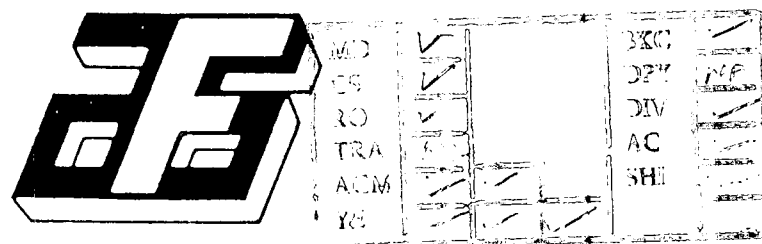


ABIRAMI FINANCIAL SERVICES (INDIA) LIMITED



FOURTH ANNUAL REPORT 1996-97

Report  junction.com

REGISTERED OFFICE
157, Habibullah Road, T. Nagar, Chennai - 600 017.

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ABIRAMI FINANCIAL SERVICES (INDIA) LIMITED

BOARD OF DIRECTORS

Mr K V Aiyappan	- Chairman
Mrs Abirami Arunachalam	- Director
Mr Teckchand Vaswani	- Director
Mr Suresh Mirchandani	- Director
Mr AR Annamalai	- Director
Mr L V Anantram	- Director
Mr Arogiaswamy Dominic	- Director
Mr D Soundararaj	- Director
MR S Jayaraman	- Executive Director

COMPANY SECRETARY

Mr D Srinivasalu

VICE PRESIDENT

Mr S Madhava Rao

AUDITOR

Mr K C Sthalasayanam
Chartered Accountant
87, Kutchery Road,
Mylapore, Chennai 600 004.

BANKERS

M/s Lakshmi Vilas Bank Ltd.,
Cathedral Branch, Chennai.
M/s Bharat Overseas Bank Ltd,
Cathedral Branch, Chennai.

REGISTERED OFFICE:

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T. Nagar,
Chennai- 600 017.

BRANCH

Pondicherry

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NOTICE TO SHARE HOLDERS

NOTICE is hereby given that the Fourth Annual General Meeting of the Share holders of ABIRAMI FINANCIAL SERVICES (INDIA) LIMITED will be held at 10.00 A.M. on Friday the 12th September, 1997 at New Woodlands Hotel (Private) Limited, 72-75, Dr Radhakrishnan Road, Mylapore, Chennai-600 004 to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 1997 and the Profit & Loss account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To elect directors:
 - (a) To appoint a Director in the place of Mr Teckchand Vaswani, who retires by rotation and being eligible, offers himself for re-appointment.
 - (b) To appoint a Director in the place of Mr AR Annamalai, who retires by rotation and being eligible, offers himself for re-appointment.
 - (c) To appoint a Director in the place of Mr D Soundararaj, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr K C Sthalasayanam, Chartered Accountant 87, Kutcheri Road, Mylapore, Chennai - 600 004 be and is hereby appointed as Auditor of the Company to hold office until the conclusion of the next Annual General Meeting of the Company on a remuneration as may be determined by the Board of Directors."

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT consent of the Company be and is hereby accorded to the Board of Directors of the Company for keeping the Register of Members together with Index of Members and copies of all returns under Sections 159 and 160 of the Companies Act, 1956, as also the copies of Certificates and Documents required to be annexed thereto under Sections 160 and 161 of the Companies Act, 1956, at Abacus Shares and Services (P) Limited, at 24, Casa Major Road, Egmore, Chennai 600 008."

"RESOLVED FURTHER THAT the Executive Director/Company Secretary of be and is hereby authorised to intimate the same to the Registrar of Companies, Tamilnadu in this regard."

6. To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT Article 124 of the Articles of Association of the Company shall be amended to read as follows:

"The sitting fees payable to each director, other

than Managing Director or Whole-time Director, for every meeting of the Board or committee of the Board attended by them shall be such amount not exceeding the ceiling as may be imposed by the Central Government. The said fees payable shall be determined by the Board from time to time within the said ceiling."

7. To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT Clauses 1 & 2 of the Object Clause of Memorandum of Association of the Company be amended as under:

The phrase "Commodity, movable and immovable property" in Object Clause 1 shall be amended to read as "commodity and movable property".

The phrase "relating to all movable and immovable properties" in Object Clause 2 shall be amended to read as "relating to all movable properties".

"RESOLVED FURTHER THAT appropriate action be taken by the Executive Director / Company Secretary to obtain necessary approval from the Government authorities in this regard."

NOTES:

1. A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself/herself and such a Proxy need not be a Member of the Company.
2. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of items 5, 6 & 7 is annexed to this notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 2nd September, 1997 to 12th September 1997 (both days inclusive).
4. All documents referred to in the above Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during Office Hours.

By order of the Board

Place: Chennai
Date : 17.5.97

S JAYARAMAN
Executive Director



**EXPLANATORY STATEMENT ANNEXED TO
NOTICE PURSUANT TO SECTION 173 (2)
OF THE COMPANIES ACT, 1956.**

**Item 5:
TO KEEP THE REGISTER OF MEMBERS AT A PLACE
OTHER THEN THE REGISTERED OFFICE:**

As per Section 163 of the Companies Act, 1956, certain documents such as the Register of Members, Index of Members, Annual Returns etc. have to be maintained at the Registered Office of the Company. These records are proposed to be maintained at Abacus Shares and Services (P) Limited, at 24, Casa Major Road, Egmore, Chennai 600 008 in view of their being appointed as Share Transfer Agents.

The approval of the Members of the Company is required for keeping the said records at a place other than the Registered Office of the Company. Accordingly, the resolution has been set out under Item No.5 for the approval of the Members.

MEMORANDUM OF INTEREST:

None of the Directors of the Company is interested in or concerned with this resolution.

**Item 6:
TO AMEND ARTICLES OF ASSOCIATION RELATING
TO SITTING FEES:**

The sitting fees presently fixed in the Article 124 had been incorporated initially based on the Government ceiling. Since Government of India is modifying this ceiling from time to time, the Article may be amended to authorise the Board to adopt the sitting fees within the said ceiling from time to time.

The approval of the Members of the Company is required for amending the Articles of Association of the Company. Accordingly, the resolution has been set out under Item No.6 for the approval of the Members.

MEMORANDUM OF INTEREST:

None of the Directors of the Company is personally interested in or concerned with this resolution except to the extent of their sitting fees.

**Item 7:
TO AMEND OBJECT CLAUSE OF MEMORANDUM
OF ASSOCIATION:**

The Reserve Bank of India while according approval for the Issue of Shares to NRIs/OBCs, has directed that the Object Clause be amended so as to refrain the Company in dealing with immovable property as part of Main Objects. Accordingly, the amendment to Object Clauses 1 & 2 of the Main Objects as suggested in the Notice has been proposed.

The approval of the Members of the Company is required for amending the Memorandum of Association of the Company. Accordingly, the resolution has been set out under Item No.7 for the approval of the Members.

MEMORANDUM OF INTEREST:

None of the Directors of the Company is personally interested in or concerned with this resolution.

By order of the Board

Place : Chennai
Date : 17.5.97

S JAYARAMAN
Executive Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fourth Annual Report of your Company with Audited Accounts for the period ended 31st March 1997.

PERFORMANCE:

The Performance of the Company for the period ended 31st March 1997 is summarised as follows:-

RESULTS	Rs.in lakhs
PROFIT BEFORE DEPRECIATION & TAXES	107.70
LESS: DEPRECIATION	35.49
TAXES	9.00
LEASE EQUALISATION FUND AND PROVISION FOR NPA	11.07
	<u>55.56</u>
PROFIT AFTER DEPRECIATION & TAXES	52.14
ADD: LAST YEAR BALANCE C/F	0.05
	<u>52.19</u>
APPROPRIATIONS	
DIVIDEND PROPOSED	31.67
DIVIDEND DISTRIBUTION TAX	3.17
TRANSFER TO GENERAL RESERVE	17.00
SURPLUS C/F TO BALANCE SHEET	0.35
	<u>52.19</u>

DIVIDEND:

Your Directors are pleased to recommend a dividend of 10%. The Equity Shares allotted under Rights Issue are eligible for dividend on pro-rata basis. The proposed dividend absorbs a sum of Rs.34.84 Lakhs inclusive of Dividend Distribution Tax of Rs.3.17 Lakhs.

REVIEW OF OPERATIONS:

During the year substantial growth has been registered by your Company inspite of unfavourable market conditions. Your Company has generated a total Income of Rs.175.84 lakhs. Your Company's Stock on Hire as at 31.3.97 under Hire Purchase Finance stood at Rs. 196.53 Lakhs as against Rs.136.69 Lakhs; Rs.15.69 Lakhs as against Rs.31.64 Lakhs under Vehicle Hire Purchase Finance and Advances against Hypothecation was at Rs.101.62 Lakhs as against Rs.55.75 Lakhs respectively as at the end of the previous year.

Your Company continues to follow the prudential norms prescribed by the Reserve Bank of India for NBFCs. The Capital Adequacy Ratio of your Company was substantially higher than the stipulated ratio of 8%.

Your Directors consider the overall performance of the Company satisfactory taking into account difficult market conditions that prevailed during the year.

RIGHTS ISSUE:

During the year, Your Company issued 30,00,000 Equity Shares of Rs.10/- each at par in the ratio of 1:1 as Rights Issue. Notwithstanding the adverse conditions, the Issue got fully subscribed. This reflects your confidence in the performance of your Company. Your Directors gratefully acknowledge the same.