



1999 - 2000



GALADA FINANCE LIMITED



GALADA FINANCE LIMITED

BOARD OF DIRECTORS

Justice P Bhaskaran	Chairman
Mr J Ashok Galada	Managing Director
Mr Naveen Galada	Executive Director
Mr P S Ramanujam	Director
Mr K Ramu	Director
Mr S Venkatakrishnan	Director
Mrs Shanthi Devi Galada	Director
Mrs Vinitha Munoth	Director
Mrs Jyothi Ostwal	Director

BANKERS

Indian Bank,
Mint Street,
CHENNAI - 600 079

AUDITORS

M/s. H K Chandarana & Co.,
Chartered Accountants,
II Floor, 137, Nainiappa Naicken Street,
CHENNAI - 600 079

LEGAL ADVISER

Mr S S Rajesh,
Advocate, Chennai

**REGISTERED AND
CORPORATE OFFICE**

Office No. 7, 8 & 9, II Floor,
"Agarwal Court, K G Plaza",
No 41-44, General Patters Road,
CHENNAI - 600 002
Tel: 8511552, 8511553
Fax No. 8513399

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NOTICE OF THE ANNUAL GENERAL MEETING TO THE MEMBERS

Notice is hereby given that the **FOURTEENTH ANNUAL GENERAL MEETING** of the Members of the Company will be held on Saturday the 23rd September 2000 at 4.00 p.m. at the "Indra Sabha Hall" Hotel Palmgrove, Kodambakkam High Road, Chennai - 600 034 to transact the following business

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2000 and the Profit and Loss Account for the year ended on that date and the Reports of Directors and the Auditors thereon.
2. To note payment of dividend.
3. To appoint a Director in place of Mr K Ramu who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr S Venkatakrishnan who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration. The retiring Auditors **M/s. H K Chandarana & Co.,** Chartered Accountants are eligible for re-appointment.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modifications the following resolution as an ordinary resolution :-

"RESOLVED

That pursuant to notice along with a deposit of Rs. 500/- received from a

Member in accordance with the provisions of the Companies Act, 1956 proposing the candidature of Mr Naveen Galada for the Office of Director Mr Naveen Galada be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modifications the following resolution as an ordinary resolution :-

"RESOLVED

That pursuant to notice along with a deposit of Rs. 500/- received from a Member in accordance with the provisions of the Companies Act, 1956 proposing the candidature of Mrs Jyothi Ostwal for the Office of Director, Mrs Jyothi Ostwal be and is hereby appointed as a Director of the Company liable to retire by rotation."

8. To consider and if thought fit, to pass with or without modifications, the following resolution as a special resolution:

"RESOLVED

That pursuant to Sections 269, 309, 310 read with the Schedule XIII attached to the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications or re-enactment thereof, for the time being in force, the Company hereby accords its approval for appointment of Mr Naveen Galada as Executive Director of the Company for a period of five years from 1.7.2000 to 30.6.2005 and payment of remuneration of Rs. 7,500/- per month with perquisites as detailed below, with effect from 1.7.2000

CATEGORY A

1 Salary Rs. 7,500/- per month.

II Perquisites

Part 1 -

Housing I - If the accommodation is provided by the Company, the expenditure of hiring furnished accommodation subject to 60% of the Salary. Over and above 10% to be paid by the appointee.

Housing II - In case no accommodation is provided by the Company, the Executive Director is entitled to house rent allowance subject to the ceiling laid down in Housing I above.

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962 subject to the ceiling of 10% of the Salary of the Executive Director.

Part II

The Executive Director shall be entitled to Medical reimbursement subject to a maximum of one month's salary in a year or three months salary over a period of three years.

Part III

Leave Travel Concession

The Executive Director can avail Leave Travel Concession once in a year in accordance with the rules specified by the Company

Part IV

The Executive Director is entitled to fees for two clubs. However, this will not include any admission or Life membership fee.

Part V

Personal Accident Insurance

A premium not exceeding Rs. 4,000/- per annum.

CATEGORY B

Provident Fund/Superannuation Fund

The Executive Director shall be entitled to Provident Fund, Superannuation Fund as per the rules of the Company

Gratuity

The Executive Director shall be entitled to gratuity @ 1/2 months' salary for each completed year of service.

CATEGORY C

Provision of Car

The Company shall provide Car with driver to the Executive Director on Company's business. Personal use of car for private purposes shall be billed by the Company to the Executive Director.

Telephone

The Executive Director is entitled to telephone at his residence. However, personal long distance calls shall be logged in and paid over to the Company.

MINIMUM REMUNERATION

In the event of inadequacy of profits or no profits in any financial year, the Company may pay to **Mr Naveen Galada**, Executive Director, remuneration by way of salary, perquisites and allowances not exceeding Rs. 1,00,000/ per month in terms of Section II of Schedule XIII of the Companies Act, 1956.

For **GALADA FINANCE LIMITED**

JASHOK GALADA
Managing Director

Place : Chennai,
Date : 24th June 2000

Notes :-

1. A member entitled to attend and vote at the meeting of the Company shall be entitled to appoint any other person, whether a member or not, as his/her proxy to attend instead of himself/herself. Such proxy shall not be entitled to vote except on a poll. A form of proxy is enclosed. Proxy form in order to be effective, should be lodged with the Company at any time not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 16.9.2000 to 23.9.2000 (both days inclusive).
3. Members are requested to communicate their change of address if any, quoting their respective folios.
4. The Board of Directors at its meeting held on 11th March 2000 approved payment of interim dividend at 10% on the paid up share capital of Rs. 300 lakhs for the year 1999-2000. The Board at its subsequent meeting held on 20th May 2000 have revised the quantum of interim dividend to 6%. The Board of Directors at its meeting held on 24th June 2000 have decided that the interim dividend declared be adjusted towards final dividend. Accordingly, shareholders would note the payment of interim dividend made on the shares of the Company. (Refer item No. 2 of the Notice)

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**Item No.6**

At the Board Meeting held on 31.1.2000, Mr Naveen Galada was appointed as an Additional Director of the Company to hold office upto the date of forthcoming Annual General Meeting, as per provisions of Section 260 of the Companies Act, 1956. The Company has received a notice along with deposit of Rs. 500/- from a Member proposing the candidature of Mr Naveen Galada for the Office of Director.

Mr J Ashok Galada, Managing Director, Mrs Shanthi Devi Galada, Mr Naveen Galada and Mrs Jyothi Ostwal, Directors may be deemed to be concerned or interested in passing the resolution.

Your Directors commend passing the resolution.

Item No.7

At the Board Meeting held on 31.1.2000, Mrs Jyothi Ostwal was appointed as an Additional Director of the Company to hold office upto the date of forthcoming Annual General Meeting, as per provisions of Section 260 of the Companies Act, 1956. The Company has received a notice along with deposit of Rs. 500/- from a Member proposing the candidature of Mrs Jyothi Ostwal for the Office of Director.

Mr J Ashok Galada, Managing Director, Mrs Shanthi Devi Galada, Mrs Jyothi Ostwal and Mr Naveen Galada, Directors may be deemed to be concerned or interested in passing the resolution.

Your Directors commend passing the resolution.

Item No. 8

At the Board Meeting held on 24th June 2000, Mr Naveen Galada was appointed as Executive Director of the Company subject to obtaining the approval of Shareholders at this Annual General Meeting for a period of five years from 1.7.2000 to 30.6.2005 on a remuneration as per details enumerated in the resolution No. 8.

The remuneration proposed to be paid is well within the ceiling prescribed in Part II of Schedule XIII attached to the Companies Act, 1956.

The above statement may be regarded as an abstract of the terms and Memorandum of interest under Section 302 of the Companies Act, 1956.

Mr J Ashok Galada, Managing Director, Mrs Shanthi Devi Galada, Mr Naveen Galada and Mrs Jyothi Ostwal, Directors may be deemed to be concerned or interested in passing the resolution.

The Board of Directors commend passing the resolution.

For **GALADA FINANCE LIMITED**

J ASHOK GALADA
Managing Director

Place : Chennai,
Date : 24th June 2000

DIRECTORS' REPORT

Dear Members

Your Directors have great pleasure in presenting their **FOURTEENTH ANNUAL REPORT** together with the Audited Accounts of the Company for the year ended March 31, 2000.

FINANCIAL RESULTS :

The financial results for the year ended 31st March 2000 are given below :-

Description	For the year ended 31.3.2000 (Rs. in lakhs)	For the year ended 31.3.1999
Total income	201.22	207.40
Less: Expenditure	72.34	72.72
Profit before Depreciation and Taxes	128.88	134.68
Less: Depreciation	90.91	101.68
Profit before Tax	37.97	33.00
Less: Income Tax	8.75	3.47
Profit After Tax	29.22	29.53
Balance Brought Forward from Previous Year	1.61	8.58
Amount available for appropriation	30.83	38.11
APPROPRIATION		
Proposed Dividend & Tax thereon	19.98	16.50
Balance carried to Balance Sheet	4.85	1.61
Transfer to General Reserve	6.00	20.00
	30.83	38.11

BUSINESS :

During the year under report, the Company extended Hire Purchase finance of Rs. 331 lakhs and lease finance for Rs. 59 lakhs.

The gross profit registered an increase of 15.06% over the previous financial year and the net profit has shown marginal decrease of 1.06% as compared to previous financial year due to higher provision for Income tax at Rs. 8.75 lakhs as compared to Rs. 3.47 lakhs in the previous financial year.

DEPOSITS :

As on 31st March 2000, there were 136 depositors for a value of Rs. 22.47 lakhs.

Your Company has complied with the requirements under the guidelines issued by the Reserve Bank of India for Non-Banking Financial Companies.

INFORMATION REQUIRED UNDER NON-BANKING FINANCIAL COMPANIES ACCEPTANCE OF PUBLIC DEPOSITS (RESERVE BANK) DIRECTIONS, 1998:

The total number of accounts of public deposit of the Company which have not been claimed by the depositors or not paid by the Company after the date on which the deposit became due for repayment was NIL.

The total amount due under such accounts remaining unclaimed or unpaid beyond the dates referred to above was NIL.

DIVIDEND :

Your Directors have declared an interim dividend of 6% on the paid up share capital of Rs. 300 lakhs absorbing a sum of Rs. 18 lakhs towards Dividend and Rs. 1.98 towards dividend tax and surcharge thereon for the financial year ended March 31, 2000.

The interim dividend paid shall be fully adjusted as final dividend for the financial year ended March 31, 2000.

Y2K :

The Company's operations are computerised and is Y2K compliant. The changeover to Year 2000 did not pose any problem in any system or other area of operations of the Company.

PROSPECTS :-

The Company has maintained the growth achieved in the earlier years. The future for the Company looks very bright.

DIRECTORS :

Mr K Ramu and Mr S Venkatakrishnan, Directors retire by rotation and being eligible, they offer themselves for re-appointment.

AUDITORS :

M/s. H K Chandarana & Co., Chartered Accountants, the Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment

EMPLOYEES :

Your Directors wish to convey their appreciation of services rendered by the employees at all levels.

PARTICULARS REQUIRED UNDER SECTION 217(2A) OF COMPANIES ACT, 1956 :

There were no employees who were in receipt of the remuneration for the year ended 31.3.2000 as prescribed under Section 217 (2A) of the Companies Act, 1956 and hence annexure as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is not attached.

INFORMATION PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956:

The Company has no activity relating to conservation of energy or technical absorption. There were no foreign exchange earnings or outgo during the year under review.

ACKNOWLEDGEMENT :-

Your Directors would like to express their appreciation for the continued assistance and co-operation received from Company's Bankers, Customers, Advisors, Auditors and Depositors during the year under review.

For and on behalf of the Board of Directors

JUSTICE P BHASKARAN
CHAIRMAN

Chennai.

Dated: 24th June 2000

AUDITORS' REPORT TO THE MEMBERS OF GALADA FINANCE LIMITED

We have audited the attached Balance Sheet of GALADA FINANCE LIMITED as at 31st March 2000, and also the annexed Profit and Loss Account of the Company for the period ended on that date and report that :-

- I) 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 it appears from our examination of the books.
- c. The Balance Sheet and the Profit & Loss Account dealt with by the report are in agreement with the books of account
- d. In our opinion, the Profit & Loss Account and Balance Sheet comply with the mandatory accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956
- e. In our opinion and to the best of information and according to the explanations given to us, the said Balance Sheet and the Profit & Loss Account subject to note 2 regarding non amortization of public issue expenses amounting to Rs. 1,33,509 and to that extent profit is over - stated and read together with 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 31st March 2000.

- (ii) In so far as it related to the Profit & Loss Account, of the profit of the Company for the year ended on that date.

- II) As required by the Manufacturing and Other Companies (Auditors' Report) Order 1988, issued by the Company Law Board in terms of the Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and the information and explanation given to us in course of Audit:-

we further report that

1. The Company has maintained proper records to show full particulars including quantitative details and situation of the fixed assets. The fixed assets have been physically verified by the management at regular intervals. No discrepancies have come to the notice at such physical verifications.
2. None of the fixed assets have been revalued during the year
3. The Company does not hold finished goods, stores, spare parts or raw materials.
4. The Company has taken loans, Unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956. (1 of 1956). The rate of interest and other terms and conditions of such loans are not prima facie, prejudicial to the interest of the Company

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|--|---|
| <p>5. The Company has not granted loans to firms or other parties listed in the register maintained under Section 301.</p> <p>6. a) In respect of loans and advances in the nature of loans, the parties are repaying the principal amounts as stipulated and they are regular in payment of interest wherever applicable.</p> <p>b) In respect of hire money due on stock - on - hire under hire purchase transaction entered into by the company in the ordinary course of business, where instalments are overdue, the Company has taken reasonable steps to recover the said amounts.</p> <p>7. There is adequate internal control procedure commensurate with the size of the Company and the nature of its business for purchase of other assets.</p> <p>8. The Company has accepted fixed deposits from the public and has complied with the directives issued by the Reserve Bank of India and the Provisions of Section 58-A of the Companies Act, 1956 and Rules framed thereunder wherever applicable</p> <p>9. The Company's internal audit system together with its internal control procedures commensurate its size and nature of business are, in our opinion, adequate for checking of financial and other records of the Company.</p> <p>10. The Central Government has not prescribed the maintenance of any cost records under section 209 (1) of the Companies Act, 1956.</p> <p>11. We are informed that the Provisions of the Provident Fund Act are not applicable to the Company as the number of whole-time employees of the company are less than the minimum number prescribed under the Provident Fund Act.</p> | <p>12. There are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty as at 31st March 2000, and which are outstanding for a period of more than six months from the date they became payable.</p> <p>13. According to the information and explanations given to us and the records of the Company examined by us, no personal expenses have been charged to the revenue accounts, other than those payable under contractual obligations or in accordance with generally accepted business practices.</p> <p>14. The Company has not granted loans and advances on the basis of security or by way of pledge of shares or debentures and other securities.</p> <p>15. The provisions of any special statute are not applicable to this company.</p> <p>16. The Company is not dealing or trading in shares, securities or debenture and other investments.</p> <p>17. As per the information and explanations given to us, clauses IV, V, VI, XI, XII, XIV, XX of the para 4a of the aforesaid order are not applicable to the company.</p> |
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For **H.K. Chandarana & Co.,**
Chartered Accountants.

Bharat Raj Sanklecha
Proprietor

Place : Chennai
Date : June, 24, 2000



BALANCE SHEET AS AT 31ST MARCH 2000

PARTICULARS	SCHEDULE NO.	As At 31-03-2000 Rs.	As At 31-03-1999 Rs.
I. SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	3,00,00,000	3,00,00,000
Reserves & Surplus	2	80,84,901	71,61,286
Loan Funds			
Secured Loans	3	85,57,100	54,42,364
Unsecured Loan	4	22,47,000	26,09,000
Total		4,88,89,001	4,52,12,650
II. APPLICATION OF FUNDS			
Fixed Assets	5		
a. Gross Block		4,70,51,320	4,53,32,724
b. Less Depreciation		1,79,94,016	1,52,50,950
c. Net Block		2,90,57,304	3,00,81,774
Investments	6	12,35,273	12,84,221
Current Assets, Loans & Advances			
Cash and Bank Balances	7	10,03,569	12,76,230
Stock on Hire	8	4,56,98,125	3,60,47,535
Loans and Advances	9	60,41,357	60,75,177
		5,27,43,551	4,33,98,942
Less Current Liabilities & Provisions	10	3,49,72,296	3,03,90,433
Net Current Assets		1,77,71,255	1,30,08,509
Miscellaneous Expenditure (to the extent not written off)	11	8,25,169	8,38,146
Total		4,88,89,001	4,52,12,650
Notes on Account	17		

"As per our report of even date attached"

for H.K. Chandarana & Co
Chartered Accountants

BHARAT RAJ SANKLECHA
PROPRIETOR

J. ASHOK GALADA
MANAGING DIRECTOR

SHANTHI DEVI GALADA
DIRECTOR

Place : Chennai

Date : June. 24, 2000

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2000.

PARTICULARS	SCHEDULE NO.	For the year ended 31-03-2000 Rs.	For the year ended 31.03.1999 Rs.
INCOME			
Finance & Service Charges	12	81,88,720	75,57,681
Lease Income	13	1,13,70,785	1,28,12,606
Other Income	14	5,62,297	1,85,586
	I	2,01,21,802	2,05,55,873
EXPENDITURE			
Finance Charges		14,87,265	16,23,898
Establishment Charges	15	10,10,947	7,29,509
Administration & Other Expenses	16	30,01,758	17,24,062
Provision for Bad and Doubtful Debts		12,54,311	17,61,908
Bad Debts		4,67,383	11,01,656
Depreciation		90,90,546	1,01,68,492
Preliminary Expenses		12,977	1,46,486
	E	1,63,25,187	1,72,56,011
Profit Before Tax (I-E)		37,96,615	32,99,862
Deduct : Income Tax		8,75,000	3,47,000
Profit After Tax		29,21,615	29,52,862
Previous year Balance		1,61,286	8,58,424
		30,82,901	38,11,286
APPROPRIATIONS :			
General Reserve		6,00,000	20,00,000
Proposed Dividend & Tax		19,98,000	16,50,000
Balance Carried to Balance Sheet		4,84,901	1,61,286
		30,82,901	38,11,286
Notes on Account	17		

"As per our report of even date attached"

for H.K. Chandarana & Co

Chartered Accountants.

BHARAT RAJ SANKLECHA
PROPRIETOR

J. ASHOK GALADA
MANAGING DIRECTOR

SHANTHI DEVI GALADA
DIRECTOR

Place : Chennai

Date : June. 24, 2000



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31-03-2000 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2000.

PARTICULARS	31-03-2000 Rs.	31-03-1999 Rs.
SCHEDULE -1 - SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
40,00,000 Equity shares of Rs. 10/- each	<u>4,00,00,000</u>	<u>4 00,00,000</u>
ISSUED SUBSCRIBED AND PAID UP		
30,00,000 Equity Shares of Rs. 10/- each	<u>3,00,00,000</u>	<u>3 00,00,000</u>
Fully paid up	<u>3,00,00,000</u>	<u>3,00,00,000</u>
SCHEDULE 2 - RESERVES & SURPLUS		
General Reserve	<u>76,00,000</u>	<u>70,00,000</u>
Profit and Loss Account	<u>4,84,901</u>	<u>1,61,286</u>
	<u>80,84,901</u>	<u>71,61,286</u>
SCHEDULE -3 SECURED LOANS		
From Bank	<u>75,27,100</u>	<u>40,12,364</u>
(Secured by hypothecation of Stock on hire & Personal Guarantees of Directors)		
18% Non-Convertible Debenture	<u>10,30,000</u>	<u>14,30,000</u>
(secured by hypothecation of HP/Lease assets)		
	<u>85,57,100</u>	<u>54,42,364</u>
SCHEDULE -4 UNSECURED LOANS		
Fixed Deposits	<u>22,47,000</u>	<u>26,09,000</u>
	<u>22,47,000</u>	<u>26,09,000</u>

SCHEDULE - 5 FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 1.4.1999 Rs.	ADDITION Rs.	DELETION Rs.	AS ON 31.3.2000 Rs.	UP TO 1.4.1999 Rs.	FOR THIS YEAR Rs.	ADJUST MENTS Rs.	TOTAL Rs.	AS ON 31.3.2000 Rs.	AS ON 31.3.1999 Rs.
LEASED ASSETS										
Vehicles	402,41,895	76,47,411	85,12,232	4,13,77,074	2,12,67,137	83,99,279	52,33,913	2,44,32,503	1,69,44,571	1,89,74,758
Plant and Machinery	21,57,305	5,75,000	59,265	26,73,040	6,64,434	2,58,302	46,628	8,76,166	17,96,872	14,92,211
Lease Terminal Adjustment	—	—	—	—	(75,71,755)	—	—	(83,94,475)	83,94,475	75,71,755
(A)	4,23,99,200	82,22,411	65,71,497	4,40,50,114	1,43,59,876	86,57,581	52,80,541	1,69,14,196	2,71,35,918	2,80,39,324
ASSETS FOR OWN USE										
Vehicles	4,33,074	82,850	4,05,525	1,10,399	2,54,833	23,224	2,44,219	36,890	73,509	1,78,189
Office Equipments	10,57,860	2,83,828	—	13,41,688	3,58,268	1,83,335	—	5,41,603	8,00,085	6,99,592
Plant and Machinery	2,42,350	—	—	2,42,350	1,28,661	15,814	—	1,44,475	97,875	1,13,689
Furniture	12,00,240	1,06,529	—	13,06,769	1,40,260	2,07,592	—	3,56,852	9,49,917	10,50,980
(B)	29,33,524	4,73,207	4,05,525	30,01,206	8,91,074	4,32,965	2,44,219	10,79,620	19,21,386	20,42,450
GRAND TOTAL (A + B)	4,53,32,724	86,95,618	69,77,022	4,70,51,320	1,52,50,950	90,90,546	55,24,760	1,79,94,016	2,90,57,304	3,00,81,774
Previous Year	3,65,59,731	1,29,07,341	45,34,348	4,53,32,724	1,02,47,292	1,01,68,492	25,85,502	1,52,50,950	3,00,81,774	2,67,12,439



SCHEDULE - 6 LONG TERM INVESTMENTS (NON-TRADE)

	Face		As at	As at
	Value	No.(s)	31st March	31st March
A : SHARES (QUOTED. AT COST)			2000	1999
Gupta Carpet Ltd.	10	360	11,425	11,425
First Leasing Co. of India Ltd.	10	30	664	664
T.A.C. Ltd.	10	350	5,688	5,688
Tungabadra Pulp Board Ltd.	10	150	750	750
Annamalai Finance Ltd.	10	1 000	26,608	26,608
Modi Cement Ltd.	10	100	650	650
Kochar Oil Mill Ltd.	10	100	1,200	1,200
S.N.S. Leasing Ltd.	10	100	650	650
W.I.E. Engg. Ltd.	10	100	2,500	2,500
Kaypee Mantex Ltd.	10	100	1,000	1,000
M.R.P.L.	10	100	1,000	1,000
Bihar Alloys Steels Ltd.	10	200	2,000	2,000
State Bank of India	10	50	5,000	5,000
G.N.F.C	10	500	25,000	25,000
Morgan Stanley Mutual Fund	10	500	5,000	5,000
Zen Global Finance Ltd.	10	5000	75,000	75,000
DEBENTURES				
M.R.P.L. 16% Partly Convertible Debentures	31	50	3,850	4,800
First Leasing Co of India Ltd. 15% Convertible Debentures	50	50	2,500	2,500
First Leasing Co of India Ltd. 17% Non-Convertible Debentures	100	16	1,120	1,120
			1,71,605	1,72,555
Market Value			89,538	70,035
B : INDIRA VIKAS PATRA			9,36,628	9,96,115
C : KISAN VIKAS PATRA			97,040	85,551
D : 13.75% TAMILNADU GOVT. LOAN			30,000	30,000
Total (A+B+C+D)			12,35,273	12,84,221

	As at 31-03-2000 Rs.	As at 31.03.1999 Rs.
SCHEDULE - 7		
CASH AND BANK BALANCE		
Cash on Hand	6,66,095	7,25,514
Balance with Scheduled Banks		
In Current Accounts	3,33,617	4,40,747
Balance with Non-Scheduled Banks		
In Current Accounts	3,857	1,09,969
(People Co-operative Bank Pune - Maximum balance outstanding is Rs. 3,82,353/- previous year Rs. 3,54,476/-)	10,03,569	12,76,230
SCHEDULE - 8 STOCK ON HIRE (Secured by Hire Purchase agreements)	4,56,98,125	3,60,47,535
	4,56,98,125	3,60,47,535
SCHEDULE - 9 LOANS & ADVANCES (Unsecured, considered good)		
Lease Debtors		
Exceeding six months	18,88,481	14,97,611
Others	5,32,236	12,86,201
Loans	21,47,375	7,13,280
Income Tax & T.D.S.	64,446	5,80,114
Interest Accrued but not due	802	802
Advances and Deposits (Recoverable in cash or in kind or for a value to be received)	14,08,517	19,97,169
	60,41,857	60,75,177
SCHEDULE - 10 CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities :		
Unmatured Finance Charges	95,04,091	71,94,649
Advances & Deposits	1,90,45,374	1,80,95,920
Sundry Creditors for others	1,35,872	67,471
Sundry Creditors for expenses	1,04,718	75,230
Interest Accrued but not due	3,46,892	3,27,466
	2,91,36,947	2,57,60,736
Provisions :		
Provision for Income Tax	—	3,96,659
Provision for Dividend & Tax	19,98,000	16,50,000
Provision for Bad and Doubtful Debts	37,43,226	24,88,915
Provision for Depreciation in Investments	94,123	94,123
	3,49,72,296	3,03,90,433

SCHEDULE - 11 MISCELLANEOUS EXPENDITURE

	As at 31-03-2000 Rs.	As at 31.03.1999 Rs
Preliminary Expenses	52,885	65,862
Less: Written off during the year	12,977	12,977
(A)	39,908	52,885
Public Issue Expenses	7,85,261	9,18,770
Less: Written - off during the year	—	1,33,509
(B)	7,85,261	7,85,261
Total A+B	8,25,169	8,38,146

SCHEDULE - 12 FINANCE & SERVICE CHARGES

Hire Purchase Profit & Service Charges	79,22,953	74,82,158
Interest Receipts, Gross	2,65,767	9,872
(T.D.S. Rs. 5991/-, Previous Year Rs. 114/-)		
Bill Discounting Charges	—	65,651
	81,88,720	75,57,681

SCHEDULE - 13 LEASE INCOME

Lease Rentals	93,42,955	98,66,506
Add: Lease Equalisation Amount	20,27,830	29,46,100
	1,13,70,785	1,28,12,606

SCHEDULE - 14 OTHER INCOME

Dividend Receipt, Gross	2,458	1,833
Profit on Sale of fixed Assets	4,35,128	67,886
Miscellaneous Income	2,000	7,354
Interest from Government Securities	1,22,711	1,08,513
	5,62,297	1,85,586

SCHEDULE - 15 ESTABLISHMENT CHARGES

Salary	5,75,947	4,59,509
Managerial Remuneration	4,35,000	2,70,000
	10,10,947	7,29,509

SCHEDULE - 16 ADMINISTRATION AND OTHER EXPENSES

	As At 31-03-2000	As At 31-03-1999
	Rs.	Rs.
Office Rent	6,36,134	3,23,700
Electricity Charges	1,08,374	56,969
Telephone Charges	1,98,017	1,51,090
Postage & Telegram	64,896	41,326
Printing & Stationery	72,838	46,611
Office Expenses	83,200	41,557
Travelling Expenses	1,92,121	1,22,675
Advertisements	22,759	26,000
Motor Car Expenses	87,049	60,909
Donation	750	3,100
Commission & Brokerage	2,32,936	1,91,970
Club Fees and Expenses	18,317	17,588
Directors Fees	6,000	4,000
Car Hire Charges	90,000	—
Auditors Remuneration	49,650	43,375
Consultancy Fees	1,500	6,000
A.G.M. Expenses	873	3,018
Repairs and Maintenance Charges	66,404	56,664
Staff Welfare	55,274	28,122
Books & Periodicals	4,345	4,622
Business Promotion Expenses	87,239	23,996
Rates & Taxes	10,950	21,323
Rebate & Discount	1,20,555	1,01,159
Internal Audit Fees	9,456	—
Conveyance Expenses	51,864	31,266
Miscellaneous Expenses	5,278	1,306
Computer software Expenses	—	30,000
Listing Fees	12,600	12,600
Seizing Charges	63,293	39,623
Bank Charges	1,39,312	1,05,434
Legal & Professional fees	1,67,000	76,685
Branch Office Expenses	1,64,476	51,374
Insurance	2,719	—
Complimentary Expenses	10,470	—
Loss of IVP Certificates	1,65,109	—
	30,01,758	17,24,062

SCHEDULE - 17 NOTES ON ACCOUNT**1. Significant Accounting Policies****(a) Overall Policy**

The accounts have been prepared on historical cost convention.

(b) Recognition of Income and Expenditure

1. The Company accounts for income and expenditure on accrual basis except otherwise stated.
2. Hire Purchase Profit is apportioned over the period of contract on even spread method.
3. *Lease transaction accounting is done as per the Guidance notes on accounting for Lease issued by the Institute of Chartered Accountants of India.*
4. The Company has followed the Prudential norms prescribed by the Reserve Bank of India for Non-Banking Financial Companies.
5. Gratuity Liabilities accounted on cash basis.

(c) Fixed Assets and Depreciation

1. Fixed Assets are stated at historical cost less accumulated depreciation.
2. Depreciation on Assets has been provided on Written down value method as prescribed by Schedule XIV to the Companies Act, 1956. The Company follows the guidance note on accounting for lease issued by the Institute of chartered Accountants of India in respect of Assets acquired on or after 01.04.1994.

(d) Investments

1. *Investment in Shares and Debentures are stated at cost. However, any decline in the value of such investments which, in the opinion of the management, is not temporary, is provided for.*
2. Investment in Government Securities are stated at cost and interest accrued thereon.

(e) Miscellaneous Expenditure

The Company amortizes Preliminary Expenses over a period of 10 years.

(f) Change in Accounting Policies

The Company had decided not to amortize public issue expenses. As a result company has not amortized public issue expenses amounting to Rs. 1,33,509 and to the extent profit is over stated.

3. a. Remuneration to Managing Director

	31-03-2000 Rs.	31-03-1999 Rs.
Salary	2,80,000	1,80,000
Perquisites	18,317	17,588
House Rent Allowances	1,40,000	-----
	<u>4,38,317</u>	<u>1,97,588</u>

b. Remuneration to Joint Managing Director

Salary	15,000	90,000
	<u>15,000</u>	<u>90,000</u>

4. Payments to Auditors

For Statutory Audit	25,000	20,000
For Tax Audit	7,500	7,000
For Taxation	7,500	7,500
For other Services	6,000	5,000
For Expenses & Service Tax	3,650	3,875
	<u>49,650</u>	<u>43,375</u>

5. Finance Charges

On Fixed Loans	6,66,613	6,11,607
On Other Loans	6,311	1,30,772
On Bank Cash Credits	8,14,341	8,81,519
	<u>14,87,265</u>	<u>16,23,898</u>

6. Interest Accrued Rs. 4,02,027/- (Previous year Rs. 3,08,716/-) on Indira Vikas Patra and Rs 47,040/- (Previous year Rs. 35,551/-) on Kisan Vikas Patra are included in their value respectively
7. Interest to Directors on fixed deposit is Rs. 6,576/- (Previous year Rs. 6968/-)
8. Additional information pursuant to para 4c of part II of schedule VI of the Companies Act, 1956 is either NIL or NOT APPLICABLE
9. Previous year's figure have been re-grouped wherever found necessary

for H.K. Chandarana & Co
Chartered Accountants

BHARAT RAJ SANKLECHA
PROPRIETOR

J. ASHOK GALADA
MANAGING DIRECTOR

SHANTHI DEVI GALADA
DIRECTOR

Place : Chennai
Date : June, 24, 2000



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
AS PER PART IV TO SCHEDULE VI TO THE COMPANIES ACT, 1956

I. REGISTRATION DETAILS :Regn No.

			2	8	2	6
--	--	--	---	---	---	---

State Code

1	8
---	---

Balance Sheet Date

3	1
---	---

Date

0	3
---	---

Month

2	0	0	0
---	---	---	---

Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

				N	I	L
--	--	--	--	---	---	---

Rights Issue

				N	I	L
--	--	--	--	---	---	---

Bonus Issue

				N	I	L
--	--	--	--	---	---	---

Private Placement

				N	I	L
--	--	--	--	---	---	---

III. Position of Mobilisation and Deployment of Funds
(Amount in Rs. Thousands)

Total Liabilities

		8	3	8	6	1
--	--	---	---	---	---	---

Total Assets

		8	3	8	6	1
--	--	---	---	---	---	---

Sources of Funds

Paid up Capital

		3	0	0	0	0
--	--	---	---	---	---	---

Reserves & Surplus

			8	0	8	5
--	--	--	---	---	---	---

Secured Loans

			8	5	5	7
--	--	--	---	---	---	---

Unsecured Loans

			2	2	4	7
--	--	--	---	---	---	---

Application of Funds

Net Fixed Assets

		2	9	0	5	7
--	--	---	---	---	---	---

Investments

			1	2	3	5
--	--	--	---	---	---	---

Net Current Assets

		1	7	7	7	1
--	--	---	---	---	---	---

Misc. Expenditure

				8	2	5
--	--	--	--	---	---	---

Accumulated Losses

				N	I	L
--	--	--	--	---	---	---

IV Performance of Company (Amount in Rs. Thousands)

Total Income

		2	0	1	2	2
--	--	---	---	---	---	---

Total Expenditure

		1	6	3	2	5
--	--	---	---	---	---	---

Profit / Loss

+ -

Before Tax

+			3	7	9	7
---	--	--	---	---	---	---

Profit / Loss

+ -

After Tax

+			2	9	2	2
---	--	--	---	---	---	---

Earning per Share in Rs.

			0		9	7
--	--	--	---	--	---	---

Dividend Rate %

					6	%
--	--	--	--	--	---	---

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

										N	A	.
--	--	--	--	--	--	--	--	--	--	---	---	---

Product Description

H	I	R	E		P	U	R	C	H	A	S	E	
---	---	---	---	--	---	---	---	---	---	---	---	---	--

Item Code No. (ITC Code)

										N	A	.
--	--	--	--	--	--	--	--	--	--	---	---	---

Product Description

L	E	A	S	E		B	U	S	I	N	E	S	S
---	---	---	---	---	--	---	---	---	---	---	---	---	---

Item Code No. (ITC Code)

										N	A	.
--	--	--	--	--	--	--	--	--	--	---	---	---

Product Description

I	N	V	E	S	T	M	E	N	T	S			
---	---	---	---	---	---	---	---	---	---	---	--	--	--

for H.K. Chandarana & Co
Chartered Accountants

BHARAT RAJ SANKLECHA
PROPRIETOR

J. ASHOK GALADA
MANAGING DIRECTOR

SHANTHI DEVI GALADA
DIRECTOR

Place : Chennai
Date : June, 24, 2000

Less : Dividend Paid	1650	1650
Net Cash Flow from financing activities (c)	1540	-2753
Net increase in cash and cash equivalents (A+B+C)	- 273	622
Cash and equivalents as at 31st March 1999	1276	654
Cash and equivalents as at 31st March 2000	1003	1276
Increase / Decrease in cash equivalents	- 273	622

J. ASHOK GALADA
Managing Director

SHANATHI DEVI GALADA
Director

Place : Chennai
Date : June 24 2000

AUDITOR'S CERTIFICATE

We have examined the above Cash Flow Statement of Galada Finance Limited derived from the audited financial statements for the period on 31st March 2000. The statement has been prepared by the company in accordance with the requirements of clauses 32 of the listing agreement with the stock exchange. Previous year's figures have been re-grouped wherever found necessary.

for **H.K. CHANDARANA & CO.**
Chartered Accountants

BHARAT RAJ SANKLECHA
Proprietor

Place : Chennai
Date : June 24 2000

CASH FLOW STATEMENT AS AT 31ST MARCH 2000

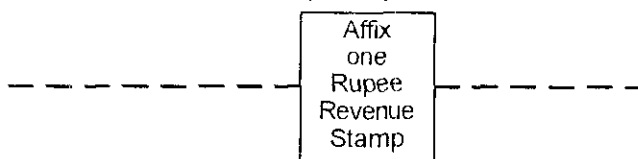
	As on 31.03.2000 (Rs. in Thousands)	As on 31.03.1999 (Rs. in Thousands)
Cash flow from operating activities		
Net profit before Tax and Extra-ordinary items	3797	3300
Add :		
Adjustment for depreciation	9090	10168
Preliminary / Issue Expenses amortised	13	146
Interest Paid	1468	1613
Provision for bad & doubtful debts	1254	1762
Profit on sales of shares / fixed assets	- 435	- 68
Dividend Receipts	- 2	- 2
Lease terminal adjustment	- 823	- 2579
	<u>14362</u>	<u>14340</u>
Operating profit before working capital changes		
Less :		
Adjustment for increase in stock on hire	9651	- 1904
Increase in advance & deposits	482	1478
Increase in Current Liabilities	- 3376	- 2085
Cash Generated from Operations	<u>7605</u>	<u>16851</u>
Less : Interest Paid	1468	1613
Income Tax Paid	756	830
Net Cash from Operating activities (A)	<u>5381</u>	<u>14408</u>
Cash Flow from investing activities		
Purchase of Fixed Assets (Net)	- 7243	- 10958
Purchase of Investments (Net)	49	- 75
Net Cash used in Investing Activities (B)	<u>- 7194</u>	<u>- 11033</u>
Cash Flow from Financing Activities		
Proceeds from long term borrowing (Net of repayments)	3515	- 1695
Short Term borrowings (Net of repayments)	- 762	522
Profit on sale of share / Fixed Assets	435	68
Dividend Receipts	2	2

GALADA FINANCE LIMITED

PROXY

I/We
of
being Member / Members of Galada Finance Limited hereby appoint of
..... or failing him/her
..... of or failing him/her
..... of
..... as my / our Proxy In my / our absence to attend and vote for me/us
on my/our behalf at the **FOURTEENTH ANNUAL GENERAL MEETING** of the Company, to be held on
Saturday the 23rd September 2000 at 4.00 p.m. and at any adjournment thereof.
As Witness my / our hand / hands this day of
.....2000. Member's Folio Number

Signed by the said



Note : The Proxy must be deposited at the Registered Office of the Company with the Secretarial Department at office No. 7, 8 & 9, II Floor, "Agarwal Court, K.G. Plaza" No. 41-44, General Patters Road, Chennai - 600 002 not less than 48 hours before the time for holding the meeting.

THIS ATTENDANCE SLIP DULY FILLED IN TO BE HANDED OVER AT THE ENTRANCE OF THE
MEETING HALL

GALADA FINANCE LIMITED

ATTENDANCE SLIP

I hereby record my presence at the Fourteenth Annual Meeting at "INDRA SABHA HALL" Hotel Palmgrove, Kodambakkam High Road, Chennai - 600 034 at 4.00 p.m. on 23rd September 2000.

Name of the Member
(in Block Letters)

Member's Folio Number

Name of the Proxy (In block letters, to be filled in if the Proxy attends instead of the Member)

No. of shares held

.....
* Member's/Proxy's Signature

* To be signed at the time of handing over this slip.

**** NOTE : NO GIFTS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING**