


MD	✓		BKC	NA
CS	NA		DPY	NA
RO	✓		DPV	NA
TRA	NA		AC	✓
AGM	✓		SH	✓
YE	✓			

yes ✓

File Bkcl 83

## ANNUAL REPORT

1997-98

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# FLAG FININ LIMITED

# **FLAG FININ LIMITED**

## **ANNUAL REPORT 1997 - 98**

### **BOARD OF DIRECTORS**

NARENDRA KUMAR GANGWAL.  
MRS. PRERNA PATNI  
SMT. CHANDRIKA DEVI GANGWAL

### **AUDITORS**

R.M. JAIN. & CO.,  
CHARTERED ACCOUNTANTS

### **BANKERS**

BANK OF BARODA  
BANK OF AMERICA  
GUJRAT MERCANTILE CREDIT CO-OP. SOCIETY LTD.  
PARASPAR SAHAYAK CO-OP. BANK

### **REGISTERED OFFICE**

3, EVEREST BUILDING,  
1st FLOOR, 30, SAKET,  
INDORE. 452 001,  
MADHYA PRADESH.

## FLAG FININ LIMITED

### NOTICE TO THE MEMBERS

Notice is hereby given that the Sixth Annual General Meeting of the members of FLAG FININ LIMITED will be held at 316, Transport Nagar, Indore 452 001 on 30th September 1998 at 10. A. M. to transact the following business :

#### ORDINARY BUSINESS :

- 1.To receive, consider and adopt the audited Balance Sheet as at 31st March, 1998 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- 2.To appoint M/s. R. M. Jain & Co., Chartered Accountants, Indore as Auditors of the company to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting and fix their remuneration.

#### SPECIAL BUSINESS :

3. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution .

RESOLVED that appointment of Mrs. Prema patni as director of the company is hereby modified to act as an Whole time Director.

4. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution .

RESOLVED that the remuneration of shri Narendra Kumar Ganagwal, Managing Director and Mrs. Prema Patni, whole time director be and is hereby fixed with effect from 1.4.1998 as under :

#### (a) Salary :

Mr. N. K. Gangwal 10000/- per month  
Mrs. Prema Patni 5000/- per month

- (c) Perquisites : Perquisites shall be restricted to an amount equal the annual salary or Rs. 135000/- per annum whichever is less. The perquisites are classified into three parts 'A', 'B', & 'C'.

#### PART A

1. HOUSING I : The expenditure by the company on hiring unfurnished accommodation shall not exceed 60% of the salary over and above 10% payable by the aging Directors.

HOUSING II : in case the accommodation is owned by the company, 10% of the salary of the Director shall be deducted by the company.

HOUSING III : In case no accomodation is provided by the company, the Managing Director shall be entitled to HOUSE RENT Allowance subject to the ceiling laid down in Housing I.

2. Medical Benefits : Reimbursement of Medical expenses incurred by Managing Director and his family.
3. Leave Travel : Leave Travel Concession for self and Concession for family once in a year in accordance with the company's rules.
4. Club Fess : Club Fess subject to maximum 2 clubs. This will not include admission and Life Membership Fess.
5. Personal : Premium not to exceed Rs. 2000/- per Accident premium annum.

#### PART 'B'

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent there either singularly or put to gather are not taxable under the Income Tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service, subject to ceiling of Rs. 250,000/-

#### PART 'C'

1. Use of Car : The Company shall provided a car for use of company's business. Use of car for private purpose shall be billed by the company.
2. Telephone : Free telephone facility at his residence. Personal long distance call charges shall be borne by the director. Provision of car for use of Company's business and telephone at Residence will not be considered as perquisites.

## **FLAG FININ LIMITED**

### **NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member. The proxy form, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the office of the Company so as to reach atleast seven days before the date of the meeting, so that the information required may be made available at the meeting to the best extent possible.
3. Members are requested to notify immediately any change in their address to the Company with their respective folio numbers and number of shares held details.

### **EXPLANATORY STATEMENT :**

#### **ITEM NO. 3 ABOVE**

Mrs. Purna patni is presently as a director of the company. It is felt that to manage the increasing activities of the company there should be one whole time Director on the Board . Mrs Patni has given her consent to the Board to act as a whole time Director. Hence Resolution is recommended the adoption of the above resoulution.

#### **ITEM NO. 4 ABOVE :**

Shri Narendra Kumar Gangwal Managing Director of the company . Keeping in view the overall increase in remuneration of manegrial personnnel in the country it is desirable to increase his salary suitably.

Mrs Purna Patni Director of the company shall be appointed as an Whole time director in the annual general meeting Hence resoulution for the salary and perquists proposed. Resoulution is recommended for the adoption.

Shri Narendra Kumar Gangwal, Managing Director Mrs. Purna Patni Director and Smt. Chandrika devi Gangwal Director are relatives interse and directly/indirectly interested in above resolution in item no. 3 and 4. Members are requested to treat the above information U/s. 302 of the companies Act 1956.

#### **For and on behalf of the Board**

Narendra Kumar Gangwal  
Managing Director.

Mrs. Chandrika Devi Gangwal  
Director

Place : Indore

Date : 12.08.1998

## FLAG FININ LIMITED DIRECTORS' REPORT

Your directors have pleasure in presenting the 6th Annual Report together with the audited Financial results for the period ended on 31st March, 1998.

### FINANCIAL PERFORMANCE

Particulars	(Rs. in lacs)	
	Year Ended	
	31.3.98	31.03.97
Sales & other Income	41.34	147.84
Loss before Taxation	(-) 80.98	(-) 98.04
Provision for Taxation	.78	0.00
Profit for the year	(-) 80.98	(-) 98.04
EPS (Annualised)	N.A.	N.A.

### DIVIDEND

Your directors regret their inability to recommend any dividend for the year considering loss during the year.

### PROJECTION V/s. PERFORMANCE

The projections as per MPFC appraisal as reported in the company's Prospectus dated 24.0.95 and the corresponding figures of actual as per audited accounts of the period ended 31st March 1998 are as under :

	Rs. in lacs	
	Projections	Actual
Total Income	1965	41.35
Profit after Tax	1005	80.98
Earning Per Share (Rs.)	9.86	N/A
Dividend (%)	20%	N/A

The variation between the projected and actual figures is attributable to Non receipt of A large portion of allotment money, tight money conditions impacting resource mobilisation and depressed capital market and provision of depreciation in value of investment made during the year.

### APPLICATION FOR NON BANKING FINANCIAL COMPANY

The Company had made an application to Reserve Bank of India, for registering the Company as Non Banking Financial Company. you Directors are pleased to inform you that Reserve Bank of India has accepted the application and granted registration.

### PUBLIC DEPOSITS

Your Company has not accepted any Deposit within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder.

### AUDITORS & AUDITORS' REPORT

The Auditors' Report given elsewhere in the annual report is self explanatory and does not call any explanation from the Board. M/s. R. M. JAIN & COMPANY Chartered Accountants, auditor of the company hold office until the conclusion of ensuing Annual General Meeting and are recommended for reappointment.

### PERSONNEL

The Company did not have any employee drawing salary Rs. 3.00 lacs per annum or more during the year and as such no particulars As required by provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, as amended is furnished.

### ADDITIONAL INFORMATION

The Company is not a manufacturing Company and hence part A and part B of the Particulars required to be furnished under the companies (disclosure of particulars in the report of Board of Directors) Rules, 1988 are not applicable. There were no foreign exchange earning and out go during the year.

### ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation of the co-operation and assistance received from the shareholders, bankers and other business constituents during the year under review.

For and on Behalf of the  
Board of Directors

Narendra Kumar Gangwal  
MANAGING DIRECTOR

Place : Indore Date : 10.08.1998