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CS	NA		DPY	NA
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AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SH	<input checked="" type="checkbox"/>
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## ANNUAL REPORT 1997-98

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**MADAN FINANCIAL SERVICES LIMITED**



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## **MADAN FINANCIAL SERVICES LIMITED**

### **ANNUAL REPORT 1997 - 98**

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  
Directors

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 Enterprises (India) Limited  
46/3, Vijaya Raghava Road,  
T. Nagar, Chennai 600 017.  
Phones : 8238891, 8238892

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**MADAN FINANCIAL SERVICES LIMITED****NOTICE**

Notice is hereby given that the Eighth Annual General Meeting of the Members of Madan Financial Services Limited will be held on Wednesday the 30th day of December 1998 at 11 a.m. at "Sivasakthi Kalyana Mandapam" W-126, 3rd Avenue, Anna Nagar, Chennai 600 040, to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as on September 30, 1998 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors.
2. To appoint a Director in the place of Shri Manjeshwar Ananth Pai who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Shri Madanchand Darda, 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 modifications, the following Resolution as a Special Resolution :

RESOLVED THAT pursuant to the provisions of Section 149(2A) of the Companies Act, 1956 approval be and is hereby accorded to the Company for commencing the new business of marketing consumer goods.

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

**SUNIL M. DARDA**  
Managing Director

Place : Chennai  
Date : 12-11-1998

**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 24-12-1998 to 30-12-1998 (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 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.****SPECIAL BUSINESS :**

Item No. 5.

The Board of Directors of the Company feel that it is in the interests of the Company to undertake profitable businesses not involving heavy outlays. Efforts are being made to obtain agencies for fast moving consumer goods.

The Company is empowered to undertake such businesses by the existing "Objects other than the Main or incidental objects" in the Memorandum of Association. Taking an Agency and to carry on the activity would amount to commencement of a new business.

The Company, therefore, is seeking the approval and consent of the shareholders under Section 149(2A) and other applicable provisions of the Companies Act, 1956 for the commencement of business set out in the said resolution.

None of the Directors is in any way concerned or interested in the Resolution.

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

**SUNIL M. DARDA**  
Managing Director

Place : Chennai

Date : 12-11-1998



## MADAN FINANCIAL SERVICES LIMITED

### DIRECTOR'S REPORT

The Board of Directors herein present the "**Eighth Annual Report**" of the company together with the Audited Accounts for the year ended 30th September, 1998.

### FINANCIAL RESULTS AND APPROPRIATIONS

The financial results for the year ended 30th September, 1998 are as follows :

PARTICULARS	Year Ended 30-09-1998 (12 Months)	Period Ended 30-09-1997 (15 Months)
	(Rs. in lakhs)	
<b>FINANCIAL RESULTS</b>		
Profit before Depreciation and tax	6.95	8.50
Less : Depreciation	2.06	4.52
Profit before Tax	4.89	3.98
Less : Provision for taxation	2.80	8.55
Profit after Tax	2.09	(4.57)
Less : Short provision for Income Tax relating to earlier Year	0.23	9.62
Add : Prior Period Income	0.81	0.66
Add : Balance brought forward from previous year	(8.85)	4.68
	<u>(6.18)</u>	<u>(8.85)</u>
<b>APPROPRIATIONS</b>		
Surplus carried to Balance Sheet	<u>(6.18)</u>	<u>(8.85)</u>
	(6.18)	(8.85)

**MADAN FINANCIAL SERVICES LIMITED**

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**PERFORMANCE**

As you are well aware, the year 1997-98 had been a difficult year which witnessed sluggish capital market, deceleration in industrial production and investment. Our Company has been affected adversely, by these factors.

During the year under review, no fresh disbursements by way of Hire-Purchase and Leasing were made.

Our Company has discontinued the Merchant Banking activities, and has not renewed the licence.

**DIVIDEND**

Since the Company has not earned adequate profit during the year under review the directors have decided not to recommend dividend this year.

**FIXED DEPOSITS :**

Your Company has neither accepted nor renewed any deposits from the shareholders/public during the year under review.

There were no unclaimed or overdue deposits at the end of the year 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.

Our Company is yet to receive the "Certificate of Registration" relating to non-banking financial activities from Reserve Bank of India.

**DIRECTORS**

In accordance with the Company's Articles of Association, Shri Manjeshwar Ananth Pai and Shri Madanchand Darda retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Shri Ajay Kumar Dhiman resigned as a Director of the Company with effect from 19-02-1998. The Board places on record its appreciation of the valuable services rendered by him during the tenure of his office as a Director of the Company.

**COMPANY SECRETARY**

Shri K. Bhaasker, resigned as a Company Secretary of the Company with effect from 31-07-1998. The Board places on record its appreciation of the valuable services rendered by him during the tenure of his office as the Company Secretary of the Company.

**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(I)(e) OF THE COMPANIES ACT 1956.

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

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

During the Year under review, the Company had no employee in respect of remuneration attracting the provisions of Section 217 (2A) of the Companies Act, 1956.

### 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 Year ended 30th September, 1998 are attached.

### STATUTORY INFORMATION AS REQUIRED UNDER CLAUSE 43 OF THE LISTING AGREEMENT

FOR 1997-1998

(Rs. In Lakhs)

PARTICULARS	Projected (12 Months)	Actual (12 Months)
Total Income	507.60	47.81
Profit After Tax	188.41	2.09
EPS (Rs. Per Share)	3.77	0.04
Dividend	20%	—

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

### ACKNOWLEDGEMENT

Your Directors 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

**M.A. PAI**  
Chairman

Place : Chennai

Date : 12-11-1998



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**MADAN FINANCIAL SERVICES LIMITED****AUDITORS REPORT TO THE SHAREHOLDERS OF  
M/S. MADAN FINANCIAL SERVICES LIMITED**

To the Members of MADAN FINANCIAL SERVICES LIMITED

We have audited the attached Balance Sheet of Madan Financial Services Limited as at 30th September, 1998 and Profit & Loss Account for the Year 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 Company Law Board 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) 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, 1998.
    - (ii) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

for **BHANDARI & KESWANI**  
CHARTERED ACCOUNTANTS

Place : Chennai  
Dated : 12-11-98

**P. BHANDARI**  
Partner



## MADAN FINANCIAL SERVICES LIMITED

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### ANNEXURE TO THE AUDITORS REPORT

Re : MADAN FINANCIAL SERVICES LIMITED

Referred to in Paragraph 1 of our report of even date.

1. The company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. The fixed assets of the Company have been physically verified during the year by the management and no material discrepancies have been noticed on such verification.
2. None of the fixed assets of the Company have been revalued during the year.
3. In respect of the Investments in Shares, Debentures and Bonds, the Company has maintained proper records of the transactions and contracts thereof and timely entries have been made therein. The Shares are held by the Company in its own name, except the shares which are lodged for transfer / against blank transfer deed pending registration.
4. Shares held as investments have been physically verified during the year by the management and no discrepancies have been noticed on such verification. On the basis of our examination, we are satisfied that the valuation of investments is fair and proper, and is in accordance with the normally accepted accounting policies.
5. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956. or from the companies under the same management as defined u/s 370 (1-B) of the Companies Act, 1956.
6. The Company has not granted any loans, secured or unsecured, to companies, firms, or other parties listed in the register maintained under section 301 and to companies under the same management as defined under section 370 (1-B) of the Companies Act, 1956.
7. In respect of loans and advances in the nature of loans where repayments have been stipulated or restipulated, the parties are generally repaying the Principal amounts as stipulated or restipulated. The parties are generally regular in payments of interest wherever applicable. In our opinion, the Company is taking reasonable steps to recover the Principal and / or interest, in case of delay.
8. The company has maintained adequate documents and records for loans and advances granted on the basis of security by way of pledge of shares, debentures and other similar securities.
9. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of company and the nature of its business with regard to purchase of stock, Plant & Machinery, equipment and other assets and with regard to the sale of goods.