

MD	✓		BKC	✓
CS	✓		DPY	WA
RO	✓		DIV	NP
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

ANNUAL REPORT 1996-97

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MADAN FINANCIAL SERVICES LIMITED





MADAN FINANCIAL SERVICES LIMITED

ANNUAL REPORT 1996-97

Board of Directors : Shri. MANJESHWAR ANANTH PAI
Chairman

Shri. MADANCHAND DARDA
Vice-Chairman

Shri. SUNIL M DARDA
Managing Director

Shri. V.K. PADMANABHAN
Shri. DEORAJ DARDA
Shri. AJAY KUMAR DHIMAN
Directors

Company Secretary : Shri. K. BHAASKER

Auditors : M/s. BHANDARI & KESWANI
Chartered Accountants
34-B, Nungambakkam High Road
Chennai 600 034

Bankers : BANK OF BARODA Chennai 600 001
BANK OF MADURA Chennai 600 001
VIJAYA BANK Chennai 600 008

Registered Office : "MADAN CHAMBERS"
124, Marshalls Road
Egmore, Chennai 600 008.

Share Transfer Agent : Integrated Advisory Services Ltd
85 G.N. Chetty Road, T. Nagar
Chennai 600 017.
Phones : 8283453, 8284826

MADAN FINANCIAL SERVICES LIMITED**NOTICE**

Notice is hereby given that the Seventh Annual General Meeting of the Members of Madan Financial Services Limited will be held on Monday the 29th day of December 1997 at 10.00 a.m. at "Venkateswara Mahal" 30, Arcot Road, Porur, Chennai 600 116 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as on September 30, 1997 and the Profit and Loss Account for the period ended on that date and the Reports of the Directors and Auditors.
2. To appoint a Director in the place of Shri Deoraj Darda who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Shri V K Padmanabhan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration. The retiring Auditors M/S Bhandari & Keswani, Chartered Accountants, Chennai are eligible for reappointment.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 316, read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force, the Company hereby accords its approval for the appointment of Shri Sunil M Darda as Managing Director of the Company for a term of 5 years with effect from 01.06.1997 without remuneration

By order of the Board
for **MADAN FINANCIAL SERVICES LIMITED**

K BHAASKER
Company Secretary.

Place : Chennai
Date : 15.11.1997.



MADAN FINANCIAL SERVICES LIMITED

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members are requested to bring in their admission slip duly filled in and hand over at the entrance of the Meeting hall.
3. The members are requested to quote their Folio no. in all correspondence with the company.
4. The register of members and share transfer books of the company will remain closed from 23.12.1997 to 29.12.1997 (both days inclusive).
5. The relevant explanatory statement pursuant to section 173 of the Companies act, 1956 is annexed.
6. Members are requested to notify immediately any change in their address.
7. Members are requested to bring their copies of the annual report to the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.5

Shri Sunil M Darda was appointed as Managing Director by the Board of Directors at their meeting held on 27.05.1997 for a period of 5 years effective from 01.06.1997, without remuneration.

Members approval is required for the said appointment. Your Directors commend the resolution for your approval.

Except Shri Sunil M Darda, Shri Madanchand Darda & Shri Deoraj Darda none of the Directors of the Company is concerned or interested in the resolution under this item.

By order of the Board
for **MADAN FINANCIAL SERVICES LIMITED**

K BHAASKER
Company Secretary.

Place : Chennai
Date : 15.11.1997.

MADAN FINANCIAL SERVICES LIMITED**DIRECTOR'S REPORT**

The Board of Directors herein present the **"Seventh Annual Report"** of the Company together with the Audited Accounts for the period ended 30th September 1997.

FINANCIAL RESULTS AND APPROPRIATIONS

The financial results for the period ended 30th September 1997 are as follows:

PARTICULARS	Period Ended 30.09.1997 (15 Months)	Period Ended 30.06.1996 (15 Months)
	(Rs. in lakhs)	

FINANCIAL RESULTS

Profit before Depreciation and tax	8.50	63.09
Less: Depreciation	4.52	12.57
Profit before Tax	3.98	50.52
Less: Provision for taxation	8.55	—
Profit after Tax	(4.57)	50.52
Less: Short provision for Income Tax relating to earlier Year	9.62	1.44
Add : Prior period Income	0.66	—
Add : Surplus brought forward from previous year	4.68	5.50
	<u>(8.85)</u>	<u>54.58</u>

APPROPRIATIONS

Proposed Dividend	—	47.00
Transfer to General Reserve	—	2.90
Surplus carried to Balance Sheet	(8.85)	4.68
	<u>(8.85)</u>	<u>54.58</u>

OPERATIONS OF THE COMPANY

The financial year under review commensurated with a definite slowdown in the economy and the related financial sector was adversely affected. Your Company's financial results are also indicative of the overall environment in which it had to operate.

During the year the Company's stock-on-hire stood at Rs.113.32 lakhs and the leased assets stood at Rs.4.05 lakhs.

DIVIDEND

In the absence of adequate profits your directors regret their inability to declare dividend.

RESOURCES**BANK LIMITS:**

During the year under review the Company continued to enjoy the credit facility of Rs.50 Lakhs obtained from Bank of Madura. The Company has not obtained any fresh limit for the year.

c) DEPOSITS:

Your Company continued to accept deposits from the public. The amount of Deposits outstanding as on 30.09 1997 stood at Rs.6.23 Lakhs.

There were no unclaimed or overdue deposits at the end of the period under review.

RBI GUIDELINES

The Directors confirm that the accounts have been prepared in accordance with the Prudential norms prescribed by RBI for Non-Banking Finance Companies.

The Company achieved a capital adequacy of 93 % as against the RBI prescription of 8%

DIRECTORATE

In accordance with the Company's Articles of Association, Shri Deoraj Darda and Shri V K Padmanabhan retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Shri Ajay Kumar Dhiman resigned from the office of the Executive Director of the Company with effect from 31.03.1997, but continues as a Director on the Board of the Company. The Board places on record its appreciation of the valuable services rendered by him during the tenure of his office as Executive Director of the Company.

The Board appointed Shri Sunil M Darda as Managing Director of the Company on account of the vacancy caused by the resignation of Shri Ajay Kumar Dhiman with effect from 01.06.1997 for a period of 5 Years without remuneration. Shri Sunil M Darda is also the Joint Managing Director of Madan & Co. Ltd.,

AUDITORS

M\S Bhandari & Keswani, Chartered Accountants, Chennai retire at this ensuing Annual General Meeting and are eligible for reappointment as Auditors of the Company till the next Annual General Meeting.

MADAN FINANCIAL SERVICES LIMITED**ENERGY, TECHNOLOGY, FOREIGN EXCHANGE, INFORMATION REQUIRED U\S 217(1)(e) OF THE COMPANIES ACT 1956.**

Your Company has no activity relating to conservation of energy/technology or absorption. The Company does not have any foreign exchange earnings or outgo.

DISCLOSURE U\S 217(2A) OF THE COMPANIES ACT, 1956.

Information under Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975 and forming part of the Directors Report for the period ended 30th September, 1997 is given below.

ANNEXURE 'A' TO DIRECTORS REPORT**Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975.**

Name	Age	Designation	Gross Remuneration	Qualifications	Total Experience	Date of Commencement of employment	Last Employment Held
			Rs.		(Years)		
Ajay Kumar Dhiman	34	Executive Director	3,81,080*	B.Com. (HONS)	8	31.03.1995	Chief-Southern Region Allianz Capital & Management Services Ltd.,

* Part of the Period under review.

NOTES

1. Gross Remuneration includes Basic Pay, allowances, perquisites, contribution to provident fund and Leave Travel Concession as per rules of the Company.
2. The above employee is not related to any Director.
3. The above employee had resigned from the Office of Executive Director with effect from 31.03.1997.

SUBSIDIARY COMPANY

As required under Section 212 of the Companies Act, 1956, the Audited Statement of Accounts alongwith the report of the Board of Directors of M/S Madan Stock and Share Ltd and the Auditors Report thereon for the period ended 30th September, 1997 are attached.

MFS

MADAN FINANCIAL SERVICES LIMITED**STATUTORY INFORMATION AS REQUIRED UNDER CLAUSE 43 OF THE LISTING AGREEMENT****(Rs.In Lakhs)****FOR 1996-1997**

PARTICULARS	PROJECTED (12 Months)	ACTUAL (15Months)
Total Income	371.00	90.26
Profit After Tax	144.82	(4.57)
EPS (Rs. per Share)	2.90	—
Dividend %	15%	—

The total income and net profit are lower than the projections due to depressed market conditions.

FUTURE PROSPECTS

Your Directors are optimistic of reporting better results for the Company in the current year.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation and their sincere thanks to the Company's Bankers, Customers and Depositors for their valuable support and co-operation. Your Directors also thank all the employees of the Company for their dedicated service and support.

for and on behalf of the
Board of Directors

Place : Chennai
Date : 15.11.1997

M A PAI
Chairman



MADAN FINANCIAL SERVICES LIMITED

AUDITORS' REPORT

To the Members of MADAN FINANCIAL SERVICES LIMITED

We have audited the attached Balance Sheet of Madan Financial Services Limited as at 30th September 1997 and Profit & Loss Account for the period ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose, in the Annexure, a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - (c) The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of account.
 - (d) Reference is invited to para 4 of Schedule 17, Provision has not been made for diminution in value of Investments in Shares held as Long Term Investments, as in the opinion of the Board, the diminutions are on account of temporary market fluctuations. Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
 - (i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 30th September 1997.
 - (ii) In so far as it relates to the Profit and Loss Account, of the Loss of the Company for the period ended on that date.

For and on behalf of
BHANDARI & KESWANI
Chartered Accountants

Place : Chennai.
Dated : 15.11.97

P. BHANDARI.
Partner.