



**29<sup>TH</sup>**

# **ANNUAL REPORT**

**MAHAVEER FINANCE INDIA LIMITED**

**"AGURCHAND MANSION"**

**(1st Floor), 151, Mount Road,**

**Diagonally Opp. Spencer Plaza, Chennai - 600 002.**

**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

E-mail : mahaveerfinance@yahoo.co.in

**BRANCH**

Kanchipuram

**FINANCIAL INSTITUTION**

Sundaram Finance Limited

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**MEMBERS OF**

1. Federation of Indian Hire Purchase Association
2. Finance Companies Association (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)
7. Jain International Trade Organisation (Mumbai)



## NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Company will be held at South India Hire Purchase Association Premises, 'DESABANDU PLAZA', First Floor, 47, Whites Road, Royapettah, Chennai - 600 014 on Friday, the 17th September, 2010 at 12.15 noon transacting the following business:

### ORDINARY BUSINESS

1. To receive and adopt the audited statement of accounts for the year ended 31st March, 2010 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.M. Praveen Dugar who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Sri.P.S.Balasubramaniam who retires by rotation and 'being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration. E.Hemanadhan & Co. Chartered Accountants retire and is eligible for re-appointment.

### SPECIAL BUSINESS

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

"RESOLVED that subject to the provisions of the Section 198,269,309 other applicable provisions if any, of the Companies Act 1956, the Company hereby accords its approval and consent to the re-appointment Sri. M.Praveen Dugar as Executive Director of the company for a term of years commencing from 1st June 2010 and for the payment of remuneration to him for his services as Executive Director, as set out hereunder:"

Salary	:	Rs.30,000/- per month
Commission	:	1 % of Net Profit of the Company.
Perquisites	:	As detailed in the annexure to the explanatory statement

"Further Resolved that the Board of Directors have liberty to revise his remuneration during the tenure of office from time to time as they deem fit within the limits of Schedule XIII of the Companies Act, 1956."

### Minimum Remuneration:

"Where in any financial year, during the currency of tenure of the Executive Director, the company has no profits or its profits are inadequate, the salary and perquisites as mentioned above will be paid as the minimum remuneration subject to the limits specified in Part II of Section II of Schedule XIII to the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time as minimum remuneration."

By order of the Board

Chennai  
Date :24.07.2010

**N. 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 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 members and the share transfer books of the Company will remain closed from 13-09-2010 to 17-09-2010 (both day's inclusive) in connection with payment of dividend.

### ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956

### Special Business

#### ITEM 6

Sri.M.Praveen Dugar was appointed as Executive Director of the Company for a period of 5 years from 01.06.2005. The terms of his remuneration were approved by the members at the 24th Annual General



Meeting held on 31st August, 2005. After considering the remuneration levels prevailing in the industry, the Board of Directors, at the meeting held on 24.07.2010, fixed the salary and perquisites to Sri.M.Praveen Dugar.

This explanatory statement together with the accompanying notice is and should be treated as an abstract of the terms of appointment/remuneration to Sri.M.Praveen Dugar and Memorandum of Interest required to be sent to the shareholders under Section 302 of the Companies Act, 1956.

None of the Directors except Sri.M.Praveen Dugar, Sri.N.Mahaveerchand Dugar and Sri.M.Deepak Dugar are concerned or interested in the said resolution.

By order of the Board

Chennai

Date :24.07.2010

**N. Mahaveerchand Dugar**  
Managing Director

## ***Annexure to the Explanatory Statement:***

### **DETAILS OF PERQUISITES REFERRED TO IN THE NOTICE**

1. Housing:
  - i) the expenditure incurred by the Company on hiring unfurnished accommodation will be subject to the ceiling of 60 % of the salary over and above 10 % payable by the managerial person;
  - ii)
    - a) the expenditure incurred by the Company on gas. electricity water will be evaluated as per Income-tax Rules. 1962.
    - b) perquisites in the form of furniture. furnishings and other utilities in accordance with the rules of the Company, the value of which will be evaluated as per Income-tax Rules.1962;
  - iii) Wherever the Company does not provide accommodation, House Rent Allowance may be paid in accordance with (i) above;
  - iv) Where accommodation in a Company-owned house is provided, the Company will charge 10% of his salary by way of rent;
2. Medical Reimbursement: Expenses incurred for self and family including premium payable for medical insurance in accordance with the rules of the Company;  
Explanation: "Family" means the spouse. dependent children and dependent parents of the appointee.
3. Personal Accident Insurance as per the rules of the Company.
4. Leave Travel Assistance for self and family once in a year in accordance with the rules of the Company.
5. Payment of company's contributions to Provident Fund/Pension Fund/Superannuation Fund/Gratuity Fund and encashment of leave (at the end the tenure) shall not be included in the computation of remuneration or ceiling on the perquisites.
6. Fees for clubs. subject to a maximum of two clubs excluding admission and life membership fee.
7. Provision of chauffeur driven company cars.
8. Provision of telephone(s) at the residence of the Director.
9. Such other allowances, perquisites, benefits and amenities as may provided by the company to other senior executives from time to time.
10. Benefits under the loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time, subject to the provisions of the Companies Act,1956.

For the purpose of calculating the ceiling, perquisites shall be evaluated as per the Income Tax Rules, wherever applicable and in the absence of any such rule, the same shall be evaluated at actual cost.

The above said remuneration and perquisites shall be subject to the ceiling laid down in Section 198, 309 and all other applicable provisions of the Companies Act, 1956 as may be amended from time to time.



# MAHAVEER FINANCE INDIA LIMITED

## DIRECTORS. REPORT FOR THE YEAR ENDED 31st MARCH.2010

Dear Members,

Your Directors present the 29th Annual report with Audited Accounts for the year ended 31st March,2010.

### FINANCIAL RESULTS

	Year ended 31st March 2010 (Rs.in Lacs)	Year ended 31st March 2009 (Rs.in Lacs)
Profit before Depreciation	74.51	59.69
Provision for Depreciation	8.69	8.04
Tax Provision	19.83	14.83
Profit After Tax	45.99	36.82
Less: Income tax relating to earlier years	0.74	0.18
Add : Profits from Previous year	30.27	23.34
Available for appropriation	75.52	59.98
Transfer to General Reserve	6.00	6.00
Statutory Reserve	9.05	7.33
Proposed Preference Dividend	15.00	5.00
Proposed Equity Dividend	9.00	9.00
Dividend Tax	4.08	2.38
Surplus Carried Forward to Balance Sheet	32.39	30.27

### 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 31/03/2010. The dividend together with dividend tax of Rs.4.08 lacs absorbs a sum of Rs.28.08 lacs.

### EXTENSION OF TENURE OF REDEMPTION OF PREFERENCE SHARE CAPITAL:

Your company issued 500000 10% Redeemable Cumulative Preference Shares of Rs.10/- each aggregating to Rs.50 lacs on private placement basis during 2004-2005 which is due for redemption at the end of 5th year. During the year 2009-2010 the company had received the consent of 3/4th majority of Preference shareholders in accordance with Section 106 of the Companies Act,1956 regarding extension of tenure for redemption of Preference shares by a period of 5 years from 25.03.2010 to 25.03.2015 with an option of earlier redemption, that can be exercised by the Company. The Board duly passed the resolution confirming the extension of tenure of redemption of the said preference shares to 25.03.2015.

### BUSINESS:

During the year 2009-10,. your company's disbursement was Rs.808.81 lacs against Rs. 757.28lacs in the previous year. Profit before tax during year under review was higher at Rs.74.51 lacs as compared to Rs.59.69 over the previous financial year reflecting an increase of 25%.

Your Company's continuing emphasis on quality has ensured that the performance of the core HP portfolio remained excellent. The standard assets stood at 99.54% of the total business assets as on 31/03/2010. The gross and net NPAs stood at 0.46% and 0.14% of the total business asset: an on 31/03/2010.

### 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 M. Praveen Dugar retired by rotation and being eligible offers himself for re-appointment.

Sri P.S.Balasubramaniam 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 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 excess of limits prescribed under Section 217(2A) of the Company 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 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(I) (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 31/03/2010.

**CORPORATE GOVERNANCE:**

Since your Company's paid up Capital is 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.

For and on behalf of the Board

Place : Chennai.  
Date :24/07/2010

**N Mahaveerchand Dugar**  
Managing Director



## 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 MIs 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 2010. 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, 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.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Chennai.
3. The Company, being a Public Limited Company, comments are not required.
4. The Board of Directors duly met 4 times on 16.05.2009, 25.07.2009, 31.10.2009, and 23.01.2010 during the financial year in respect of which proper notices were given and the proceedings were properly recorded and signed including circular resolutions passed in the minutes book maintained for the purpose.
5. The Company closed its Register of Members from 20.08.2009 to 27.08.2009 (both days inclusive) and the necessary compliance of Section 154 of the Act has been made during the financial year.
6. The Annual General Meeting for the financial year ended 31.03.2009 was held on 27.08.2009 after giving 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 has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contract falling under the provisions 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 lodgement thereof for transfer of equity shares and preference 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 cheques 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 complied with the requirements of section 217 of the Act.



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 vacancies during the financial year.
15. The Company has not appointed any Managing Director/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 has not made 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 under review.
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 41 redeemable non-convertible debentures amounting to Rs. 14,72,000 during the financial year.
20. The Company has not bought back any shares during the financial year;
21. There was no redemption of preference shares during the financial year. However, the company has extended the date redemption of 10% cumulative redeemable preference shares from 25.3.2010 to 25.3.2015. The company has redeemed 36 non-convertible redeemable debentures amounting to Rs. 8,77,000/-.
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 falling within the purview of Section 58A during the financial year. However, it has availed an 'unsecured loan of Rs. 1,28,58,349/- from its Directors during the financial year.
24. The amount borrowed by the company from Banks during the financial year 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.

Place : Chennai

Date : 24.07.2010

**Ms. Brinda Kishore**

Practising Company Secretary

C.P. No. 2045