

SHRIRAM CITY UNION FINANCE LIMITED



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SHRIRAM CITY UNION FINANCE LIMITED

Regd. Office: 123, Angappa Naicken Street, Chennai 600001.

NOTICE OF THE SEVENTEENTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

Notice is hereby given that the Seventeenth Annual General Meeting of the Shareholders of the Company will be held on Thursday, the 4th September 2003 at 2.30 P.M. at Narada Gana Sabha (Mini Hall), No. 314 (Old 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 year ended 31st March, 2003, the Balance Sheet as on that date and the report of the Auditors thereon.
- 2) a) To record the dividend paid on Preference Shares
b) To record the interim dividend paid on Equity Shares
c) To declare final dividend on Equity Shares
- 3) To elect a Director in the place of Sri S Venkatakrishnan who retires by rotation and being eligible, offers himself for re-election.
- 4) To appoint Statutory Auditors for the year 2003-2004 and authorise the Board of Directors to fix their remuneration.

M/s. Pijush Gupta & Co., Chartered Accountants, Kolkata, retire at the conclusion of the Seventeenth 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 2003-2004, 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 E V Balasubramanian, who was co-opted by the Board as an Additional Director with effect from 28th November 2002 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 372A of the Companies Act, 1956, the resolution of the Directors guaranteeing the repayment of the principal amount together with 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 Banks in whose favour the Guarantee is given	Purpose of Guarantee	Principal amount (Rs. in lakhs)
The Vysya Bank Ltd.	For availing the facility under the Small Road Transport Operators Scheme by individual truck operators Identified by the Company	500.00
City Union Bank Ltd.	For the bank guarantee executed by City Union Bank Ltd. in favour of Indian Renewable Energy Development Agency Limited (IREDA)	43.60

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

RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) and re-enactment thereof for the time being in force) and provisions of other Statutes, as applicable and subject to such other approvals, consents, permissions, and sanctions as may be necessary from the appropriate authorities, or Bodies, the Articles of Association of the Company be altered in the following manner.

- A) The existing Articles 36(b), 36(c), and 37(b) of the Articles of Association of the Company be and are hereby altered to include Bodies Corporate in addition to Financial Corporations/Financial Institutions.

- B) I. The new Article 3(a) be inserted after the existing Article 3.

3(a) Requirements of Section 81 of the Act will be complied with as and when applicable.

- II. The new Article 17(a) be inserted after the existing Article 17.

17(a) Provided that notwithstanding what is stated in clause 16 and 17, above the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

- III. The new Article 20(b) be inserted after clause 20(a).

20(b) The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures 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 pursuant to Sections 16, 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Capital of the Company be increased from Rs. 55,00,00,000 (Rupees Fifty Five Crores only) divided into 2,50,00,000 Equity Shares of Rs. 10/- each and 30,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each to Rs. 85,00,00,000 (Rupees Eighty Five Crores only) divided into 4,50,00,000 Equity Shares of Rs. 10/- each and 40,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each and consequently the existing clause V of the Memorandum of Association of the Company relating to Share Capital be and is hereby altered to read as follows:

V "The Authorised Capital of the Company is Rs. 85,00,00,000 (Rupees Eighty Five Crores Only) divided into 4,50,00,000 (Four Crores Fifty Lakhs) equity shares of Rs. 10/- (Rupees ten) each and 40,00,000 (Forty Lakhs) Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each with the power to issue the new Shares upon such terms and conditions and to attach thereto such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Companies Act, 1956 and to vary, modify, amalgamate, abrogate any such rights, privileges, conditions in such manner as may be provided by the Companies Act, 1956."

- 10) To consider and if thought fit to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION.

RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) and re-enactment thereof for the time being in force) and provisions of other Statutes, as applicable and subject to such other approvals, consents, permissions, and sanctions as may be necessary from the appropriate authorities, or Bodies, Article 6 of the Articles of Association of the Company be and is hereby altered to read as follows :

Article 6 "The Authorised Capital of the Company is Rs. 85,00,00,000 (Rupees Eighty Five Crores only) divided into 4,50,00,000 (Four Crores Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees ten) each and 40,00,000 (40 lakhs) Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees One hundred) each with the power to issue the new Shares upon such terms and conditions and to attach thereto such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Companies Act, 1956 and to vary, modify, amalgamate, abrogate any such rights, privileges, conditions in such manner as may be provided by the Companies Act, 1956."

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

RESOLVED THAT in supersession of the earlier resolution(s) passed and pursuant to Section 293(1)(d) of the Companies Act, 1956, the consent of the Company be and is hereby granted to the Board/ Committee of directors of the Company to borrow for the purpose of the business of the Company from time to time on such terms and conditions as the Board/Committee of directors may deem fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained and/or to be obtained from the Company's bankers in

the ordinary course of business) will or may exceed the aggregate of the Paid up Capital of the Company and its Free Reserves that is to say, reserves not set apart for any specific purpose, so that the total amounts upto which the monies may be borrowed by the Board/Committee of directors shall not at any time exceed Rs. 1000 Crores (Rupees One Thousand Crores).

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

RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting held on 3rd September 2001, consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors/Committee of directors for mortgaging and/or charging in such form and manner and on such terms and at such time(s) as the Board/Committee of directors may deem fit, the movable and/or immovable properties of the Company, wherever situate, present and future, whether presently belonging to the Company or not, in favour of any person including financial/investment institution(s), bank(s), insurance Company(ies), corporate body(ies), trustees to secure the debentures, loan, hire purchase and/or Lease Portfolio Management transactions for finance and other credit facilities upto a sum not exceeding Rs.1500 Crores (Rupees One Thousand Five Hundred Crores).

RESOLVED FURTHER THAT the Board/Committee of directors be and is hereby authorised to finalise the form, extent and manner of, and the documents and deeds, whichever applicable, for creating the appropriate mortgages and/or charges on such of the immovable and/or movable properties of the Company on such terms and conditions as may be decided by the Board/Committee of directors in consultation with the lenders and for reserving the aforesaid right and for performing all such acts and things as may be necessary for giving effect to this resolution.

- 13) To consider and if thought fit, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION.

RESOLVED THAT subject to compliance with the applicable statutes and regulations, including the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, the consent of the Company be and is hereby accorded, for delisting of its shares from the Coimbatore Stock Exchange Limited and the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, and things which may be necessary, usual, expedient or proper to give effect to this resolution.

- 14) To consider and if thought fit to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION.

RESOLVED THAT in accordance with the provisions of Sections 80 and 81 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, for the time being in force and as may be enacted from time to time) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the Shares/Debentures of the Company



are listed and subject to the consent of all concerned authorities, if and to the extent necessary and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed under applicable laws or imposed while granting such approvals, sanctions, permissions, which may be agreed to by the Board of Directors of the Company and/or a duly authorised Committee for the time being thereof exercising the powers conferred upon by the Board of Directors, (hereinafter referred to as Board) at its, absolute discretion, the consent of the Company be and is hereby accorded to the Board/Committee to offer/issue/allot, in the course of domestic and/or international offering, Cumulative Redeemable Preference Shares of Rs. 100/- each, of an aggregate nominal amount, not exceeding Rs. 10 Crores (herein after for brevity sake referred to as Securities) to be subscribed in rupees/foreign Currency(ies) by such person or persons, whether or not Shareholder of the Company as the Board/Committee may at its absolute discretion decide, including one or more of the members, promoters, debentureholders, employees, Financial Institutions, Institutions, Banks, Mutual Funds, Foreign Investors, Non-resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Bodies Corporate, Companies, Private or Public and other entities in one or more combinations thereof, whether through Public issue, Rights issue, Private placement, preferential allotment or otherwise, in one or more modes or combinations thereof, and in one or more tranches and on such terms and conditions including the rate of dividend, amount of premium, if any, on redemption, redemption period, manner of redemption and matters incidental thereto.

RESOLVED FURTHER THAT such of these securities to be issued as are not subscribed may be disposed of by the Board/Committee thereof to such persons and in such manner and on such terms as the Board/Committee in its absolute discretion think most beneficial to the Company including offering or placing them with Banks/Mutual Funds/Foreign Institutional Investors/Bodies Corporate/such other persons or otherwise.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilisation of the proceeds and further to do all such acts, deeds, matters and things and to finalise and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit.

15) To consider and if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION**.

RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), the Memorandum and Articles of Association of the Company, Listing Agreements entered into by

NOTICE TO THE SHAREHOLDERS (contd..)

the Company with the Stock Exchanges where the shares of the Company are listed, Disclosure and Investor Protection Guidelines issued by the Securities and Exchange Board of India (SEBI), and other applicable Regulations/Guidelines and subject to such other approvals, permissions, sanctions, consents as may be necessary or expedient under the applicable laws, rules and regulations and subject to such terms, conditions, alterations and modifications as may be considered appropriate by the Board of Directors (hereinafter the "Board" which shall include any Committee of Directors) consent of the Company be and is hereby accorded to the Board to offer, issue and allot on Preferential basis to Shriram Chits & Investments (P) Limited upto 2,00,00,000 Equity shares of Rs. 10/- each for cash at a price not less than the price determined in accordance with SEBI (Disclosure and Investor Protection) Guidelines on Preferential Issue and that the Board be and is hereby authorised to finalise all matters incidental thereto as it may in its absolute discretion think fit, in accordance with all applicable laws, rules and regulations for the time being in force in that behalf.

RESOLVED FURTHER THAT the "Relevant Date" under SEBI Guidelines on Preferential issue in relation to the shares for the purpose of determining the issue price shall be 4th August 2003 being the date, 30 days prior to the date of passing this Resolution.

RESOLVED FURTHER THAT the equity shares shall rank pari passu with the existing equity shares of the Company except that the shares allotted during the financial year shall be entitled to the dividend, if any, declared for that financial year on a pro-rata basis from the date of allotment of Shares.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to agree, make and accept all such term (s), condition(s), modification(s) and alteration(s) as it may deem fit, including, condition(s), modification(s) and alteration(s) stipulated or required by any relevant authorities or by their bye-laws, rules, regulations or guidelines, and the Board is also hereby authorised to resolve and settle all questions, difficulties or doubts that may arise in regard to such offer, issue and allotment, to finalise and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have given approval thereto expressly by the authority of this resolution.

By Order of the Board
for **SHRIRAM CITY UNION FINANCE LIMITED**

Chennai
29.07.2003

Brinda Kesavan
Company Secretary



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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 office of the Share Transfer Agents at least forty eight hours before the time fixed for the commencement of the meeting.
- 3) The Register of Members/Beneficial Owners of the Company will remain closed from Tuesday, the 2nd September, 2003 to Thursday, the 4th September, 2003 (both days inclusive) for the purposes of Annual General Meeting and to determine the Shareholders eligible to receive the final Dividend on Equity Shares.
- 4) 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.
- 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) Pursuant to the provisions of Section 205A of the Companies Act, 1956 dividend for the financial years 1995-96, 1996-97, 1999-2000 and thereon which remain unclaimed for a period of seven 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 4th Floor, Mookambika Complex, No. 4, 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.
- 7) The Company has already transferred, all unclaimed dividends declared upto and inclusive of 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 years may claim their dividend from the Registrar of Companies, Haddows Road, Shastri Bhavan, Chennai 600 006.

Further, pursuant to the provisions of Section 205A of the Companies Act, 1956, amounts relating to dividend for the financial year ended 30th June, 1995 remaining unclaimed for a period of 7 years have been transferred to the Investor Education and Protection Fund of the Central Government on 8.1.2003.

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- 8) The Company has sent to the Shareholders a separate notice dated 27.06.2003 containing a Special Resolution to be passed pursuant to Section 372A of the Companies Act, 1956, through postal ballot. (Refer Item No. 7 of the notice given above). Depending on the result of the postal ballot, the said Resolution will be deemed to have been passed on the date of the Annual General Meeting.

Particulars of Director seeking re-election (Pursuant to clause 49 of the Listing Agreement)

Name of the Director	Sri S Venkatakrisnan
Date of Birth	21.09.1929
Qualification	M A (Mathematics)
Experience in specific functional areas	He is an IA & AS Officer (Retd)., He has served in Senior Finance, Audit & Accounts posts in Government Department and public undertakings.
List of other Companies in which Directorship held	1) Billahari Enterprises Pvt Ltd 2) Charukesi Investments Pvt Ltd 3) Eminent Stock Broking Pvt Ltd 4) Galada Finance Ltd 5) Hymavathi Enterprises Pvt Ltd 6) R K P Investments Pvt Ltd 7) Rambal Properties Pvt Ltd 8) Ranjan Enterprises Pvt Ltd 9) Road Safety Club Pvt Ltd 10) Shriram Exports Pvt Ltd 11) Shriram Industrial Holdings Pvt Ltd 12) Shriram Investments Ltd 13) Shriram Transport Finance Company Ltd
Chairman/Member of the Committees of the Board of other Companies in which he is a Director	Member of Audit Committee, Remuneration Committee and Shareholders' Investors' Grievance Committee of Shriram Transport Finance Company Limited and Shriram Investments Limited



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

ITEM NO. 6

Sri E V Balasubramanian was appointed by the Board in accordance with the Articles of Association as an Additional Director of the Company with effect from 28th November 2002 to strengthen the Board and to have the benefit of his experience and expertise. 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 E V Balasubramanian holds office upto the date of the Seventeenth 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 his name for appointment as a regular Director of the Company at the Seventeenth Annual General Meeting.

Name of the Director	Sri E V Balasubramanian
Date of Birth	06.12.1965
Qualification	B.Com.,
Experience in specific functional areas	He has over 12 years of rich experience in the field of financial services
List of other Companies in which Directorship held	-
Chairman/Member of the Committees of the Board of other Companies in which he is a Director	-

No Director except Sri E V Balasubramanian is interested in the resolution.

ITEM NO. 7

As per the Companies Act, 1956, any guarantee given for the repayment of the principal amount together with 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/Corporations/Financial Institutions, pursuant to a resolution passed in the meeting of the Directors must be confirmed at the Annual General Meeting held immediately after passing of the said resolution.

No Director is interested in the resolution.

ITEM NO. 8

- A. To enable appointment of nominee Directors, by Bodies Corporate, who will not be liable for retirement by rotation, alteration of the relevant clauses in the Articles of Association becomes necessary.
- B. The Stock Exchange Mumbai had required the Company to include certain provisions in the Articles of Association of the Company.

Any change in Articles of Association is to be passed by a Special Resolution, and accordingly the altered Articles are set out under items No.8 A and 8 B of the Notice for approval of the shareholders.

No Director is interested in the resolution.