

14th ANNUAL REPORT
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14th Annual General Meeting

Thursday, 23rd March, 2000, 11.00 a.m.
Amar Gian Grover Auditorium, Mahalaxmi, Mumbai

Shareholders are requested to bring their copy of the Annual Report to the Meeting

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Share Department

The Share Department of the Company is located at the Registered Office at **6th Floor, New Excelsior Building, Wallace Street, Fort, Mumbai 400 001 (Tel: 207 30 45)**. All transfer applications and other correspondence may be forwarded to the **Share Department** at the above address.

Alpic Finance Limited

Board of Directors

Ravi Kumar S., *Chairman & Managing Director*
 R N Bansal
 Ghulam Ghouse
 S R Mohandas
 S E H Rizvi
 R A Shroff
 P H Vaishnav
 Sairam Iyer, *Executive Director*

Company Secretary

Rajiv Daru

Solicitors

Ramesh Shroff & Co.

Auditors

V Sankar Aiyar & Co.

Bankers

Union Bank of India
 Bank of Baroda
 Dena Bank
 Development Credit Bank Ltd.
 Oriental Bank of Commerce
 State Bank of Hyderabad
 State Bank of Indore
 The Catholic Syrian Bank Ltd.
 The Cosmos Co-op. Bank Ltd.
 The Dhanalakshmi Bank Ltd.
 The Federal Bank Ltd.
 The United Western Bank Ltd.
 Vijaya Bank

Registered & Corp. Office

6th Floor, New Excelsior Bldg., Wallace Street, Fort, Mumbai 400 001.

Regional Offices

Bangalore	: 7/8, Raheja Plaza, 17, Commissariat Road, Ashok Nagar, Bangalore 560 025.
Baroda	: 701/702, A-Wing, Alkapuri Arcade, R.C. Dutt Road, Alkapuri, Baroda 390 005.
Bhubaneswar	: 2nd Floor, Plot No. SCR 59, Kharvela Nagar, Janpath Unit III, Bhubaneswar 751 001.
Calcutta	: Crescent Towers, 229, A.J.C. Bose Road, Calcutta 700 020.
Chennai	: 6, Rajamannar Street, Opp. G.N. Chetty Road, T. Nagar, Chennai 600 017.
Hyderabad	: 308, Navketan, 52 SD Road, Secunderabad 500 003.
Lucknow	: 1st Floor, SAS House, 6-B, Sapru Marg, Lucknow 226 001.
Mumbai	: 6 A/6, 6th Floor, New Excelsior Building, Wallace Street, Fort, Mumbai 400 001.
Nasik	: Canada Complex, 1st Floor, HPT College Road, Nasik 422 005.
New Delhi	: 110, 1st Floor, Ansal Bhavan, 16, Kasturba Gandhi Marg, New Delhi 110 001.
Pune	: Mahale Plot, 392A, Gokhale Nagar Road, Pune 411 016.

over 100 offices all over India

Notice

NOTICE is hereby given that the 14th Annual General Meeting of ALPIC FINANCE LTD., will be held on Thursday, the 23rd March, 2000, at 11.00 a.m. at the Amar Gian Grover Auditorium, Lala Lajpatrai Marg, Mahalaxmi, Haji Ali, Mumbai 400 034, to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 30th June 1999, and the Balance Sheet as at that date, along with the Directors' Report and Auditors' Report thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. Ramesh Shroff, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. S. R. Mohandas, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting, until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

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

RESOLVED THAT Mr. Sairam Iyer, who was appointed by the Board of Directors of the Company (the Board), as an Additional Director with effect from 22nd March, 1999, in terms of the provisions of Section 260 of the Companies Act, 1956 (the Act), read with Article 129 of the Articles of Association of the Company (the Articles), and who holds his Office as such upto the ensuing Annual General Meeting of the Company, and in respect of whom the Company has received a Notice from Members, proposing his candidature to be appointed as a Director of the Company, together with a deposit of Rs.500/-, in terms of the provisions of Section 257 of the Act, read with Article 141 of the Articles, be and is hereby appointed a Director of the Company, liable to retire by rotation, in terms of the provisions of the Act and the Articles.

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

RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), and in accordance with Schedule XIII under the Act in force from time to time, the appointment of Mr. Sairam Iyer, as an Executive Director (the Appointee), for a term of 3 years, commencing from

22nd March, 1999, on the terms, conditions and remuneration comprised in the letter dated 22nd March, 1999, addressed by the Company to the Appointee, be and is hereby ratified, confirmed and approved.

RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary the aforesaid terms of remuneration (including perquisites), within the ceiling limits in that behalf laid down in Schedule XIII to the Act, as in force from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds and things, as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit.

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

RESOLVED THAT subject to the provisions of Section 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), and in accordance with Schedule XIII under the Act in force from time to time, the appointment and payment of remuneration to Mr. S.K. Malhotra, as an Executive Director (the Appointee), for the period 22nd March, 1999 to 30th September, 1999, as per the terms, conditions and remuneration comprised in the letter dated 22nd March, 1999, addressed by the Company to the Appointee, be and is hereby ratified, confirmed and approved.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds and things, as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit.

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

RESOLVED THAT subject to the provisions of Section 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), and in accordance with Schedule XIII under the Act in force from time to time, the appointment and payment of remuneration to Mr. A.K. Chatterji, as an Executive Director (the Appointee), for the period 22nd March, 1999 to 30th September, 1999, as per the terms, conditions and remuneration comprised in the letter dated 22nd March, 1999, addressed by the Company to the Appointee, be and is hereby ratified, confirmed and approved.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds and things, as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit.

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

RESOLVED THAT pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956, Part C of Clause III (the Object Clause) of the Memorandum of Association of the Company, be and is hereby amended by inserting the following after the existing sub-clause 53:

“..... and of providing long term finance for industrial or agricultural development or development of infrastructure facility in India or for construction or purchase of houses in India for residential purposes.”

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

RESOLVED THAT pursuant to section 16 and other applicable provisions, if any, of the Companies Act, 1956, Part C of Clause III (the Object Clause) of the Memorandum of Association of the Company, be and is hereby amended by inserting the following as sub-clauses 34A & 34B, after the existing sub-clause 34:

34A To undertake/sponsor the activities of a Mutual Fund in India or elsewhere, to act in India or elsewhere as Asset Manager, to promote, sponsor, establish, manage or operate Mutual Fund / Funds in India or elsewhere, to raise subscription or capital for a Mutual Fund, to manage or operate Mutual Funds or other Funds or bodies designed inter alia for the purpose of investing in and acquiring, holding, managing, buying or selling of securities *en masse* for a body or group of members or subscribers or unit holders, to invest in, acquire, hold, manage, buy and sell shares, both equity and preference in the capital of a company or a corporate body, stocks, bonds and debentures of every description, secured or unsecured, convertible, fully or partly or non convertible securities or promissory notes of the Government of India or of the Government of a State or Union in India or any other Government, anywhere in the world or of any local authority or local body or statutory corporation, bills of exchange or promissory notes, certificates of deposits, participation certificates and other financial instruments issued by a Scheduled Bank or Public Financial Institution, gold, silver and other precious metals, including rights to the same, land and every type of construction and all categories of real estate, including rights to the same, mortgage deeds, instruments of pawn, pledge or hypothecation and any other instruments creating or evidencing a charge or lien on the assets of a company or any body corporate, or any other party, instruments acknowledging a deposit with or loan to or indebtedness of a company or any

body corporate or any other person and guaranteed by a third party or entered into jointly with a third party, and all categories of short term commercial paper and any other securities in which a trustee can invest trust monies under Indian Trust Act, 1888 or under any law for the time being in force in India.

34B To promote the formation and mobilisation of savings and capital, to manage capital, savings and investments, to formulate a scheme or schemes under which a person or a body of persons or a company or a corporate body, a pension or provident fund, may acquire and hold any interest in shares or debentures of all kinds or units, bonds or other securities or any instruments evidencing right or title to any asset or property, goods, commodities or tangible things of any kind and manage such schemes and formulate, operate and manage schemes generally providing a means of participating to persons or companies or corporate bodies as members, contributories or unit holders in the income, profit or gains arising out of the investments in and buying and selling of any such securities and to act as trustees, administrators or managers of provident funds, gratuity funds, pension funds, superannuation funds, charitable funds or consortia or syndicates, to act as nominees or trustees for debenture holders, security holders and for any such other purpose.

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

RESOLVED THAT the consent of the Company, be and is hereby accorded for the commencement and continuation of the business by the Company, as given in the sub-clause 34A & 34B of Part C of Clause III (the Object Clause) of the Memorandum of Association of the Company, pursuant to the provisions of sub-section 2(a) of Section 149 of the Companies Act, 1956.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds and things and give such directions, as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the same.

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

RESOLVED THAT, subject to the Directives/Guidelines, if any, issued by the Securities and Exchange Board of India and the Madras Stock Exchange Ltd., from time to time, the Company do hereby consent to the voluntary delisting of the Equity Shares of the Company from The Madras Stock Exchange Ltd.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Managing Director, Mr. Ravi Kumar S., the Executive Director, Mr. Sairam Iyer and the Company Secretary, Mr. Rajiv Daru, be and are hereby severally authorised to do all such acts, deeds and things, as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit.

NOTE:

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Mumbai
31st January, 2000

By order of the Board of Directors
For **Alpic Finance Ltd.**

Registered Office:
6th Floor, New Excelsior Bldg.
Wallace Street, Fort,
Mumbai 400 001.

Rajiv Daru
Company Secretary

NOTES

- The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956, in respect of Item Nos. 6 to 13, set out above, is annexed hereto.
- As already informed in the last Annual Report, the Share Department of the Company is located at the Registered Office at 6th Floor, New Excelsior Building, Wallace Street, Fort, Mumbai 400 001, since 1st February, 1999. Kindly forward all correspondence to the Registered Office.
- Members are requested to notify immediately, change in their address, if any, to the Share Department, quoting their Folio Number, to ensure prompt receipt of Dividend Warrants, etc.
- The Share Transfer Book and the Register of Members of the Company will remain closed from 15th March, 2000 to 23rd March, 2000 (both days inclusive).
- Dividend for the year ended 30th June, 1999, as recommended by the Directors, upon being declared at the Meeting, will be paid to those Members whose names appear on the Company's Register of Members at the close of the working hours of the Company on 23rd March, 2000.

- The Company has already transferred unclaimed Dividend declared upto the Financial Year ended 30th June, 1994, to the General Reserve Account of the Central Government, as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, as amended. Those Shareholders who have so far not claimed or collected their Dividend upto the aforesaid Financial Year, may claim their Dividend from the Registrar of Companies, Everest, New Marine Lines, Mumbai 400 020.

EXPLANATORY STATEMENT

In conformity with Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all the material facts in respect of Item Nos. 6 to 13 of the accompanying Notice dated 31st January, 2000.

Item Nos. 6, 7, 8 & 9

As the Members are aware, consequent to the restructuring of the Group's business focus, inter alia arising out of the Directives issued by the SEBI, which required the Company to segregate its Investment Banking activity from its Fund Based activities, the Investment Banking Division, was transferred to Alpic Investment Services Ltd. (AISL). As a natural corollary thereto, the Company's erstwhile Vice Chairperson & Joint Managing Director, Prof. (Mrs.) Poonam Kumar, who directed the Non-fund Based Business activities of the Company, including Investment Banking, resigned from the Board of Directors of the Company (the Board) and took up the responsibility of AISL. The Board, thereupon, at its Meeting held on 22nd March, 1999, appointed Mr. Sairam Iyer, Mr. S. K. Malhotra and Mr. A. K. Chatterji, as Additional Directors and also Executive Directors of the Company, as from that date; the first two for a period of 3 years each and the last one for a period 1 year, on the terms, conditions and remuneration comprised in the letters dated 22nd March, 1999, issued by the Company to each of the appointees, subject to the approval the Shareholders. However, Mr. Malhotra, on account of sudden deterioration in his health and Mr. Chatterji, on account of certain personal commitments, sought early retirement and they were relieved on 30th September, 1999.

Mr. Sairam Iyer, aged 53 years, is a qualified Mechanical Engineer, with over 25 years of corporate experience. He has been in the full time employment of the Company as Vice President and head of Pune Region since 1st July, 1996. Prior to that he was associated with the Company, as a consultant & agent, for over a year. Prior to coming to the Alpic fold, he was working with one of the leading engineering companies of the country, incharge of its international marketing. Mr. Iyer has widely travelled and also held international postings during his career.

Mr. S. K. Malhotra, aged 55 years, is a Science Graduate with 32 years of corporate experience. He was in the full time employment of the Company as Vice President and the head of the Delhi Region since 1st July, 1996. Prior to that he was associated with the Company, as a consultant & agent, for over a year. Prior to coming to the Alpic fold, Mr. Malhotra was self-employed as a Consultant & Dealer with one of the leading paint manufacturing companies of the country, inter alia overseeing its northern region sales and marketing operations.

Mr. A. K. Chatterji, aged 57 years, is a Commerce Graduate and an Associate of the Institute of Banking, with over 37 years of corporate experience, including that of over 30 years with State Bank of India in various senior capacities. He was in the full time employment of the Company since 15th January, 1996, and was earlier designated as President.

Subject to the ceiling limit laid down in Sections 198, 269, 309 & 311, read with Schedule XIII of the Companies Act, 1956 (the Act), the remuneration by way of Salary, Perquisites and Commission paid/payable to the Executive Directors is as under:

Mr. Sairam Iyer and Mr. S. K. Malhotra :

Salary : Rs. 30,000/- p.m., with such increments, as may be fixed by the Board from time to time.

House Rent Allowance: Rs. 15,000/- p.m.

Car/Chauffeur: Use of the Company's car with chauffeur for official use.

Mr. A.K. Chatterji :

Salary : Rs. 40,000/- p.m., with such increments, as may be fixed by the Board from time to time.

House Rent Allowance: Rs. 20,000/- p.m.

Car/Chauffeur: Reimbursement of expenses incurred, upto Rs. 6,000/- p.m.

Club Membership : Corporate Membership of a Club

Other Perquisites applicable to the Appointees :

City Compensatory Allowance : For self and family, as per the Company's Rules, upto a maximum of Rs.15,000/- p.a.

Medical Reimbursement : For self and family, as per the Company's Rules, upto a maximum of Rs.25,000/- p.a.

Leave Travel Concession : For self and family, as per the Company's Rules, upto a maximum of Rs. 20,000/- p.a.

Reimbursement of Telephone Expenses, Entertainment Expenses, Books & Periodicals, Gas & Electricity, Servant Allowance, Soft Furnishings and Residential Upkeep : Subject to a maximum of Rs. 1,50,000/- p.a.

Company's contribution to Provident Fund : As per the Rules of the Company.

Gratuity : Half a month's salary for each completed year of service, as per the Company's Rules.

Commission : As may be fixed by the Board.

Sitting Fees : Entitled to receive Sitting Fees for attending Meetings of the Board or Committees thereof.

Leave : As per the Rules of the Company.

In the event of loss or inadequacy of profit in any Financial Year, the appointees be paid remuneration and be granted the perquisites, as per the provisions contained in Schedule XIII or any statutory modification or re-enactment thereof from time to time.

Company's contribution to the Provident Fund and Superannuation Fund, if and when introduced in the Company, to the extent these, either singly or put together, are not taxable under the Income-tax Act, 1961, Gratuity payable, as above, and use of the Company's car for official use, shall not be included in the remuneration for ceiling on remuneration specified in Schedule XIII of the Act.

In the event of the Appointee ceasing to be in the employment of the Company, he shall also simultaneously cease to be a Director/ Executive Director of the Company, *suo moto*

The Directors recommend the resolutions for adoption. Mr. Sairam Iyer may be deemed concerned or interested in the resolution pertaining to his appointment, to the extent of the remuneration payable to him. No other Director may be deemed concerned or interested in the resolutions.

The relevant extracts of the remuneration package of Mr. Sairam Iyer, Mr. S. K. Malhotra & Mr. A. K. Chatterji, as required under Section 302 of the Act, have already been circulated to the Members, vide letter dated 1st April, 1999. Copies of the letters addressed to Mr. Iyer, Mr. Malhotra & Mr. Chatterji, all dated 22nd March, 1999, communicating their appointment and remuneration package, are available for inspection by the Members, at the Registered Office of the Company, from 11.00 a.m. to 1.00 p.m., on any working day prior to the Meeting.

Item No. 10

Consequent to the amendment to the Income-tax Act, 1961 (the Act), vide the Finance Act of 1999, companies engaged in providing long term finance for industrial or agricultural development or development of infrastructure facility in India or providing long term finance for construction or purchase of houses in India for residential purposes, are permitted upto an amount not exceeding 40% of the profits derived from such business, to be carried to any special reserve. Further, such appropriation to such special reserves is admissible for the purpose of computation of the income tax payable by the companies under the Act.

As the Members are aware, your Company is a predominantly leasing & hire purchase finance company, as classified under the

Reserve Bank of India Directions and is already engaged in providing long term finance, inter alia in the form of lease & hire purchase, to industrial establishments and as such it is eligible for qualifying for the provisions contained in the said Section 36(1) (vii) of the said Act. However, as and by way of abundant caution and as advised, it is proposed to make the relevant sub-clause of the Object Clause of the Memorandum of Association of the Company more explicit, to ensure that the necessary benefits under the said provisions of the said Section of the Act are available to your Company. The Shareholders are, therefore, requested to consider and approve of the said addition to sub-clause 53 of the Object Clause of the Memorandum of Association of the Company, in terms of the provisions of Section 16 of the Companies Act, 1956.

The Directors recommend the resolution for adoption. None of the Directors is in anyway concerned or interested in the resolution.

Item Nos. 11 & 12

With the return of political stability in the country and the revival of the economic conditions, the capital market, both debt and equity, have seen a spurt in its activities. Your Company has been envisaging making foray into Mutual Fund business for sometime now. Towards this end, the Project Division of your Company has been making necessary preparation, including business strategy and plans. On the other hand, your Company has also been in active negotiation with some leading partners of repute, Indian and multinational, to enter into joint ventures in the areas of mutual strengths. One of the areas of business being considered is Mutual Fund. For this purpose, we have also approached the Securities and Exchange Board of India (SEBI) for necessary 'in principle' approval to commence Mutual Fund activities and in response to the same, SEBI has desired the insertion of the proposed clauses in the Memorandum of Association of the Company, which would enable the Company to embark upon the business of Mutual Funds.

The resolution under Item No. 11 seeks the Shareholders' approval in terms of the provisions of Section 16 of the Companies Act, 1956, for the insertion of the new sub-clauses, whereas the resolution under Item No. 12 is proposed to seek the approval of the Shareholders under Section 149 of the said Act to commence and continue Mutual Fund business, envisaged under the new sub-clauses 34A & 34B.

The Directors recommend the resolutions for adoption. None of the Directors is in anyway concerned or interested in the resolutions.

Item No. 13

The Equity Shares of the Company (the Share) are listed on the Stock Exchange, Mumbai (BSE), the Madras Stock Exchange Ltd. (MSE) and the National Stock Exchange of India Ltd. (NSE).

Pursuant to the Company's inquiry, it has been advised by the MSE, vide its letter dated 31st January, 2000, that during the entire calendar year 1999, not a single unit of the Share was traded on the MSE. On the other hand, the Share was active on the other two Stock Exchanges where it is listed, viz BSE and NSE. Further, since the Share is also listed on the BSE and NSE, which have screen-based trading terminals in most of the major cities in India, multiple listing, besides being expensive, is unnecessary. In the circumstances, it is proposed to delist the Share from the MSE, since it does not justify the continuance of listing on the MSE.

In terms of the Directives/Guidelines issued by the Securities and Exchange Board of India (SEBI) and the Stock Exchange(s), prior approval of the holders of the securities which are sought to be delisted, is required by a Special Resolution passed at a General Meeting after giving due notice thereof in the prescribed manner. Accordingly, the resolution at Item No. 13 seeks to obtain the approval of the Members, for such delisting.

The Directors recommend the resolution for adoption. None of the Directors is in anyway concerned or interested in the resolution.

The Memorandum and Articles of Association of the Company, together with the proposed alterations, is available for inspection by Members at the Registered Office of the Company from 11.00 a.m. to 1.00 p.m., on any working day of the Company prior to the Meeting.

Mumbai
31st January, 2000

Registered Office:
6th Floor, New Excelsior Bldg.
Wallace Street, Fort,
Mumbai 400 001.

By order of the Board of Directors
For **Alpic Finance Ltd.**

Rajiv Daru
Company Secretary

Directors' Report

The Members Alpic Finance Ltd.

Your Directors take pleasure in presenting the 14th Annual Report, together with the Audited Accounts, for the Financial Year ended 30th June, 1999.

Financial Results

The financial results of the Company for the year under review are summarised below:

	<i>(Rupees in lacs)</i>	
	Year Ended 30.06.1999	Year Ended 30.06.1998
Gross Income	13793.23	16579.98
Gross Profit	4041.04	4773.00
Depreciation	2820.96	3036.92
Provision for Tax / NPA	339.41	606.60
Profit After Tax	880.67	1129.54
Gross Assets	60283.32	78898.36
Networth	17135.57	16668.85
Debt Equity Ratio	2:1	3:1
Capital Adequacy (%)	30.68	22.88

Dividend

Your Directors are pleased to recommend a Dividend of 15% (net of tax), for the year ended 30th June, 1999 (previous year 15%), absorbing a sum of Rs.197.06 lacs (previous year Rs.195.29 lacs), including dividend tax.

Appropriations

Out of the profit of Rs. 797.27 lacs available for appropriation, your Directors propose to transfer a sum of Rs. 176.13 lacs to the Statutory Reserve, Rs. 44.03 lacs to General Reserve and after accounting for a sum of Rs. 197.06 lacs for the proposed Dividend, including tax thereon, carry forward the balance of Rs. 380.05 lacs to the Balance Sheet.

Economic Scene

The economic down-turn, which started a couple of years back, got compounded by the political uncertainty, during the year under review. This inter-alia affected all segments of the industry, including the financial services sector. This, in turn, had a bearing on the financial performance of your Company also. However, your Company's inherent financial strengths, innovativeness and ability to anticipate the change and realign itself, played a major role in withstanding the economic pressures.

As the second phase of the economic reform programme is initiated at the Center, the industry, in general, is looking forward to, with optimism, at the opportunities this reform programme is going to usher