



## **25th ANNUAL REPORT**

### **MAHAVEER FINANCE INDIA LIMITED**

"AGURCHAND MANSION" (1st Floor), 151, Mount Road,  
Diagonally Opp.Spencer Plaza, Chennai - 600 002.

Phone : (O) 28460488, 28460915, 28461741

# MAHAVEER FINANCE INDIA LIMITED

## BOARD OF DIRECTORS

**Sri. G. Chidambar** Chairman  
**Sri. K.S. Markandan**  
**Sri. P. S. Balasubramaniam**  
**Sri. M. Deepak Dugar** Executive Director  
**Sri. M. Praveen Dugar** Executive Director  
**Sri. N. Mahaveerchand Dugar** Managing Director

## AUDITORS

**E. HEMANADHAN & CO**  
Chartered Accountants  
New No. 25,  
Gill Nagar Extension Street,  
Choolaimedu,  
Chennai - 600 094

## BANKERS

State Bank of India  
State Bank of Saurashtra  
State Bank of Patiala  
Punjab National Bank  
Bharat Overseas Bank Ltd  
The Federal Bank Ltd.  
The Catholic Syrian Bank Ltd.

## REGISTERED OFFICE

Agarchand Mansion  
'First Floor'  
151, Mount Road,  
Chennai - 600 002.  
Phone : 28460488 & 28460928

## FINANCIAL INSTITUTION

Sundaram Finance Limited

## MEMBERS OF

1. Federation of Indian Hire purchase Association
2. Equipment Leasing Association of India
3. South India Hire Purchase Association
4. Federation of All India Hire Purchase Financiers
5. Madras Hire Purchase Association
6. Finance Industry Development Council (Mumbai)

# MAHAVEER FINANCE INDIA LIMITED

## NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Company will be held at South India Hire Purchase Association's Premises, "Desabandu Plaza", 1st Floor, 47, Whites Road, Royapettah, Chennai - 600 014 on Thursday the 21st September, 2006 at 11.00 A.M. for transacting the following business :

### ORDINARY BUSINESS

1. To receive and adopt the audited statement of accounts for the year ended 31st March, 2006 and to consider the reports of the Directors and Auditors thereon.
2. To declare preference and Equity Dividend.
3. To appoint a Director in the place of Sri.K.S. Markandan who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration. E.Hemanadhan & Co, Chartered Accountants retire and is eligible for re-appointment.

For and on behalf of the Board

Place : Chennai  
Date : 31-7-2006

**N. Mahaveerchand Dugar**  
Managing Director

### NOTES:

1. The member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Form of proxy is hereto annexed. Proxy form must reach the Company not less than 48 hours before the time of the meeting.
2. The Register of members and the share transfer books of the Company will remain closed from 11/09/2006 to 21/09/2006 (both days inclusive) in connection with payment of dividend.

**MAHAVEER FINANCE INDIA LIMITED****DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2006**

Dear Members,

Your Directors present the 25th Annual report with Audited Accounts for the year ended 31st March, 2006.

**FINANCIAL RESULTS**

	Year ended 31st March 2006 (Rs.in Lacs)	Year ended 31st March 2005 (Rs.in Lacs)
Profit before Depreciation	39.23	26.91
Provision for Depreciation	7.97	6.73
Tax Provision	10.08	7.58
Profit After Tax	21.18	12.60
Add: Excess Provision for Income Tax written back	0.00	0.07
Add: Profits from Previous year	23.47	16.32
Available for appropriation	44.65	28.99
Transfer to General Reserve	3.00	3.00
Statutory Reserve	4.24	2.52
Proposed Preference Dividend	5.00	0.00
Proposed Equity Dividend	9.00	0.00
Dividend Tax	1.96	0.00
Surplus Carried Forward to Balance Sheet	21.45	23.47

**Dividend :**

Your Directors recommend a dividend of 10% on the paid up Preference share Capital and 6% on the paid up Equity Share Capital for the year ended 31/03/2006. The dividend together with dividend tax of Rs. 1.96 lacs absorbs a sum of Rs. 15.96 lacs.

# MAHAVEER FINANCE INDIA LIMITED

## BUSINESS :

During the year 2005-06, your company's disbursement was Rs.461.81 lacs as against Rs. 396.69 lacs in the previous year, registering a growth of 16% despite intense competition from financial institutions and banks. Profit before tax during the year under review was higher at Rs. 31.26 lacs as compared to Rs. 20.18 lacs over the previous financial year reflecting an increase of 55%.

Your Company's continuing emphasis on quality has ensured that the performance of the core HP portfolio remained excellent. The standard assets stood at 98.92% of the total business assets as on 31/03/2006 as against 98.52% in the previous year. The gross and net NPAs stood at 1.08% and 0.20% of the total business assets as on 31/03/2006 as against 1.48% and 0.34% respectively in the previous year.

## DEPOSITS :

The Company has not accepted any Public Deposit since 01/04/2004 and the Public Deposits as on the date of closing of Accounts was NIL.

## DIRECTORS :

Sri.K.S. Markandan retired by rotation and being eligible offers himself for re-appointment.

## AUDITORS :

E.Hemanadhan & Co, Chartered Accountants, Auditor of your company retire at the conclusion of the Annual General Meeting. He is eligible for re-appointment and has given consent to act as Auditor of your Company if appointed.

## COMPLIANCE CERTIFICATE :

As per the provisions of section 383A of the Companies Act,1956, a compliance certificate from a Secretary in whole time practice is annexed hereto which forms part of this Report.

## PARTICULARS OF EMPLOYEES REMUNERATION :

None of the employees of the Company is in receipt of remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act,1956.

## DIRECTORS' RESPONSIBILITY STATEMENT :

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

1. in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
2. they have selected such accounting policies and applied them consistently and made judgements and estimates which are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the year;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,1956 for safeguarding the assets of

# MAHAVEER FINANCE INDIA LIMITED

the Company and for preventing and detecting fraud and other irregularities;

4. the Annual Accounts have been prepared on a going concern basis.

## Information as per Sec.217(l) (e) of the Companies Act,1956:

The provisions relating to the conservation of energy and technical absorption do not apply to the Company.

The Company had no foreign exchange earnings/outgo during the year under reference.

## LISTING :

The shares of your company are listed in Madras Stock Exchange Limited, Exchange Building, New No.30 (Old No.11), Second Line Beach, Chennai - 600 001. The Company has paid listing fees upto the financial year ended 31/03/2006.

## CORPORATE GOVERNANCE :

Since your Company's paid up Capital is below Rs.3 crores, the SEBI guidelines relating to Corporate Governance do not apply to your Company.

## ACKNOWLEDGMENT:

Your directors thank all the shareholders, customers, vehicle manufacturers, dealers, bankers and financial institution for their continued support to your company. Your directors also thank all the members for the co-operation extended to your company and look forward to your continued support. Your Directors also place on record their appreciation of the excellent teamwork and dedication displayed by the employees at all levels.

Place : Chennai  
Date : 31-7-2006

For and on behalf of the Board

**G.CHIDAMBAR**  
Chairman

**MAHAVEER FINANCE INDIA LIMITED**

Company Regn.No.18-8555  
 Authorised Capital: Rs.5 crores

**Compliance Certificate**

To

The Members

M/S MAHAVEER FINANCE INDIA LIMITED

Regd.Office: Agurchand Mansion, First Floor,  
 151 Mount Road, Chennai - 600 002

I have examined the registers, records books and papers of MAHAVEER FINANCE INDIA LIMITED (the Company) as required to be maintained under The Companies Act 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2006. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers, I certify that in respect of that aforesaid financial year:

1. the Company has kept and maintained all registers as stated in Annexure A to this certificate as per the provisions of the Act and rules made thereunder and all entries therein have been duly recorded.
2. the company has duly filed the forms and returns as stated in Annexure B to this certificate with the Registrar of Companies.
3. The Company being a public limited company, has the minimum prescribed paid up capital.
4. the Board of Directors duly met 4 times on 30.04.2005, 30.07.2005, 21.10.2005 and 24.01.2006 in respect of which meetings proper notices were given and proceedings were properly recorded and signed.
5. the company closed its Register of members from 25.08.2005 to 31.08.2005 and necessary compliance of Section 154 of the Act had been made.
6. the annual general meeting for the financial year ended 31st March 2005 was held on 31st August 2005 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the minutes book maintained for the purpose.
7. No extra -ordinary general meeting was held during the financial year.
8. the company had not advanced any loan to its directors and/or persons or firms or companies referred in the Section 295 of the Act.
9. the company has not entered into any contracts falling within the purview of Section 297.

# MAHAVEER FINANCE INDIA LIMITED

10. the company made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act the company was not required to obtain any approvals from the Board of Directors, Members or Central Government, as the case may be.
12. the company has not issued any duplicate share certificates during the financial year.
13. the company has :
  - (i) delivered all the certificates on allotment of securities and on lodgement thereof for transfer/ transmission in accordance with the provisions of the Act.
  - (ii) not deposited any amount in a separate bank account as no dividend was declared during the financial year
  - (iii) not posted warrants for dividends to any of its members as no dividend was declared
  - (iv) not transferred any amount to unpaid dividend account as there was no unpaid dividend
  - (v) duly complied with the requirement of Section 217 of the Act.
14. the Board of Directors of the Company is duly constituted and no appointment of additional directors was made.
15. the Company has appointed the whole- time Director during the financial year.
16. the company has not appointed any sole - selling agents during the financial year.
17. the company was not required to obtain any approval of the Central Government, Company Law Board Regional Director, Registrar and / or such other authorities prescribed under the various provisions of the Act during the financial year.
18. the directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. the company has issued 146 redeemable non convertible debentures of Rs. 33,19,000 during the financial year and complied with the provisions of the Act.
20. The company has not bought back shares during the financial year.
21. the company has redeemed 155 debentures amounting to Rs. 32,19,000 during the Financial year after complying with the provisions of the Act.
22. there were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. the company has not invited/accepted any deposits including unsecured loans falling within the purview of section 58A during the financial year.
24. the amount borrowed by the Company from directors members public financial institutions banks



**MAHAVEER FINANCE INDIA LIMITED**

and others during the financial year ending 31st March 2006 are within the borrowing limits of the company and necessary resolutions as per Section 293 (1) (d) of the Act have been passed in duly convened annual general meeting.

25. the company has not made any loans or advances or given any guarantees or provided securities to other bodies corporate but has made investments in other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. the company has not altered the provisions of the memorandum with respect to situation of registered office from one state to another during the year under scrutiny.
27. the company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. the company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. the company has not altered the provisions of the memorandum with respect to change in composition of share capital of the company during the year under scrutiny.
30. the company has not altered its articles of association with respect to change in composition of share capital during the financial year.
31. There was no prosecution initiated against or show cause notice received by the company during the financial year.
32. the company has not received any security from its employees during the year under certification.
33. the company has deposited both employees and employer's contribution to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

Place : Chennai  
Date : 31-7-2006

**BRINDA KISHORE**  
Practising Company Secretary