



**MADAN FINANCIAL SERVICES LIMITED**



*CERTIFIED TRUE COPY*  
**For MADAN FINANCIAL SERVICES LIMITED**

  
**Managing Director.**

**CONSOLIDATED FINANCIAL STATEMENTS**  
**2001 - 2002**

**MADAN FINANCIAL SERVICES LIMITED****AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF  
MADAN FINANCIAL SERVICES LIMITED ON THE CONSOLIDATED  
FINANCIAL STATEMENTS OF MADAN FINANCIAL SERVICES  
LIMITED AND ITS SUBSIDIARY**

We have audited the attached Consolidated Balance Sheet of Madan Financial Services Limited and its subsidiary as at 31st March, 2002, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year then ended.

These financial statements are the responsibility of the management of Madan Financial Services Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with and identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant, estimates made by management, as well as evaluating the overall financial statements. We believe our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21 Consolidated Financial Statement issued by the Institute of Chartered Accountants of India, on the basis of the individual financial statements of Madan Financial Services Limited and its subsidiary company Madan Stock & Share Limited included in the aforesaid consolidation.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual financial statements of Madan Financial Services Limited and its subsidiary included in the consolidated financial statements, we are of the opinion that :

- a) The consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Madan Financial Services Limited and its subsidiary as at March 31, 2002,
- b) the consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Madan Financial Services Limited and its subsidiary for the year then ended, and
- c) the consolidated Cash Flow Statement gives a true and fair view of the consolidated Cash Flows of Madan Financial Services Limited and its subsidiary for the year then ended

in conformity with the accounting principles generally accepted in India.

For **BHANDARI & KESWANI**  
Chartered Accountants

**P. BHANDARI**  
Partner

Place : Chennai  
Date : 15.06.2002

**MADAN FINANCIAL SERVICES LIMITED****CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2002**

	Schedule	As at 31.03.2002 Rs. P
<b>SOURCES OF FUNDS</b>		
<b>SHAREHOLDERS FUNDS</b>		
Share Capital	1	50000000.00
Reserves and Surplus	2	8500000.00
<b>LOAN FUNDS</b>		
Secured Loans	3	1539884.11
<b>TOTAL</b>		<b>60039884.11</b>
<b>APPLICATION OF FUNDS</b>		
<b>FIXED ASSETS</b>	4	
Gross Block		1971939.00
Less : Depreciation		1685750.00
Net Block		286189.00
Less : Lease Adjustment A/c.		222552.00
		63637.00
<b>INVESTMENTS</b>	5	21139067.46
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
Current Assets	6	4684545.98
Loans and Advances	7	26543841.00
	(A)	31228386.98
<b>Less : CURRENT LIABILITIES AND PROVISIONS</b>		
Current Liabilities	8	605333.00
Provisions	9	12016482.00
	(B)	12621815.00
<b>NET CURRENT ASSETS</b>	(A-B)	18606571.98
<b>MISCELLANEOUS EXPENDITURE</b>	10	20230607.67
<b>TOTAL</b>		<b>60039884.11</b>

**NOTES ON ACCOUNTS**

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As per our report attached  
of even dateFor **BHANDARI & KESWANI**  
Chartered Accountants**P. BHANDARI**  
PartnerChennai  
15.06.2002

For and on behalf of the Board

**M.A. PAI**  
Chairman**SUNIL M. DARDA**  
Managing Director**MADANCHAND DARDA**  
Vice Chairman**N. MUTHUKUMAR**  
Director

**ADAN FINANCIAL SERVICES LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED 31st MARCH, 2002**

	Schedule	For the year ended 31.03.2002 Rs. P.
<b>INCOME</b>		
Sales		4966.15
Income from Operations	11	3080883.00
Other Income	12	518654.43
	<b>TOTAL</b>	<b>3604503.58</b>
<b>EXPENDITURE</b>		
Speculation Loss		3958.83
Financial Expenses	13	235000.00
Establishment Charges	14	153305.00
Administrative Expenses	15	2351713.41
Cost of Goods Sold	16	754317.90
		<b>3498295.14</b>
<b>PROFIT/LOSS BEFORE DEPRECIATION AND TAX</b>		<b>106208.44</b>
ADD : Provision for Non Performing Assets	2401962.00	
LESS : Depreciation on Fixed Assets	92472.00	
LESS : Diminution in value of Invt.	490550.99	
		<b>1818939.01</b>
<b>PROFIT/LOSS BEFORE TAX</b>		<b>1925147.45</b>
Provision for taxation		58800.00
<b>PROFIT/LOSS AFTER TAX</b>		<b>1866347.45</b>
Add : Short Provision for Income Tax relating to earlier years		74396.00
Add : Balance brought forward from previous year		-21532351.12
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>		<b>-19591607.67</b>
<b>APPROPRIATIONS</b>		
Deficit carried forward to Balance Sheet		-19591607.67
As per our report attached of even date		<b>-19591607.67</b>
For <b>BHANDARI &amp; KESWANI</b> Chartered Accountants	For and on behalf of the Board	
<b>P. BHANDARI</b> Partner Chennai 15.06.2002	<b>M.A. PAI</b> Chairman  <b>SUNIL M. DARDA</b> Managing Director	<b>MADANCHAND DARDA</b> Vice Chairman  <b>N. MUTHUKUMAR</b> Director

**MADAN FINANCIAL SERVICES LIMITED**

**Schedules 1 to 17 annexed to and forming part of Consolidated Balance Sheet as at 31st March, 2002 and Profit and Loss Account for the year ended on that date**

	As at 31.03.2002 Rs. P.
<b>1. Share Capital :</b>	
<b>Authorised</b>	
6000000 Equity Shares of Rs.10/- each	60000000.00
<b>Issued and Subscribed</b>	
5000000 Equity Shares of Rs. 10 each fully paid up in cash	50000000.00
	<b>50000000.00</b>
<b>2. Reserves and Surplus</b>	
Securities Premium Account	8000000.00
General Reserve	500000.00
	<b>8500000.00</b>
<b>3. Secured Loans :</b>	
From Scheduled Bank :	
Cash credit account	
Secured by Hypothecation of Leased Assets & Stock on Hire	1539884.11
	<b>1539884.11</b>