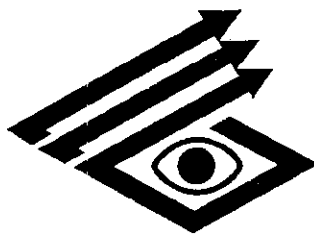




Annual Report

1999 - 2000

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Shriram City Union Finance Limited



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Shareholders of the Company will be held on Monday, the 30th October 2000 at 3.00 P M at Satguru Gnanananda Hall, No 254, T T K Road, Alwarpet, Chennai 600 018 to transact the following business:

- 1) To receive, consider and adopt the Directors' Report, Profit and Loss Account for the nine months ended 31st March, 2000 and the Balance Sheet as on that date and the reports of the Auditors thereon.
- 2) To declare dividend on Preference and Equity Shares
- 3) a) To elect a Director in the place of Sri T Jayaraman who retires by rotation and being eligible, offers himself for re-election.
b) To elect a Director in the place of Sri Y D Patil who retires by rotation and being eligible, offers himself for re-election.
- 4) To appoint Auditors for the year 2000-2001 and authorise the Board of Directors to fix their remuneration.
M/s Pijush Gupta & Co., Chartered Accountants, Calcutta, retire at the conclusion of the Fourteenth Annual General Meeting and being eligible offer themselves for re-appointment.
- 5) To authorise the Board of Directors of the Company to appoint and fix the remuneration of any person qualified for appointment as Auditor of the Company under Section 226 of the Companies Act, 1956, for auditing the accounts of the branch offices of the Company for the year 2000-2001, in consultation with the Auditors of the Company.

SPECIAL BUSINESS :

- 6) To consider and if thought fit to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION
RESOLVED THAT Sri S Venkatakrishnan, who was co-opted by the Board as an Additional Director with effect from 28.07.00 and who holds office upto the date of this Annual General Meeting and has offered himself for appointment be and is hereby appointed as a Director of the Company.
- 7) To consider and if thought fit to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION
RESOLVED THAT pursuant to the provisions of Section 372 A of the Companies Act, 1956, as amended, the resolution of the Board of Directors authorising the giving of guarantees guaranteeing the repayment of the loan amount plus interest, commitment charges, costs and all other moneys payable in terms of the Deed of Guarantee entered into by the Company in respect of the following be confirmed by the Shareholders

Name of the Corporation in whose favour the Guarantee is given	Purpose of Guarantee	Principal amount (Rs.in lakhs)
Karnataka State Financial Corporation Limited	For the Hire Purchase Finance facility availed by a) Shriram Transport Finance Company Limited b) Shriram Investments Limited	360 500



- 8) To consider and if thought fit to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION

RESOLVED THAT Sri Akhilesh Kumar Singh, who was co-opted by the Board as an additional Director with effect from 14.09.00 and who holds office upto the date of this Annual General Meeting and has offered himself for appointment be and is hereby appointed as a Director of the Company.

- 9) To consider and if thought fit to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION

RESOLVED THAT in accordance with the provisions of Sections 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Sri Akhilesh Kumar Singh be and is hereby appointed as the Managing Director of the Company with effect from 15th September, 2000 for a period of five years and shall perform such duties and exercise such powers as may from time to time be lawfully entrusted to and conferred upon him by the Board and he may be paid a remuneration by way of salary and other perquisites in accordance with Schedule XIII of the Companies Act, 1956 as detailed below :-

A. REMUNERATION:

- i) SALARY : Rs 35,000 /- per mensem with an annual increase of Rs 3000/-
- ii) COMMISSION : Such percentage of commission (in addition to Salary and Perquisites hereinafter stated) calculated with reference to the net profit of the Company in accordance with Sec. 349 and Sec 350 of the Companies Act, 1956 for each financial year as may be fixed by the Board of Directors which together with salary and monetary value of perquisites shall not exceed the ceiling laid down under Sec 309 of the Companies Act, 1956.

B. PERQUISITES :

- i) Housing - Rent free accomodation owned/ leased/ rented by the Company, or Housing Allowance in lieu thereof as per rules of the Company.
- ii) Payment of water, gas, electricity and furnishing charges for residence, to be valued in accordance with Income Tax Rules, subject to a maximum of 10% of the salary.
- iii) Medical Reimbursement - Reimbursement of medical, surgical and hospitalisation expenses for the Managing Director and family subject to a maximum of Rs 15,000 p.a.
- iv) Leave Travel Concession - For the Managing Director and family, subject to a maximum of Rs 25,000 p.a.
- v) Personal accident/Group insurance - The annual premium not to exceed Rs.4,000/-
- vi) Club Fees - Subscription limited to a maximum of two clubs. No life membership or admission fees shall be paid by the Company.
- vii) Contribution to Provident Fund, Superannuation Fund or Annuity Fund - As per rules of the Company. These will not be considered or included for the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
- viii) Gratuity - Not exceeding half a month's salary for each completed year of service.
- ix) Encashment of leave at the end of the tenure - As per rules of the Company.



- x) Company's car with driver for use on Company's business and maintenance expenses thereon.
- xi) Free telephone at residence.

Personal long distance calls on telephone and use of car for private purpose shall be charged to the Managing Director.

viii, ix, x and xi above will not be considered or included for the computation of ceiling on perquisites.

OTHER APPLICABLE TERMS :

- 1) The Managing Director shall not be paid any sitting fees for attending General Meetings and Meetings of the Board or Committee thereof.
- 2) In the event of absence or inadequacy of profits in any financial year the Managing Director will be paid the above remuneration (except Commission) as minimum remuneration subject to the overall ceilings laid down in Section II of Part II of Schedule XIII.
- 3) The Board may revise the existing or allow any other facilities/perquisites, from time to time, within the overall ceiling.

By Order of the Board
for SHRIRAM CITY UNION FINANCE LIMITED

Chennai
14th September, 2000

BRINDA KESAVAN
Secretary





SHRIRAM CITY UNION FINANCE LIMITED

NOTES :

- 1) The explanatory statement as required under Section 173 (2) of the Companies Act, 1956 is annexed.
- 2) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself. The proxy need not be a member of the Company. A blank proxy form is enclosed. The proxy form duly stamped and executed, should be deposited at the Share Transfer Agent's Office at least forty eight hours before the time fixed for the commencement of the meeting.
- 3) The Register of Members of the Company will remain closed from Tuesday, the 17th October, 2000 to Monday, the 30th October, 2000 (both days inclusive) for the purposes of Annual General Meeting and to determine the Shareholders entitled to receive the Dividend .
- 4) Members may please note that the Company has entered into necessary Agreements with National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) and as advised by Securities and Exchange Board of India, on and from 24.07.2000 trading in the scrips of the Company would be compulsorily in dematerialised form.
Members may contact the Share transfer agents for further clarification on the issue.
- 5) Members/Proxy holders are requested to produce at the entrance, the attached admission slip for admission to the meeting hall. Duplicate admission slips will not be provided at the hall.
- 6) Members are requested to notify change in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID No. and in case of physical shares to the Share Transfer Agents quoting their Folio Numbers.
- 7) Pursuant to the provisions of Section 205A of the Companies Act, 1956 as amended, dividend for the financial year 1994-95, 1995-96 and 1996-97, which remain unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial years as specified above are requested to make their claim to the Company's Secretarial office at IV Floor, Mookambika Complex, No 4 (New No 7), Lady Desika Road, Mylapore , Chennai 600 004. It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.
- 8) The Company has already transferred, all unclaimed dividend declared upto the financial year ended 30th June 1994 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those Shareholders who have so far not claimed or collected their dividend upto the aforesaid financial year may claim their dividend from the Registrar of Companies, Haddows Road, Shastri Bhavan, Chennai 600 006.

By Order of the Board
for SHRIRAM CITY UNION FINANCE LIMITED

Chennai
14th September, 2000

BRINDA KESAVAN
Secretary



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

ITEM NO. 6

Sri S. Venkatakrishnan I A & A S (Retd.,) was appointed by the Board in accordance with the Articles of Association as Additional Director of the Company with effect from 28.07.00 to strengthen the Board and to have the benefit of his experience and expertise. Sri S. Venkatakrishnan has been contributing greatly to the betterment and prosperity of the Company for the past several years. His election to the Board would be of immense value to the Company.

Under the provisions of Section 260 of the Companies Act, 1956, Sri S. Venkatakrishnan holds office upto the date of the Fourteenth Annual General Meeting. Notice under Section 257 of the Companies Act, 1956, has been received along with the necessary deposit from a member intending to propose the name of Sri S. Venkatakrishnan for appointment as a regular Director of the Company at the Fourteenth Annual General Meeting.

No Director except Sri S. Venkatakrishnan is interested in the resolution.

ITEM NO. 7

As per the Companies (Amendment) Act, 1999, any guarantee guaranteeing the repayment of the loan amount plus interest, commitment charges, costs and all other moneys payable in terms of the Deed of Guarantee entered into by the Company with Bodies Corporate/Banks/Corporation/Financial Institutions, pursuant to a resolution passed in the meeting of the Board must be confirmed at the Annual General Meeting held immediately after passing of the Board's resolution, and hence the Special Resolution as set out in the notice is placed for confirmation of the Shareholders.

Sri G.V. Raman and Sri S. Venkatakrishnan as Directors in the Companies referred to in item No. 7 are interested in the resolution.

ITEM NO. 8

Sri Akhilesh Kumar Singh was appointed by the Board in accordance with the Articles of Association as Additional Director of the Company with effect from 14.09.00 to strengthen the Board and to have the benefit of his experience and expertise. Sri Akhilesh Kumar Singh has been contributing greatly to the betterment and prosperity of the Company for the past several years. His election to the Board would be of immense value to the Company.

Under the provisions of Section 260 of the Companies Act, 1956, Sri Akhilesh Kumar Singh holds office upto the date of the Fourteenth Annual General Meeting. Notice under Section 257 of the Companies Act, 1956, has been received along with the necessary deposit from a member intending to propose the name of Sri Akhilesh Kumar Singh for appointment as a regular Director of the Company at the Fourteenth Annual General Meeting.

No Director except Sri Akhilesh Kumar Singh is interested in the resolution.



SHRIRAM CITY UNION FINANCE LIMITED

ITEM NO. 9

Consequent upon the resignation of Sri T Jayaraman, the position of the Managing Director becomes vacant. Considering the proven ability of Sri Akhilesh Kumar Singh, the Board of Directors appointed him as the Managing Director of the Company for a period of five years with effect from 15.09.00. The details of remuneration and perquisites are set out in the resolution No. 9. This may be considered also as an abstract of the terms of appointment of the Managing Director and a memorandum as to the nature of the concern or interest of the Director in the said appointment as required under Section 302 of the Companies Act, 1956. The appointment and remuneration are within the guidelines laid down in Schedule XIII of the Companies Act, 1956 and require the approval of the members.

No Director except Sri Akhilesh Kumar Singh is interested in the resolution.

By Order of the Board
for SHRIRAM CITY UNION FINANCE LIMITED

Chennai
14th September, 2000

BRINDA KESAVAN
Secretary

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**BOARD OF DIRECTORS****CHAIRMAN**

Sri G.V. Raman

MANAGING DIRECTOR

Sri Akhilesh Kumar Singh

SECRETARY

Smt. Brinda Kesavan

DIRECTORS

Sri T. Jayaraman
Sri Sumati Prasad M. Bafna
Sri Y.D. Patil
Sri S. Venkatakrishnan
Dr. T. S. Sethurathnam
(Nominee of IREDA Ltd.)

AUDITORS

Pijush Gupta & Co.,
Chartered Accountants

SHARE TRANSFER AGENTS

Integrated Enterprises (India) Ltd.
'Integrated House'
46/3 Vijayaraghava Road,
T. Nagar, Chennai 600 017.
Phone : 8238891 - 94

BANKERS

Abu Dhabi Commercial Bank Ltd.
City Union Bank Ltd.
Federal Bank Ltd.
The Catholic Syrian Bank Ltd.
The Karur Vysya Bank Ltd.
UCO Bank

REGD. OFFICE : 123, Angappa Naicken Street, Chennai - 600 001. Phone : 5341431

SECT. OFFICE : IV Floor, Mookambika Complex, 4, (New No.7) Lady Desika Road, Mylapore
Chennai 600 004. Phone : 4990356, 4990960 Fax : 4993272

ADMN.OFFICE : 'CK 15, Sector II, Salt Lake City, Calcutta 700 091 Phone : 3587188

BRANCHES : Agra, Ahmedabad, Akola, Alwar, Allahabad, Amalapuram, Anantapur,
include Aurangabad, Azadpur, Bangalore, Baroda, Belgaum, Bellary, Bhilai,
Bhimavaram, Bhopal, Bhubaneshwar, Borivili, Calcutta, Calicut, Chandigarh,
Chembur, Chennai, Coimbatore, Dhanbad, Durgapur, Ernakulam, Ghaziabad,
Goa, Gulbarga, Guntur, Gwalior, Hassan, Hubli, Indore, Jabalpur, Jaipur,
Jamshedpur, Jodhpur, Kakinada, Kannur, Kanpur, Kolhapur, Kollam, Kota,
Kurnool, Lucknow, Ludhiana, Madurai, Mangalore, Masjid, Matunga, Mysore,
Nagpur, Nandyal, Nariman Point, Nasik, Nellore, New Delhi, Ongole, Palakkad,
Pimpri, Pondicherry, Pune, Quilon, Raipur, Rajahmundry, Rajkot, Ranchi, Rohtak,
Rourkela, Salem, Secunderabad, Shimoga, Surat, Trichur, Trichy, Trivandrum,
Udipi, Vashi, Vellore, Vile Parle, Vijayawada, Vizag, Vizianagaram, Warangal.

Listed in the following Exchanges and the Annual Listing Fees have been duly paid

Madras Stock Exchange Ltd., Exchange Building, P.B.No. 183, 11, Second Line Beach, Chennai - 600 001.

Coimbatore Stock Exchange Ltd., CSX Towers, 683-686, Trichy Road, Singanallur, Coimbatore - 641 005.