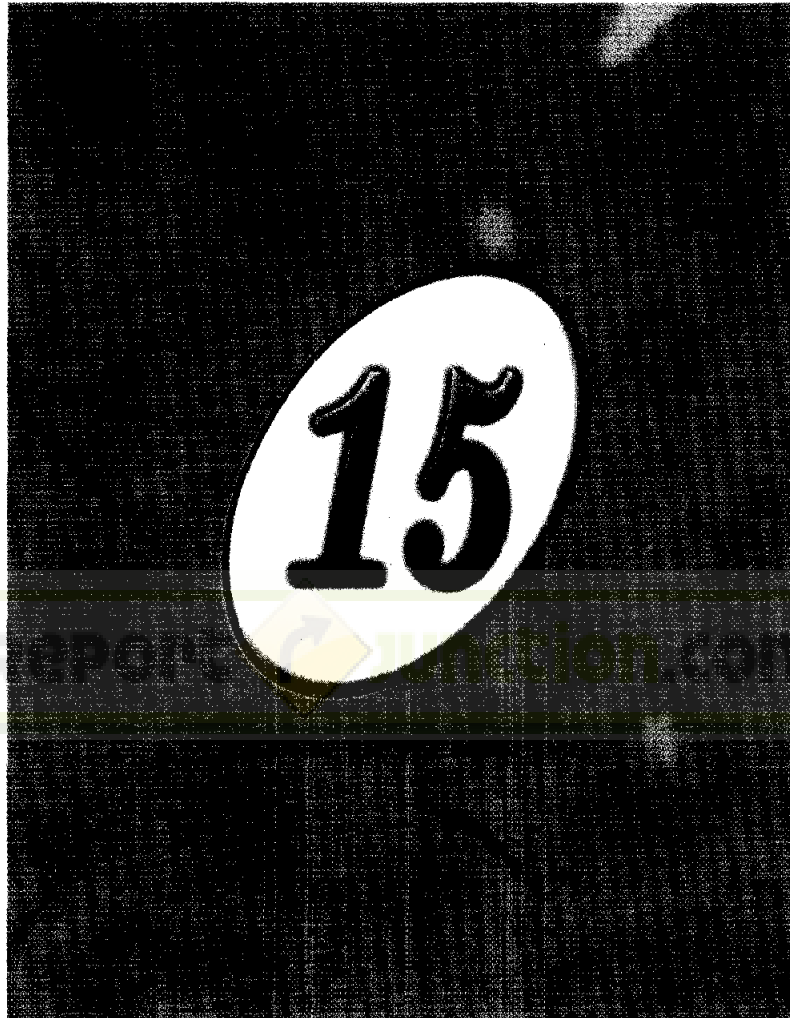


SHRIRAM CITY UNION FINANCE LIMITED



**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.)

AUDITORSPijush Gupta & Co.,
Chartered Accountants**SHARE TRANSFER AGENTS**

Integrated Enterprises (India) Ltd.

2nd Floor, Kences Towers

No.1, Ramakrishna Street,

Off : North Usman Road,

T. Nagar, Chennai - 600 017.

Ph : 8140801 - 0803

BANKERS

Abu Dhabi Commercial Bank Ltd.

City Union Bank Ltd.

Federal Bank Ltd.

The Catholic Syrian Bank Ltd.

UCO Bank

REGD. OFFICE : 123, Angappa Naicken Street, Chennai - 600 001. Phone : 5341431**SECT. OFFICE** : 4th Floor, Mookambika Complex, 4, Lady Desika Road, Mylapore
Chennai 600 004. Phone : 4990356, 4990960 Fax : 4993272**ADMN.OFFICE** : CK 15, Sector II, Salt Lake City, Kolkata 700 091 Phone : 3587188

BRANCHES : Agra, Ahmedabad, Akola, Alwar, Allahabad, Amalapuram, Anantapur,
include Aurangabad, Azadpur, Bangalore, Baroda, Belgaum, Bellary, Bhilai,
Bhimavaram, Bhopal, Bhubaneshwar, Borivili, Calicut, Chandigarh, Chembur,
Chennai, Coimbatore, Dhanbad, Durgapur, Ernakulam, Ghaziabad, Goa,
Gulbarga, Guntur, Gwalior, Hassan, Hubli, Indore, Jabalpur, Jaipur,
Jamshedpur, Jodhpur, Kakinada, Kannur, Kanpur, Kolhapur, Kolkata, 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.



DIRECTORS' REPORT

Your Directors have pleasure in submitting the Fifteenth Annual Report with the audited accounts for the year ended 31st March, 2001 .

FINANCIAL RESULTS :

	Rs. in lakhs
	For the year ended 31.03.01
Profit before depreciation and taxation	2142.92
Less : Depreciation	1452.03
Profit before tax	690.89
Less : Provision for taxation	58.56
Profit after tax	632.33
Add : Balance brought forward from previous year	250.50
Profit available for appropriation	882.83
Appropriations:	
Statutory Reserve	127.00
Debenture Redemption Reserve	25.00
General Reserve	48.00
Proposed Dividend on Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up at the stipulated rates	168.36
Proposed dividend on 7500000 Equity Shares of Rs. 10/- each fully paid up @ 16%	120.00
Tax on dividends	29.41
Balance carried to Balance Sheet	365.06
	882.83



2000-2001 IN RETROSPECT & OUTLOOK:

It has been a difficult year with the commercial vehicles industry witnessing a decline in sales by 12.3%. Despite this trend, your Company continued to benefit by its strategic advantages and further tightened efficiencies to ensure enhanced volumes of business and increased profitability.

Government of India's Budget for the year 2001-02 contain proposals, such as, reduction in excise duty for the Automobile Industry and enhanced rate of depreciation @ 50% for the first year for new commercial vehicles which are expected to be beneficial to the Automobile Industry and the vehicles financing sector.

Your Company is fully geared to avail of the increased opportunities in the financial services sector in the year ahead.

SHRIRAM - IN FOCUS :

Your Company's turnover for the year ended 31.03.2001 was Rs. 7,931.07 lakhs. The net profits have risen from Rs. 261.63 lakhs (annualised) to Rs. 632.33 lakhs. Gross Stock on Hire as on 31.03.2001 stood at Rs. 28,959.04 lakhs.

DIVIDEND :

Your Directors are pleased to recommend to the Annual General Meeting a Dividend of Rs.1.60 per Equity Share. The Dividend, if approved, shall be payable to the Shareholders registered in the books of the Company and beneficial owners furnished by the Depositories, determined with reference to the book closure.

The direct outgo of the Dividend to be paid to the Shareholders is Rs. 288.36 lakhs (Preference Rs. 168.36 lakhs & Equity Rs. 120.00 lakhs). Your Company will bear the corporate tax on dividend amounting to Rs. 29.41 lakhs.

RESOURCES :

The Deposit portfolio as on 31.03.2001 stood at Rs. 382.82 lakhs as compared to Rs. 1,475.80 lakhs on 31.03.2000.

As on 31.03.2001, there were 865 deposits aggregating to Rs. 91.34 lakhs which have matured but remained unclaimed. After close follow up with the depositors, the figure has come down to 619 deposits amounting to Rs. 55.10 lakhs. Steps are being taken for the repayment/renewal of deposits. There were no deposits which were claimed but not paid by the Company.

Secured Non-Convertible Debentures and Cumulative Redeemable Preference Shares stood at Rs. 21,629.51 lakhs and Rs.1,808.89 lakhs respectively as on 31.03.2001.

**RBI DIRECTIONS :**

Your Company has complied with all the requirements prescribed by the regulatory agency.

DIRECTORS :

Sri T Jayaraman and Sri G V Raman, Directors, retire by rotation and being eligible offer themselves for re-election.

DIRECTORS' RESPONSIBILITY STATEMENT :

The Directors confirm :

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- (ii) that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- (iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) that they have prepared the annual accounts on a 'going concern basis'.

AUDIT COMMITTEE :

The Audit Committee comprises of Sri G V Raman, Sri Y D Patil and Sri S M Bafna. The role, terms of reference and the authority and powers of the Audit committee are in conformity with the requirements of the Companies Act, 1956. The Committee met three times during the year.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956 :

Information required to be disclosed under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 with respect to conservation of energy, technology absorption, foreign exchange earnings/ outgo. - NIL

Information required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 - NIL

AUDITORS' REPORT

To the Shareholders of SHRIRAM CITY UNION FINANCE LIMITED

We have audited the attached Balance Sheet of Shriram City Union Finance Limited as at 31st March, 2001 and the Profit and Loss Account for the year ended on that date annexed thereto, in which are incorporated the audited statements of Eastern Region audited by us and Northern Region, Western Region, Southern Region and its sub-regions, as audited by branch auditors of the said regions/ sub-regions, and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we enclose in annexure a statement on the matters specified in the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that:
 - (a) We have 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 appears from our examination of those books.
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion and according to the information and explanations given to us the Profit and Loss Account and the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in Sub-Section 3(C) of Section 211, of the Companies Act, 1956.
 - (e) On the basis of our review of the confirmations received by the Company from companies in which the Directors of the Company are directors and the information and explanations given to us, none of the Directors of the Company are, prima facie, as at 31st March, 2001 disqualified from being appointed as directors of the Company under clause(g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) Reports including report on compliance of Prudential Norms prescribed by the Reserve Bank of India and compliance of provisions of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 of the branch auditors forwarded to us have been considered and relied upon by us in preparing our Report.
 - (g) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with Notes on Accounts and Significant Accounting Policies, give the information required by the Companies Act, 1956, in the manner so required, and
 - (i) the Balance Sheet gives a true and fair view of the state of affairs of the Company as at 31st March, 2001 and
 - (ii) the Profit and Loss Account gives a true and fair view of the Profit for the period ended on that date.

For **PLJUSH GUPTA & CO.**
Chartered Accountants

Chennai
26th June, 2001

PLJUSH KUMAR GUPTA
Partner