

DHP FINANCIAL SERVICES LIMITED

CERTIFIED TRUE COPY

For DHP FINANCIAL SERVICES LTD.

asheer
Authorized Signatory

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SIXTH
ANNUAL REPORT
AND ACCOUNTS
1996-97



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DHP FINANCIAL SERVICES LIMITED

DIRECTORS : SHRI JOGINDER PAL KUNDRA, Chairman
SHRI HAIGREVE KHAITAN
SHRI ASHEESH DABRIWAL
SHRI VIVEK KUMAR BHARTIA

AUDITORS : M/S N. JAIN & ASSOCIATES
21A, Corporation Place
Calcutta - 700 087

BANKERS : ALLAHABAD BANK

REGISTERED OFFICE : 10, Middleton Row,
Calcutta - 700 071



DHP FINANCIAL SERVICES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT the Sixth Annual General Meeting of the Members of DHP FINANCIAL SERVICES LIMITED will be held at its Registered Office at 10, Middleton Row, Calcutta - 700071 on Thursday, the 31st July, 1997 at 11.00 A.M. for transaction of the following business:-

ORDINARY BUSINESS

- 1) To consider and adopt the Accounts of the company for the financial year ended 31st March, 1997, the Balance Sheet as at that date and Reports of the Directors and Auditors thereon.
- 2) To declare dividend on equity shares for the financial year ended 31st March, 1997.
- 3) To appoint a Director in place of Sri Haigreve Khaitan who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint Auditors and to fix their remuneration.

Calcutta
5th June, 1997

By Order of the Board
ASHEESH DABRIWAL
Director

Registered Office :-
10, Middleton Row
Calcutta - 700071

NOTES

- 1) The Register of Members of the Company shall remain closed from 24th July, 1997 (Thursday) to 31st July, 1997 (Thursday), both days inclusive. Share Transfers received in order by the Company at its Registered Office at 10, Middleton Row, Calcutta-700 071 by the close of business on 23rd July, 1997 (Wednesday) will be eligible for payment of dividend, if declared.
- 2) A Member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A Proxy need not be a member of the Company. Proxies, in order to be effective must be received at the Registered Office at 10, Middleton Row, Calcutta-700071, not less than fortyeight hours before this Annual General Meeting.
- 3) Members are requested to bring their copies of the Reports and Accounts to the Meeting.
- 4) Members are requested to notify any change in their addresses immediately to the Company at its Registered Office.
- 5) Members are requested to send the particulars of their respective bank account numbers to the Company at its Registered Office to enable the Company to draw the dividend warrant to the respective bank accounts of the shareholders.



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their Sixth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 1997.

PERFORMANCE OF THE COMPANY

The Indian financial services industry, during the year 1996-97, had to face adverse market conditions, several changes in regulatory policies, and a severe income tax liability under MAT (minimum alternative tax). Consequently, the industry as a whole could not perform well and a large number of companies were forced to review their business strategies in order to ensure survival.

Your Company was no exception to this phenomenon and had its share of difficulties as a result of a combination of factors including the income tax under MAT (minimum alternative tax), lower rate of return on leasing & hire purchase. Whilst total income for 1996-97 stood at Rs.222.71 lacs, an increase of 49% over the previous year, the Company's profit after tax stood at Rs.64.56 lacs as against Rs.71.32 lacs of the previous year after charging depreciation of Rs. 74.77 lacs, as against Rs. 34.24 lacs for the previous year. The Company's networth, however, recorded an increase to Rs.392.01 lacs, as on March 31, 1997 as against Rs.376.63 lacs for the previous year.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	Year ended 31.03.97	Year ended 31.03.96
Total Income	222.71	149.49
Gross Operating Profit	161.42	125.42
Profit Before Tax	75.56	71.32
Provision for Income Tax	11.00	—
Profit After Tax	64.56	71.32
Profit brought forward from previous year	8.92	8.56
Profit available for Appropriation	73.48	79.88
Appropriations		
Proposed Dividend on Equity Shares	30.00	25.57
Provision for Dividend Tax	3.00	N. A.
Transfer to General Reserve	22.00	45.00
Income tax Payment of earlier year	16.98	0.39
Dividend Payment of earlier year	0.08	—
Surplus carried to Balance Sheet	1.42	8.92

DISCLOSURE PURSUANT TO CLAUSE 43 OF THE LISTING AGREEMENT

A) Projected utilisation of funds-vs-Actual utilisation of funds

(Rs. in lacs)

Particulars	Projected as per Prospectus dated 27.07.95	Actual	Variation	
			(Rs. in lacs)	(in%)
Lease Finance	309.00	75.98	(-) 233.02	(-) 75.41
Hire Purchase Finance	—	177.45	177.45	—
Total	309.00	253.43	(-) 55.57	(-) 17.98



DIRECTORS' REPORT (Contd.)

B) Projected Profitability Statement- vs - Actual Profitability Statement

(Rs. in lacs)

Particulars	Projected as per Prospectus dated 27.07.95	Actual	Variation	
			(Rs. in lacs)	(in%)
Total Income	227.76	222.71	(-) 5.05	(-) 2.22
Net Profit After Tax	95.25	64.56	(-)30.69	(-)32.22
E. P. S. (Annualised in Rs.)	3.18	2.15	(-) 1.03	(-)32.39

There has been a variance in the performance of the Company vis-a-vis the projection in the prospectus dated 27.07.95, primarily due to the sharp increase in cost of funds, lower rate of return on leasing & hirepurchase and Income tax under MAT (minimum alternative tax).

DIVIDEND AND RESERVES

Your Directors are pleased to recommended a dividend of Rs.1.00 per share (previous year Rs.1.50 per share on pro-rata basis) on the Equity Share Capital of the Company for the year ended 31st March, 1997. The dividend, if approved by the shareholders, will absorb Rs.30.00 lacs. The Reserves & Surplus thereafter will stand at Rs.98.42 lacs at a Book Value of Rs.13.07 per Equity Share.

DIRECTORS

Sri Nirmal Kumar Dabriwala who was appointed as Director of the Company on 26.04.91 (since incorporation), resigned from the board w.e.f. 27th January, 1997. The Board appreciates the valuable support and advice of Sri Nirmal Kumar Dabriwala which has significantly contributed towards the growth of the Company.

Sri Haigreave Khaitan, Director of the Company, retires from office by rotation in accordance with the requirements of the Companies Act, 1956, and the provision of the Articles 126 of the Articles of Association of the Company and being eligible offers himself for reappointment.

AUDITORS

M/s. N. Jain & Associates, Chartered Accountants, Statutory Auditors of your Company hold office until the conclusion of the SIXTH ANNUAL GENERAL MEETING and are recommended for reappointment.

PERSONNEL

Particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 are NIL.

FUTURE PROSPECTS

Your Company will continue to focus on the Asset Financing business with emphasis on reduced risk and



DHP FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT (Contd.)

better asset quality. Your Company endeavours to deploy the funds available efficiently and also to make recoveries with utmost care.

Your Company has managed to face the challenges of 1996-97 and today has confidence to emerge stronger and more successful in the coming years.

ACKNOWLEDGEMENT

Your Directors acknowledge the recognition given and trust reposed in your Company by Investors, Banks, Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges and other Government Agencies and record their appreciation for the support lent by them. The results that your Company has achieved in the year under review would not have been possible without the co-operation and full support of all its employees. Your Directors place on record their of appreciation of the valuable contribution made by all the employees.

Place : Calcutta
Dated : 5th day of June, 1997

For and on behalf of Board of Directors
J.P.KUNDRA
Chairman

Registered Office : -
10, Middleton Row
Calcutta - 700071

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