

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

ALAGENDRAN FINANCE LTD.



9th Annual Report 1997-98



**ALAGENDRAN FINANCE LTD.**

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Board of Directors

Sri. R. Alagendran
(Managing Director)
Sri. R. Baskaran
Sri. R. Deivendran
Sri. R. Durairaj
Sri. P. Sivashunmugam
Sri. S. Balachander
Sri. K. Natarajan

Auditors

M/s. Ponraj & Co.,
Chartered Accountants
Chennai - 600 002.

Bankers

Karur Vysya Bank Ltd.,
Bank of Madura Ltd.
City Union Bank Ltd.

Regd. Office

64A, Dr. Nanjappa Road, Coimbatore - 641 018.

Corporate Office

182-D, North Veli Street, Madurai - 625 001.

Branches

Madurai, Coimbatore, Karaikudi, Sivakasi, Chennai,
Salem, Trichy.


ALAGENDRAN FINANCE LTD.
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NOTICE OF ANNUAL GENERAL MEETING


Notice is hereby given that the Ninth Annual General Meeting of the members of the company will be held at Sri Seshadri Swamigal Mahal, 100 Feet Road, Tatabad, Coimbatore - 641 012 on Monday, the 28th September, 1998 at 11.00 A.M. 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 Profit and Loss Account for the Year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend for the year 1997-98.
3. (a) To appoint a Director in the place of Sri.R.Deivendran who retires by rotation and who being eligible, offers himself for reappointment.

(b) To appoint a Director in the place of Sri.R. Durairaj who retires by rotation and who being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and fix their remuneration. The retiring auditors M/s. Ponraj & Co., Chartered Accountants, Chennai are eligible for reappointment.

By order of the Board



Managing Director

Place : Madurai

Date : 03.08.98



ALAGENDRAN FINANCE LTD.

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Note :

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 the proxy need not be a member. The proxy form duly completed and signed should be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting. Proxies once issued will hold good for any adjournment of this Annual General Meeting.
2. The Register of Members and Share Transfer books of the Company will remain closed from 15th September, 1998 to 28th September, 1998 (both days inclusive).
3. Any dividend that may be approved at the Annual General Meeting will be payable to those shareholders whose name appear as members in the Register of members of the company on 28th September, 1998.
4. Members are requested to notify change of address, if any, to the company immediately.
5. Unclaimed Dividend for the financial year 1991-92, 1992-93 and 1993-94 have been transferred to the General Revenue Account of the Central Government as required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Share holders who have not encashed the dividend warrants for the said period are requested to make an application to the Registrar of Companies, Bank of Baroda Building, 5th Floor (Eastern Wing), 82, Bank Road, Coimbatore - 641 018 in Form II prescribed under the aforesaid rules.
6. Dividend declared for the year 1994-95 is due for transfer to the General Revenue Account of the Central Government on 7.11.98. The share holders who have not encashed their dividend warrants may approach the company for revalidating the warrants or for obtaining duplicate warrants.
7. If you are attending the Annual General Meeting in person, please bring the printed attendance slip sent to you along with the Balance Sheet.
8. Members/Proxies are requested to bring their copies of the annual report to the meeting.

MEMBERS MAY PLEASE EXCUSE OUR INABILITY TO OFFER ANY GIFT.



DIRECTORS' REPORT

Your Directors have great pleasure in submitting the Ninth Annual Report with audited accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS

	1997 - 98	1996 -97
	(Rs. in lakhs)	
Profit before interest, depreciation and tax	405.50	451.68
LESS: Interest	203.48	180.95
Profit before depreciation and tax	202.02	270.73
LESS: Depreciation	154.29	122.97
Profit before tax	47.73	147.76
LESS: Provision for Interest Tax	1.51	2.41
Provision for Income Tax	10.60	20.00
Profit after tax	35.62	125.35
ADD: Balance brought forward from previous year	55.66	45.80
Profit Available For Appropriation	91.28	171.15

APPROPRIATION

Transfer to General Reserve	--	7.00
Transfer to Special Reserve Fund (As per RBI Act)	7.00	26.00
Proposed Dividend	25.00	75.00
Corporate Dividend Tax	2.50	7.50
Balance Carried to Balance Sheet	56.78	55.65
TOTAL	91.28	171.15

DIVIDEND

Your Directors are glad to recommend the dividend of 5% for the year ended March 31, 1998.

The Company has transferred Rs. 7 lakhs to a Special Reserve Fund created as per Section 45-1C(1) of the Reserve Bank of India (Amendment) Act, 1998 from the current year profit and the total reserves under this head increased from Rs. 26 lakhs to Rs. 33 lakhs.

DEPOSITS

Since the Company's total deposits exceeds the limit prescribed by the Reserve Bank of India, your Company stopped accepting fresh deposits and the total deposits decreased to Rs. 965.66 lakhs as on 31st March, 1998 from Rs. 980.12 lakhs as on 31st March 1997. As on March 31, 1998, 955 deposits totalling to Rs. 21.20 lakhs matured for payment and were due to be claimed or renewed. Of these 841 deposits amounting to Rs. 10.34 lakhs are still unclaimed as on date.

**CREDIT RATING**

The Credit Rating Information Services of India Limited has assigned FA- rating to the Fixed Deposit programme of the Company.

ADVANCES

The total disbursements under Hire Purchase, Lease and other business contracts stood at the level of Rs. 1032 lakhs as on March 31, 1998, as against Rs. 1187 lakhs last year showing a decrease of 13% over last year.

MONEY CHANGING BUSINESS

During the year your Company has earned an income of Rs. 39.49 lakhs from the money changing business at Chennai, Madurai and Coimbatore.

MANAGING DIRECTOR'S REMUNERATION

The Managing Director has not received any remuneration during the current year.

PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956

None of the employees fall within the purview of the above Section and the Rules framed thereunder.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

Parts A, B, and C of the above rules do not apply to this company.

DIRECTORS

Your Directors Messrs. R. Durairaj and R. Deivendran retire by rotation. Being eligible, they offer themselves for reappointment.

AUDITORS

M/s. Ponraj & Co., Chartered Accountants, retire at this Annual General Meeting and are eligible for reappointment.

With reference to the observation of Auditors regarding provisions under Prudential Norms required under Reserve Bank Directions, 1998, the note No.9 of Notes on accounts is self explanatory.

ACKNOWLEDGEMENT

Your Directors thank the Bankers, Shareholders and Customers for their continued support and co-operation to the Company. Your Directors also appreciate the employees of the Company for their good work.

On behalf of the Board of Directors

Place : Madurai

R. ALAGENDRAN
Chairman.

Date : June 29, 1998.



REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the attached Balance Sheet of ALAGENDRAN FINANCE LTD. as at March 31, 1998 and the Profit and Loss Account for the year ended on that date annexed hereto and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government Under Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the said order.

2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that:

a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

b. In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examinations of such books.

c. The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of accounts.

d. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with notes thereon and subject to Note No.9 regarding provisions as per Prudential Norms issued by the Reserve Bank of India, give the information required by the Companies Act, 1956, in the manner so required and give, a true and fair view:

(i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at March 31, 1998.

and

(ii) In so far as it relates to the Profit and Loss account, of the Profit of the Company for the year ended on that date.

Place : Madurai

Date : June 29, 1998.

For PONRAJ & CO
Chartered Accountants

S. PONRAJ
• Partner

**ANNEXURE TO AUDITORS REPORT**

Annexure referred to in para 1 of the report of even date of the Auditors to the members of Alagendran Finance Ltd. on the accounts for the year ended March 31, 1998.

1. The Company has maintained a fixed assets register showing full particulars including quantitative details and situation of fixed assets. As per the explanations given to us the Company has conducted a physical verification of fixed assets during the year and no material discrepancies were noticed on verification.
2. The Company has not revalued the fixed assets during the year.
3. Physical verification of finished goods etc. does not arise.
4. The Company has not taken any loans from Companies, firm or other parties listed in the registers maintained under section 301 which are prima facie prejudicial to the interest of the Company.
5. The Company has not granted any loans to the Companies, firm or other parties listed in the registers maintained under Section 301 which are prima facie prejudicial to the interest of the Company.
6. In respect of advances in the nature of loans given by the Company the amounts are generally being repaid as stipulated except in a few cases.
7. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of plant and machinery, equipment and other assets and with regard to the lease of such goods.
8. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods and materials or the prices at which transactions for similar goods and materials have been made with other parties.
9. The determination of unserviceable or damaged stores does not arise.
10. The Company has accepted deposits from the public under Section 58A of the Companies Act, 1956 and as per the explanations given to us the Company has complied with the provisions of Section 58A of the Companies Act and the rules framed thereunder, and the directions of the Reserve Bank of India.
11. The Company does not generate any scrap or bye product.
12. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
13. Section 209(1) (d) of the Companies Act regarding cost records are not applicable to this Company.
14. As per the records of the Company Employees Provident Funds and ESI dues for the year under review have been deposited regularly.
15. According to the information and explanations given to us, no undisputed amounts payable in respect of the Income Tax and Sales Tax were outstanding as at March 31, 1998 for a period of more than six months from the time they become payable.
16. According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
17. The Company is not Sick Industrial Company within the meaning of Clause (i) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
18. In our opinion adequate documents and records are maintained by the Company for loans and advances granted on the basis of Security by way of pledge of shares and debentures and other similar securities.
19. The Company is dealing in shares, securities, debentures and other investments and have maintained proper records. Such shares and securities are held in the name of the Company.

For PONRAJ & CO
Chartered Accountants

Place : Madurai

Date : June 29, 1998.

S. PONRAJ
Partner

**ALAGENDRAN FINANCE LTD.**

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BALANCE SHEET AS ON 31st MARCH 1998

	Schedule No.	As at 31.03.1998 Rs.	As at 31.03.1997 Rs.
SOURCES OF FUNDS			
<u>SHARE HOLDERS FUNDS</u>			
Capital	1	5,00,00,000	5,00,00,000
Reserves & Surplus	2	1,56,42,793	1,48,30,818
<u>LOAN FUNDS</u>			
Secured Loans	3	69,56,713	2,06,58,956
Unsecured Loans	4	9,65,66,383	9,80,11,511
TOTAL		16,91,65,889	18,35,01,285
APPLICATION OF FUNDS			
<u>FIXED ASSETS</u>			
Gross Block	5	10,32,15,785	10,71,66,494
LESS: Depreciation		3,26,14,024	2,42,28,358
LESS: Lease Adjustment Account		3,21,39,195	2,52,32,516
NET BLOCK		3,84,62,566	5,77,05,620
<u>INVESTMENTS</u>	6	2,18,23,860	1,89,68,710
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
LESS: Current Liabilities & Provisions	8	4,50,87,346	2,90,72,217
NET CURRENT ASSETS		10,66,16,852	10,41,87,243
<u>MISCELLANEOUS EXPENDITURE</u> (to the extent not written off) Public Issue Expenses			
		22,62,611	26,39,712
TOTAL		16,91,65,889	18,35,01,285

As per our Report of even date annexed

for PONRAJ & CO.
Chartered AccountantsS. BALACHANDER
DirectorR. ALAGENDRAN
Managing DirectorS. PONRAJ
PartnerK. RAMASUBBU
Finance Manager Cum
Company SecretaryPlace : Madurai
Date : June 29, 1998.