

13<sup>th</sup> ANNUAL REPORT  
2009-2010

**RISHAB FINANCIAL SERVICES LIMITED**  
(Formerly Known as Madan Financial Services Limited)

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(Formerly Known as Madan Financial Services Limited)

**ANNUAL REPORT 2009-2010**

**BOARD OF DIRECTORS**

: **Shri MANGALCHAND C SURANA**  
Chairman  
**Shri RAJESH SURANA**  
Managing Director  
**Shri N.K.SURANA**  
Director  
**Shri YESWANT CHOPRA**  
Director

**AUDIT COMMITTEE**

: **Shri N.K.SURANA**  
Chairman  
**Shri MANGALCHAND C SURANA**  
Member  
**Shri RAJESH SURANA**  
Member  
**Shri YESWANT CHOPRA**  
Member

**AUDITORS**

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

**SHARES LISTED WITH**

: **MADRAS STOCK EXCHANGE LTD.,**  
11, Second Line Beach, Chennai-600 001.

**BOMBAY STOCK EXCHANGE LTD.,**  
Phiroze JeeJee Bhoy Towers,  
Dalal Street, Mumbai-400 001.

**REGISTERED OFFICE**

"HANWANT COMPLEX"  
Old No.58, Govindappa Naicken Street,  
1<sup>st</sup> Floor, Chennai-600 001.  
Ph: 044-42013737, 044-42037673

**ADMINISTRATIVE OFFICE**  
(And address for communication)

: No. 459, Mint Street,  
Sowcarpet, Chennai-600 079.  
Ph.: 044-42051166 Fax: 044-42051581

**BANKERS**

: **INDUSIND BANK LTD.**  
**THE BANK OF RAJASTHAN LTD.**  
**IDBI BANK LTD.**  
**VIJAYA BANK**

**SHARE TRANSFER/  
DEMAT AGENT**

: **CAMEO CORPORATE SERVICES LIMITED,**  
"Subramanian Building", V Floor,  
1, Club House Road, Chennai-600 002.  
Ph.: 044-28460390-95 Fax :044- 28460129

**DEPOSITORY**

: **National Securities Depository Ltd.,**  
**(NSDL)**  
**Central Depository Services (India) Ltd.,**  
**(CDSL)**

**RISHAB FINANCIAL SERVICES LIMITED**

**NOTICE**

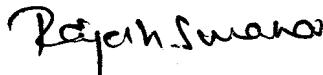
Notice is hereby given that the Nineteenth Annual General Meeting of the Members of Rishab Financial Services Limited will be held on Wednesday, the 29<sup>th</sup> day of September, 2010 at 9.30 a.m. at No.2, "Sun Plaza", 1st Floor, #39, G. N. Chetty Road, Chennai-600 006, to transact the following business:

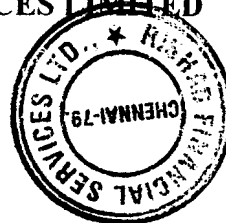
**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as on March 31, 2010 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 N K Surana, who retires by rotation and being eligible, and offer 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 **RISHAB FINANCIAL SERVICES LIMITED**

  
**RAJESH SURANA**  
Managing Director



Place: Chennai  
Date : 30.06.2010

**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 Number or their Client ID Number in all correspondence with the Company.
4. The register of members and share transfer books of the Company will remain closed from 27.09.10 to 29.09.10 (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. In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, a brief resume of Directors who are proposed to be appointed/re-appointed at this meeting is given below:



**Details of Directors re-appointment in the Nineteenth Annual General Meeting to be held on Wednesday, the 29th day of September 2010, pursuant to requirement of Clause 49 of Listing Agreement on Corporate Governance.**

**1. SHRI N K SURANA**

Shri N.K.Surana, was appointed as a Director retiring by rotation on 29.09.2008.

**Brief Resume and Nature of Expertise:**

Shri N.K Surana graduated in Bachelor's Degree in Commerce in 1974 from Chennai. He qualified as a Chartered Accountant in 1981. Since then he started to practice in the profession of Chartered Accountancy in Chennai.

He has a rich experience in investment finance and securitisation, also as an investor in this field for past 29 years. His experience in these fields is of immense use to the Company.

Shri N.K Surana is also Chairman cum Managing Director of SDN Agro Farms Limited and Sugul & Damani Agro Farms (P) Limited.

He is on the following Committees of the Board of Directors:

Audit Committee	Chairman
Share Transfer Committee	Member
Shareholder's Grievance Committee	Member
Remuneration Committee	Member

**Shareholdings of the director:**

Shri N K Surana does not hold any shares in your Company.

He is an Independent Director of the Company as per the provisions of the Companies Act, 1956 and also as per the terms and references of the Listing Agreement with the Stock Exchanges in India

Resolution seeking approval for his appointment is being placed for member's approval in the notice of the ensuing Annual General Meeting.

The Board of Directors considers that his appointment as a Director will be in the interests of the Company and recommend the passing of the Resolution.

Except Shri N.K.Surana, none of the Directors of the Company are concerned or interested in the resolution under this item.



## DIRECTOR'S REPORT

The Board of Directors herein present the "Nineteenth Annual Report" of the Company together with the Audited Accounts for the year ended 31st March 2010.

### FINANCIAL RESULTS AND APPROPRIATIONS

The financial results for the year ended 31st March 2010 are as follows:

PARTICULARS	Year ended 31.03.2010 (Rs. in lakhs)	Year ended 31.03.2009 (Rs. in lakhs)
<b>FINANCIAL RESULTS</b>		
Profit /Loss before Depreciation and Tax	16.58	17.44
Add/Less: Depreciation on Fixed Assets	(2.33)	(3.48)
Provision for Non-Performing Assets	17.17	----
Profit /Loss Before Tax	31.42	13.96
Fringe Benefit Tax	----	(0.11)
Provision for Current Tax	(5.17)	(4.18)
Provision for Deferred Tax	(0.23)	(0.14)
Profit /Loss after Tax	26.02	9.51
Add: Excess provision for Diminution in the Value of Investments relating to earlier years	----	30.96
Less: Transfer to Statutory Reserve	(5.20)	(1.90)
Add: Balance brought forward from previous Years	(166.73)	(205.30)
Deficit carried to Balance Sheet	(145.91)	(166.73)



### **DIVIDEND**

The directors have decided not to recommend any dividend in view of the accumulated losses, although the same has decreased by almost 12 %.

### **PERFORMANCE**

The Company conducted fresh business to the extent of Rs.86.79 Lacs, during the year. The Company has continued the recovery process of funds that had been disbursed earlier.

### **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**

Shri N.K Surana, being eligible for appointment, offers himself for appointment.

For the kind perusal of the shareholders, a brief resume of the Directors being appointed, nature of their expertise and the names of the companies in which they hold the directorship and the details of the membership of the committees of the Board, are mentioned in the Explanatory Statement. The Board of Directors recommends their appointments.

### **AUDITORS**

M/s. Bhandari & Keswani, Chartered Accountants, Chennai, retire at the ensuing Annual General Meeting and are eligible for re-appointment as Auditors of the Company till the next Annual General Meeting.

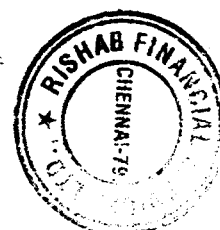
### **RBI GUIDELINES**

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

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.

**CORPORATE GOVERNANCE**

Your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the amended Listing Agreement of the Stock Exchanges on which the Company is listed are complied with.

A separate report on Corporate Governance is included in the Annual Report, a declaration signed by the CEO that Code of Conduct has been complied on an annual basis is annexed and forms part of the Director's Report.

**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 judgments 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 31st March, 2010 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 and
- (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, Customers and all others 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. C. Suran*

**MANGALCHAND C SURAN**  
Chairman



Place : Chennai  
Date : 30.06.2010

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ENVIRONMENT

The present economy, in which your Company is in operation, is extremely volatile with markets becoming very unpredictable with the recession spreading in most of the sectors. Although there has suddenly been a change in the various business activities and the markets are seeing a lot of volatility, your Company is confident of withstanding such changes. In this situation, your Company seeks to be quite cautious in parting with the funds of the Company and closely monitor the cash flow management. It is significant that only quality services which are delivered have a long standing and sustain the overall business levels as such in the days ahead.

### OPPORTUNITIES AND THREATS

The opportunities existing in the areas of Finance and Investment are being looked into by your Company. Your Company is in the process of making suitable decisions to enter into such new vibrant areas in the coming year. The NBFC industry, in general, faces more challenges both in terms of stringent regulations and the trust reposed in the Company.

### OUTLOOK

The Company is at the verge of concluding a new business venture. Your Company shall appropriately take up the new line of activity along with the existing business.

### RISKS AND CONCERNS

The Company conducted fresh business to the extent of Rs.86,79,200/ (Rupees Eighty Six Lakhs Seventy Nine Thousands and Two Hundred Only) and the Company is in the process of collecting the receivables and hence there is no significant risk associated with this operation.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorised, recorded and reported correctly.

The Audit Committee meets periodically with the Management and the Statutory Auditors to review the internal control systems.

### HUMAN RESOURCES DEVELOPMENT

There has been a little development in human resources / industrial relations and it is slowly increasing the functioning with a larger staff. The Company selects appropriate persons for the job, trains them and puts them on the job.

For and on behalf of the Board of Directors

M. C. SURESH  
MANGALCHAND C SURAN  
Chairman

Place : Chennai  
Date : 30.06.2010

