



# SHRIRAM TRANSPORT FINANCE COMPANY LIMITED

123, Angappa Naicken Street, Chennai - 600 001, India, Tel: 91-44-2534 1431

## NOTICE

NOTICE is hereby given that the Thirty first Annual General Meeting of the Members of SHRIRAM TRANSPORT FINANCE COMPANY LIMITED will be held on Tuesday, June 15, 2010 at 11:00 a.m. at Narada Gana Sabha (Main Hall), No.314, TTK Road, Alwarpet, Chennai - 600 018, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2010 and the Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon;
2. To declare dividend on Equity Shares for the Financial Year ended March 31, 2010;
3. To appoint a director in place of Mr. S.M. Bafna, who retires by rotation and being eligible, offers himself for re-appointment;
4. To appoint a director in place of Mr. M. S. Verma, who retires by rotation and being eligible, offers himself for re-appointment;
5. To appoint M/s. S. R. Batliboi & Co., Chartered Accountants, Mumbai and M/s. G. D. Apte & Co., Chartered Accountants, Mumbai, jointly as Auditors of the Company to hold such office from the conclusion of this meeting, until the conclusion of the next Annual General Meeting, on such remuneration plus out of pocket expenses, if any, as may be mutually agreed upon between the Board of Directors of the Company and the said Auditors;

### SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. S. Lakshminarayanan, who was appointed as an Additional Director of the Company with effect from September 22, 2009 by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and who holds office only upto the date of the ensuing Annual General Meeting of the Company and in respect of whom the Company has received notice in writing from a member under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. S. Lakshminarayanan for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation."
7. To consider and if thought fit, to pass, with or without modification(s), 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, Mr. R. Sridhar be and is hereby appointed as the Managing Director of the Company with effect from September 15, 2010 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. 2,25,000/- per month with an annual increase of 10%.
  - (ii) Commission: Such percentage of commission (in addition to Salary and Perquisites herein after stated) calculated with reference to the net profit of the Company in accordance with Section 349 and Section 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 Section 309 of the Companies Act, 1956.

**B Perquisites:**

- (i) Housing – Rent free accommodation owned / leased / rented by the Company or Housing Allowance in lieu thereof as per the 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 hospitalization expenses for the Managing Director and family subject to a maximum of Rs. 1,00,000/- p.a.
- (iv) Leave Travel Concession – for the Managing Director and family, subject to a maximum of Rs. 2,00,000/- p.a.
- (v) Personal Accident / Group Insurance – The annual premium not to exceed Rs. 4000/-.
- (vi) Club Fees – Subscription limited to a maximum of two clubs. No life membership or admission fees shall be paid by the Company. All official expense in connection with such membership incurred would be reimbursed by the Company.
- (vii) Expenditure on official entertainment would be on the Company's account.
- (viii) Contribution to Provident Fund, Superannuation Fund or Annuity Fund – As per the 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, 1961.
- (ix) Gratuity - Not exceeding half a month's salary for each completed year of service.
- (x) Encashment of leave at the end of the tenure - As per rules of the Company.
- (xi) Company's car with driver for use on Company's business and maintenance expenses thereon.
- (xii) Free telephone at residence.
- (xiii) Employees Stock Option – As may be decided by the Remuneration Committee / Board of Directors from time to time according to the Employee Stock Option Scheme of the Company.
- (xiv) Leave as per the Company's Rules.
- (xv) Newspaper and periodicals – As per the company's Rules.
- (xvi) Other Terms – As per the Company's Rules and as may be agreed to by the Board from time to time.
- (xvii) Personal long distance calls on telephone and use of car for private purpose shall be charged to the Managing Director. Those mentioned under viii, ix, and x above will not be considered or included for the computation of ceiling on perquisites.

**C. Other Applicable Terms:**

- (i) The Managing Director shall not be paid any sitting fees for attending General Meetings and Meetings of the Board or Committee thereof.
- (ii) 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.
- (iii) The Board may revise the existing or allow any other facilities/perquisites, from time to time, within the overall ceiling.
- (iv) The Managing Director is not liable to retire by rotation.”

- 8.** To Consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

**“RESOLVED THAT** subject to the provisions of the Companies Act, 1956, including any statutory modifications or re-enactment thereof, the Securities Contract (Regulations) Act, 1956 and the Rules framed thereunder, Listing Agreement, SEBI (Delisting of Securities) Guidelines, 2003

and other applicable laws, rules and regulations and guidelines and subject to such other approvals, permissions, sanctions etc as may be necessary and subject to such conditions as may be prescribed by any authority while granting such approvals, permissions, sanctions etc. which may be agreed upon by the Board of Directors (hereinafter referred to as "the Board" which expression shall be deemed to include any Committee of the Board for the time being, exercising the powers conferred by the Board), the consent of the Company be and is hereby accorded to the Board to voluntarily delist the equity shares of the Company from Madras Stock Exchange Limited, where the equity shares of the Company are currently listed, at such time as may be deemed fit by the Board.

**RESOLVED FURTHER THAT** the equity shares of the Company shall continue to be listed on the stock exchange having nation wide trading terminals viz the Bombay Stock Exchange Limited and National Stock Exchange of India Limited and therefore as per the said guidelines issued by the Securities and Exchange Board of India, no exit opportunity need to be given to the shareholders of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to settle all questions, difficulties or doubts as may arise, with regard to voluntary delisting of shares, as it may in its absolute discretion deem fit.

**RESOLVED FURTHER THAT** any one of the Directors be and is hereby severally authorised to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and to do all such acts, deeds, matters and things as he may in its absolute discretion deem necessary and expedient to give effect to the above said resolution."

By Order of the Board  
for **Shriram Transport Finance Company Limited**

Mumbai,  
April 29, 2010

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

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY/(IES) TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED, STAMPED AND MUST BE DEPOSITED AT THE OFFICE OF THE SHARE TRANSFER AGENTS OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FOR COMMENCEMENT OF THE MEETING
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed hereto.
3. Register of Members and the Share Transfer Books of the Company will remain closed from June 5, 2010 to June 15, 2010 (both days inclusive).
4. The payment of final dividend, upon declaration by the shareholders at the Annual General Meeting, will be made on or after June 19, 2010, as under:
  - a) to all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by the National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd (CDSL) as of the end of the day on June 4, 2010, and
  - b) to all those shareholders holding shares in physical form after giving effect to all the valid share transfers lodged with the Company before the closing hours on June 4, 2010.
5. Members holding shares in physical form are advised to furnish, on or before June 4, 2010, particulars of their bank account, if not done already or if it is changed, to the Company to incorporate the same in the dividend warrants/payment instruments

In respect of cases, where the payments to the shareholders holding shares in dematerialised form are made by dividend warrants/ payment instruments, particulars of bank account registered with their depository participants will be considered by the Company for printing the same on the dividend warrants/ payment instruments.

6. Brief profiles of the Directors who are retiring by rotation and are eligible for re-appointment as Directors at the ensuing Annual General Meeting are furnished in the Corporate Governance Section, which forms part of Annual Report.
7. Members/ Proxy holders are requested to produce at the entrance, the attached Admission Slip for admission to the meeting hall. Duplicate attendance slips will not be provided at the hall.
8. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the dividends (interim or final) for the financial years 2002-03 and thereafter which remain unclaimed for a period of 7 years will be transferred by the Company to the "Investor Education and Protection Fund" established by the Central Government as and when they fall due. Shareholders who have not encashed their dividend warrant/(s) so far for the financial years as specified above are requested to make their claim to the Company's Corporate Office at Wockhardt Towers, Level - 3, West Wing, C-2, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. It may also be noted that once the unclaimed dividend is transferred to the Central Government as above, no claim shall lie against the said Fund or the Company in respect thereof.
9. The Company has already transferred; all unclaimed dividends which were declared up to and inclusive of the financial years ended June 30, 1995 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 up to 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, the amounts relating to dividend for the financial years ended June 30, 1996, June 30, 1997, March 31, 2000, March 31, 2001 and March 31, 2002, remaining unclaimed for a period of seven years have been transferred by the Company to the Investor Education and Protection Fund of the Central Government.
10. As per the provisions of the Companies Act, 1956, facility for making nominations is available to the shareholders in respect of the shares held by them in physical form. Nomination forms can be obtained from the Share Transfer Agents of the Company. The shareholders holding shares in dematerialized form may approach their respective Depository Participants to avail and/or effect any change to the nomination facility.
11. Shareholders seeking any information with regard to accounts are requested to write to the undersigned at Corporate Office of the Company at Wockhardt Towers, Level - 3, West Wing, C - 2, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, at least 15 days in advance, so as to keep the information ready at the Meeting.
12. Shareholders holding shares in physical form under multiple folios are requested to consolidate their holdings in a single folio so as to enable us to serve them in a better, most efficient and effective manner.
13. The following Register/Certificate will be available for inspection by the members at the AGM.
  - a) The Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956.
  - b) Certificate from the Auditors of the Company certifying that the Company's Employees Stock Option Scheme 2005 is being implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, and in accordance with the resolution of the members passed at their general meeting.
14. **MEMBERS MAY PLEASE NOTE THAT NO GIFTS / GIFT COUPONS SHALL BE DISTRIBUTED AT THE VENUE OF THE MEETING.**

## ANNEXURE TO NOTICE

### Explanatory Statement under Section 173(2) of the Companies Act, 1956

#### ITEM NO. 6

Mr. S. Lakshminarayanan was appointed as an Additional Director with effect from September 22, 2009. In terms of Section 260 of the Companies Act, 1956, he holds office only upto the date of the forthcoming Annual General Meeting. The Company has received requisite notice from a member under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Lakshminarayanan to the office of Director. Mr. Lakshminarayanan holds master's degree in Science in Chemistry and post graduate diploma from University of Manchester (U.K.) in Advanced Social & Economic Studies. He is a member of the Indian Administrative Service (IAS-retired) and as such held several senior positions in the Ministry of Home Affairs, Ministry of Communications and Information Technology, Ministry of Information and Broadcasting of the Government of India and in the Department of Tourism, Culture and Public Relations, Department of Mines, Mineral Resources, Revenue and Relief and Rehabilitation of the Government of Madhya Pradesh. He has served as the Managing Director of the State Apex Cooperative Bank and Cooperative Oilseed Growers Federation Limited and has served as Director on the Board of Directors of several Public Sector Undertakings in the State of Madhya Pradesh. Currently, he is on the Board of Sun Group Enterprises Private Limited and Biopure Health Care Private Limited.

None of the Directors, except Mr. Lakshminarayanan, is interested or concerned in the proposed resolution. The Board of Directors commend passing of the resolution set out in Item No. 6 of the accompanying Notice.

#### ITEM NO. 7

The term of office of Mr. R. Sridhar as the Managing Director of the Company will come to an end in September 15, 2010. Mr. Sridhar has vast experience in the field of finance and he has been instrumental in the remarkable progress of the company. It is felt that his continued services will be beneficial to the Company. Accordingly, the Board of Directors at their meeting held on April 29, 2010, subject to the approval of the shareholders, appointed him as the Managing Director for a period of five years with effect from September 15, 2010 on a remuneration payable to him which is in accordance with Schedule XIII of the Companies Act, 1956.

The details of remuneration and perquisites payable to Mr. Sridhar are set out in the resolution No.7. 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 shareholders.

No other Director, except Mr. R. Sridhar, is interested in the resolution.

Name of the Director	Mr. R. Sridhar
Date of Birth	17.6.1958
Qualification	B.Sc; FCA
Experience in specific functional areas	Has over two decades of experience in the financial services sector, especially Commercial Vehicle Financing.
List of other Companies in which Directorship is held	1. Shriram Chits (Maharashtra) Ltd. 2. Ashley Transport Services Ltd. 3. Shriram Holdings (Madras) Private Limited.
Chairman/ Member of the Committees of the Board of other Companies in which he is a Director	NIL

The Board of Directors commend passing of the resolution set out in Item No. 7 of the accompanying Notice.

**ITEM NO. 8**

The Securities & Exchange Board of India (SEBI) has notified guidelines for voluntary delisting of securities from the stock exchanges. As per clause 5.2 of SEBI (Delisting of Securities) Guidelines, 2003, an exit opportunity to the shareholders need not be given where securities of the company remain listed in a stock exchange having nation wide trading terminal, i.e. Bombay Stock Exchange limited (BSE) and National Stock Exchange of India limited (NSE) and any other Stock Exchange that may be specified by SEBI in this regard.

The equity shares of the Company are listed on BSE, NSE and Madras Stock Exchange Limited (MSE). There has not been any trading in the equity shares of the Company in the MSE since February 2000. Hence, the proposed delisting of the equity shares of the Company from MSE would not cause any inconvenience to those shareholders residing in and around Chennai.

The consent of shareholders is sought for delisting the equity shares from MSE as proposed in the special resolution.

The equity shares of the Company will continue to be listed on BSE and NSE, which are having nationwide terminals.

The Board commend passing of the resolution set out in item No.8 of the accompanying Notice.

None of the Directors of the Company are interested or concerned in the aforesaid business.

By Order of the Board  
for **Shriram Transport Finance Company Limited**

**K. Prakash**

Vice President (Corporate Affairs) &  
Company Secretary

Mumbai,  
April 29, 2010