33</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1626530</b>	<b>253460</b>	<b>1879990</b>	<b>31.33</b>	<b>1652230</b>	<b>227760</b>	<b>1879990</b>	<b>31.33</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>5746540</b>	<b>253460</b>	<b>6000000</b>	<b>100</b>	<b>5772240</b>	<b>227760</b>	<b>6000000</b>	<b>100</b>	<b>0.00</b>

**ii) Shareholding of Promoters**

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total Shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total Shares	
Shriram Credit Company Limited	4120010	68.67	0.00	4120010	68.67	0.00	0.00
<b>Total</b>	<b>4120010</b>	<b>68.67</b>	<b>0.00</b>	<b>4120010</b>	<b>68.67</b>	<b>0.00</b>	<b>0.00</b>

**iii) Change in Promoter's Shareholding (Please specify, if there is no change)**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	4120010	68.67	4120010	68.67
Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	No change during the year			
<b>At the end of the year</b>	<b>4120010</b>	<b>68.67</b>	<b>4120010</b>	<b>68.67</b>

**iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding during the year (No. of Shares)		Cumulative Shareholding during the year (Shareholding at the end of the year)	
	No. of Shares	% of total shares of the Company	Increase (Purchase)	Decrease (Sale)	No. of Shares	% of total shares of the Company
1.Hitesh Ramji Javeri	249500	4.16			249500	4.16
2.SFV Selvaraj	169858	2.83				
No. of shares sold in the month of October 2019			0	50	169808	2.83
No. of shares sold in the month of November 2019			0	9562	160246	2.67

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No. of shares sold in the month of December 2019			0	1	160245	2.67
No. of shares sold in the month of January 2020			0	7488	152757	2.55
No. of shares sold in the month of February 2020			0	4530	148227	2.47
No. of shares sold in the month of March 2020			0	4945	143282	2.39
3.Vishal Deepak Anand	126341	2.11				
No. of shares purchased in the month of May 2019			203	0	126544	2.11
No. of shares purchased in the month of June 2019			1707	0	128251	2.14
No. of shares purchased in the month of July 2019			2750	0	131001	2.18
No. of shares purchased in the month of August 2019			9236	0	140237	2.34
No. of shares purchased in the month of September 2019			12255	0	152492	2.54
No. of shares purchased in the month of October 2019			5731	0	158223	2.64
No. of shares purchased in the month of November 2019			12165	0	170388	2.84
No. of shares purchased in the month of December 2019			1539	0	171927	2.87
No. of shares purchased in the month of January 2020			7545	0	179492	2.99
No. of shares purchased in the month of February 2020			1695	0	181167	3.02
No. of shares purchased in the month of March 2020			3241	0	184408	3.07
4. Dawood Mithaiwala	72558	1.21			72558	1.21
5.Integrated Enterprises (India) Ltd.	60000	1.00			60000	1.00
6.Bhavani Thyagarajan	57713	0.96				
No. of shares purchased in the month of November 2019			1713	0	59426	0.99
No. of shares purchased in the month of January 2020			14276	0	73702	1.23
7.Harsha Hitesh Javeri	50000	0.83			50000	0.83
8. Priya Singh Aggarwal	50000	0.83				
No. of shares sold in the month of August 2019			0	1	49999	0.83
9. Runner Marketing Pvt Ltd	50000	0.83			50000	0.83
10. Preetika Mehta	23394	0.39				
No. of shares purchased in the month of April 2019			574	0	23968	0.40
No. of shares purchased in the month of May 2019			1584	0	25552	0.43
No. of shares purchased in the month of June 2019			2517	0	28069	0.47
No. of shares purchased in the month of July 2019			2216	0	30285	0.50
No. of shares purchased in the month of August 2019			1712	0	31997	0.53
No. of shares purchased in the month of September 2019			975	0	32972	0.55
No. of shares purchased in the month of October 2019			727	0	33699	0.56

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No. of shares purchased in the month of November 2019			1027	0	34726	0.58
No. of shares purchased in the month of December 2019			1275	0	36001	0.60
No. of shares purchased in the month of January 2020			1802	0	37803	0.63
No. of shares purchased in the month of February 2020			7366	0	45169	0.75
No. of shares purchased in the month of March 2020			5130	0	50299	0.84

**v) Shareholding of Directors and Key Managerial Personnel**

For each of the Directors and KMP	Shareholding at the beginning of the year		Change in Shareholding during the year (No. of Shares)		Cumulative Shareholding during the year (Shareholding at the end of the year)	
	No. of Shares	% of total shares of the Company	Increase (Purchase)	Decrease (Sale)	No. of Shares	% of total shares of the Company
Mr. R. Sundara Rajan- Director	8167	0.14				
No. of Shares sold in the month of April 2019			0	11	8156	0.14
Mrs. Reena Yadav- Company Secretary	1	0.00	0	0	1	0.00
Mrs. Chandana Dutt -CFO	0	0.00	0	0	0	0.00

**V Indebtedness:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment: NIL

**VI Remuneration of Directors and Key Managerial Personnel:**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars	Mr. Akhilesh Kumar Singh - M.D. (₹)	Total Amount (₹)
	Gross Salary		
1	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	22,45,560	22,45,560
	b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	39,000	39,000
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0	0
2	Stock Options	0	0
3	Sweat Equity	0	0
4	Commission		
	- as % of profit	0	0
	- others, specify	0	0
5	Others, please specify:		
	EPF	2,53,440	2,53,440
	<b>Total (A)</b>	<b>25,38,000</b>	<b>25,38,000</b>
	<b>Ceiling as per the Act</b>	<b>₹ 84 Lakhs as per Schedule V of the Act</b>	

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**B. Remuneration to other Directors:**

**1. Independent Directors:**

Sr. No.	Particular of Remuneration	Name of the Director				Total Amount (₹)
		Mr. Prabhakar Karandikar	Mr. Arindom Mukherjee	Mr. Kshiti Ranjan Das	Mrs. Chandra lyengar	
1	Fee for attending Board/Committee Meetings	1,28,000	1,06,000	1,28,000	1,05,000	4,67,000
2	Commission	0	0	0	0	0
3	Others, please Specify	0	0	0	0	0
	<b>Total (1)</b>	<b>1,28,000</b>	<b>1,06,000</b>	<b>1,28,000</b>	<b>1,05,000</b>	<b>4,67,000</b>

**2. Other Non -Executive Directors:**

Sr. No.	Particular of Remuneration	Name of the Director			Total Amount (₹)
		Mr. R. Sundara Rajan	Mrs. Jayashree Mahesh	Mr. Dhruv Mehta	
1	Fee for attending Board/Committee Meetings	0	79,000	63,000	1,42,000
2	Commission	0	0	0	0
3	Others, please specify	0	0	0	0
	<b>Total (2)</b>	<b>0</b>	<b>79,000</b>	<b>63,000</b>	<b>1,42,000</b>
	<b>Total Managerial Remuneration TOTAL (B)=(1)+(2)</b>				<b>6,09,000</b>
	<b>Overall ceiling as per the Act</b>	Non- Executive Directors are not being paid remuneration except sitting fees which is within the limits prescribed under the Act			

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

Sr. No.	Particular of Remuneration	Key Managerial Personnel		Total Amount (₹)
		Mrs. Chandana Dutt- CFO	Mrs. Reena Yadav- Company Secretary	
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	10,76,000	16,19,392	26,95,392
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	49,000	24,000	73,000
	(c) Profit in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock Options	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- others, specify	0	0	0
5	Others			
	-EPF	53,640	21,600	75,240
	<b>Total (C)</b>	<b>11,78,640</b>	<b>16,64,992</b>	<b>28,43,632</b>

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**VII. Penalties / Punishment/ Compounding of Offences:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

**Annexure 'D' 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	5.79:1	
	2.	Mrs. Reena Yadav	Company Secretary	3.80:1	
	3.	Mrs. Chandana Dutt	Chief Financial Officer	2.69:1	
(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				0.00%
	b) Chief Financial Officer				0.04%
	c) Company Secretary				2.97%
(iii)	the percentage increase in the median remuneration of employees in the financial year;				14.59%
(iv)	the number of permanent employees on the rolls of Company;				45
(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:				0.91%
	b) Average % increase in other personnel:				19.91%
(vi)	affirmation that the remuneration is as per the remuneration policy of the Company.				Yes

**MANAGEMENT DISCUSSION AND ANALYSIS****Mutual Fund Industry Performance:**

2019-2020 turned out to be the sixth successive year of net inflows in equity mutual funds, according to the Association of Mutual Funds in India's (AMFI) data. However, money pumped in by the investors recorded a 24.80% decline during the year to ₹83,786.95 crores in equity oriented mutual funds. Volatility in the market might have led many investors away from equity investments. Nevertheless, over 64 lakh new folios were added in the first 11 months of FY20 taking the total to an all-time high of 8.88 crores as at February 29, 2020.

Mutual Funds' assets under management (AUM) were at ₹22.26 lakh crore at the end of March 2020, down 6.47%, and the average AUM was ₹ 24.70 lakh crores.

**Robust SIP Contribution:**

The contribution of Systematic Investment Plan (SIP) stood at ₹ 1,00,083 crores in FY20, up 7.97% even in a volatile equity market. 9.95 lakh SIP accounts were added on an average each month during the financial year with an average SIP size of about ₹ 2,750 per account with the total number of SIP accounts adding up to about 3.12 crores in FY20. Inflows into SIP averaged about ₹ 8,200 crore in the past 12 months. Rising awareness about mutual funds through various initiatives and campaigns like 'Mutual Funds Sahi Hai' have bolstered investor sentiment about the benefits of SIPs. Inflows through SIP have been showing an upward trend over the past few years. Investments of ₹ 43,921 crore were seen in FY17 while it was ₹ 67,190 crore in FY18.

**Economic Overview :**

In order to bring tax rates at par with international standards and provide some relief to the struggling economy, the Government decided to slash corporate tax rates on September 20, 2019 from 30% to 22% for existing companies and from 25% to 15% for new manufacturing companies. The effects of the tax cut were visible across companies and sectors in the Q3 FY20 results. However, the outbreak of the novel coronavirus (COVID-19) pandemic, which begun in China in December 2019 and later spread to the whole world, affected the functioning of the Indian economy. The nation entered a 21-day lockdown period from March 25, 2020 in an effort to mitigate the spread of the virus with the help of social distancing. The lockdown was extended till May 03, 2020. India's GDP growth estimate for FY20 currently stands at 5%. However, in the minutes of the 7<sup>th</sup> Bi-Monthly MPC meet released by the RBI, the RBI warned that the projected number might be at risk. The RBI also refrained from providing a forecast of real GDP growth. Q3 FY20 GDP growth stood at 4.7%. The India Meteorological Department (IMD) predicted that the monsoons will be normal this year. Owing to the fallout of the pandemic, the International Monetary Fund (IMF) revised downwards its GDP forecast for 2020 and 2021. IMF expects India to grow at 1.9% in 2020 (the highest growth rate estimate among the G-20 economies) while developed economies like the USA is expected to post a fall of 6.1% in 2020. However, the IMF expects the Indian economy to bounce back with an estimated real GDP growth rate of 7.4% in 2021. The IMF estimates the cumulative loss to global GDP over 2020 and 2021, due to the 'Great Lockdown', at around 9 trillion US dollars.

Inflation also inched up in FY20, breaching the RBI's target of 4%. It inched up to 7.59% in January 2020 while it moderated to 6.58% in February 2020. Inflation moderated further to 5.91% in March 2020. The RBI expects inflation to come down gradually over the next four quarters from 4.8% to 2.4% in Q4 FY21. The RBI has remained vigilant about the emerging situation and announced a 75 basis points(bps) repo rate cut to 4.40%. The RBI also announced a three-month moratorium on interest payment of outstanding loans. The CRR was also reduced by 100 bps to 3% for the banks. Other measures are also being announced at regular intervals in order to provide more liquidity.

On the external trade front, India's trade deficit for April 2019 - March 2020 contracted to \$ 152.88 billion compared to \$ 176.42 billion in the previous year. During the same period, exports contracted by 4.78% while imports declined by 9.12%. In March 2020, both exports and imports fell year-on-year, with exports falling 34.57% to \$ 21.41 billion and imports seeing a decline of 28.72% to \$31.16 billion, as supply chains have been hit globally following the pandemic.

Crude prices have also fallen to record lows following the outbreak as demand for crude from China, one of the largest importers of crude, fell heavily. A disagreement between Saudi Arabia and Russia over production cut led crude prices to fall further. This led crude to end FY20 at \$22.74 per barrel, down 66.75% on a year-on-year basis. The rupee also dipped to new lows against the US Dollar in FY20. A falling growth outlook, accelerated by the COVID-19 pandemic, and the heavy FII withdrawals in the January-March 2020 quarter, kept the rupee under pressure, as it touched 76.375 against the USD. It closed FY20 with a loss of 8.90%.

GST collection for FY20 grew 3.8% on a year-on-year basis as slowdown and consumption related challenges persist. GST collection also fell below the ₹ 1 lakh crore mark in March 2020, after four successive months to ₹ 97,597 crore. With increase in spending following the pandemic and shortfall in revenue, the Government's fiscal deficit target of



3.8% of FY20 GDP seems to be out of reach for the moment. At the end of February 2020, the fiscal deficit was 135.2% of the revised estimates for FY2020.

**Equity Market Performance:**

Heavy sell-off towards the end of FY2020, especially from February - March 2020, led the benchmark indices to fall. BSE Sensex closed FY20 at 29,468.49 and Nifty 50 at 8,597.75, registering losses of 23.80% and 26.03%, respectively. The fall was primarily due to the COVID-19 outbreak. The fall was steep considering that Nifty 50 had touched an all-time high of 12,430.50 in January 2020. Global indices also fell heavily, with emerging market indices like Hong Kong Hang Seng witnessing a fall of 18.75% and South Korea KOSPI 50 falling 10.28% in FY20. Shanghai Composite also registered a loss of 11.02%. The US Dow Jones Industrial Average also closed FY20 with a loss of 15.47%.

Central banks all around the globe are on a monetary easing spree in order to mitigate the fallout of the pandemic. The US Federal Reserve decided to cut interest rate to zero, a measure which it had last undertaken in December 2008 during the financial crisis. Foreign Institutional Investors (FIIs) were net sellers in the first three months of 2020 with a net outflow of ₹ 48,030.34 crore from equities. This is against the net inflow of ₹ 54,182.60 crore in April 2019 to December 2019. The heavy inflow from April to December 2019 was instrumental in keeping FIIs net buyers in equities in FY2020 with a net investment of ₹ 6,152.26 crore.

All sectoral indices witnessed steep falls. Nifty Bank fell 37.08% in FY2020 as the pandemic raised concerns over the rise in Non-Performing Assets (NPAs) as a result of the lockdown. Credit growth outlook also looks muted in the near-term, at least. Nifty Auto also fell heavily, registering a loss of 43.24%. The auto sector was already going through a slowdown phase when the pandemic resulted in production shutdowns and further fall in consumer demand. The Supreme Court also extended the last date of selling BS-IV inventories, that is, March 31, 2020 by only ten days, leaving a huge unsold inventory. Nifty IT also reported a loss of 18.33% as a result of lockdowns in a lot of countries. Nifty Pharma also reported a loss of 23.22% in FY20.

**Outlook:**

The COVID-19 crisis has impacted various sectors of the economy, the extent of which remains to be seen. The RBI has remained vigilant of the developing situation and has been deploying fiscal loosening measures in order to support the economy. The Finance Minister has already taken steps to ensure that companies and citizens do not face difficulties due to compliance and regulatory issues and has also announced a stimulus package of ₹7.1 lakh crore for the needy section of the society. The Government is also expected to announce fiscal stimulus packages for the various sectors and MSMEs being affected, after proper assessment of the impact.

Near-term challenges persist in the financial sector, like the fear of rising NPAs and slowdown in credit growth. Consumption, apart from staples, has also had a setback because of the lockdown as supply chains have been disrupted. Companies are looking at alternate ways, like partnering with e-commerce players, to reach consumers as demand continues to remain strong. Manufacturing sectors are also facing challenges owing to production shutdowns or factories running at minimum capacities due to lack of labour.

However, in the long-term, various measures announced so far by the Government, like reduction in corporate tax rates and other policy changes, should help companies with strong fundamentals to bounce back. Even though the fiscal deficit target might be missed currently owing to higher spending and shortfall in revenue during the crisis, the Government is expected to resume its focus on managing the same, once the crisis ceases. The Government is also expected to resume its aggressive divestment strategy once the downturn is over and also provide renewed focus to infrastructure developments. The low crude prices should also provide support to the Indian economy.

**Mutual Fund Industry as it was in FY 2019-2020:**

- Average Assets Under Management (AAUM) of Indian Mutual Fund Industry for the month of March 2020 stood at ₹24,70,882 crore. Assets Under Management (AUM) as on March 31, 2020 stood at ₹22,26,202 crores.
- A sharp rise in systematic investment plans (SIPs) promoted sustainable growth for the industry as more people moved away from the concept of large lump sum investments. The MF industry had added about 9.95 lacs SIP accounts each month on an average during the FY 2019-2020, with an average SIP size of about ₹2,750 per SIP account.
- The MF Industry's AUM has grown from ₹12.02 trillion as on February 28, 2015 to ₹27.23 trillion as on February 29, 2020, about 2 ¼ fold increase in a span of 5 years.
- The total number of accounts (or folios as per mutual fund parlance) as on February 29, 2020 stood at 8.88 crore. This is the 69<sup>th</sup> consecutive month witnessing rise in the no. of folios.

**Mutual Fund Industry- Steps taken by the Regulators in FY 2019-2020:**

There were some important changes in the regulation pertaining to the mutual fund industry during FY 2019-20; the highlights of some of the changes are as given below:

- **Participation of Mutual Funds in Commodity Derivatives Market in India:** In order to promote institutional participation in Exchange Traded Commodity Derivatives (ETCDs), SEBI has permitted the participation of mutual funds in ETCDs. However, the participation of mutual funds in ETCDs would be subject to certain conditions as well as investment limits as detailed in the said SEBI circular.

Further, In case of mutual fund schemes investing in ETCDs, the AMC needs to adhere to the followings:

- The NAVs of those schemes shall be updated on daily basis by the AMCs on their website and on the website of AMFI by 09:00 a.m. of the following calendar day,
- The format of monthly and half yearly portfolio may be modified to reflect the investment in ETCDs,
- The total exposure to ETCDs shall be disclosed as a line item in the Monthly Cumulative Report (MCR) submitted by mutual funds, etc.

- **Optimum use of the funds set aside for Investor Education & Awareness Initiatives (IEAI) by Asset Management Companies (AMCs):**

In order to ensure that the funds allocated for the IEAI are utilized appropriately and to have uniformity for the use of the funds, SEBI has prescribed few guidelines to be followed by AMCs w.r.t the followings:

- Conducting Investor Awareness Programs/Seminars (IAPs): Some of the major guidelines are: (i) Details of all the IAPs need to be advertised in local media for wider publicity and to ensure maximum participation by locals, (ii) A standard presentation to be adopted so as to ensure uniformity in the content for IAPs conducted across the country, (iii) Once IAP is scheduled and advertised in local newspapers, AMCs should avoid rescheduling, postponing and cancelling, etc
- Mandatory Contents of IAP: Some of the mandatory contents to be incorporated (i) Information about documentary requirements and procedures of completing one time KYC (Know Your Customer). Details of the procedure w.r.t change of address, phone number, bank details etc, (ii) Information about documentary requirements and procedures of completing one time KYC (Know Your Customer), (iii) Information about procedures with regard to redressal of investor complaints including details about SEBI SCORES portal, etc
- Mandatory Disclosures during IAP: It needs to be clearly mentioned that the program or the material is part of investor education and awareness initiative of the Mutual Fund.

- **E-KYC authentication facility under Section 11A of the Prevention of Money Laundering Act, 2002 by entities in the securities market for resident investors:**

SEBI has issued circular that, entities in the securities market, as may be notified by the Central Government, shall be allowed to undertake Aadhaar Authentication under Section 11A of the PMLA. These entities would be registered with UIDAI as KYC user agency ("KUA") and shall allow all the SEBI registered intermediaries / mutual fund distributors to undertake Aadhaar Authentication of their clients for the purpose of KYC through them.

- **Investment in units of Mutual Funds in the name of Minor through Guardian and ease of process for transmission of units:** In order to bring about uniform processes across Asset Management Companies (AMCs) in respect of investments made in the name of a minor through a guardian and to enable efficient transmission of units, SEBI has formulated some processes to be mandatorily followed by all Mutual Funds/AMCs

- Process for Investments made in the name of a Minor through a Guardian:

- (i) Payment for investment by means of Cheque, Demand Draft or any other mode to be accepted from the bank account of the minor or from a joint account of the minor with the guardian only, (ii) Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, (iii) AMCs to build a system control at the account set up stage of Systematic Investment Plan (SIP), Systematic Transfer Plan (STP) and Systematic Withdrawal Plan (SWP) on the basis of which, the standing instruction is suspended when the minor attains majority, till the status is changed to major, etc

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- **Process for transmission of Units:** (i) Common Transmission Request Form (common fields) and NOC form, (ii) common set of document requirements for transmission of units to claimant, (iii) uniform process for treatment of unclaimed funds to be transferred to the claimant including the unclaimed dividends, etc.

• **Facilitating transaction in mutual fund schemes through the Stock Exchange infrastructure:**

SEBI has now allowed investors to directly access infrastructure of the recognized stock exchanges to purchase and redeem mutual fund units directly from Mutual Fund/ Asset Management Companies.

**Performance of your Company:**

The performance of the Company for year ended March 31, 2020 is given in brief below: -

Particulars	Year Ended March 31, 2020(₹)	Year Ended March 31, 2019(₹)
<b>Total Income</b>	<b>33,159,725</b>	50,995,151
<b>Total Expenditure</b>	<b>62,677,961</b>	62,084,705
<b>Profit Before Tax</b>	<b>(29,518,236)</b>	(11,089,554)
<b>Tax Provision for the Year</b>	<b>(2,256,197)</b>	4,840,946
<b>Balance brought forward from previous year</b>	<b>(53,849,723)</b>	(37,280,439)
<b>Balance carried to Balance Sheet</b>	<b>(80,945,761)</b>	(53,849,723)

During the year 2019-2020, the Company's total income decreased by 35.01% to ₹ 33,159,725/- as compared to ₹ 50,995,151/- in 2018-2019. However, since the Company is still in expansion mode investing in infrastructure & resources to augment future business revenue, loss increased by 166.32% to ₹ 29,518,236/- in 2019-2020, as compared to ₹11,089,554/- in 2018-2019.

AUM of Shriram Mutual Fund has increased by 21.12% from 128.38 Cr in FY 2018-19 to ₹ 155.49 Cr in FY 2019-20. However decrease in Management Fees from ₹ 9,439,842/- (previous FY 2018-19) to ₹ 4,010,305/- (FY 2019-20) is not commensurate with increase in AUM due to the impact of SEBI Circular dated October 22, 2018 relating to Total Expense Ratio and Performance Disclosure for Mutual Funds.

**Performance of Schemes of Shriram Mutual Fund:**

**Shriram Hybrid Equity Fund**

Returns of Regular Plan - Growth Option as on March 31, 2020						
Date of inception: November 29, 2013						
NAV as on March 31, 2020 ₹ 14.3442						
Date	Period	NAV (₹) Per Unit	Scheme Return % (Annualized)	Benchmark Return % (Annualized)	Value of Investment of ₹10000	
					Scheme	Benchmark
March 31, 2019	Last 1 Year	16.8884	-15.06	-14.65	8,494	8,535
March 31, 2017	Last 3 Year	14.4458	-0.23	2.13	9,930	10,652
March 31, 2015	Last 5 Year	13.1869	1.69	3.96	10,878	12,148
NA	Last 10 Year	NA	NA	NA	NA	NA
November 29, 2013	Since Inception	10.0000	5.86	7.86	14,344	16,153

Returns of Direct Plan - Growth Option as on March 31, 2020						
Date of inception: November 29, 2013						
NAV as on March 31, 2020 ₹ 15.104						
Date	Period	NAV (₹) Per Unit	Scheme Return % (Annualized)	Benchmark Return % (Annualized)	Value of Investment of ₹10000	
					Scheme	Benchmark
March 31, 2019	Last 1 Year	17.5130	-13.76	-14.65	8,624	8,535
March 31, 2017	Last 3 Year	14.7295	0.84	2.13	10,254	10,652

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March 31, 2015	Last 5 Year	13.2788	2.61	3.96	11,375	12,148
NA	Last 10 Year	NA	NA	NA	NA	NA
November 29, 2013	Since Inception	10.0000	6.72	7.86	15,104	16,153

- As per SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2018/04 dated January 04, 2018, in benchmark Nifty value has been taken as Total Return Index value
- The returns are Compounded Annual Growth Returns (CAGR) for the past 1 year, 3 years, 5 years & since inception and simple annualized for less than 1 year. Different plans shall have a different expense structure. The performance details provided herein are of Regular Plan-Growth Option & Direct Plan-Growth Option. The scheme has been in existence for more than 5 years but less than 10 years. Hence, data for the last 10 years period is not available.
- Benchmark is a blend of 70% NIFTY 50 TRI value for the Equity part of the Portfolio & 30% of CRISIL Composite Bond Fund Index for its investments in Debt and Money Market Instruments.
- Performance of dividend option would be Net of Dividend distribution tax, if any. For computation of return since inception (%) the allotment NAV has been taken as ₹ 10.00. Point-to-point returns on a standard investment of ₹ 10,000/- are in addition to CAGR for the Scheme.
- Past performance may or may not be sustained in future. Load is not considered for computation of returns. In case, the start/end date of the concerned period is a non business date (NBD), the NAV of the previous date is considered for computation of returns. The NAV per unit shown in the table is as on the start date of the said period.
- The scheme is being managed by Ms. Gargi Bhattacharyya Banerjee with effect from April 21, 2020

**Shriram Multicap Fund.**

<b>Returns of Regular Plan - Growth Option as on March 31, 2020</b>						
<b>Date of inception: September 28, 2018</b>						
NAV as on March 31, 2020 ₹ 8.2478						
<b>Date</b>	<b>Period</b>	<b>NAV (₹) Per Unit</b>	<b>Scheme Return % (Annualized)</b>	<b>Benchmark Return % (Annualized)</b>	<b>Value of Investment of ₹ 10000</b>	
					<b>Scheme</b>	<b>Benchmark</b>
March 31, 2019	Last 1 Year	10.5983	-22.18	-26.62	7,782	7,338
NA	Last 3 Year	NA	NA	NA	NA	NA
NA	Last 5 Year	NA	NA	NA	NA	NA
NA	Last 10 Year	NA	NA	NA	NA	NA
September 28, 2018	Since Inception	10.0000	-12.00	-15.13	8,248	7,810

<b>Returns of Direct Plan - Growth Option as on March 31, 2020</b>						
<b>Date of inception: September 28, 2018</b>						
NAV as on March 31, 2020 ₹ 8.4776						
<b>Date</b>	<b>Period</b>	<b>NAV (₹) Per Unit</b>	<b>Scheme Return % (Annualized)</b>	<b>Benchmark Return % (Annualized)</b>	<b>Value of Investment of ₹ 10000</b>	
					<b>Scheme</b>	<b>Benchmark</b>
March 31, 2019	Last 1 Year	10.6909	-20.70	-26.62	7,930	7,338
NA	Last 3 Year	NA	NA	NA	NA	NA
NA	Last 5 Year	NA	NA	NA	NA	NA
NA	Last 10 Year	NA	NA	NA	NA	NA
September 28, 2018	Since Inception	10.0000	-10.38	-15.13	8,478	7,810

- NIFTY 500 TRI value is the benchmark of the scheme. As per SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2018/04 dated January 04, 2018, in benchmark Nifty 500 value has been taken as Total Return Index value.

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- The returns are Compounded Annual Growth Returns (CAGR) for the past 1 year & since inception and simple annualized for less than 1 year. Different plans shall have a different expense structure. The performance details provided herein are of Regular Plan-Growth Option & Direct Plan-Growth Option. The scheme has been in existence for more than 1 year but less than 3 years. Hence, data for the last 3, 5 & 10 years period is not available
- Performance of dividend option would be Net of Dividend distribution tax, if any. For computation of return since inception (%) the allotment NAV has been taken as ₹ 10.00. Point-to-point returns on a standard investment of ₹ 10,000/- are in addition to CAGR for the Scheme.
- Past performance may or may not be sustained in future. Load is not considered for computation of returns. In case, the start/end date of the concerned period is a non business date (NBD), the NAV of the previous date is considered for computation of returns. The NAV per unit shown in the table is as on the start date of the said period.
- The scheme is being managed by Ms. Gargi Bhattacharyya Banerjee with effect from April 21, 2020

### Shriram Long Term Equity Fund.

Returns of Regular Plan - Growth Option as on March 31, 2020						
Date of inception: January 25, 2019						
NAV as on March 31, 2020 ₹ 8.8670						
Date	Period	NAV (₹) Per Unit	Scheme Return % (Annualized)	Benchmark Return % (Annualized)	Value of Investment of ₹10000	
					Scheme	Benchmark
March 31, 2019	Last 1 Year	10.4779	-15.37	-26.62	8,463	7,338
NA	Last 3 Year	NA	NA	NA	NA	NA
NA	Last 5 Year	NA	NA	NA	NA	NA
NA	Last 10 Year	NA	NA	NA	NA	NA
January 25, 2019	Since Inception	10.0000	-9.68	-18.10	8,867	7,900

Returns of Direct Plan - Growth Option as on March 31, 2020						
Date of inception: January 25, 2019						
NAV as on March 31, 2020 ₹ 9.0795						
Date	Period	NAV (₹) Per Unit	Scheme Return % (Annualized)	Benchmark Return % (Annualized)	Value of Investment of ₹10000	
					Scheme	Benchmark
March 31, 2019	Last 1 Year	10.5144	-13.65	-26.62	8,635	7,338
NA	Last 3 Year	NA	NA	NA	NA	NA
NA	Last 5 Year	NA	NA	NA	NA	NA
NA	Last 10 Year	NA	NA	NA	NA	NA
January 25, 2019	Since Inception	10.0000	-7.85	-18.10	9,080	7,900

- NIFTY 500 TRI value is the benchmark of the scheme. As per SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2018/04 dated January 04, 2018, in benchmark Nifty 500 value has been taken as Total Return Index value.
- The returns are Compounded Annual Growth Returns (CAGR) for the past 1 year & since inception and simple annualized for less than 1 year. Different plans shall have a different expense structure. The performance details provided herein are of Regular Plan-Growth Option & Direct Plan-Growth Option. The scheme has been in existence for more than 1 year but less than 3 years. Hence, data for the last 3, 5 & 10 years period is not available.
- Performance of dividend option would be Net of Dividend distribution tax, if any. For computation of return since inception (%) the allotment NAV has been taken as ₹ 10.00. Point-to-point returns on a standard investment of ₹ 10,000/- are in addition to CAGR for the Scheme.
- Past performance may or may not be sustained in future. Load is not considered for computation of returns. In case, the start/end date of the concerned period is a non business date (NBD), the NAV of the previous date is considered for computation of returns. The NAV per unit shown in the table is as on the start date of the said period.
- The scheme is being managed by Ms. Gargi Bhattacharyya Banerjee with effect from April 21, 2020

**Performance of “Shriram Balanced Advantage Fund”**

Since the other active scheme of Shriram Mutual Fund i.e. Shriram Balanced Advantage Fund (Inception Date: July 05, 2019) have been in existence for less than one year, the performance of this scheme has not been provided.

**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, 2020, the human resources aspects and built in Management Team of the Company remain unchanged.

**Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:**

- (i) Debtors Turnover- 0.01
- (ii) Inventory Turnover- NA
- (iii) Interest Coverage Ratio- NA
- (iv) Debt Equity Ratio- 0.06
- (v) Operating Profit Margin (%) - (89%)
- (vi) Net Profit Margin (%) - (82%)

**Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:** No significant changes



**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2020**

**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, five meetings of the Board of Directors were held on 08.05.2019, 24.06.2019, 02.08.2019, 30.10.2019 and 29.01.2020. The maximum gap between any two meetings was not more than one hundred and twenty days. The Twenty Fifth Annual General Meeting was held on August 02, 2019.

As mandated by Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 hereinafter called as "Listing Regulations", as on March 31, 2020, none of the Director 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, 2020, 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 Director ships	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	Chairman ship in Audit/ Stakeholders Relationship Committees	Chairman ship in other Committees
Mr. Prabhakar Karandikar -Chairman Non -Executive and Independent	5	YES	3	1	2	1	NIL
Mr. Akhilesh Kumar Singh- Executive and Non-Independent	5	YES	6	NIL	8	NIL	NIL
Mr. R. Sundara Rajan - Non-Executive and Non-Independent	2	NO	8	4	4	3	1
Mr. Dhruv Mehta -Non- Executive and Non Independent	3	YES	6	1	2	NIL	NIL
Mr. Arindom Mukherjee – Non-Executive and Independent	4	NO	NIL	NIL	NIL	NIL	NIL
Mrs. Jayashree Mahesh -Non-Executive and Non-Independent	3	YES	NIL	NIL	NIL	NIL	NIL
Mr. Kshiti Ranjan Das- Non-Executive and Independent	5	YES	1	1	1	NIL	NIL
Mrs. Chandra Iyengar -Non-Executive and Independent	5	YES	3	2	2	NIL	NIL

**Notes:**

- 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.
- The memberships and chairmanships of Directors in committees do not include their memberships and chairmanships in the Company.

**Name of other listed entities where Directors of the Company are Directors and the category of Directorship:**

Sr. No.	Name of Director	Name of the Listed Company in which the concerned Director is a Director	Category of Directorship
1	Mr. Prabhakar Karandikar- Chairman DIN No.02142050	Shriram EPC Limited	Non -Executive and Independent Chairman
2	Mr. Akhilesh Kumar Singh- Managing Director DIN No.00421577	Nil	
3	Mr. R. Sundara Rajan DIN No.00498404	Shriram EPC Limited	Non-Executive and Non- Independent Director
		Take Solutions Limited	Non-Executive and Independent Director
		Orient Green Power Company Limited	Non-Executive and Non- Independent Director
4	Mr. Dhruv Mehta DIN No.02083226	Diamines And Chemicals Limited	Non-Executive and Independent Director
5	Mr. Arindom Mukherjee DIN No.00174199	Nil	
6	Mrs. Jayashree Mahesh DIN No.06993492	Nil	
7	Mr. Kshiti Ranjan Das DIN No.07212449	Kerala Ayurveda Limited	Non- Executive and Independent Director
8	Mrs. Chandra Iyengar DIN No.02821294	Adani Gas Limited	Non- Executive and Independent Director

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The Board identified, inter alia, the following core skills/expertise/competencies to ensure the Board's effective composition to discharge its responsibilities and duties required to govern the Company and also be compliant with the regulations:

Sr. No.	Desired/Needed Skills, Experience, Attribute	PK	AKS	RSR	DM	AM	JM	KRD	CI
1	Industry Expertise	Yes	Yes	Yes	Yes	Yes	No	No	No
2	Risk Management and Regulatory Expertise	Yes	Yes	Yes	Yes	Yes	Yes	No	No
3	Financial Markets Expertise	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
4	Business Strategy	Yes	Yes	Yes	Yes	Yes	No	No	Yes
5	Communication and Transparency Expertise	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Behavioural Expertise	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7	Financial and Management Expertise	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes

**Please Note:**

PK= Mr. Prabhakar Karandikar, AKS= Mr. Akhilesh Kumar Singh, RSR= Mr. R. Sundara Rajan, DM= Mr. Dhruv Mehta, AM= Mr. Arindom Mukherjee, JM= Mrs. Jayashree Mahesh, KRD= Mr. Kshiti Ranjan Das and CI= Mrs. Chandra Iyengar.

**Familiarisation programme for Independent Directors:**

The Company familiarises its Independent Directors pursuant to the requirement of Listing Regulations with their roles and rights, responsibility in the Company, nature of the industry in which the Company operates and business model of the Company etc. The details of the familiarisation programme imparted to the Independent Directors of the Company during Financial Year 2019-2020 are available on the website of the Company at [www.shriramamc.com](http://www.shriramamc.com)

**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 and Connected Persons 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.

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 25<sup>th</sup> Annual General Meeting held on August 02, 2019.

During the year under review, the Committee met five times on 08.05.2019, 24.06.2019, 02.08.2019, 30.10.2019 and 29.01.2020. 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**

<b>Name of the Member</b>	<b>Category</b>	<b>No. of Meetings Attended</b>
Mr. Prabhakar Karandikar - Chairman	Non-Executive and Independent	5
Mr. Arindom Mukherjee	Non-Executive and Independent	4
Mrs. Jayashree Mahesh	Non-Executive and Non-Independent	3
Mr. Kshiti Ranjan Das	Non-Executive and Independent	5

#### **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.

#### **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

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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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.

During the year under review, the Committee met two times on 08.05.2019 and 29.01.2020.

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	2
Mr. Prabhakar Karandikar	Non-Executive and Independent	2
Mrs. Jayashree Mahesh	Non-Executive and Non-Independent	1
Mr. Kshiti Ranjan Das	Non-Executive and Independent	2

### 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 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/-

## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

The details of sitting fees/remuneration paid to the Directors during the year 2019-2020, are as under:

Sr. No.	Name of the Director	Sitting fees (₹)	Salary, Perquisites (₹)	Commission (₹)	Total (₹)
1	Mr. Prabhakar Karandikar- Chairman	1,28,000	NIL	NIL	1,28,000
2	Mr. Akhilesh Kumar Singh-Managing Director (*)	NIL	25,38,000	NIL	25,38,000
3	Mr. R. Sundara Rajan	NIL	NIL	NIL	NIL
4	Mr. Dhruv Mehta	63,000	NIL	NIL	63,000
5	Mr. Arindom Mukherjee	1,06,000	NIL	NIL	1,06,000
6	Mrs. Jayashree Mahesh	79,000	NIL	NIL	79,000
7	Mr. Kshiti Ranjan Das	1,28,000	NIL	NIL	1,28,000
8	Mrs. Chandra Iyengar	1,05,000	NIL	NIL	1,05,000

(\*) 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 ₹ 22,45,560/-, Perquisites of ₹ 39,000/- 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.

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, 2020 are as below:**

Name of the Director	Shareholdings
Mr. Prabhakar Karandikar – Chairman	NIL
Mr. Akhilesh Kumar Singh- Managing Director	NIL
Mr. R. Sundara Rajan	8156
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.



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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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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.

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

The Chairman of the Stakeholders Relationship Committee could not attend 25<sup>th</sup> Annual General Meeting (AGM) due to personal reason. He authorised Mrs. Jayashree Mahesh one of the Member of the said Committee to represent him at the 25<sup>th</sup> AGM held on August 02, 2019.

#### **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 08.05.2019, 02.08.2019, 30.10.2019 and 29.01.2020.

The necessary quorum was present for all the meetings.

#### **Composition**

<b>Name of the Member</b>	<b>Category</b>	<b>No. of Meetings Attended</b>
Mr. Arindom Mukherjee- Chairman	Non-Executive and Independent	3
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	4

#### **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 2019-2020.

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**

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

**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 08.04.2019, 07.06.2019, 29.06.2019, 19.07.2019, 05.09.2019, 18.11.2019, 04.12.2019 and 03.02.2020.

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

**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.

**Composition**

Name of the Member	Category
Mr. Akhilesh Kumar Singh-Chairman	Executive and Non-Independent
Mr. R. Sundara Rajan	Non-Executive and Non-Independent
Mr. Arindom Mukherjee	Non-Executive and Independent
Mrs. Jayashree Mahesh	Non-Executive and Non-Independent

**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 29.01.2020.

**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 29.01.2020.

**GENERAL BODY MEETINGS**

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

Year	AGM	Location	Date	Time
2016-2017	23 <sup>rd</sup>	Hotel Parle International, Mumbai - 400 057	August 10, 2017	3.00 P.M.
2017-2018	24 <sup>th</sup>	Hotel Parle International, Mumbai - 400 057	August 07, 2018	2.30 P.M.
2018-2019	25 <sup>th</sup>	Hotel Parle International, Mumbai - 400 057	August 02, 2019	3.00 P.M.

A) At 23<sup>rd</sup> AGM held on August 10, 2017- No Special Resolution was passed.

B) At 24<sup>th</sup> AGM held on August 07, 2018- following Special Resolutions were passed:

- 1) 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.
- 2) Appointment of Mr. Akhilesh Kumar Singh as Managing Director.
- 3) Approval of Related Party Transactions (Ordinary Resolution)

C) At 25<sup>th</sup> AGM held on August 02, 2019- following Special Resolutions were passed:

- 1) Re-appointment of Mr. Arindom Mukherjee as an Independent Director for a second term of five consecutive years.

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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- 2) Approval of Related Party Transactions (Ordinary Resolution)
- 3) 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.
- D) Postal Ballot - During the year 2019-2020, no resolutions were passed through postal ballot. At ensuing Annual General Meeting also, there is no resolution proposed to be passed through postal ballot.

### SUBSIDIARY COMPANY

The Company does not have any subsidiary.

### DISCLOSURES

The Company has followed the relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements.

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](http://www.shriramamc.com).

Disclosures on transactions with related parties as required under Ind (AS) - 24 have been incorporated in the Notes to Financial Statements.

In terms of the amendments made to the Listing Regulations, the Board of Directors confirms that during the year, it has accepted all recommendations received from its mandatory committees.

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.

The Company has complied with all applicable mandatory requirements of the Listing Regulations. The Company has also fulfilled the following discretionary requirements as provided in Listing Regulations:

- 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.

The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

All the Directors of the Company have given a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of Companies. Mr. Suhas Ganpule, Practising Company Secretary has submitted a certificate to this effect.

Total fees for all services paid by the Company to the Statutory Auditor and all entities in the network firm / network entity of which Statutory Auditor is part are given in Note No. 20 (1) to the Financial Statements.

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.

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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### Policy for Prevention, Detection and Investigation of Frauds and Protection of Whistle blowers (the Whistle blower 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 Whistle blower Policy/ Vigil Mechanism in line with Regulation 22 of the Listing Regulations. No personnel have been denied access to the Audit Committee. The Whistle blower 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 stipulated by SEBI 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 the 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](http://www.shriramamc.com) and website of BSE Limited: [www.bseindia.com](http://www.bseindia.com).

### GENERAL SHAREHOLDER INFORMATION

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

#### 26<sup>th</sup> Annual General Meeting

<b>a</b>	<b>Date and Time</b>	September 04, 2020 at 11.30 A.M.
<b>b</b>	<b>Venue</b>	Meeting will be conducted through Video Conference or Other Audio Visual Means
<b>c</b>	<b>Book Closure Date</b>	From August 29, 2020 to September 04, 2020 (both days inclusive)
<b>d</b>	<b>Dividend</b>	The Board of Directors has not recommended any dividend for the year 2019-2020
<b>e</b>	<b>Name and Address of Stock Exchange where Company's shares are listed</b>	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
<b>f</b>	<b>Financial Calendar</b>	2020-2021
	Annual General Meeting	September 2021
	Unaudited results for the quarter ending June 30, 2020	Last week of July 2020
	Unaudited results for the quarter/ half - year ending September 30, 2020	Last week of October 2020
	Unaudited results for the quarter ending December 31, 2020	Last week of January 2021
	Audited results for the year ending March 31, 2021	May 2021
<b>g</b>	<b>Stock Code</b>	
	BSE Limited (BSE)	531359
	Demat ISIN in NSDL & CDSL	INE777G01012

## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

### Payment of Listing Fees

The Company has paid the annual listing fees for the financial year 2020-2021 to the above stock exchange.

### Custodial Fees to Depositories

The annual custodial fees for the financial year 2020-2021 have 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.

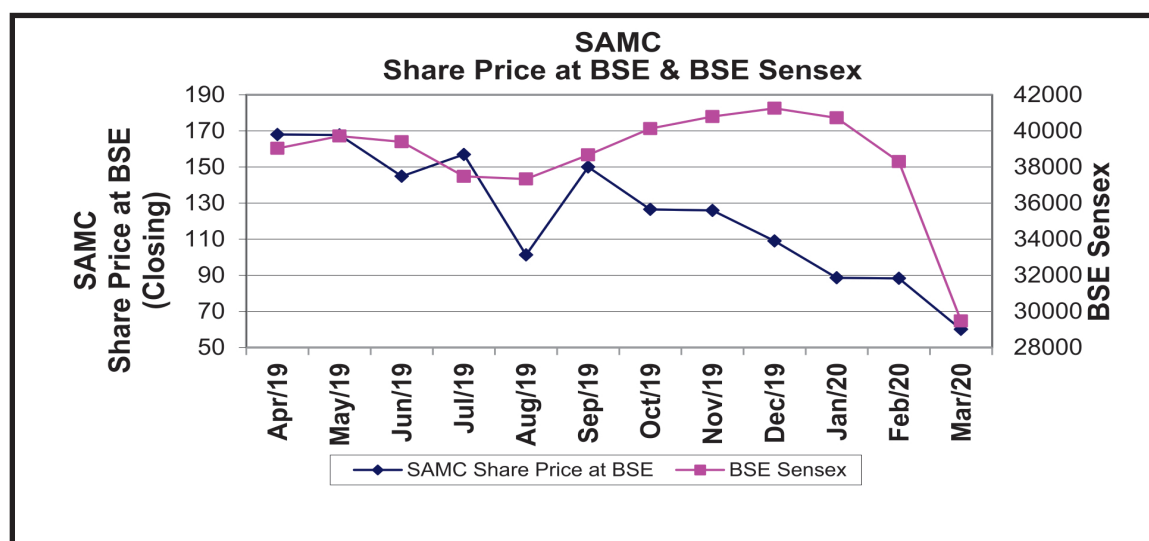
### h. Stock Market Data

The high and low of the closing market price and volume of shares traded during each month of the financial year ended March 31, 2020 are given below:

BSE Limited			
Share price			
Month	High (₹)	Low (₹)	Volume
April-2019	191.00	153.00	4180
May-2019	172.00	147.80	11004
June-2019	184.85	139.00	10131
July-2019	175.35	142.50	4833
August-2019	167.90	101.25	21798
September-2019	163.00	100.50	23535
October-2019	149.50	117.30	9608
November-2019	135.95	110.20	13831
December-2019	131.95	99.30	9217
January-2020	115.40	87.00	31482
February -2020	110.45	85.65	10470
March-2020	110.00	60.00	10260

### i. SAMC Share Price performance in comparison to BSE Sensex

The Company's closing share price movement during the Financial Year 2019-2020 on BSE Sensex:



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**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

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**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, 2020**

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	695	70.21	123460	2.06
501-1000	162	16.36	143154	2.39
1001-2000	51	5.15	78522	1.31
2001-3000	13	1.31	30928	0.51
3001- 4000	13	1.31	44726	0.75
4001- 5000	11	1.11	49564	0.82
5001- 10000	20	2.02	152969	2.55
10001 and above	25	2.53	5376677	89.61
<b>Total</b>	<b>990</b>	<b>100.00</b>	<b>6000000</b>	<b>100.00</b>

**m. Category of Shareholders as on March 31, 2020**

Category of Shareholders	No. of Shares held	% of Shareholding
Promoters and Promoter Group	4120010	68.67
Individuals	1646712	27.44
NBFC Registered with RBI	0	0
Bodies Corporate	211118	3.52
NRI	1045	0.02
HUF	19400	0.32
Clearing Members	1715	0.03
<b>Total</b>	<b>6000000</b>	<b>100</b>

**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) Private Limited. As on March 31, 2020 total of 5772240 equity shares constituting 96.20% 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, 2<sup>nd</sup> 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](http://www.shriramamc.com), Email ID: [srmf@shriramamc.com](mailto: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](mailto:srmf@shriramamc.com)

**Note:** Registered Office of the Company has been shifted to 1006, 10th Floor, Meadows, Sahar Plaza, Andheri-Kurla Road, J. B. Nagar, Andheri (East), Mumbai 400 059, w.e.f. August 01, 2020.



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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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### 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, 2020 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. Significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. That there are no instances of significant fraud of which I have become aware.

Place: Kolkata  
Date: June 03, 2020

**Akhilesh Kumar Singh**  
Managing Director  
DIN No.00421577

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### 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, 2020 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. Significant changes if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. That there are no instances of Significant fraud of which I have become aware.

Place: Kolkata  
Date: June 03, 2020

**Chandana Dutt**  
Chief Financial Officer

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### 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, 2020.

Place: Kolkata  
Date: June 03, 2020

**Akhilesh Kumar Singh**  
Managing Director  
DIN No.00421577

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**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

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**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE****To****The Members of Shriram Asset Management Company Limited**

We have examined the compliance of the conditions of Corporate Governance by **Shriram Asset Management Company Limited ("the Company")**, for the year ended on March 31, 2020 as stipulated in regulations 17 to 27 and Clauses (b) to (i) of regulation 46(2) and para C and D of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with corporate governance requirements by the Company.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2020.

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)

**Chetan R. Sapre**

(Partner)

(Membership No. 116952)

UDIN No. 20116952AAAAET6105

Place: Mumbai

Date: June 03, 2020

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**Practicing Company Secretaries' Certificate pursuant to Regulation 34 and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015****To,****The Members of Shriram Asset Management Company Limited****Subject: Declaration by Practicing Company Secretary pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding non-disqualification of the Directors.**

Pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and on the basis of the declaration received from the Directors of Shriram Asset Management Company Limited (the 'Company'), I Mr. Suhas Sadanand Ganpule, Company Secretary In Practice hereby declare that the under stated Directors of the Company are not debarred or disqualified from being appointed or to continue as Directors of the Company by the SEBI/ Ministry of Corporate Affairs or any other Statutory Authority for the year ended March 31, 2020:

<b>Name of the Director</b>	<b>DIN No.</b>
Mr. Prabhakar Dattatraya Karandikar	02142050
Mr. Akhilesh Kumar Singh	00421577
Mr. Rangaswamy Sundararajan	00498404
Mr. Dhruv Lalit Mehta	02083226
Mr. Arindom Mukherjee	00174199
Mrs. Jayashree Mahesh	06993492
Mr. Kshiti Ranjan Das	07212449
Mrs. Chandra Iyengar	02821294

**For S G & Associates****Suhas S. Ganpule**

Proprietor

Practicing Company Secretary

Membership No: 12122

CP No: 5722

UDIN No A012122D000220871

Place: Mumbai

Date: May 09,2020

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**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

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**INDEPENDENT AUDITOR'S REPORT**

To,  
**The Members of Shriram Asset Management Company Limited**  
**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone IND AS financial statements of **Shriram Asset Management Company Limited ("The Company")**, which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

**Emphasis of Matter**

We draw attention to Note No. 28 to the financial statements which describe that the extent to which the COVID-19 Pandemic will impact the Company's results will depend on future developments, which are highly uncertain for which the Company will continue to monitor and further, Directors consider that the Company has adequate Financial resources to continue in operational existence for the foreseeable future and therefore Financial statements for the year are prepared under 'Going Concern' assumptions.

Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<b>Accuracy of recognition, measurement, presentation and disclosures of Leases and other related balances in view of adoption of Ind AS 116 "Leases" (new Lease accounting standard)</b> The application of the new lease accounting standard involves certain key judgments relating to assessment of whether a contract contains a lease and allocation of the consideration to the lease component on the basis of their relative standalone prices.	We have assessed the Company's process to identify the impact of adoption of the new Lease accounting standard. Our audit approach consisted of following substantive audit procedures: <ul style="list-style-type: none"><li>• Evaluated the design of internal controls relating to implementation of the new lease accounting standard.</li><li>• Reviewed the changes made to the accounting policy of the company to be in accordance with the requirements of Ind AS 116.</li></ul>

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

Sr. No.	Key Audit Matter	Auditor's Response
	<p>The Company has applied Ind AS 116 using the modified retrospective method wef 1<sup>st</sup> April 2019. The accounting policy adopted by the company is disclosed in Notes to financial Statements.</p>	<p>Analyzed the terms &amp; conditions of various contracts entered by the company in order to classify it under the Lease contract in accordance with IND AS 116.</p> <ul style="list-style-type: none"> <li>Reviewed the terms and conditions of the lease contracts based on which lease contract were classified into various types of lease such as finance lease, operating lease, short term, low value lease etc. for proper classification and recognition of lease contracts.</li> <li>Verified the various inputs such as discounting rate, lease terms i.e. period of lease, lease payments in order to ascertain the correctness of initial recognition of "right of use assets" and "lease liabilities".</li> <li>Verified the subsequent measurement of Right of Use assets and lease liability; to ensure whether: <ul style="list-style-type: none"> <li>➤ Right of use asset is depreciated from the date of commencement of lease to the earlier of the end of useful life of the right of use asset or end of the lease term.</li> <li>➤ Lease liability is measured correctly by using discount rate by accounting for interest on lease liability, lease payments made and adjustments on account of any reassessment or modifications to lease contracts,</li> </ul> </li> <li>We have verified that the disclosures made in the financial statements as per the requirements of Ind AS 116.</li> </ul>
2	<p><b>Valuation of Investments in Mutual Fund Schemes</b>  Since the Company is an Asset management company, it has investments in its own Mutual fund schemes as per SEBI mutual fund regulations 1996 and also investment in other mutual fund schemes. As on the balance sheet date, investments are valued as per the requirements of Ind AS 109 – Financial Instruments.  Investments comprise of the most significant asset in the company's financial statements.  In view of significance of investments of the company as specified above, we consider investment valuation to be a significant key audit matter.</p>	<p>Our audit procedures, to assess the reasonableness of valuation of investments, includes the following:</p> <ul style="list-style-type: none"> <li>Ensuring that the accounting policy as adopted by the company for valuation of its investments is in accordance with the requirement of the relevant Ind AS.</li> <li>Verification of the valuation of investments as carried out by the company is in accordance with the requirement of <b>Ind AS 109 – Financial Instruments</b>, where in investments are carried at fair value through profit and loss.</li> <li>Verification of the relevant observable and unobservable inputs if any used in the valuation of investments as per requirement of <b>Ind AS 113 – Fair Value Measurement</b> such as Net Asset Value (NAV) of the Mutual fund schemes as declared on the reporting date.</li> <li>We have reviewed the disclosures related to investments in the standalone financial statements as required by the relevant Ind AS. We have carried out the following procedures in respect of impairment:</li> <li>Reviewed the indicators and factors which affects the recoverability of the investments and in case of existence of such indicators, whether sufficient impairment loss was provided in the books by the company.</li> </ul>

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:



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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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- i. The Company did not have any pending litigations having impact on its financial position in its standalone financial statements.
  - ii. The Company did not have long term contracts including derivative contracts for which there were any material foreseeable losses and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For G. D. Apte & Co.**  
Chartered Accountants  
(Firm Registration No. 100515W)  
**Chetan R. Sapre**  
(Partner)  
(Membership No. 116952)  
UDIN : 20116952AAAAFG5634

Place: Mumbai

Date: June 03, 2020

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### ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' Section of our report to the Members of Shriram Asset Management Company Limited for the year ended March 31, 2020)

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

To,

#### **The Members of Shriram Asset Management Company Limited**

We have audited the internal financial controls over financial reporting of **Shriram Asset Management Company Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on 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. 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 respective 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 Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 auditor's 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 internal financial controls system over financial reporting of the Company.

#### **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

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the ASSET 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 ASSET that could have a material effect on the financial statements.

### **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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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)

**Chetan R. Sapre**

(Partner)

(Membership No. 116952)

Place: Mumbai

Date: June 03, 2020

UDIN : 20116952AAAAFG5634

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### **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report to the Members of Shriram Asset Management Company Limited of even date)

- (i). In respect of the Company's Property plant & equipment:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of property plant & equipment.
  - b) As per the information and explanations given to us, the property plant & equipment 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) According to the information and explanations given to us, the Company has granted unsecured loan to Shriram Insight Share Brokers Limited, covered in the register maintained under Section 189 of the Act, in respect of which
  - 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.

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**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

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- c) There are no overdue amounts for more than ninety days in respect of the loans granted.
- (iv) According to the information and explanation given to us and in our opinion, the company has complied with the Section 185 and Section 186 of the Act in respect of Loan given. According to the information and explanation given to us, the company has neither made any investments nor provided any guarantee or security.
- (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, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other 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 and other statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there were no dues in respect of Income Tax, Duty of Excise, Duty of Customs, Sales Tax, Service Tax, Goods and Service Tax and Value Added Tax which have not been deposited on account of any dispute.
- (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) 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 etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence, reporting under Clause 3(xiv) of the order is not applicable to the company.
- (xv) The company has not entered into any non-cash transactions with the directors or persons connected with him 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)  
**Chetan R. Sapre**  
(Partner)  
(Membership No. 116952)  
UDIN : 20116952AAAAFG5634

Place: Mumbai  
Date: June 03, 2020

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**BALANCE SHEET AS AT MARCH 31, 2020**

Particulars	Note No.	As at March 31,2020 (₹)	As at March 31,2019 (₹)
<b>I. ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	2	3,059,288	1,496,389
(b) Receivable			
Trade Receivable	3	374,048	409,884
(c ) Loans	4	3,565,294	7,716,978
(d) Investment	5	510,557,076	527,087,287
(e) Other Financial Assets	6	15,001,907	19,808,126
<b>Total Financial Assets</b>		<b>532,557,613</b>	<b>556,518,664</b>
<b>(2) Non -Financial Assets</b>			
(a) Current Tax Assets (Net)		-	1,433,558
(b) Investment Property	7	1,464,321	1,558,829
(c ) Property, plant and equipment	8	427,447	455,361
(d ) Right of Use Asset	8	6,363,749	-
<b>Total Non -Financial Assets</b>		<b>8,255,517</b>	<b>3,447,748</b>
<b>TOTAL ASSETS</b>		<b>540,813,130</b>	<b>559,966,412</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
(1) Financial Liability			
(a) Trade payables	9	1,804,104	552,688
(b) Lease Liability		6,642,111	-
(c ) Othe Financial Liabilites	10	9,486,752	9,408,371
<b>Total Financial Liability</b>		<b>17,932,967</b>	<b>9,961,059</b>
<b>(2) Non- Financial Liability</b>			
(a) Current Tax Liability (Net)		578,502	-
(b) Provisions	11 & 12	7,983,939	6,301,142
(c ) Deferred tax liabilities (Net)	13	5,102,075	7,392,526
<b>Total Non -Financial Liability</b>		<b>13,664,516</b>	<b>13,693,668</b>
<b>EQUITY</b>			
(a) Share Capital	14	550,000,000	550,000,000
(b) Other Equity	15	(40,784,353)	(13,688,315)
<b>Total Equity</b>		<b>509,215,647</b>	<b>536,311,685</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>540,813,130</b>	<b>559,966,412</b>

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 : June 03,2020

Place : Kolkata  
Date : June 03,2020

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	Note No.	For the year ended March 31,2020 (₹)	For the year ended March 31,2019 (₹)
<b>Income</b>			
<b>I. Revenue from operations</b>			
Management Fees	16	4,010,305	9,439,842
Interest Income	17	28,416,808	40,766,164
<b>II. Other Income</b>	18	732,611	789,145
<b>III. Total Income (I +II)</b>		<u>33,159,725</u>	<u>50,995,151</u>
<b>IV. Expenditure:</b>			
Finance costs-Interest on Lease Liability		488,668	-
Employee benefit expense	19	36,954,712	25,837,497
Depreciation and amortization expense	7&8	1,766,664	311,672
Other expenses	20	19,515,340	17,103,220
Mutual Fund Expenses	21	2,484,975	11,118,232
NFO Expenses		1,467,603	7,714,084
<b>Total Expenditure</b>		<u>62,677,961</u>	<u>62,084,705</u>
<b>V. Profit/ (Loss) before tax (III - IV)</b>		<u>(29,518,236)</u>	<u>(11,089,554)</u>
<b>VI. Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		(2,256,197)	4,840,946
(3) Income Tax Provision For Earlier Years		-	-
<b>Total Tax Expenses</b>		<u>(2,256,197)</u>	<u>4,840,946</u>
<b>VII. Profit/(Loss) after tax (V-VI)</b>		<u>(27,262,039)</u>	<u>(15,930,500)</u>
<b>VIII. Other Comprehensive Income</b>			
a. Items that will not be reclassified to profit or loss:			
(i) Remeasurements gain/(loss) of defined benefit plans		131,747	(506,972)
(ii) Income tax related to such items		34,254	(131,813)
b. Items that will be reclassified to profit or loss			
Other comprehensive income for the period, net of tax		166,001	(638,785)
<b>IX. Total comprehensive income for the period (VII+VIII)</b>		<u>(27,096,038)</u>	<u>(16,569,285)</u>
<b>X. Earning per equity share:</b>			
(1) Basic		(4.52)	(2.76)
(2) Diluted		(4.52)	(2.76)

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 : June 03,2020

Place : Kolkata  
 Date : June 03,2020

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2020**

Particulars	Year ended March 31,2020		Year ended March 31,2019	
	(₹)	(₹)	(₹)	(₹)
<b>Cash Flow From Operating Activities</b>				
<b>Profit/ (Loss) before tax as per Profit and Loss Account</b>	<b>(29,518,236)</b>		<b>(11,089,554)</b>	
<b>Adjustments For:</b>				
Depreciation	1,766,664		311,672	
Finance costs-Interest on Lease Liability	488,668		-	
Interest Income on Staff Loan	(215,336)		(157,999)	
Interest Income on Security Deposit	(80,037)		(82,669)	
Profit on Sale of Fixed Assets	-		-	
Dividend Income	-		(1,750)	
Profit on revaluation of Investment	(26,161,147)		(34,059,431)	
Retained Earnings	-		-	
Rent Equalisation Reserve	-		60,528	
Operating Profit Before Change in Working Capital	<b>(24,201,188)</b>		<b>(33,929,649)</b>	
<b>Changes in Working Capital</b>				
Decrease / (Increase) in loans and advances	2,139,624		140,499,511	
Decrease / (Increase) in Other Non Current Assets	(56,135)		(173,674)	
Decrease / (Increase) in Trade Receivables	35,836		349,277	
Decrease / (Increase) in Other Current Assets	6,874,414		(10,324,463)	
Increase / (Decrease) in Financial Liabilities	(396,085)		1,592,390	
Increase / (Decrease) in Provisions	1,682,797		3,122,675	
Changes in Reserves due to Other Comprehensive Income	131,747		(506,972)	
Net Change in Working Capital	<b>10,412,198</b>		<b>134,558,744</b>	
Direct Taxes Paid	<b>2,012,060</b>		<b>2,136,503</b>	
<b>Net Cash From Operating Activities</b>	<b>(41,295,167)</b>		<b>91,676,044</b>	
<b>Cash Flow From Investing Activities</b>				
Purchase of Property Plant & Equipment	(128,665)		(100,428)	
Sale of Property Plant & Equipment	-		-	
Net (Purchase)/Sale of Investment	<b>42,691,358</b>		<b>(91,706,747)</b>	



**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

Interest Received	<b>295,373</b>	240,668
Dividend Received	-	1,750
<b>Net Cash From Investing Activities</b>	<b>42,858,066</b>	<b>(91,564,757)</b>
Cash Flow From Financing Activities		
Issue of Preference Share	-	-
<b>Net Cash from Financing Activities</b>	<b>-</b>	<b>-</b>
Net Increase/ (Decrease) in Cash and Cash Equivalents	<b>1,562,899</b>	111,286
Cash & Cash Equivalents- Beginning of the year	<b>1,496,389</b>	1,385,103
<b>Cash &amp; Cash Equivalents- End of the year</b>	<b>3,059,288</b>	<b>1,496,389</b>

**Notes:-**

- Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013.
- Previous year's figures have been regrouped/ rearranged wherever necessary to make them comparable with those of current year.

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  
Place : Mumbai  
Date : June 03,2020

**REENA YADAV**  
COMPANY SECRETARY  
Place : Kolkata  
Date : June 03,2020

**CHANDANA DUTT**  
CHIEF FINANCIAL OFFICER

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### Significant Accounting Policies and Other Explanatory Information to the Financial Statements for the year ended March 31, 2020

#### 1. Corporate and General 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 21.11.1994 vide registration no. MF/017/94/4.

#### 1.1 Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 and the requirements of Schedule III of the Companies Act, 2013. The Company adopted Ind AS from April 01, 2018.

#### 1.2 Basis of preparation of Financial Statements

##### 1.2.1 Basis of Measurement

The company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis except in case of significant uncertainties.

Financial statements are prepared under the historical cost method, except certain financial assets and liabilities which are classified as fair value through profit and loss.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

##### 1.2.2 Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees which is the Company's functional currency.

##### 1.2.3 Use of Estimates and Management Judgement

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations for the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future periods.

##### 1.2.4 Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

#### 1.3 Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the financial statements is given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

##### a) Property, Plant and Equipment

- (i) Property, plant and equipment are stated at cost, less any subsequent accumulated depreciation and impairment losses, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at April 01, 2017 measured as per the previous GAAP. The initial cost at cash price equivalence of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)**

assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use.

- (ii) Subsequent expenditure is recognised as an increase in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits derived from the cost incurred will flow to the Company and the cost of the item can be measured reliably.
- (iii) Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

**b) 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 period 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.

- c) **Intangible 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 Ind AS 38.

**d) Amortisation of Intangible Assets**

Since the pattern of future economic benefit can not be estimated reliably, the software shall be amortised 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.

**e) Impairment of Asset**

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds its recoverable amount, the difference is recognised as impairment loss in the Statement of Profit & Loss.

**f) Investments**

Investment in mutual funds have been classified at fair value and changes in fair value are recognised in statement of profit and loss. Investment in associate is carried at cost less accumulated impairment, if any.

**g) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

**Initial Recognition**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**Subsequent measurement****Financial Assets**

- (i) **Financial assets at amortised cost:** Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) **Financial assets at fair value through other comprehensive income:** Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)

**(iii) Financial assets at fair value through profit or loss:**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

**Financial Liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

**Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**Derogation of financial instruments**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**Fair value of financial instruments**

In determining the fair value of its financial instruments, the company uses variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

**h) Cash and Cash Equivalent**

In the cash flow statement, cash and cash equivalents include cash in hand, deposits with banks and other short term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**i) Recognition of Revenue**

Revenue is recognised 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.

**j) Income Recognition:**

i) Interest income is recognised in the Statement of Profit and Loss using the effective interest method.

ii) The Profit/Loss on the sale of investments is dealt with at the time of actual sale/redemption.

iii) Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

**k) 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 on actuarial valuation basis. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of remeasurements are recognised immediately through other comprehensive income in the period in which they occur.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)

### Leave Encashment

Long term compensated absences are provided for based on actuarial valuation basis.

### l) Leases

The Company has applied Ind AS 116 using the modified retrospective method and therefore the comparative information has not been restated and continues to be reported under Ind AS 17. Lease liabilities and right of use of assets were both recorded at the present value of future lease payments, thus no impact was recorded on the opening retained earnings.

### Significant accounting policy

Policy applicable from April 01, 2019 at inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
- The Company has the right to operate the asset; or
- The Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after April 01, 2019. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

### As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, then Company's incremental borrowing rate. The Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments. The lease liability is measured at amortized cost using the effective interest method.

### Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets.

Accordingly, the Company has adopted Ind AS 116 - Leases and applied it to all lease contracts existing on April 01, 2019 using the modified retrospective method. Consequently, the cumulative adjustment has been taken on the date of initial application i.e. April 01, 2019. Based on the same and as permitted under the specific transitional provisions in the standard, the Company is not required to restate the comparative figures. Since the Company has adopted the modified retrospective method, there is no impact arises in the

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)

opening retained earnings. The effect of this adoption is not material to the profit for the period and earnings per share.

### m) **Taxation**

- (i) Tax expenses comprise Income Tax and Deferred Tax.
- (ii) Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Such assets / liability are reviewed as at each Balance Sheet date to re-assess reliability thereof.
- (iv) Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.
- (v) Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

### n) **Provisions and Contingencies**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

A provision is recognized in the financial statements where there exists a present obligation as a result of a past event, the amount of which is reliably estimable, and it is probable that an outflow of resources would be necessitated in order to settle the obligation.

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

### o) **Cash Flows**

Cash flows are reported using the indirect method in accordance with Indian Accounting Standards (Ind AS 7), 'Statement of Cash Flows' where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

### p) **Earning per Share**

- (i) Basic earnings per share are calculated by dividing the net profit or loss (after deducting preference dividends, if any, and attributable taxes) for the period attributable to equity share holders 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, 2020 (contd.)**

	March 31, 2020 (₹)	March 31, 2019 (₹)
<b>2 CASH AND CASH EQUIVALENTS</b>		
<b>Cash on hand</b>		
CBD Belapur	12,185	2,559
Kolkata	37,900	42,704
<b>Balances with banks</b>		
In current account	3,009,203	1,451,126
In deposit upto 3 months maturity	-	-
<b>Total</b>	<b>3,059,288</b>	<b>1,496,389</b>
<b>3 TRADE RECEIVABLES-UNSECURED, CONSIDERED GOOD</b>		
<b>Receivables Unsecured, Considered good:</b>		
Trade Receivables	359,048	409,884
Others-Rent Receivable	15,000	-
<b>Receivables which have significant increase in credit risk</b>		
Less: Allowance for impairment loss	-	-
<b>Total</b>	<b>374,048</b>	<b>409,884</b>

	March 31,2020 (₹)			March 31,2019 (₹)		
	Amortised cost	Fair Value	Total	Amortised cost	Fair Value	Total
<b>4 LOANS</b>						
(A) (i) Bills purchased and Bills discounted	-	-	-	-	-	-
(ii) Finance Loan	-	-	-	-	-	-
(iii) Term loans (To Related Party)	1,500,000	-	1,500,000	5,000,000	-	5,000,000
(iv) Leasing	-	-	-	-	-	-
(v) Factoring	-	-	-	-	-	-
(vi) Loan Against Policies	-	-	-	-	-	-
(vii) Loan To employees	2,065,294	-	2,065,294	2,716,978	-	2,716,978
Others	-	-	-	-	-	-
<b>Total (A) -Gross</b>	<b>3,565,294</b>	<b>-</b>	<b>3,565,294</b>	<b>7,716,978</b>	<b>-</b>	<b>7,716,978</b>
Less: Impairment loss allowance	-	-	-	-	-	-
<b>Total (A) -Net</b>	<b>3,565,294</b>	<b>-</b>	<b>3,565,294</b>	<b>7,716,978</b>	<b>-</b>	<b>7,716,978</b>
(B) (i) Secured by tangible assets	-	-	-	-	-	-
(ii) Secured by intangible assets	-	-	-	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-	-	-	-
(iv) Unsecured	3,565,294	-	3,565,294	7,716,978	-	7,716,978
<b>Total (B) -Gross</b>	<b>3,565,294</b>	<b>-</b>	<b>3,565,294</b>	<b>7,716,978</b>	<b>-</b>	<b>7,716,978</b>
Less: Impairment loss allowance	-	-	-	-	-	-
<b>Total (B) -Net</b>	<b>3,565,294</b>	<b>-</b>	<b>3,565,294</b>	<b>7,716,978</b>	<b>-</b>	<b>7,716,978</b>
(C) (I) Loans in India	-	-	-	-	-	-
(i) Public Sector	-	-	-	-	-	-
(ii) Others	3,565,294	-	3,565,294	7,716,978	-	7,716,978
<b>Total (C) -Gross</b>	<b>3,565,294</b>	<b>-</b>	<b>3,565,294</b>	<b>7,716,978</b>	<b>-</b>	<b>7,716,978</b>
Less: Impairment loss allowance	-	-	-	-	-	-
<b>Total (C) (I) -Net</b>	<b>3,565,294</b>	<b>-</b>	<b>3,565,294</b>	<b>7,716,978</b>	<b>-</b>	<b>7,716,978</b>
(C) (II) Loans Outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
<b>Total (C) (II) -Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total C(I) and C(II)</b>	<b>3,565,294</b>	<b>-</b>	<b>3,565,294</b>	<b>7,716,978</b>	<b>-</b>	<b>7,716,978</b>
<b>Note: There are no loans measured at fair value.</b>						

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)**

	March 31,2020 (₹)			March 31,2019 (₹)		
	Amortised cost	Fair Value	Total	Amortised cost	Fair Value	Total
<b>5 INVESTMENTS</b>						
<b>I. In India</b>						
<b>Mutual funds</b>						
a) 851006.158 (P.Y.851006.158) ICICI Prudential Liquid Fund	-	250,009,951	250,009,951	-	235,232,058	235,232,058
b) 500000 (P.Y. 500000) Shriram Hybrid Equity Fund	-	7,552,000	7,552,000	-	8,756,500	8,756,500
c) 500000 (P.Y. 500000) Shriram Long Term Equity Fund (ELSS)	-	4,539,750	4,539,750	-	5,257,200	5,257,200
d) 500000 (P.Y. 500000) Shriram Multicap Fund Direct - Growth	-	4,238,800	4,238,800	-	5,345,450	5,345,450
e) 500000(P.Y. NIL) Shriram Balance Advantage fund Direct-Growth	-	4,769,400	4,769,400	-	-	-
f) 14915.706 (P.Y. 14915.706) HDFC Liquid Fund	-	58,269,863	58,269,863	-	54,864,225	54,864,225
g) 1282.341 (P.Y. - NIL) SBI Liquid fund Direct Growth	-	3,986,822	3,986,822	-	-	-
h) (P.Y. 7654.469 ) SBI Premier Liquid Fund Growth	-	-	-	-	22,416,648	22,416,648
i) (P.Y.706199.802) ICICI Prudential Liquid Fund	-	-	-	-	195,205,206	195,205,206
j) 488342.932(P.Y.NIL) ICICI Prudential Money Market Fund	-	136,377,040	136,377,040	-	-	-
Government securities	-	-	-	-	-	-
Other approved securities	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-
<b>Fixed Deposits</b>						
a) Shriram Transport Finance Company Ltd	-	15,000,000	15,000,000	-	-	-
b) Shriram City Union Finance Ltd	-	15,000,000	15,000,000	-	-	-
Term deposits in Banks	-	-	-	-	-	-
Promoter Group Investments	-	-	-	-	-	-
Investments in Infrastructure and Social Sector	-	-	-	-	-	-
<b>Others</b>						
1. NCD - STFC	-	10,803,451	10,803,451	-	-	-
2. Tax free bonds	-	-	-	-	-	-
3. Subordinate debts	-	-	-	-	-	-
4. Debtures and Bonds	-	-	-	-	-	-
5. 10.75% Shriram City Union Finance Ltd.	-	-	-	-	-	-
<b>Equity instruments</b>						
<b>Associates</b>						
600,000 (P.Y.600,000) Equity Shares of ₹10/- each of Ceylinco Shriram Capital Management Services Co. Pvt. Ltd.	3,878,332	-	3,878,332	3,878,332	-	3,878,332
<b>Others</b>						
1,000 (P.Y.1,000) Equity Shares of ₹10/- each of The Saraswat Co-operative Bank Ltd	10,000	-	10,000	10,000	-	10,000
Other Investments						

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)

## II. Outside India

Government securities	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-
Investments available for Sale held by BIPL	-	-	-	-	-	-

<b>Total –Gross (A)</b>	<b>3,888,332</b>	<b>510,547,076</b>	<b>514,435,408</b>	<b>3,888,332</b>	<b>527,077,287</b>	<b>530,965,619</b>
(i) Investments outside India	<b>3,878,332</b>	<b>-</b>	<b>3,878,332</b>	<b>3,878,332</b>	<b>-</b>	<b>3,878,332</b>
(ii) Investments in India	<b>10,000</b>	<b>506,668,744</b>	<b>506,678,744</b>	<b>10,000</b>	<b>527,077,287</b>	<b>527,087,287</b>
<b>Total – (B)</b>	<b>3,888,332</b>	<b>506,668,744</b>	<b>510,557,076</b>	<b>3,888,332</b>	<b>527,077,287</b>	<b>530,965,619</b>
Less: Impairment loss allowance (C )	<b>3,878,332</b>	<b>-</b>	<b>3,878,332</b>	<b>3,878,332</b>	<b>-</b>	<b>3,878,332</b>
<b>Total – Net D= (A)-(C)</b>	<b>10,000</b>	<b>510,547,076</b>	<b>510,557,076</b>	<b>10,000</b>	<b>527,077,287</b>	<b>527,087,287</b>

	March 31,2020 (₹)			March 31,2019 (₹)		
	Amortised cost	Fair Value	Total	Amortised cost	Fair Value	Total
<b>IND AS-107 Financial Instruments:</b>						
<b>A. Categories of financial instruments</b>						
<b>Financial assets</b>						
<b>Measured at amortised cost</b>						
Loans	3,565,294	-	3,565,294	7,716,978	-	7,716,978
Other financial assets	15,001,907	-	15,001,907	19,808,126	-	19,808,126
Trade receivables	374,048	-	374,048	409,884	-	409,884
Investments	10,000	-	10,000	10,000	-	10,000
Cash and cash equivalents	3,059,288	-	3,059,288	1,496,389	-	1,496,389
Bank balances other than cash and cash equivalents		-		-	-	
<b>Total financial assets at amortised cost (A)</b>	<b>22,010,537</b>	<b>-</b>	<b>22,010,537</b>	<b>29,441,377</b>	<b>-</b>	<b>29,441,377</b>
<b>Measured at fair value through other comprehensive income (B)</b>						
Investments						
<b>Measured at fair value through profit and loss (C )</b>						
Investments		510,547,076	510,547,076		527,077,287	527,077,287
<b>Measured at Cost (D)</b>						
Investments						
<b>Total financial assets (A+B+C+D)</b>	<b>22,010,537</b>	<b>510,547,076</b>	<b>532,557,613</b>	<b>29,441,377</b>	<b>527,077,287</b>	<b>556,518,664</b>
<b>Financial liabilities</b>						
<b>Measured at amortised cost</b>						
Trade payables	1,804,104		1,804,104	552,688		552,688
Lease Liability	6,642,111		6,642,111	-		-
Other financial liabilities	9,486,752		9,486,752	9,408,371		9,408,371
<b>Total financial liabilities carried at amortised cost</b>	<b>17,932,967</b>	<b>-</b>	<b>17,932,967</b>	<b>9,961,059</b>	<b>-</b>	<b>9,961,059</b>

## B. Financial risk management

The Company has an Audit & Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)**

risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

**C. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The company is exposed in the ordinary course of its business to risks related to changes in interest rates.

**D. Credit risk management:**

Financial services business has a risk management framework that monitors and ensures that the business lines operate within the defined risk appetite and risk tolerance levels as defined by the senior management. The carrying amount of the financial assets represents the maximum credit risk exposure.

**Trade receivables:**

Major portion of the trade receivables include the AMC fees receivable from Shriram Mutual Fund. Based on the past experience, management expects to receive these amounts without any default.

<b>Trade Receivables (₹)</b>	<b>March, 2020</b>	<b>March, 2019</b>
0-90 Days	<b>374,048</b>	409,884
91-180 Days	-	-
181-270 days	-	-
271-365 Days	-	-
More than 365 Days	-	-
<b>Total</b>	<b>374,048</b>	<b>409,884</b>

**E. Liquidity risk management**

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The company requires funds for short term operational needs. The company manages liquidity risk by maintaining adequate reserves, and by matching the maturity profiles of financial assets and liabilities.

The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

**Liquidity exposure as at March 31, 2020**

<b>Particulars</b>	<b>&lt; 1 year</b>	<b>1-5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
<b>Financial assets</b>				
Loans	3,565,294			3,565,294
Other financial assets	15,001,907			15,001,907
Trade receivables	374,048			374,048
Cash and cash equivalents	3,059,288			3,059,288
Bank balances other than cash and cash equivalents	-			-
Investments	136,377,040	374,170,036		510,547,076
<b>Total financial assets</b>	<b>158,377,578</b>	<b>374,170,036</b>	<b>-</b>	<b>532,547,613</b>

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)**

**Financial liabilities**

Long term Borrowings	-	-
Short term Borrowings	-	-
Trade payables	1,804,104	1,804,104
Lease Liability	2,187,837	4,454,273
Other financial liabilities	1,695,411	7,791,341
<b>Total financial liabilities</b>	<b>5,687,353</b>	<b>12,245,614</b>

**Liquidity exposure as at March 31,2019**

	<b>&lt; 1 year</b>	<b>1-5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
<b>Financial assets</b>				
Loans	7,716,978			7,716,978
Other financial assets	19,808,126			19,808,126
Trade receivables	409,884			409,884
Cash and cash equivalents	1,496,389			1,496,389
Bank balances other than cash and cash equivalents	-			-
Investments	217,621,854	309,455,433		527,077,287
<b>Total financial assets</b>	<b>247,053,231</b>	<b>309,455,433</b>	<b>-</b>	<b>556,508,664</b>
<b>Financial liabilities</b>				
Long term Borrowings	-			-
Short term Borrowings	-			-
Trade payables	552,688			552,688
Lease Liability	-			-
Other financial liabilities	2,558,972	6,849,399		9,408,371
<b>Total financial liabilities</b>	<b>3,111,660</b>	<b>6,849,399</b>	<b>-</b>	<b>9,961,059</b>

**F. Level wise disclosure of financial instruments**

<b>Particulars</b>	<b>March 31,2020</b>	<b>March 31,2019</b>	<b>Level</b>	<b>Valuation techniques and key inputs</b>
Invetsment in Mutual Funds/Quoted equity instruments/bonds	510,537,076	527,067,287	1	Quoted Price
Investment in Govt Securities/ Bonds	-	-	2	Comparable price
Invetsment in equity other than subsidiary/associates	10,000	10,000	3	Book Value

The carrying amounts of short-term borrowings, trade receivables, trade payables, cash and cash equivalents, other bank balances and other financial assets and liabilities other than those disclosed in the above table, are considered to be the same as their fair values, due to their short term nature.

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>(₹)</b>	<b>(₹)</b>
<b>6 OTHER FINANCIAL ASSETS</b>		
Prepaid Expenses - Rent	<b>147,830</b>	96,861
Security Deposit		
-Unsecured,considered good	<b>920,159</b>	914,993
Accrued Interest	<b>1,645,033</b>	50,229
Statutory Deposits	<b>11,358,544</b>	9,760,783
Medical Insurance Premium (For Employees)	<b>111,802</b>	168,164

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)

Prepaid Expenses	334,108	324,646
Other Assets	-	4,638,510
Employee Benefits Receivable	497,832	3,793,777
Advances recoverable in cash or kind	(13,400)	60,163
<b>Total</b>	<b>15,001,907</b>	<b>19,808,126</b>

		Amount (in ₹)	
		Office Premises	
		Bangalore Plot No. 501 (A)	Bangalore Plot No. 501 (B)
<b>7 INVESTMENT PROPERTY</b>			
<b>I Gross Carrying Amount</b>			
Balance as at March 31, 2019	2,026,307	1,212,300	
Additions	-	-	
Deletions	-	-	
<b>Balance as at March 31, 2020</b>	<b>2,026,307</b>	<b>1,212,300</b>	
<b>II Accumulated Depreciation and Impairment</b>			
Balance as at March 31, 2019	752,154	927,624	
Depreciation for the year	58,668	35,840	
Accumulated depreciation on deletions	-	-	
<b>Balance as at March 31, 2020</b>	<b>810,822</b>	<b>963,464</b>	
<b>III Net Carrying Amount as at March 31, 2020</b>	<b>1,215,485</b>	<b>248,836</b>	
<b>IV Net Carrying Amount as at March 31, 2019</b>	<b>1,274,153</b>	<b>284,676</b>	
<b>V Depreciation for the period March 31, 2019</b>	<b>58,668</b>	<b>35,840</b>	
<b>VI Depreciation for the quarter March 31, 2019</b>	<b>14,667</b>	<b>8,960</b>	
<b>VII Depreciation for the quarter March 31, 2020</b>	<b>14,667</b>	<b>8,960</b>	
<b>VIII Depreciation for the quarter December 31, 2019</b>	<b>14,667</b>	<b>8,960</b>	

	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Information regarding income and expenditure of investment property</b>		
Rental Income derived from investment property	152,542	180,000
Direct operating expenses (including repair maintenance) that generate rental income	-	-
Direct operating expenses (including repair maintenance) that do not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	152,542	180,000
Less: Depreciation	94,508	94,508
Profit arising from investment properties before indirect expenses	58,034	85,492

The Company has no restrictions on the realisability of its investment properties or remittance of income and proceeds of disposal. Further, there are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

**7.1) Fair value of the Company's investment properties**

The fair value of the Company's investment properties as at March 31, 2020 was arrived at on the basis of a local enquiry carried out by the company.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)****7.2) Details of the Company's investment properties and information about their fair value hierarchy**

Fair Market Value as at	Fair value measurement	
	March 31,2020	March 31,2019
Investment Property Fair Value	9,800,000	9,800,000

**7.3) Description of valuation techniques used and key inputs to valuation on investment properties**

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs. It is the value of the property at which it can be sold in open market at a particular time free from forced value or sentimental value. Investment properties (other than land) are depreciated using WDV method over their estimated useful lives. The useful life has been determined based on technical evaluation by management.

**8 PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE FIXED ASSETS**

Particulars	Property, Plant & Equipment						Intangible Assets
	Air Conditioner	Computers	Electrical Fitting and Installations	Furniture and Fixtures	Office Equipment	Total Tangible Assets	
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
As at March 31, 2018	67,750	1,598,535	58,107	1,838,297	254,084	3,816,773	495,000
Additions	-	92,438	-	-	7,990	100,428	-
Deletions	-	-	-	-	-	-	-
As at March 31, 2019	67,750	1,690,973	58,107	1,838,297	262,074	3,917,201	495,000
Additions	107,553	12,712	-	8,400	-	128,665	-
Deletions	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>175,303</b>	<b>1,703,685</b>	<b>58,107</b>	<b>1,846,697</b>	<b>262,074</b>	<b>4,045,866</b>	<b>495,000</b>
<b>Depreciation</b>							
As at March 31, 2018	32,341	1,361,295	28,739	1,601,853	220,448	3,244,676	495,000
Charge for the year	5,668	160,737	5,028	28,862	16,869	217,164	-
Deletions for the year	-	-	-	-	-	-	-
As at March 31, 2019	38,009	1,522,032	33,767	1,630,715	237,317	3,461,840	495,000
Charge for the period	28,298	86,481	5,028	29,719	7,053	156,579	-
Deletions for the period	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>66,307</b>	<b>1,608,513</b>	<b>38,795</b>	<b>1,660,434</b>	<b>244,370</b>	<b>3,618,419</b>	<b>495,000</b>
<b>Net Block</b>							
As on March 31, 2019	29,741	168,941	24,340	207,582	24,757	455,361	-
<b>As on March 31, 2020</b>	<b>108,996</b>	<b>95,172</b>	<b>19,312</b>	<b>186,263</b>	<b>17,704</b>	<b>427,447</b>	<b>-</b>
<b>Depreciation and Amortisation</b>							
Depreciation and amortisation	Quarter Ended March 31,2020	Quarter Ended December 31,2019	Quarter Ended March 31, 2019	Period Ended March 31,2020	Period Ended March 31, 2019		
On Tangible assets	40,999	41,113	57,016	156,579	217,164		
On Intangible assets	-	-	-	-	-		
ROU	565,133	395,640	-	1,515,577	-		
<b>Total</b>	<b>606,132</b>	<b>436,753</b>	<b>57,016</b>	<b>1,672,156</b>	<b>217,164</b>		

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)**

<b>Right-of-use assets</b>			
	<b>Particulars</b>	<b>ROU</b>	<b>Total</b>
<b>Gross Block</b>			
	As on March 31, 2019	-	-
	At April 01, 2019		
	Impact of adoption of Ind AS 116		-
	Additions for the period ended	8,816,811	8,816,811
	Deletions for the period ended	937,485	937,485
	<b>As on March 31, 2020</b>	<b>7,879,326</b>	<b>7,879,326</b>
<b>Depreciation</b>			
	As on March 31, 2019	-	-
	At April 01, 2019		
	Impact of adoption of Ind AS 116	-	-
	Additions for the period ended	1,671,824	1,671,824
	Deletions for the period ended	156,247	156,247
	<b>As on March 31, 2020</b>	<b>1,515,577</b>	<b>1,515,577</b>
<b>Net Block</b>			
	As on March 31, 2019	-	-
	<b>As on March 31, 2020</b>	<b>6,363,749</b>	<b>6,363,749</b>
		<b>March 31,2020</b>	<b>March 31,2019</b>
		<b>(₹)</b>	<b>(₹)</b>
<b>9</b>	<b>TRADE PAYABLES</b>		
	Payable to Vendors	<b>1,804,104</b>	552,688
	<b>Total</b>	<b>1,804,104</b>	<b>552,688</b>
		<b>March 31,2020</b>	<b>March 31,2019</b>
		<b>(₹)</b>	<b>(₹)</b>
<b>10</b>	<b>OTHER FINANCIAL LIABILITIES</b>		
	i) Other Liabilities	<b>1,695,411</b>	2,558,972
	ii) Payable to the rightful owner: (Refer Note below)		
	Original amount due	22,785,000	22,785,000
	Add: Contingency provision for interest payable to the rightful owner - Bond	101,250,624	101,250,624
	Add: Contingency provision for interest payable to the rightful owner -NCD	16,310,078	140,345,702
	<b>Less: Investment in NCD with STFC</b>		
	Investment	(128,369,960)	(117,340,000)
	Add:- Interest accrued till date	(5,280,118)	(133,650,078)
		<b>6,695,624</b>	6,695,624
	iii) Duties Taxes & Statutory Liabilities	<b>1,095,717</b>	153,775
	iv) Provision liability for Buildings & Flats	-	-
	<b>Total</b>	<b>9,486,752</b>	<b>9,408,371</b>

**Note:** 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 NCD now (earlier in subordinated bond) and along with interest accrued thereon, the present value of which is ₹ 140,327,179/- (net of tax). The disputed amount of ₹22,785,000/- along with interest accrued thereon has been recognised in the accounts as payable to the rightful owner.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)

	March 31, 2020 (₹)	March 31, 2019 (₹)
<b>11 LONG TERM PROVISIONS #</b>		
Provision for gratuity	4,743,824	3,693,812
Provision for leave benefit	3,016,944	2,283,794
<b>Total</b>	<b>7,760,768</b>	<b>5,977,606</b>
<b>12 SHORT TERM PROVISIONS #</b>		
Provision for gratuity	134,839	235,171
Provision for leave benefits	88,332	88,365
<b>Total</b>	<b>223,171</b>	<b>323,536</b>
	<b>For the period ended March 31,2020</b>	<b>For the period ended March 31,2019</b>

**Employee benefits****a) Defined contribution plan**

Contribution to Defined Contribution Plans, recognised as an expense for the year is as under:

Employer's Contribution to Provident Fund and other funds (includes pension fund)

1,658,644	1,172,810
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**b) Defined benefit plans**

The Company has gratuity liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at 15 days salary for each completed year of service, subject to a maximum of ₹ 20 lacs per employee. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk

**Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

**Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

There are no other post-retirement benefits provided to employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31,2020. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

**# Disclosure for Gratuity as per revised Accounting Standard (IND AS 19)**

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)

	Gratuity non-funded - As at March 31, 2020	Gratuity non-funded - As at March 31, 2019
<b>I. Table showing change in the Present Value of Projected Benefit Obligation</b>		
Present Value of Benefit Obligation at the beginning of the period	3,928,983	1,972,387
Current service cost	373,647	240,733
Interest cost	305,282	153,452
Liability Transferred In/Acquisitions	343,950	2,069,383
Past service cost (Vested benefits) recognised during the period	-	-
Benefits Paid Directly by the Employer	(204,946)	-
Actuarial (gain)/loss on obligations due to Financial Assumptions	355,095	3,194
Actuarial (gain)/loss on obligations due to Experience	(223,348)	(510,166)
<b>Present Value of Benefit Obligation at the end of the period</b>	<b>4,878,663</b>	<b>3,928,983</b>
<b>II. Table showing change in Fair Value of Plan Assets</b>		
Fair Value of Planned Assets at the Beginning of the Period	-	-
Interest Income	-	-
Contribution by the Employer	-	-
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred out/Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	-	-
<b>Fair Value of Plan Assets at the End of the Period</b>	<b>-</b>	<b>-</b>
<b>III. Amount recognised in the Balance Sheet</b>		
(Present Value of Benefit Obligation at the end of the Period)	(4,878,663)	(3,928,983)
Fair value of plan assets at the end of the period	-	-
Funded Status (Surplus/ (Deficit))	(4,878,663)	(3,928,983)
Unrecognised past service cost at the end of the period	-	-
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(4,878,663)</b>	<b>(3,928,983)</b>
<b>IV. Net Interest Cost for Current Period</b>		
Present Value of Benefit Obligation at the beginning of the period	3,928,983	1,972,387
Fair Value of Planned Assets at the Beginning of the Period	-	-
<b>Net Liability/(Asset) at the Beginning</b>	<b>3,928,983</b>	<b>1,972,387</b>
Interest Cost	305,282	153,452
(Interest Income)	-	-
<b>Net Interest Cost for Current Period</b>	<b>305,282</b>	<b>153,452</b>
<b>V. Expenses recognised in the Statement of Profit or Loss for Current Period</b>		
Current service cost	373,647	240,733
Net Interest cost	305,282	153,452
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
<b>Expense recognised</b>	<b>678,929</b>	<b>394,185</b>
<b>VI. Expenses recognised in Other Comprehensive Income (OCI) for Current Period</b>		
Actuarial (gains)/Losses on Obligation for the period	131,747	(506,972)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
<b>Net (Income)/Expense for the period recognised in OCI</b>	<b>131,747</b>	<b>(506,972)</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)

	March 31, 2020 (₹)	March 31, 2019 (₹)
<b>Break up of Plan Assets:</b>		
i) Equity instruments	-	-
ii) Debt instruments	-	-
iii) Investment Funds with Insurance Company		
Of which, Unit Linked	-	-
Of which, Traditional/ Non-Unit Linked	-	-
iv) Asset-backed securities	-	-
v) Structured debt	-	-

**Note:** None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

**Principal actuarial assumptions**

Discount Rate	6.84% - 7.77%	7.77% - 7.78%
Expected rate(s) of salary increase	5.00%	5.00%
Expected return on plan assets	NA	NA
Attrition rate	2.00%	2.00%
Mortality rate during employment	Indian assured lives mortality 2006-2008 Ult.	

**Maturity Analysis of the Benefit payments: From the employer**

Projected Benefits Payable in Future Years from the date of reporting

1st Following year	134,839	235,171
2nd Following year	142,660	117,984
3rd Following year	149,424	124,528
4th Following year	1,755,883	133,505
5th Following year	111,361	1,647,987
Sum of year 6 To 10	1,620,568	1,062,951
Sum of year 11 and above	5,716,779	5,218,442

**Sensitivity Analysis:**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Impact on Defined benefit obligation Increase/ (Decrease)	
	March 31, 2020 (₹)	March 31, 2019 (₹)
Projected Benefit Obligation on current Assumption	4,878,663	3,928,983
Discount rate - 1% Increase	(380,108)	(299,329)
Discount rate - 1% Decrease	434,709	341,908
Future salary growth - 1% Increase	438,399	348,021
Future salary growth - 1% Decrease	(389,803)	(309,464)
Attrition rate - 1% Increase	51,488	64,932
Attrition rate - 1% Decrease	(57,398)	(72,332)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)****C) Other long-term employee benefits**

Provision for long term compensated absences are measured by actuarial valuation in accordance with Ind AS-19

	March 31, 2020 (₹)	March 31, 2019 (₹)
<b>13 Deferred tax liabilities (Net)</b>		
Opening Balance of Deferred tax liabilities	7,392,526	2,419,768
(Assets) / Liabilities recognised during the Period	(2,290,451)	4,972,759
<b>Closing balance</b>	<b>5,102,075</b>	<b>7,392,526</b>

**Statement of Changes in Equity for the Year ended March 31, 2020**

<b>14 SHARE CAPITAL</b>	<b>Amount (in ₹)</b>
<b>Balance as at March 31, 2019</b>	<b>60,000,000</b>
Changes in equity share capital during the period	-
<b>Balance as at March 31, 2020</b>	<b>60,000,000</b>

**14.1) Details of equity shareholders holding more than 5% Equity Shares in the Company**

	March 31, 2020		March 31, 2019	
	Quantity	% holding in the class	Quantity	% holding in the class
<b>Equity share of ₹ 10/- each fully paid</b>				
Shriram Credit Company Limited	4,120,010	68.67%	4,120,010	68.67%

**14.2) 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. 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.

**14.3) Redeemable Non Convertible Preference Shares (Refer Note 14.4)**

	March 31, 2020 (₹)	March 31, 2019 (₹)
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. 35,00,000) ( 6%) Preference Shares of ₹100/- each	350,000,000	350,000,000
<b>Total</b>	<b>490,000,000</b>	<b>490,000,000</b>

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

	March 31, 2020		March 31, 2019	
	Quantity	(₹)	Quantity	(₹)
At the beginning of the year	1,400,000	140,000,000	1,400,000	140,000,000
Issued during the period	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,400,000</b>	<b>140,000,000</b>	<b>1,400,000</b>	<b>140,000,000</b>

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

	March 31, 2020		March 31, 2019	
	Quantity	(₹)	Quantity	(₹)
At the beginning of the year	35,00,000	35,00,00,000	35,00,000	35,00,00,000
Issued during the period	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>35,00,000</b>	<b>35,00,00,000</b>	<b>35,00,000</b>	<b>35,00,00,000</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)**

**14.4)** The entire lot of Redeemable Non Convertible Preference Shares (RNCPS) were issued to meet the minimum net worth requirement as defined under SEBI (Mutual Funds) Regulations, 1996 as amended from time to time. Hence these RNCPS form a part of the eligible net worth & has been accordingly presented as part of Share Capital. Fair Market Value (FMV) of these RNCPS (not being listed on any Stock Exchange and redeemable at par) is equivalent to its Face Value. Terms/rights attached to Redeemable Non Convertible Preference Shares (RNCPS)

- 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.
- The Company shall, however, has the right to redeem the RNCPS before the due date.
- 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.
- During the year no provision has been made for dividend on Preference Shares on account of the loss for the year and carryforward losses .

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

	March 31, 2020		March 31, 2019	
	Quantity	% holding in the class	Quantity	% holding in the class
<b>Redeemable Non Convertible Preference Shares of ₹ 100/- each fully paid</b>				
Shriram Credit Company Limited	2,800,000	57.14%	2,800,000	57.14%
Shriram Insight Share Brokers Ltd.	600,000	12.25%	600,000	12.25%
Shriram Financial Products Solutions (Chennai) Private Ltd.	1,500,000	30.61%	1,500,000	30.61%

**15 OTHER EQUITY**

	Surplus				
	Capital Redemption Reserve	Rent Equalisation Reserve	Retained Earnings	Profit & Loss A/c	Total
Balance as at March 31, 2019	40,000,000	161,408	14,268,876	(68,118,599)	(13,688,315)
Add: Profit for the year ended March 31, 2020	-	(161,408)	161,408	(27,262,039)	(27,262,039)
Add: Other Comprehensive Income for the year ended March 31, 2020				166,001	166,001
<b>Balance as at March 31, 2020</b>	<b>40,000,000</b>	<b>-</b>	<b>14,430,284</b>	<b>(95,214,637)</b>	<b>(40,784,353)</b>

	March 31, 2020 (₹)	March 31, 2019 (₹)
<b>16 INCOME FROM OPERATION</b>		
Management Fees	4,010,305	9,439,842
<b>Total</b>	<b>4,010,305</b>	<b>9,439,842</b>
<b>17 INTEREST INCOME</b>		
Profit on revaluation of Equity Investment	(3,259,200)	1,301,900
Profit on revaluation of Liquid fund Investment	29,420,347	32,757,531
Net Profit on revaluation of Investment	26,161,147	34,059,431
Interest on Fixed Deposit	1,008,946	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)

	March 31, 2020 (₹)	March 31, 2019 (₹)
Interest on Loan From SISBL	563,911	6,706,733
Interest on STFC NCD	682,804	-
<b>Total</b>	<b>28,416,808</b>	<b>40,766,164</b>
<b>18 OTHER INCOME</b>		
Interest received on staff loan	215,336	157,999
Interest Income on Security Deposit	80,037	82,669
Interest Recd. On Income Tax Refund	241,440	362,697
Rent received	152,542	180,000
Dividend Income - Equity	-	1,750
Miscellaneous Income	43,256	4,030
Interest on STFC NCD #	11,807,437	4,502,641
Interest Received on Subordinate Bond-REG 95 #	-	6,976,598
	<b>12,540,048</b>	<b>12,268,384</b>
Less: Contingency provision for interest payable to the rightful owner	11,807,437	11,479,239
<b>Total</b>	<b>732,611</b>	<b>789,145</b>
<b># Interest income on subordinate bond &amp; NCD payable to rightful owner</b>		
<b>19 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, wages and bonus	33,694,327	24,864,520
Contribution to provident and other fund	1,658,644	1,172,810
Gratuity expense	942,423	(919,424)
Medical Expenses	52,144	30,630
Staff welfare expenses	607,174	688,961
<b>Total</b>	<b>36,954,712</b>	<b>25,837,497</b>
<b>20 OTHER EXPENSES</b>		
Advertisement & Business Promotion Expenses	1,314,521	325,339
Annual Custodial Fees	49,051	45,000
Auditors' Remuneration (Refer Note no. 20.1)	500,000	386,000
Board and General Meeting expenses	46,350	45,000
Directors' Sitting Fees	609,000	545,000
Telephone, Courier and Postage Expenses	570,668	503,880
Membership Subscription	400,000	400,000
Annual Fees	106,252	128,752
Insurance Premium	262,211	78,674
Professional Charges	808,830	732,994
Filing Fees	35,047	5,501
Listing Fees	300,000	250,000
Printing & Stationery	1,480,666	2,036,888
Sundry Expenses	1,132,315	819,384
Trustee Meeting Fees	-	420,000
Travelling, Hotel and Conveyance expenses	3,251,943	1,651,508
HR IT & Network Support	363,000	330,000
Software expenses	187,097	321,272
Retainership Fees	2,295,778	2,959,504
Lease Rent	2,184,844	2,996,147

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020(contd.)

	March 31, 2020 (₹)	March 31, 2019 (₹)
Repairs & Maintenance	1,068,559	611,854
Electricity Expenses	737,365	750,040
Reimbursement of Infrastructural Cost	345,525	-
Rates & Taxes	22,500	5,000
Car hire Charges	160,551	166,515
General Expenses	783,267	79,016
Royalty Expenses	500,000	509,952
<b>Total</b>	<b>19,515,340</b>	<b>17,103,220</b>

**20.1) Auditors' remuneration**

Statutory Audit fee	375,000	308,000
Tax audit fee	100,000	60,000
Corporate Governance & Other Certification Fees	25,000	18,000
<b>Total</b>	<b>500,000</b>	<b>386,000</b>

**20.2) Lease Rent**

The Company has entered into agreements for operating leases in respect of office premises taken on lease. All these leases are cancellable.

- Under these agreements refundable interest free deposits are given.
- All these agreements have restriction on further leasing.
- Agreements for office premises provide for revision in the rent.

Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method on the date of initial application. Consequently, the Company recorded the lease liability and right of use at the present value of the lease payments discounted at the incremental borrowing rate.

**The following is the break-up of current and non-current lease liabilities as at March 31, 2020**

Current lease liabilities	2,187,837
Non-current lease liabilities	4,454,273
<b>Total</b>	<b>6,642,111</b>

The following is the movement in lease liabilities during the year ended March 31, 2020

Balance as of April 01, 2019	
Additions	8,816,811
Finance cost accrued during the year	488,668
Payment of lease liabilities	1,725,883
Adjustments	937,485
<b>Balance as of March 31, 2020</b>	<b>6,642,111</b>

The following is the movement in right-of-use asset during the year ended March 31, 2020

	March 31, 2020 (₹)
Balance as of April 01, 2019	-
Additions	8,816,811
Depreciation charge during the year	1,671,824
Adjustments	781,238
<b>Balance as of March 31, 2020</b>	<b>6,363,749</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis.

	March 31, 2020 (₹)	March 31, 2019 (₹)
Less than one year	2,556,720	-
One to Five years	5,367,621	-
More than Five years	-	-

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. The weighted average incremental borrowing rate applied to lease liabilities for financial year 2019-20 is 10 %.

**21 Mutual Fund Expenses**

Mutual Fund Expense	1,992,980	2,499,888
Brokerage	-	7,675,065
RTA Expenses	-	652,970
Fund Accounting Charges	490,828	190,407
DMAT Rolling & Safe Custody Charges	1,167	99,901
<b>Total</b>	<b>2,484,975</b>	<b>11,118,232</b>

**22 Segment Reporting**

Based on the guiding principles given in IND AS-108, issued by the Institute of Chartered Accountants of India, Company's primary business : Investment manager of Shriram Mutual Fund. As the company's business activity falls within a single primary business segment, the disclosure requirements of IND AS-108, are not applicable.

**23** The Company does not have 'suppliers' registered under 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.

**24** There are no capital commitments as on 31.03.2020 & 31.03.2019.

**25** In view of the Loss incurred during the period, no provision for Income Tax is considered necessary.

**26** 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 Lakh) (6%) RNCPS of ₹ 100/- each fully paid up, in view of loss incurred by the Company.

**27 Related Party Disclosure:**

<b>Name of entities</b>	<b>Relationship</b>
Shriram Ownership Trust	Promoter Group
Shriram Financial Ventures (Chennai) Private Limited #	Promoter Group
Shriram Capital Limited #	Ultimate Holding Company
Shriram Transport Finance Company Ltd (STFC)	Associate
Shriram City Union Finance Limited (SCUF)	Associate
Shriram General Insurance Company Limited	Associate
Shriram Life Insurance Company Limited #	Associate
Shriram Overseas Investments Private Limited #	Associate
Bharath Investments Pvt Ltd. Singapore #	Associate
SGI Philippines General Insurance Co. Inc. #	Associate
Shriram Value Services Limited (SVS)	Fellow Subsidiary of Holding Company
Snotor Technology Services Private Limited #	Fellow Subsidiary of Holding Company
Novac Technology Solutions Private Limited	Step down Subsidiary of ultimate Holding Company
Novac Digital Services Private Limited #	Associate
Shriram Credit Company Limited	Holding Company
Shriram Financial Products Solutions (Chennai) Private Ltd. #	Fellow Subsidiaries
Shriram Fortune Solutions Ltd. (SFSL) #	Fellow Subsidiaries
Shriram Wealth Advisors Limited #	Fellow Subsidiaries
Shriram Insight Share Brokers Ltd. (SISBL)	Fellow Subsidiaries

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)**

<b>Name of entities</b>	<b>Relationship</b>
Insight Commodities & Futures Pvt. Ltd #	Associate
Ceylinco Shriram Capital Management Services Co. Pvt Ltd	Associate
Mr. Akhilesh Kumar Singh (M.D)	Key Managerial Personnel
Ms. Chandana Dutt (CFO)	Key Managerial Personnel
Ms. Reena Yadav (CS)	Key Managerial Personnel

**Note:- #** Represents that the Company has no transactions with the related parties during the period

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

<b>Sr. No.</b>	<b>Particulars</b>	<b>Promoter Group / Holding Company</b>		<b>Fellow Subsidiaries/ Associate/ Subsidiary to Ultimate Holding Company</b>		<b>Key Management Personnel</b>		<b>Total</b>	
		<b>31-03-2020</b>	<b>31-03-2019</b>	<b>31-03-2020</b>	<b>31-03-2019</b>	<b>31-03-2020</b>	<b>31-03-2019</b>	<b>31-03-2020</b>	<b>31-03-2019</b>
<b>1</b>	<b>Payments :</b>								
	<b>(i) Rent</b>								
	SISBL	-	-	881,004	729,798	-	-	881,004	729,798
	STFC	-	-	240,000	-	-	-	240,000	-
	<b>(ii) Brokerage :</b>								
	SISBL	-	-	10,789	9,782,076	-	-	10,789	9,782,076
	SFSL	-	-	-	178,170	-	-	-	178,170
	<b>(iii) Other Expenses - SISBL</b>	-	-	89,367	84,400	-	-	89,367	84,400
	<b>(iv) Share of Common Infrastructure Costs</b>								
	SISBL	-	-	743,666	366,322	-	-	743,666	366,322
	STFC	-	-	360,000	-	-	-	360,000	-
	<b>(v) Royalty Expenses</b>								
	SOT	250,000	509,952	-	-	-	-	250,000	509,952
	SVS	-	-	250,000	-	-	-	250,000	-
	(vi) Employee Benefits for Key Managerial Personnel	-	-	-	-	5,381,632	5,333,192	5,381,632	5,333,192
	(vii) HR, IT & Network Support Services (SVS)	-	-	-	27,500	-	-	-	27,500
	(viii) HR, IT & Network Support Services ( NOVAC Technology Solutions Private Ltd)	-	-	363,000	-	-	-	363,000	-
	(ix) Insurance Premium(Shriram General Insurance Company Limited)	-	-	151,827	-	-	-	151,827	-
<b>2</b>	<b>Receipts:</b>								
	Rent - STFC	-	-	152,542	-	-	-	152,542	-
	Interest received from SISBL for Short Term Loan	-	-	563,911	6,706,733	-	-	563,911	6,706,733
<b>3</b>	<b>Short term Loan :</b>								
	(i) Receivable from SISBL	-	-	1,500,000	5,000,000	-	-	1,500,000	5,000,000
	Interest receivable on above Short Term Loan	-	-	54,178	32,486	-	-	54,178	32,486
	(ii) Investment in NCD of STFC (Face Value ₹ 13,89,72,000) -Payable to Rightful owner ₹12,83,69,960 -Own Investment- ₹1,08,03,451	-	-	139,173,411	-	-	-	139,173,411	-
	Interest receivable on above STFC NCD & -Payable to Rightful Owner- ₹ 52,80,118	-	-	-	-	-	-	-	-
	-Own receivable- ₹ 6,82,804	-	-	5,962,922	-	-	-	5,962,922	-

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)**

<b>4</b>	<b>Investment in Fixed Deposit</b>								
	Investment in FD of SCUF	-	-	15,000,000	-	-	-	15,000,000	-
	Interest Income on above FD	-	-	505,494	-	-	-	505,494	-
	Investment in FD of STFC	-	-	15,000,000	-	-	-	15,000,000	-
	Interest Income on above FD	-	-	503,453	-	-	-	503,453	-
<b>5</b>	<b>Balance outstanding :</b>								
	(i)Investment in equity shares of Ceylinco Shriram Capital Management Services Co Pvt. Ltd.	-	-	3,878,332	3,878,332	-	-	3,878,332	3,878,332
	(ii)Payable to SISBL	-	-	741,130	284,551	-	-	741,130	284,551
	(iii) Receivable from SISBL	-	-	-	3,826,263	-	-	-	3,826,263
	(iv) Payable to Shriram Ownership Trust	-	121,457	-	-	-	-	-	121,457
	(v) Payable to Shriram Value Services	-	-	135,000	27,500	-	-	135,000	27,500
	(vi) Payable to NOVAC Technology Solutions Private Ltd.	-	-	196,020	-	-	-	196,020	-
	(vii) Payable to STFC	-	-	169,200	-	-	-	169,200	-
	(viii) Receivable from STFC	-	-	15,000	-	-	-	15,000	-

- 28 .** The World Health Organization has declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. The extent of the impact of the outbreak on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak. The Company is monitoring the developments and are taking necessary measures to mitigate the impact on the Company, if any. Further the directors consider that the Company have adequate financial resources to continue in operational existence for the foreseeable future and therefore, continue to adopt the going concern basis of accounting in preparing the financial statements.
- 29.** Corresponding figures for the previous period have been regrouped wherever necessary to confirm the current period classification.

As per our report of even date attached

**FOR G. D. APTE & CO.**  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO.100515W

**CHETAN R. SAPRE**  
PARTNER  
MEMBERSHIP NO.116952

Place : Mumbai  
Date : June 03,2020

**FOR SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**AKHILESH KUMAR SINGH**  
MANAGING DIRECTOR  
DIN No.00421577

**REENA YADAV**  
COMPANY SECRETARY

Place : Kolkata  
Date : June 03,2020

**R.SUNDARA RAJAN**  
DIRECTOR  
DIN No.00498404

**CHANDANA DUTT**  
CHIEF FINANCIAL OFFICER



NOTES

