

ABIRAMI FINANCIAL SERVICES (INDIA) LIMITED

MD	✓			BKC	✓
CS	✓			DPY	NA
RO	✓			DIV	✓
TRA	NA			AC	✓
AGM	✓	✓		SHI	✓
YE	✓	✓	✓		✓



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FIFTH ANNUAL REPORT 1997-98

REGISTERED OFFICE

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





ABIRAMI FINANCIAL SERVICES (INDIA) LIMITED

BOARD OF DIRECTORS

Mr K V Aiyappan	- Chairman
Mrs Abirami Arunachalam	- Director
Mr Teckchand Vaswani	- 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 Sthallasayanam
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

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

BRANCH

Pondicherry

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NOTICE TO SHARE HOLDERS

NOTICE is hereby given that the Fifth Annual General Meeting of the Share holders of ABIRAMI FINANCIAL SERVICES (INDIA) LIMITED will be held at 10.00 A.M. on Tuesday the 9th June, 1998 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 1998 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 Mrs Abirami Arunachalam who retires by rotation and being eligible, offers herself for re-appointment.
 - (b) To appoint a Director in the place of Mr L V Anantram who retires by rotation and being eligible, offers himself for re-appointment.
 - (c) To appoint a Director in the place of Mr Arogiaswamy Dominic 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, Kutchery 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 a **Special Resolution**:

"RESOLVED THAT pursuant to Section 17 and other applicable provisions, if any, of the Companies Act, 1956, the Memorandum of Association of the Company be and is hereby altered in the manner and to the extent specified below, that is to say in Clause III (A) of the Memorandum of Association of the Company the following new sub-clause 5 & 6 be inserted under Main Object Clause:

5. To take up business of money changers and other foreign exchange business as approved by the Reserve Bank of India from time to time and to obtain the required licences/permission therefor from the Reserve Bank of India.
6. To carry on the business of Tourist and Travel Agents and to act as representatives of airlines, steamship lines, railways and other carriers whether in India or abroad."

"RESOLVED FURTHER THAT appropriate action be taken by the Executive Director /

Company Secretary to obtain necessary approval from the Government authorities 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 pursuant to Section 370 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the prior approval of the Central Government and other authorities, if and to the extent necessary, the Board of Directors of the Company be and is hereby authorised to give on behalf of the Company any guarantee or provide any security to M/s Yoha Securities Limited on such terms and conditions as the Board may deem fit, provided that the aggregate value of all such guarantees given or securities provided by the Company shall not exceed Rs.50 Lakhs at any time."

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

"RESOLVED THAT the Authorised Capital of the Company be increased from Rs.1000 Lakhs (Rupees One Thousand Lakhs Only) to Rs.1200 Lakhs (Rupees One Thousand Two Hundred Lakhs Only) by creation of 20,00,000 Equity Shares of Rs.10/- each, ranking pari passu with the existing Equity Shares and that Clause V of the Memorandum

of Association and Article 3 of the Articles of Association of the Company be altered accordingly."

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 5th June, 1998 to 9th June 1998 (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 : 08.05.1998

D SRINIVASALU
Company Secretary



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

Item 5:

To enable the Company to diversify its activities into other areas, it is proposed to amend the objects clause of the Memorandum to enter into the business of Money Changers and other Travel Related Services.

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.5 for the approval of the Members.

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

Item 6:

M/s Yoha Securities Limited is promoted by your Company and is a member of National Stock Exchange of India (NSE). To meet the growing business activities envisaged by that Company in the coming years, it is necessary that the Board of Directors be empowered to give guarantee or provide any security in the ordinary course of business from time to time.

In view of this, it is necessary to obtain the consent of the members by a special resolution, delegating

the necessary authority to the Board of Directors to give guarantees or provide securities upto an aggregate limit of Rs.50 Lakhs.

All the Directors, except Mr Arogiaswamy Dominic, are interested in the resolution.

Item 7:

The present Authorised Capital of the Company is Rs.10,00,00,000/- (Rupees One Thousand Lakhs Only). Considering the level of operations and future plans, it is proposed to increase the Authorised Capital from the present level to Rs.12,00,00,000/- (Rupees One Thousand Two Hundred Lakhs Only). Consequently relevant Clause / Article of the Memorandum and Articles of Association is required to be amended.

The Board of Directors of your Company recommend the resolution for approval.

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

By order of the Board

Place : Chennai
Date : 08.05.98

D SRINIVASALU
Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fifth Annual Report of your Company with Audited Accounts for the period ended 31st March 1998.

PERFORMANCE:

The Performance of the Company for the period ended 31st March 1998 is summarised as follows:-

	Rs.in lakhs
PROFIT BEFORE DEPRECIATION & TAXES	139.60
LESS: DEPRECIATION	44.30
TAXES	33.00
LEASE EQUALISATION FUND AND PROVISION FOR NPA	14.15
PROFIT AFTER DEPRECIATION & TAXES	<u>48.15</u>

APPROPRIATIONS

DIVIDEND PROPOSED (5%)	30.00
DIVIDEND DISTRIBUTION TAX	3.00
TRANSFER TO GENERAL RESERVE	15.00
SURPLUS C/F TO BALANCE SHEET	0.15
	<u>48.15</u>

DIVIDEND:

Your Directors are pleased to recommend a dividend of 5%. The proposed dividend absorbs a sum of Rs.33.00 Lakhs inclusive of Dividend Distribution Tax of Rs.3.00 Lakhs.

REVIEW OF OPERATIONS:

During the year satisfactory growth has been registered by your Company inspite of unfavourable market conditions. Your Company has generated a total Income of Rs.197.95 lakhs. Your Company's Stock on Hire as at 31.3.98 under Hire Purchase Finance stood at Rs. 163.32 Lakhs as against Rs.196.53 Lakhs, Rs.9.13 Lakhs as against Rs.15.69 Lakhs under Vehicle Hire Purchase Finance and Advances against Hypothecation was at Rs.25.56 Lakhs as against Rs.101.63 Lakhs respectively as at the end of the previous year.

Your Directors consider the overall performance of the Company as good taking into account the difficult market conditions continued in the last year as in the past.

FUTURE PROSPECTS:

Your Directors are aware of the impact on the overall business and profit margin of NBFC's caused by the recent Regulations. However, it is hoped these guidelines will streamline the NBFC industry and will facilitate healthy growth. The Company will strive to avail of the positive trend of the market in the light of the Government's emphasis on continuation of liberalisation process.

FIXED DEPOSITS:

Your Company's Fixed Deposits stood at the end of the year at Rs.143.88 Lakhs, as against Rs.87.51 Lakhs last year. During the year, ICRA reaffirmed the rating of 'MA-' ADEQUATE SAFETY for timely payment of interest and principal. Your Company does not have any unpaid deposits or interest thereon nor any unclaimed deposits as at 31st March 1998.

**DIRECTORS:**

Messers Abirami Arunachalam, L V Anantram and Arogiaswamy Dominic, Directors, retiring by rotation, being eligible, have offered for reappointment.

Mr Suresh Mirchandani has resigned from the Board of Directors of your Company due to personal reasons. Your Board takes this opportunity to appreciate him for his valuable guidance and support to the Company and wishes to place on record the services rendered by him.

STATUTORY DISCLOSURES:

- (i) Since none of the employees are in receipt of such remuneration for being included in the statement under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, the information in this regard is nil.
- (ii) The provisions of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 requiring disclosure of particulars regarding Conservation of Energy in Form A and Technology Absorption in Form B prescribed by the Rules do not apply to your Company, as it does not carry on manufacturing activities.
- (iii) The Company had no foreign exchange inflow and outgo.

AUDITORS:

Your Company's Auditor Mr K C Sthallasayanam, Chartered Accountant holds office till the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. Your Directors recommend his re-appointment.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their gratitude to you as shareholders for your continued support. They express their thankfulness to your Company's Clients, Depositors, Bankers and Reserve Bank of India and other Government Agencies for their valuable assistance. They also wish to convey their appreciation to the employees whose dedicated service has enabled your Company to achieve the results.

On behalf of Board

K V Alyappan
Chairman

S Jayaraman
Executive Director

Place : Chennai
Date : 8.5.98

Abirami Arunachalam
Teckchand Vaswani
L V Anantram
AR Annamalai
Arogiaswamy Dominic
D Soundararaj
Directors