



## **SHRIRAM TRANSPORT FINANCE COMPANY LIMITED**

123, Angappa Naicken Street, Chennai 600 001.

Website: [www.stfc.in](http://www.stfc.in)

### **NOTICE PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956**

Dear Members,

Notice is hereby given that pursuant to Section 192A read with Section 81(1A) of the Companies Act, 1956 ('the Act'), read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 ('the Rules'), and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations') the Company is seeking your approval to the enclosed Special Resolution.

The Board of Directors of the Company has decided to effect an increase in the subscribed capital of the Company by issue of further shares, subject to the approval of the members and other appropriate consents.

In terms of the provisions of Section 81(1A) of the Companies Act, 1956 and the SEBI ICDR Regulations, a special resolution is required to be passed by the members granting approval to effect an increase in the subscribed capital of the Company by issue of further shares to members and/or persons other than the members of the Company. The details of the proposed increase in subscribed capital are given in the Special Resolution enclosed which is proposed to be passed by way of postal ballot for the purpose, and in the explanatory statement annexed herewith.

The Company has appointed Mr. V. Mahesh, Practising Company Secretary, Chennai, as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Rule 5(f) of the Rules specify that the consent or otherwise received after thirty days from the date of issue of this notice shall be treated as if the reply from the member has not been received. Practically, viewing the time frame of counting thirty days from the date of issue of this notice, it would be advisable to mail your Postal Ballot Forms latest by December 02, 2009. May we, therefore, request you to return the Postal Ballot Form duly completed in the attached self-addressed postage prepaid envelope, so as to reach the Scrutinizer on or before December 09, 2009. The Scrutinizer will submit the report to the Chairman of the Company after completion of his scrutiny of the completed Forms received by him.

The results of the Postal Ballot shall be declared and confirmed at the Registered Office of the Company at 123, Angappa Naicken Street, Chennai 600 001. The result of the Postal Ballot will also be declared in the Newspaper(s) and will be placed on the website of the Company ([www.stfc.in](http://www.stfc.in)) besides being communicated to the Stock Exchanges.

By Order of the Board of Directors  
**For SHRIRAM TRANSPORT FINANCE COMPANY LIMITED**

**K. Prakash**  
Vice President (Corporate Affairs) &  
Company Secretary

Mumbai,  
October 28, 2009.

### **SPECIAL RESOLUTION**

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

#### **“RESOLVED THAT**

in accordance with

1. the provisions of Section 81(1A) and all other provisions applicable, if any, of the Companies Act, 1956 ('the Act') including any statutory modifications or re-enactments thereof for the time being in force,
2. the provisions of the Memorandum and Articles of Association of the Company,
3. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations'),
4. the provisions of the Listing Agreement entered into by the Company with the Stock Exchanges, where the shares of the Company are listed,
5. the provisions of Foreign Exchange Management Act, 1999 and rules and regulations framed there under,

and subject to

1. the applicable statutes, guidelines, regulations, approvals, consents, permissions or sanctions of the Central Government, the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other appropriate and/or concerned authorities, institutions or bodies (the 'Approvals'); and
2. such conditions or modifications as may be prescribed by any of them while granting any such Approvals, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter called 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution);

Consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot, on such occasion or occasions, in one or more tranches, as may be determined by the Board in the course of domestic and/or international offering(s), to 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, stabilising agents, anchor investors, Qualified Institutional Buyers as defined under Clause 2.(1)(zd) of SEBI ICDR Regulations by way of Qualified Institutions Placement(s) under Chapter VIII of the SEBI ICDR Regulations, individuals or otherwise, whether shareholders of the Company or not and/or through a public issue, rights issue, composite issue, and/or on a private placement basis, Indian Depository Receipts (IDRs) under Chapter X of the SEBI ICDR Regulations, equity shares, preference shares convertible into equity shares (or otherwise) or any other instruments/securities including warrants representing either equity shares and/or convertible/exchangeable securities linked to equity shares including but not limited to Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs) (hereinafter referred to as "Securities"), through one or more Prospectus, and/or Letter of Offer or Shelf Information Memorandum for issue and allotment of Securities not exceeding an amount of Rs. 1000 Crores (Rupees One Thousand Crores only), including premium, if any, in aggregate (including green shoe option, if any).

#### **RESOLVED FURTHER THAT**

1. In the case of the issue of the Securities by way of Qualified Institutions Placement, the allotment of Securities shall only be made to "Qualified Institutional Buyers" within the meaning of Clause 2.(1)(zd) of the SEBI ICDR Regulations and at such a price to be determined with respect to the Relevant Date so that the price paid by each investor shall not be less than the price arrived in accordance with the provisions of Chapter VIII of the SEBI ICDR Regulations;
2. In the case of the issue of the Securities by way of Qualified Institutions Placement, the "Relevant Date" shall mean :

(i) in case of allotment of equity shares, the date of the meeting in which the Board decides to open the proposed issue;

(ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares as may be decided by the Board in its absolute discretion;

Or such date or at such price as may be prescribed and made applicable under the provisions of SEBI ICDR Regulations as amended and in force at the relevant point in time.

3. Without prejudice to the generality of the above, the aforesaid issue of Securities may have all or any terms or conditions or combination/s of terms or conditions in accordance with prevalent market practices or as the Board may in its absolute discretion deem fit, including but not limited to terms and conditions, relating to payment of dividend, premium on redemption at the option of the Company and/or holders of any Securities, or variation of the price or period of conversion of Securities into equity shares or issue of equity shares during the period of the Securities or terms pertaining to voting rights or option(s) for early redemption of Securities;
4. For the purpose of giving effect to the foregoing and without being required to seek any further consent or approval of the members 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 authorized for and on behalf of the Company:
  - a) to dispose of, from time to time, such of the Securities as are not subscribed, in such manner, as the Board may deem fit in its absolute discretion;
  - b) to decide on the terms of the issue of Securities, including the form, timing, issue price, number of equity shares resulting from conversion, allottees under the issue;
  - c) to enter into and execute all such agreements/arrangements as the case may be with any lead managers, underwriters, stabilising agents, anchor investors, bankers, escrow bankers, financial institutions, solicitors, advisors, guarantors, depositories, custodians and other intermediaries (the "Agencies") in relation to the Issue of Securities and to remunerate any of the Agencies for their services in any manner including payment of commission, brokerage, fee or the like, to enter into or execute all such agreements / arrangements / Memoranda of Understanding / documents with any authorities / agencies, listing of the shares / securities (including the resultant equity shares to be issued as per the terms of the issue of the said Securities) on any Indian or Overseas Exchange (s) as the Board may in its absolute discretion deem fit;

- d) to settle any questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit,
- e) to do all such acts, deeds, matters and things as the Board may in its absolute discretion deem necessary or desirable for such purpose, including without limitation the drafting, finalization, entering into and execution of any arrangements or agreements or documents;
- f) to delegate from time to time, all or any of the powers conferred herein upon the Board to any Committee of the Board or the Managing Director or any other Director or any other Officer or Officers of the Company.
- g) to list the Securities on any Indian or Overseas Exchange (s) as the Board may in its absolute discretion deem fit.”

By Order of the Board of Directors  
**For SHRIRAM TRANSPORT FINANCE COMPANY LIMITED**

**K. Prakash**  
Vice President (Corporate Affairs) &  
Company Secretary

Mumbai,  
October 28, 2009.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

Your Company is going through a buoyant growth cycle and needs more of own funds to augment its working capital for growth, capital expenditure and for other corporate purposes.

It is, therefore, proposed to raise further capital:

- ◆ In Indian / international markets in one or more tranches.
- ◆ By way of public issue, rights issue, composite issue and/or on a private placement basis including allotment to Qualified Institutional Buyers by way of Qualified Institutions Placements as per Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (SEBI ICDR Regulations’) Regulations 2009, Indian Depository Receipts (IDRs), etc.
- ◆ By way of equity shares, preference shares convertible into equity shares or otherwise or any other instruments/securities including warrants representing either equity shares and/or

convertible/exchangeable securities linked to equity shares including but not limited to Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs) (hereinafter referred to as 'Securities').

- ◆ By way of offerings of the Securities to domestic and/or foreign institutions, non-resident Indians, Indian public companies, corporate bodies, mutual funds, venture capital funds, foreign venture capital investors, banks (including co-operative banks and regional rural banks), insurance companies, provident funds, trusts, pension funds, superannuation funds, national investment funds, stabilising agents, anchor investors, Qualified Institutional Buyers as defined under Clause 2.(1)(zd) of SEBI ICDR Regulations (by way of Qualified Institutions Placements) under Chapter VIII of the SEBI ICDR Regulations, individuals or otherwise, whether shareholders of the Company or not.

It is proposed that an aggregate amount not exceeding Rs. 1000 Crores (Rupees One Thousand Crores only), including premium, if any, be raised by issue and allotment of Securities as above (including green shoe option, if any) and at a price which is in accordance with the relevant SEBI/RBI guidelines/regulations/notifications, as may be applicable in this regard. The issue price of the Securities to be issued in the proposed offerings will be determined at the time of the offer depending on the then prevailing market conditions and in consultations with the merchant bankers.

As per Chapter VIII of the SEBI ICDR Regulations, the Qualified Institutions Placement shall be made at a price not less than the average of weekly high and low of the closing prices of the equity shares of the same class quoted on the Stock Exchange during the two weeks preceding the relevant date.

The "Relevant Date", as per Chapter VIII of the SEBI ICDR Regulations, means -

- a) in case of allotment of equity shares, the date of the meeting in which the Board of Directors of the Company or the Committee of Directors duly authorized by the Board of Directors of the Company decides to open the proposed Issue;
- b) in case of allotment of eligible convertible securities, either the date of the meeting in which the Board of Directors of the Company or the Committee of Directors duly authorized by the Board of Directors of the Company decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares.

Or such date or at such price as may be prescribed and made applicable under the provisions of SEBI ICDR Regulations as amended and in force at the relevant point in time.

For this purpose, the 'Stock Exchange' means any of the recognized stock exchanges in which the equity shares of the same class of the Company are listed and in which the highest trading volume in such equity shares has been recorded during the two weeks immediately preceding the relevant date or in such manner as may be prescribed and made applicable under the provisions SEBI ICDR Regulations as amended and in force at the relevant point in time.

In the case of Qualified Institutions Placements, the allotment of equity shares will be made within a period of twelve months from the date of passing of the aforesaid Special Resolution.

The offerings of the Securities may require appointment of Merchant Bankers, Underwriters, Legal Advisors and Experts or such other Authority or Authorities to advise the Company especially in relation to the pricing of the Issue and to remunerate any of the said agencies in any manner including payment of commission, brokerage, fee or payment of their remuneration for their services. The detailed terms and conditions of the Issue as and when made will be determined in consultation with the Merchant Bankers, Lead Managers, Advisors, Underwriters and other Experts in accordance with the terms of approval of the Government of India, Reserve Bank of India, SEBI and such other authorities as may be required.

Section 81(1A) of the Companies Act, 1956, provides, inter alia, that where it is proposed to increase the Subscribed Share Capital of the Company by allotment of further shares, such further shares shall be offered to the persons who at the date of the offer are holders of the equity shares of the Company, in proportion to the capital paid up on those shares as of that date unless the Shareholders decide otherwise by way of a Special Resolution. The Listing Agreements executed by the Company with the various Stock Exchanges also provide that the Company shall issue or offer in the first instance all Securities to the existing equity shareholders of the Company unless the Shareholders decide otherwise.

The proposed Special Resolution gives (a) adequate flexibility and discretion to the Board to finalise the terms of the issue, in consultation with the Lead Managers, Underwriters, Legal Advisors and Experts or such other authority or authorities as need to be consulted including in relation to the pricing of the Issue in accordance with the normal practice, (b) powers to issue and market any Securities issued including the power to issue such Securities in such tranche or tranches ; and (c) for utilization of the Issue proceeds as the Board may deem fit, without being required to seek any further consent or approvals of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

Accordingly, the consent of the shareholders is being sought, pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956, SEBI ICDR Regulations, and in terms of the provisions of the Listing Agreements, and such other approvals as may be necessary, to issue and allot Securities as stated in the Special Resolution.

The proposed issue of Securities is in the interest of the Company and your Directors recommend the passing of the resolution as a Special Resolution.

None of the Directors of the Company is interested or concerned in any manner in the proposed resolution, except to the extent of equity shares held by them in the Company.

By Order of the Board of Directors  
**For SHRIRAM TRANSPORT FINANCE COMPANY LIMITED**

**K. Prakash**  
Vice President (Corporate Affairs) &  
Company Secretary

Mumbai,  
October 28, 2009.





