

# **ALAGENDRAN FINANCE LIMITED**



**20th Annual Report 2008 - 2009**



# ALAGENDRAN FINANCE LIMITED

## BOARD OF DIRECTORS

Sri. R. Alaghentren  
(Chairman and Managing Director)  
Sri. R.G. Sen  
Smt. B.S. Vidya Parvathy

## AUDITORS

M/s. P.T. Ponnaiah & Co.,  
Chartered Accountants,  
Chennai - 600 010.

## BANKERS

M/s. City Union Bank Limited,  
Madurai - 625 001.

## REGISTERED OFFICE

338 (Old No. 165), "Lotus Court",  
II Floor,  
Thambu Chetty Street,  
Chennai - 600 001.

## CORPORATE OFFICE

178-A, North Veli Street,  
Madurai - 625 001.

## BRANCHES

Madurai and Chennai.



# ALAGENDRAN FINANCE LIMITED

Registered Office : 338, (Old No.165), "Lotus Court"  
II Floor, Thambu Chetty Street, Chennai – 600 001.

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## NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the members of the Company will be held on Saturday, the 8th August 2009 at 11.30 A.M at the Indra Sabha Hall, Hotel Palmgrove, No.5, Kodambakkam High Road, Chennai – 600 034 to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company for the year ended 31st March 2009 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.R.G.Sen who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint Auditors and fix their remuneration. M/s.P.T. Ponnaiah & Co., Chartered Accountants, Chennai retire and are eligible for re-appointment.

For and on behalf of the Board of Directors

Place : Chennai.

**R. ALAGHENTREN**

Date : 22nd June, 2009

Chairman and Managing Director

### NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. A 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.**
2. The Register of Members and share transfer books of the Company will remain closed from 3<sup>rd</sup> August 2009 to 8<sup>th</sup> August 2009 (both days inclusive) under section 154 of the Companies Act, 1956.
3. Members are requested to notify change of address, if any, to the Company immediately.
4. If you are attending the Annual General Meeting in person, please bring the printed attendance slip sent to you along with the Balance Sheet.
5. Members / Proxies are requested to bring their copies of the Annual Report to the meeting.



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## DIRECTORS' REPORT

Your Directors have great pleasure in submitting the Twentieth Annual Report with Audited Accounts for the year ended 31st March 2009.

### FINANCIAL RESULTS

	2008-09	2007-08
	(Rupees in Lakhs)	
Profit / (Loss) before Interest, Depreciation, Tax, Bad Debts and Provision for Non-Performing Assets	(5.81)	(0.34)
Less : Depreciation	1.00	5.24
Profit / (Loss) before Tax, Bad Debts & Other Provisions	(6.81)	(5.58)
Less : Bad Debts Written off	56.02	94.63
Provision for Diminution in Investments	3.05	2.10
Provision for Non-Performing Assets	—	51.20
Profit / (Loss) after Tax	(65.88)	(149.31)

### APPROPRIATION

Transfer to Special Reserve Fund (As per RBI Act)	—	—
Balance carried to Balance Sheet	—	—

### BUSINESS OUTLOOK

Your Company's strategy, as in the past will be to focus on profitable growth, leveraging its intimate knowledge of the market and customer relationships that have been built on a strong foundation of personalized service.

### DEPOSITS

All the outstanding Public Deposits as on 15<sup>th</sup> September 2004 Rs.10.25 Lakhs and their accrued interest upto 31<sup>st</sup> March 2004, Rs.20.47 Lakhs was transferred to an Escrow Account on 22<sup>nd</sup> September, 2004 with M/s.City Union Bank Limited, Madurai. As on 31<sup>st</sup> March 2009, balance outstanding in the Escrow Account was Rs.18.20 Lakhs.

### ADVANCES

Total disbursements during the year under Hire Purchase Loan was Rs.19.93 Lakhs.

### MONEY CHANGING BUSINESS

During the year, your Company has earned an income of Rs.0.36 Lakhs only from the money changing business at Madurai and Chennai due to closure of two branches.

### INVESTMENTS

Due to non-redemption, 100% provision has been made for the investments in Secured Debentures of Rs.54,23,438/- with M/s.Micro Stretch.Elastomers Private Limited, Pondicherry.

### MANAGING DIRECTOR'S REMUNERATION

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



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## 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 there under.

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

Parts A, B and C of the above rules does not apply to the Company.

## DIRECTORS

Sri. R.G. Sen, retires by rotation and being eligible, offer himself for re-election. .

## RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 the Directors confirmed that :

- in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2009 applicable accounting standards have been followed with no material departure ;
- your Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2009 and the loss for the year ended on that date ;
- your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ; and
- the accounts for the year ended 31<sup>st</sup> March 2009 have been prepared on a going concern basis.

## CORPORATE GOVERNANCE

A detailed report on corporate governance together with a certificate from the Statutory Auditors, in compliance with clause 49 of the Listing Agreement, is attached as part of this report.

## AUDITORS

M/s. P.T.Ponnaiah & Co., Chartered Accountants, Chennai retires at this Annual General Meeting and are eligible for re-appointment.

## REPLY TO AUDITOR'S REPORT

The qualification in the Auditor's Report are considered and the Directors are taking steps to improve the position.

However Company's strategy, has been thwarted by the steps taken by Income Tax Department by freezing the Company's funds, kept in their account and recovering the same, in spite of the fact that the cases relating to Income Tax matters are pending with Honorable High Court, Madras. Income tax Department, have recovered a sum of Rs. 43.92 lacs so far, from the Company. This has affected financial liquidity of the Company.

## 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 : Chennai

Date : 22<sup>nd</sup> June, 2009

**R.ALAGHENTREN**

Chairman



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## REPORT ON CORPORATE GOVERNANCE

### I. BOARD OF DIRECTORS

#### COMPOSITION OF THE BOARD OF DIRECTORS :

The Company has complied with the Corporate Governance norms in terms of constitution of the Board with a good combination of Independent Directors. The Board comprises of three members out of which two are Independent Directors. Sri R. Alaghentren is the Chairman and Managing Director.

### II. BOARD MEETING

During the financial year ended 31.03.2009, 6 Board Meetings were held on the following dates.

Sl.No	Date of meeting
1	02.04.2008
2	20.06.2008
3	27.06.2008
4	22.07.2008
5	30.10.2008
6	30.01.2009

The attendance of each director at the Board Meetings, the last Annual General Meeting and number of other directorship held by them as on 31<sup>st</sup> March, 2009 are as under :

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Whether last Annual General Meeting Attended	Directorship (Other than AFL)	Member of Committee in other Companies
R.Alaghentren	6	6	Yes	8	—
R.G. Sen	6	6	Yes	2	—
B.S.Vidya Parvathy	6	4	Yes	1	—

### III. AUDIT COMMITTEE

As per the requirement of Part II of Clause 49 of the Listing Agreement the Company has formed an Audit Committee. Sri R.G. Sen was appointed as Chairman of the Audit Committee during the year under review.

#### ❖ Brief description of terms of reference

The Committee reviews the quarterly, half-yearly and annual financial statements before they are submitted to the Board.

Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

Recommending the appointment of external auditor, fixation of audit fee and also approval for payment for any other services.



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## Composition of committee:

R.G. Sen – Chairman  
B.S. Vidya Parvathy – Member  
R. Alaghentren - Member

## ❖ Meetings and attendance of members during the year

Director	Held	Attended
R.G. Sen	4	4
B.S. Vidhya Parvathy	4	4
R. Alaghentren	4	4

## IV. REMUNERATION OF DIRECTORS

The Managing Director does not receive any remuneration from the Company. The Directors are being paid sitting fees and they are being reimbursed travelling and conveyance expenses for attending the Board Meeting.

## V. SHAREHOLDERS AND INVESTOR GRIEVANCE COMMITTEE

### Composition of committee :

R. Alaghentren - Chairman  
B.S. Vidya Parvathy - Member  
R.G. Sen - Member

Sri. R. Alaghentren, Chairman and Managing Director is the Compliance Officer. During the year under review, the Company has received 30 correspondence from Shareholders, which have been attended to and there were no grievances remaining unresolved as on 31<sup>st</sup> March, 2009.

## VI. ANNUAL GENERAL MEETING

The date, time and venue of the last three Annual General Meetings are given below :

Year	Date	Time	Location
2008	26.07.2008	3.00 P.M	Hotel Palmgrove, 5 Kodambakkam High Road, Chennai – 600 034.
2007	22.09.2007	12.00 Noon	Hotel Palmgrove, 5 Kodambakkam High Road, Chennai – 600 034.
2006	28.09.2006	11.00 A.M	Hotel Palmgrove, 5 Kodambakkam High Road, Chennai – 600 034.



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## VII. GROUP DISCLOSURE

The Related Party Disclosures as per Accounting Standard 18 during the year 2008-09 is given below :

Name of the Company	As on 31.3.2009 (Rupees)	Nature of Transactions
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It has been disclosed in Auditor's Report, Accounting policies & Notes on accounts

## VIII. MEANS OF COMMUNICATION

The Quarterly / Half yearly Un-Audited Financial Results and the Annual Audited Financial results are published in Trinity Mirror and Makkal Kural.

### Shareholder's Information :

Financial Year	01.04.2008 to 31.03.2009
Board Meeting for consideration of Accounts	22.06.2009
Posting of Annual Reports along with notice of A.G.M	on or before 15.07.2009
Book Closure Dates	03.08.2009 to 08.08.2009
Last date for receipt of Proxy Forms	06.08.2009

Board Meetings to take on record (tentative)	
Financial Results for the quarter ended 30.6.2009	Last Week of July 2009
Financial Results for the quarter ended 30.9.2009	Last Week of October 2009
Financial Results for the quarter ended 31.12.2009	Last week of January 2010
Financial Results for the quarter / year ended 31.3.2010	Last week of April 2010, in case of Un-Audited Quarterly results or alternatively last week of June 2010 in case of Audited results for the year

The Company has paid the listing fees for the financial year 2008-09 to Bombay Stock Exchange.

Share transfers were processed and share certificates despatched within 30 days from the date of lodgement in accordance with the stock exchange listing agreement.