

Annual Report 2003 - 2004



MADAN FINANCIAL SERVICES LIMITED

MADAN FINANCIAL SERVICES LIMITED

ANNUAL REPORT 2003 - 2004

BOARD OF DIRECTORS : **Shri MANJESHWAR ANANTH PAI**
Chairman

Shri MADANCHAND DARDA
Vice-Chairman

Shri SUNIL M. DARDA
Managing Director

Shri N. MUTHUKUMAR
Director

Shri C.R. PREMNATH
Director

AUDIT COMMITTEE : **Shri MANJESHWAR ANANTH PAI**
Chairman

Shri N. MUTHUKUMAR
Member

Shri MADANCHAND DARDA
Member

AUDITORS : **M/s. BHANDARI & KESWANI**
Chartered Accountants
75, Nungambakkam High Road,
Chennai-600 034.

BANKERS : **BANK OF BARODA**
ICICI BANK LTD
VIJAYA BANK
INDUSIND BANK
ABN AMRO BANK

MADAN FINANCIAL SERVICES LIMITED

SHARES LISTED WITH	:	MADRAS STOCK EXCHANGE LTD., 11, Second Line Beach, Chennai-600 001. THE STOCK EXCHANGE, Mumbai Phiroze Jee Jee Bhoy Towers, Dajal Street, Mumbai-400 001.
REGISTERED OFFICE	:	"SHARE HOUSE" New No. 114, Old No. 61, Moore Street, Chennai-600 001. Ph. : 98402 75001
ADMINISTRATIVE OFFICE	:	G-A, No. 124, Marshalls Road, Egmore, Chennai-600 008. Ph. : 28524308, 55877081, 52145902 Fax : 25292449
BRANCH OFFICE	:	No. 588/30, 44th Cross 1st Main Road, 8th Block, Jayanagar, Bangalore-560 082. Ph. : 080-26631696
SHARE TRANSFER / DEMAT AGENT	:	Integrated Enterprises (India) Limited 2nd Floor, "Kences Towers", No. 1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai-600 017. Ph. : 28140801 - 03 Fax : 28142479
DEPOSITORY	:	National Securities Depository Ltd., (NSDL) Central Depository Services (India) Ltd. (CDSL)

MADAN FINANCIAL SERVICES LIMITED

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of Madan Financial Services Limited will be held on Thursday the 15th day of July, 2004 at 11.00 a.m. at No. 2, "Sun Plaza" 2nd Floor, 39, G.N. Chetty Road, Chennai-600 006, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as on March 31, 2004 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 Auditors and to fix their remuneration. The retiring Auditors M/s. Bhandari and Keswani, Chartered Accountants, Chennai are eligible for re-appointment.

By Order of the Board

For **MADAN FINANCIAL SERVICES LIMITED**

Report

SUNIL M. DARDA

Managing Director

Date : 12.05.2004

Place : Chennai.

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 handover at the entrance of the Meeting hall.
3. Members are requested to quote their Folio No. or their Client ID No. in all correspondence with the Company.
4. The register of members and share transfer books of the company will remain closed from 09.07.2004 to 15.07.2004 (both days inclusive)
5. Members are requested to notify any change in their address.
6. Members are requested to bring their copies of the annual report to the meeting.
7. Unclaimed dividend for the financial year 1995-1996, has been transferred to Investor Education and Protection Fund, set up by the Central Government pursuant to the provisions of Section 205C of the Companies Act, 1956.

MADAN FINANCIAL SERVICES LIMITED

Details of Directors seeking re-appointment in the 13th Annual General Meeting to be held on Thursday, the 15th day of July, 2004, pursuant to requirement of Clause 49 (VI) of Listing Agreement on Corporate Governance.

SHRI MANJESHWAR ANANTH PAI

Shri Manjeshwar Ananth Pai has been appointed as a Director of your Company on 29.04.1995 and was elected as Chairman.

Brief Resume and Nature of Expertise.

Shri Manjeshwar Ananth Pai holds a Masters Degree in Commerce. He has done PGDPA and CAIIB. He started his career in the Economic Department of RBI, Mumbai from December, 1963 to June 1966. He served in the Income-Tax Department from July, 1966 to February 1995, and was serving in the Metros of Mumbai, Chennai and Delhi. During his career of three decades he held different responsible posts including that of the Commissioner of Income-Tax, Mumbai City V & VI, Delhi Central and Director of Income-tax (Investigation), Delhi.

Directorship in Other Indian Companies :

- | | |
|--|----------|
| 1. Blossom Industries Ltd., Daman (U.T.) | Director |
| 2. Madan & Co. Ltd., Chennai | Director |

He is on the Committee of the Board of the directors.

Audit Committee	-	Chairman
Remuneration Committee	-	Chairman
Shareholder's Grievance Committee	-	Member.

The Board of Directors consider that his re-appointment as a Director will be in the interests of the company and recommend the passing of the Resolution.

Except Shri Manjeshwar Ananth Pai none of the Directors of the company is concerned or interested in the resolution under this item.

MADAN FINANCIAL SERVICES LIMITED**DIRECTORS' REPORT**

The Board of Directors herein present the "Thirteenth Annual Report" of the Company together with the Audited Accounts for the year ended 31st March, 2004.

FINANCIAL RESULTS AND APPROPRIATIONS

The financial results for the year ended 31st March, 2004 are as follows :

PARTICULARS	Year ended 31.03.2004	Year ended 31.03.2003
	(Rs. in lakhs)	
FINANCIAL RESULTS		
Profit/Loss before Depreciation and Tax	(30.19)	(26.48)
Add/Less : Depreciation on Fixed Assets	(1.04)	(0.17)
Diminution in value of Invt.	0.00	(17.70)
Excess amount provided for diminution in value of Invt. as on 01.01.04	37.76	0.00
Provision for Non-performing Assets	(1.05)	13.13
Profit/Loss before Tax	5.48	(31.22)
Provision for Current Tax	(0.53)	(0.43)
Provision for Deferred Tax	(0.39)	0.00
Profit/Loss after Tax	4.56	(31.65)
Add : Excess provision for Income Tax relating to earlier years	0.43	1.09
Add : Balance brought forward from previous years	(198.49)	(167.93)
Deficit carried to Balance Sheet	(193.49)	(198.49)

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PERFORMANCE

The Company conducted fresh business to the extent of Rs.70 Lacs. during the year. The Company due to its excellent recovery mechanism is able to collect the dues satisfactorily and is not facing any major recovery problems.

As per RBI Guidelines, a provision of Rs.1,04,779/- has been made in respect of Non-performing Assets.

The Company after obtaining approval of members in the previous Annual General Meeting held on 16-07-2003 for adding objects relating to Corporate Agency, Brokers of Insurance Business, has commenced the said activity during July, 2003.

The Company had started earning income from the above said activity.

OUTLOOK FOR THE CURRENT YEAR

The Company has decided to obtain Money Changers Licence from Reserve Bank of India in view of its growing potential.

Moreover, your Company has decided to engage in Insurance Agency business in a full-fledged manner alongwith Money-changers business.

DIVIDEND

In order to conserve reserves the directors have decided not to recommend dividend during this year.

FIXED DEPOSITS

Your Company has not accepted any deposits from the shareholders/public during the year under review.

The Company does not have any Public deposits at the end of the year.

DIRECTORS

In accordance with the Company's Articles of Association, Shri Manjeshwar Ananth Pai retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

For the kind perusal of the shareholders, a brief resume of the Director being appointed/re-appointed, nature of his expertise and the names of the companies in which he holds the directorship and the details of the membership of the committees of the Board, are mentioned in the Explanatory Statement. The Board of Directors recommend his re-appointment.

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.

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RBI GUIDELINES :

The Company continues to follow the prudential norms prescribed by Reserve Bank of India for NBFC.

Since your Company is not accepting deposits, your company has received Category B Certificate from RBI (i.e. a Company not accepting Public Deposits) on 03.12.2002

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 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 has no employee who is in receipt of remuneration attracting the provisions of Section 217(2A) of the Companies Act, 1956.

SUBSIDIARY COMPANY

During the year under review, the company has no subsidiary company attracting the provisions of Section 212 of the Companies Act, 1956.

CORPORATE GOVERNANCE

A separate report on Corporate Governance is included in the Annual Report and the Certificate from the Auditors of the Company confirming compliance with the conditions on Corporate Governance as stipulated in Clause 49 of the Listing agreement is annexed thereto.

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors, report that :

- (i) in the preparation of Annual Accounts, the applicable accounting standards have been generally followed.
- (ii) Appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the company for that year.
- (iii) the Directors 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.

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(iv) the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENT

Your Directors record their appreciation and their sincere thanks to the Company's Bankers and Customers 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 : 12.05.2004

M.A. PAI
Chairman

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