



Report

**SEVENTH
ANNUAL
REPORT
1996-97**

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**KOSIAN
FINANCE LTD.**



KOSIAN FINANCE LIMITED

BOARD OF DIRECTORS

| | |
|----------------------|--------------------|
| Mr. T.K. SINHA | CHAIRMAN |
| Mr. O.P. AGRAWAL | VICE CHAIRMAN |
| Mr. P.N. VIJAY | DIRECTOR |
| Mr. UMESH K. AGRAWAL | DIRECTOR |
| Mr. J.L. KHANDELWAL | DIRECTOR |
| Mrs. HEMANI AGRAWAL | EXECUTIVE DIRECTOR |

REGISTERED AND CORPORATE OFFICE & SHARE TRANSFER DIVISION

22 SHIVSHAKTI ESTATE
MAROL, ANDHERI-KURLA ROAD
ANDHERI(EAST), MUMBAI 400 059

AUDITORS

JAYESH SANGHRAJKA & CO.
CHARTERED ACCOUNTANTS
MUMBAI

BANKERS

STATE BANK OF INDIA
THE FEDERAL BANK LIMITED

7TH ANNUAL REPORT 1996-97

NOTICE

To the Members,

NOTICE is hereby given to the members of **Kosian Finance Limited** that the Seventh Annual General Meeting of the Company will be held on Friday 28th day of November, 1997 at the Registered Office of the Company at 22, Shivshakti Estate, Marol, Andheri-Kurla Road, Andheri(E), Mumbai - 400 059 at 11 A.M. to transact the following business:

ORDINARY BUSINESS :

- 1) To receive, consider and adopt the Balance Sheet of the Company as at 30th June, 1997 and profit and loss account for the year ended on that date and the reports of Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri. P.N. Vijay who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint Auditors of the Company and fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) (hereinafter referred to as "the said Act") and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such condition and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to or accepted by the Board of Directors of the Company (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded to the Board to acquire/ purchase any of its own fully paid shares on such terms and conditions and upto such limits as may be prescribed by law from time to time, subject to such

acquisitions/purchase of such fully paid Equity shares of the Company not being construed as reduction of Equity shares Capital of the Company within the preview of Sections 100 to 104 of the said Act, and thereby attracting the provisions of Section 77 and/or Section 402 of the said Act, or any Statutory modification thereof, and that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or proper to implement this resolution".

- 5) To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956 (including any statutory modification or re-enactment for the time being in force), the Articles of Association of the Company be and are hereby altered as follows:

By addition of new Article 12A after 12 as under:

Buy back of shares

12 A. Notwithstanding anything contained in the preceding Article 12, but subject to the provisions of the Act and all other applicable law, as may be in force at any time and from time to time, the company may acquire, purchase, hold resell any of its own fully/partly paid or redeemable shares and may make payment out of funds at its disposal for and in respect of such acquisition/purchase on such terms as the board may in its discretion decide and deem fit.

By Order of the Board
For **KOSIAN FINANCE LTD.**

O.P. AGRAWAL
VICE CHAIRMAN

Place: MUMBAI

Date : 30th SEPTEMBER 1997.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HRS. BEFORE THE TIME FIXED FOR THE MEETING.
2. The explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special business are annexed hereto.
3. All documents referred to in the accompanying notice are open for inspection at the registered office during working hours upto the date of Annual General Meeting.
4. Register of members and share transfer books of the Company will remain closed from Tuesday the 18th November 1997, to Friday the 28th November 1997 (both days inclusive).
5. Members are requested to bring their copies of Annual Return alongwith them at the Annual General Meeting.
6. Members desiring any information relating to this report may send their queries atleast seven days in advance.

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act 1956.

ITEM NO. 4 & 5 :

With ongoing liberalisation of the Indian economy and removal of regulatory barriers, suitable amendments to the Companies Act, 1956 and other legislation are expected in the near future permitting Companies to buy back its own shares.

The Board of Directors proposes a Special resolution at Item No.4 of the notice permitting the Company to purchase its own shares as and when required.

It is also proposed vide item No.5 to add Article 12A to the Article of Association of the Company enabling the Company to purchase its own shares and other securities as set out in Item No.4 to the notice which will be within the legal framework as prevailing at a particular point of time. The resolution confers authority to the Board of Directors to this effect.

The Directors of the Company therefore recommend to change the articles of the Company pursuant to the provisions of the Companies Act 1956.

A printed copy of Amended Article of Association will be open for inspection by the members at the registered office of the Company between 10.30 A.M. to 1.00 P.M. on any working day of the Company.

None of the Directors are interested or concerned in the resolution, save to the extent that they may hereafter decide to act in pursuance of the authority given by the Special Resolution.

By Order of the Board

(O.P. AGRAWAL)
VICE CHAIRMAN

Place : MUMBAI

Date : 30th SEPTEMBER 1997.

Registered Office :

22, Shivshakti Estate,
Marol, Andheri-Kurla Road,
Andheri (E),
Mumbai - 400 059

7TH ANNUAL REPORT 1996-97

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting the Seventh Annual Report of the Company, together with the Audited Statement of Accounts for the year ended 30th June, 1997.

FINANCIAL RESULTS :

| | (Rupees in Lakhs) | |
|----------------------------------|--|---|
| | Current Year Ended 30/06/97 (12 months) | Previous period Ended 30/06/96 (15 months) |
| Total Income | (20.00) | 75.28 |
| Profit/(Loss) before Tax | (75.58) | 30.86 |
| Provision for Tax | — | — |
| Profit/(Loss) after Tax | (75.58) | 30.86 |
| Add: Surplus of Last Year | 39.12 | 23.28 |
| Bal. available for Appropriation | (36.46) | 54.14 |
| Appropriations : | | |
| Transfer from General Reserves | 1.61 | — |
| Proposed Dividend | — | 15.02 |
| Bal. carried to Balance Sheet | (34.85) | 39.12 |

DIVIDEND

In view of Loss, your Directors are unable to recommend any Dividend.

BUSINESS PERFORMANCE

The Financial Services Industry, in particular has been passing through a depression, uncertainty, liquidity crunch for quite some time. This has affected all the sectors of the economy and your Company's performance has also been affected adversely.

FUTURE PROSPECTS

Your Company is making all sincere effort in the field on fee based activities in various advisory services. In addition, your Company is also planning to diversify in the field of manufacturing activities which together with finance business shall be beneficial and in the long term interest of the Company.

PROMISE VERSUS PERFORMANCE

Your Company made a Public Issue of Rs. 245 Lakhs in February 1995. The actual performance of your Company as against that of projected in Prospectus Dated 6th January, 1995 as required under Clause 43 of the listing agreement is as follows :

| | Projections as per Prospectus | (Rupees in Lakhs) Actual Performance for the year Ended 30/06/97 |
|----------------------|----------------------------------|---|
| Total Income | 400.00 | (20.00) |
| Net Profit after Tax | 137.30 | (75.58) |
| Earning per Share | 4.58 | — |

FIXED DEPOSITS:

During the year under review, the Company has not accepted/renewed any deposits falling within the purview of Section 58(A) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

During the year under review there were no employees drawing remunerations requiring disclosures under Section 217 (2A) of the Companies Act, 1956, read with the Companies (particulars of employees) Rules, 1975.

PARTICULARS UNDER SECTION 217 (i) (e) OF THE COMPANIES ACT, 1956:

Additional information required under the provisions of the above section read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, regarding Conservation Of Energy, Technology Absorption are not applicable as the company is not carrying out any manufacturing operation.

During the year ended, 30th June, 1997, the company has neither earned/nor spent any foreign exchange.

DIRECTORS :

Shri. P.N. Vijay retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

AUDITORS :

M/s. Jayesh Sanghrajka & Co., Chartered Accountants, Mumbai, the present auditors of the Company, shall retire at the conclusion of the ensuing Annual General Meeting and being eligible, have offered themselves for reappointment till the conclusion of the next Annual General Meeting.

ACKNOWLEDGMENTS :

Your Directors are pleased to record their utmost gratitude towards Bankers, various Government Authorities, Clients, Staff Members and all others for their support and services from time to time.

For and on behalf of the Board
KOSIAN FINANCE LIMITED

T.K. SINHA
CHAIRMAN

Place : MUMBAI
Date : 30th SEPTEMBER, 1997.