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ANNUAL REPORT

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MAHAVEER FINANCE INDIA LIMITED

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

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 Patiala
 Punjab National Bank
 Indian Overseas Bank
 The Catholic Syrian Bank Ltd

REGISTERED OFFICE

Agurchand Mansion
 'First Floor'
 151, Mount Road,
 Chennai - 600 002.
 Phone : 28460488 & 28460928
 Fax : 044-28460915

FINANCIAL INSTITUTION

Sundaram Finance Limited

BRANCHES

Kanchipuram

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 Eight 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 27th August, 2009 at 11.00 A.M. transacting the following business :

ORDINARY BUSINESS

1. To receive and adopt the audited statement of accounts for the year ended 31st March, 2009 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.
4. To appoint Auditors and fix their remuneration. E. Hemanadhan & Co, Chartered Accountants retire and is eligible for re-appointment.

By order of the Board

Chennai
Date : 16.05.2009

M. Mahaveerchand Dugar
Managing Director

Note :

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 to 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.

The Register of member and the share transfer books of the Company will remain closed from 20-08-2009 to 27-08-2009 (both days inclusive) in connection with payment of dividend.

MAHAVEER FINANCE INDIA LIMITED**DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009**

Dear Members,

Your Directors present the 28th Annual report with Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

Particulars	Year ended 31st	Year ended 31st
	March 2009 (Rs. in Lacs)	March 2008 (Rs. in Lacs)
Profit before Depreciation	59.69	50.26
Provision for Depreciation	8.04	7.10
Tax Provision	14.83	13.71
Profit After Tax	36.82	29.45
Less : Income tax relating to earlier years	0.18	1.05
Add : Profits from Previous year	23.34	21.00
Available for appropriation	59.98	49.40
Transfer to General Reserve	6.00	4.00
Statutory Reserve	7.33	5.68
Proposed Preference Dividend	5.00	5.00
Proposed Equity Dividend	9.00	9.00
Dividend Tax	2.38	2.38
Surplus Carried Forward to Balance Sheet	30.27	23.34

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 31/03/2009. The dividend together with dividend tax of Rs. 2.38 lacs absorbs a sum of Rs. 16.38 lacs.

Preference Share Capital :

During the year your company issued on private placement basis 1000000 10% Redeemable Cumulative Preferences Shares of Rs.10/- each aggregating to Rs. 1 Crore. The issue was fully subscribed and allotment was made on 30/03/2009.

Business :

During the year 2008-09, your company's disbursement was Rs. 757.28 lacs as against Rs. 711.09 lacs in the previous year inspite of slowdown and recession faced by the economy. Profit before tax during the year under review was higher at Rs. 59.69 lacs as compared to Rs. 50.26 lacs over the previous financial year reflecting an increase of 19 %.

Your Company's continuing emphasis on quality has ensured that the performance of the core HP portfolio remained excellent. The standard assets stood at 99.66 % of the total business assets as on 31/03/2009 i.e. stood at the same level as that of the previous year. The gross and net NPAs stood at 0.34% and 0.02% of the total business assets an on 31/03/2009.

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.



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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 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 (1) (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 31/03/2009.

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.

ACKNOWLEDGEMENT :

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.

For and on behalf of the Board

Chennai
Date : 16/05/2009

G. Chidambar
Chairman

MAHAVEER FINANCE INDIA LIMITED**COMPLIANCE CERTIFICATE**

CIN: L65191TN1981PLC008555
Paid up Capital: Rs. 3,00,00,000/-

To,
The Members,
M/s. Mahaveer Finance India Limited,
Agurchand Mansion, I Floor,
151, Mount Road,
Chennai - 600 002

I have examined the registers, records, books and papers of **M/s. MAHAVEER FINANCE INDIA LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2009. 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 and its officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Tamil Nadu, Chennai.
3. The Company, being a public limited Company, comments are not required.
4. The Board of Directors met 5 times on 26.04.2008, 31.07.2008, 25.10.2008, 31.01.2009 and 30.03.2009 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 08.09.2008 to 15.09.2008 (both days inclusive) and the necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting of the Company for the financial year ended 31.03.2008 was held on 15.09.2008, after giving notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. Extra-ordinary General Meeting was held on 30/03/2009 after giving notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.



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9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has 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 has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company:
 - i. Has delivered all the share certificates on allotment of preference shares and transfer of equity shares in accordance with the provision of the Act.
 - ii. Has deposited the amount of dividend declared in a separate Bank Account.
 - iii. Has posted warrants for dividend to all the members within a period of 30 days from the date of declaration of dividend during the financial year.
 - iv. Has no unpaid dividend, application money due for refund, matured debentures and the interest accrued thereon, to be transferred to Investor Education and Protection Fund;
 - v. Has duly complied with Section 217 of the Companies Act, 1956.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing / Whole-time Director / Manager 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 make any application to the Central Government, Company Law Board, Regional Director, Registrar of Companies or such other authorities as may be prescribed under 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 there under.
19. The Company has issued 45 Redeemable Non-convertible debentures amounting to Rs. 13,63,000/- and 10,00,000- 10% Redeemable Cumulative Preference shares of Rs. 10 each on private placement basis during the financial year.
20. The Company has not bought back any shares during the financial year.

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21. The Company has redeemed 72 Redeemable Non-convertible debentures amounting to Rs. 19,49,000/- during the financial year.
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 any unsecured loans falling within the purview of section 58A during the financial year. However it has availed a loan of Rs.70,51,388/- from its directors.
24. The amount borrowed by the company from directors, members public, financial institutions, banks and others during the financial year ending 31st March 2009 are within the borrowing limits of the company.
25. The company has not made any loans or advances or given 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 the Company's 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 share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
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.

Chennai
Date : 16.05.2009

BRINDA KISHORE
Practising Company Secretary
C.P. No.2045