



SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

SIXTH ANNUAL REPORT

1999-2000

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

BOARD OF DIRECTORS

MR. R. NARAYANAN – Chairman
MR. S. RAJARATNAM
MR. K.R. RAJAGOPALAN
MR. R. SRIDHAR – Managing Director
MR. LALIT P. MEHTA

AUDITORS

M/S. K.S. AIYAR & CO.
CHARTERED ACCOUNTANTS
MUMBAI

SHARE TRANSFER AGENTS

M/S. R & D CONSULTANTS LTD.
610, DALAMAL TOWERS,
NARIMAN POINT,
MUMBAI - 400 021

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the Members of the company will be held at the Conference Hall of Hotel Parle International, Agarwal Market, Vile Parle (East), Mumbai 400 057 on Tuesday, the 19th December, 2000 at 3.30 p.m. to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 30th June 2000 and the Profit and Loss Account 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.S.Rajaratnam, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as a Special Resolution :

“ RESOLVED THAT pursuant to sections 198,269, 309, 314 and other applicable provisions, if any, and Schedule XIII of the Companies Act, 1956, approval of the Company be and is hereby accorded to the appointment of Mr.R.Sridhar as the Managing Director of the Company for a period of 2 years commencing from 1st July,2000 without any remuneration payable.”

By Order of the Board of Directors

R. Sridhar
Managing Director

CHENNAI,
OCTOBER 30, 2000

Registered Office :
117/118 Dalamal Towers
Narmian Point
Mumbai – 400 021

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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY TO BE VALID MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The relevant Explanatory Statement Pursuant to section 173(2) of the Companies Act, 1956 in respect of the special business at Item nos. 4 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the company will remain closed for 5 days from 15th December 2000 to 19th December,2000 (both days inclusive).
4. Members / Proxies are requested to bring the Attendance slip sent herewith duly filled in for attending the Meeting.
5. Members desiring any information on Accounts are requested to write to the Company at an early date so as to enable the Management to furnish the same.
6. Members are requested to intimate the Company regarding any change in their address.
7. Members are requested to bring with them a copy of Annual Accounts dispatched to them by the Company.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956,
ANNEXED TO NOTICE DATED 30TH OCTOBER, 2000****Item no 4:**

On the resignation of Mr.S.Alagappan as the Managing Director of the company, the Board of directors of the Company, at its meeting held on 26th May 2000, subject to the approval of the Members at the General Meeting , appointed Mr.R.Sridhar as the Managing Director of the Company for a period of 2 years, with effect from 1st July, 2000 without any remuneration. He has been Director of the company from 28th August 1998.

Mr. R. Sridhar has been associated with the sponsors of the Company for more than ten years and has been elevated to the post of Managing Director of Shriam Transport Finance Company Ltd. with effect from 15th September, 2000. He is a Chartered Accountant and he has about 15 years of experience in the financial services industry.

It would be in the interest of the company to approve the appointment of Mr.Sridhar as the Managing Director to take advantage of his rich experience in the financial services sector. Hence the Board recommends his appointment as the Managing Director for a period of 2 years commencing from 1st July 2000.

Excepting Mr. Sridhar, none of the other Directors are concerned or interested in the resolution. This may be treated as an abstract under section 302 of the Companies Act, 1956 of the terms of appointment of Mr. Sridhar as the Managing Director of the Company.

By Order of the Board of Directors

R. Sridhar
Managing Director

CHENNAI
OCTOBER 30, 2000

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SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Sixth Annual Report together with the Audited Statements of Accounts for the year ended 30th June 2000.

Financial Results:

The Salient features of the Financial Results of the Company for the year ended 30th June 2000 are as under:

	Year ended 30-06-2000 (in Rs.)	Year ended 30-06-1999 (in Rs.)
Gross Income for the year	7985033	8836063
Total Expenditure before Depreciation & Tax	10698080	9559701
Profit/(Loss) before Depreciation and Tax	(2713047)	(723638)
Depreciation	(688077)	(610951)
Provision for tax	—	—
Profit/(Loss) after Depreciation and Tax	(3401124)	(1334589)
Balance brought forward from previous year	(1319864)	14725
Balance carried to Balances Sheet	(4720988)	(1319864)

Dividend

On account of operating loss in the current year, your Directors do not recommend any dividend for year ended 30th June, 2000.

Operations and out look

Risk Guardian 95, one of the major schemes managed by your company, is being wound up as the duration of its term has ended. The assets under management of the company have therefore fallen and stood at Rs. 712.33 lakhs as on 30th September, 2000 as compared to Rs. 2410.16 lakhs as of 30th September, 1999. The Asset Management fee, which has a direct co-relation with the value of net assets under management, has also fallen correspondingly.

The Mutual Fund Industry in general, has been getting massive investor support for the past couple of years and this trend is expected to strengthen up further. The corporate sector has also reported better working results for the half year ended 30th June, 2000. Hence the Capital market, though highly volatile at present, is expected to steady up and gain the lost ground sooner or later. Your Directors are therefore examining the ways and means to meet the emerging scenario.

Directorate :

In accordance with the provisions of the Companies act , 1956 and the Articles of Association of the company Mr.S.Rajaratnam would retire by rotation and is eligible for reappointment.

Mr. S. Alagappan due to personal reasons, resigned as the Managing Director of the company with effect from 30th June 2000. He is due for retirement by rotation at the ensuing Annual General Meeting but has expressed his desire not to seek re-election . In order to fill the vacancy so caused in the office of Managing Director and to take advantage of the vast experience of Mr R.Sridhar, the Board of Directors appointed him , subjects to the approval of the members , as the Managing Director of the Company for a period of two years with effect form 1st July 2000. A suitable resolution in this regard is proposed for adoption by the members, at the ensuing Annual General Meeting.

Fixed Deposit:

During the year under report, your company did not accept any fixed deposits.

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Personnel:

During the year under report, the company has not employed any person who was in receipt of remuneration in excess of the limits specified under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975

Information as per section 217 (1) (e) read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

1. Conservation of Energy
Your Company being an Asset Management Company, acting as an investment manager, has not consumed energy of any significant level.
2. Technology Absorption
Considering the nature of business, there is no technology absorption for the year under review.
3. Foreign Exchange Earning and outgo:
During the year under report, the company has neither earned nor expended any foreign exchange.

Auditors:

M/s. K.S Aiyar and Co., the Statutory Auditors, will retire at the ensuing Annual General Meeting of the Company and are eligible for reappointment.

Appreciation

Your Directors take this opportunity to place on record their appreciation for the continued support from the company's bankers, Stock Exchange Authorities, Securities and Exchange Board of India and by the employees of the company at all levels.

On Behalf of the Board Of Directors



R. Narayanan
CHAIRMAN

CHENNAI
30th October 2000

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Mumbai - 400 021