



33rd
ANNUAL REPORT

MAHAVEER FINANCE INDIA LIMITED

K.G. Plaza, 3rd Floor,
No. 41-44, General Patters Road, Chennai - 600 002.

MAHAVEER FINANCE INDIA LIMITED



BOARD OF DIRECTORS

Sri **G. Chidambar** Chairman
Sri **K.S. Markandan**
Sri **P.S. Balasubramaniam**
Sri **M. Deepak Dugar** Joint Managing Director
Sri **M. Praveen Dugar** Executive Director
Sri **N. Mahaveerchand Dugar** Managing Director

AUDITORS

E. Hemanadhan & Co
Chartered Accountants
New No. 23 / 11
Basha Street,
Choolaimedu
Chennai - 600 094

BANKERS

State Bank of India
State Bank of Patiala
Punjab National Bank
Indian Overseas Bank
The Catholic Syrian Bank Ltd

REGISTERED OFFICE

K.G. Plaza,
'3rd Floor'
41-44, General Patters Road,
Chennai - 600 002.
Phone : 28614466, 28614477 & 28614488
E-mail : mahaveerfinance@yahoo.co.in
info@mahaveerfinance.com
CIN : L65191TN1981PLC008555

DEPOSITORIES :

Central Depository Services (India) Limited (CDSL)
National Securities Depository Limited (NSDL)

BRANCH

Kanchipuram
Tambaram

REGISTRARS AND SHARE TRANSFER AGENT :

CAMEO CORPORATE SERVICES LIMITED
Subramanian Building, No. 1 Club House Road, Chennai - 600 002.
Phone : 044-28460390 (6 Lines) Fax No. 044-28460129
E-mail : cameo@cameoindia.com Website : www.cameoindia.com

MEMBERS OF

1. Federation of Indian Hire Purchase Association
2. Finance Companies Association (India)
3. South India Hire Purchase Association
4. Federation of All India Hire Purchase Financiers
5. Madras Hire Purchase Association
6. Finance Industry Development Council (Mumbai)
7. Jain International Trade Organisation (Mumbai)



MAHAVEER FINANCE INDIA LIMITED

**Regd. Office: K.G.Plaza 3rd Floor, 41-44 General Patters Road, Chennai – 600002.
Phone Nos.28614466, 28614477 & 28614488
E-mail: mahaveerfinance@yahoo.co.in, info@mahaveerfinance.com**

NOTICE

NOTICE is hereby given that the Thirty Third Annual General Meeting of the Company will be held at South India Hirepurchase Association Premises, Desbandu Plaza, 1st Floor, 47, Whites Road, Royapettah, Chennai – 600 014. on Thursday 21st August 2014 at 11.00 AM to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the audited financial accounts of the Company for the year ended 31st March, 2014 and to consider the reports of the Directors and Auditors thereon.
2. To declare a dividend on equity shares for the financial year ended March 31, 2014.
3. To appoint a Director in place of Mr.M.Deepak Dugar (holding DIN 00190705) who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s.Hemanadhan & Co. Chartered Accountants as statutory auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the third consecutive AGM and fix their remuneration and to pass the following resolution thereof.

“RESOLVED that pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, M/s. Hemanadhan & Co be and are hereby appointed as the auditors of the Company from the conclusion of this AGM to the conclusion of third consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Board of Directors of the Company.”

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149,150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.G.Chidambar (holding DIN 00017015), Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to March 31, 2019 not liable to retire by rotation.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149,150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.K.S.Markandan (holding DIN 00505217), Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to March 31, 2019 not liable to retire by rotation.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149,150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.P.S.Balasubramaniam (holding DIN 00019843), Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to March 31, 2019 not liable to retire by rotation.”

8. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT in supersession of the Ordinary Resolution adopted at the Annual General Meeting held on 25.08.2011 and pursuant to Section 180(1) (c) and any other applicable provisions of the Companies Act,2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded by the Board of Directors to borrow monies in excess of the aggregate of the paid-up capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained or to be obtained from the Company's banker in the ordinary course of business, shall not be in excess of Rs.75 crores (rupees seventy five crores) over and above the aggregate of paid up capital and free reserves of the Company.

Chennai
Date: 03/05/2014

For and on behalf of the Board
N.Mahaveerchand Dugar
Managing Director

Notes :

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself. The proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. Proxies in order to be effective must be filed with the Company at this registered office no later than 48 hours before the commencement of the meeting**
2. The Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013, in respect of the special business of this notice is annexed hereto.
3. Shareholders are requested to bring their copy of the Annual Report to the meeting.
4. Members/Proxies should fill the attendance slip for attending the Meeting.
5. The information on the Directors appointment or re-appointment is provided as per Clause 49 of the Listing Agreement and is given in the Corporate Governance Section of this Annual Report.
6. Members who hold shares in dematerialized form are required to write their client ID and DPID numbers, and those who hold shares in physical form are requested to write their Folio number in attendance slip for attending the meeting.
7. The Register of members and the share transfer books of the company will Remain closed from 14/08/2014 to 21/08/2014 (both days inclusive) in connection with payment of dividend.
8. All documents that have been referred in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company during office hours on working days upto the date of Annual General Meeting.
9. Under Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred Rs.33,422/-being the unpaid and unclaimed dividend amount pertaining to Final Dividend for the financial year 2005-06 on 07/11/2013 to Investor Education and Protection Fund of the Central Government.
10. Shareholders holding shares in physical form under multiple folios are requested to send Company's Register and Share Transfer Agent details of such folios together with the Share Certificate for consolidate their holdings in a single folio so as to enable us to serve them in a better, most efficient and effective manner. The Share Certificate will be returned to the Members after making the requisite changes, thereon.
11. SEBI has made it mandatory for every participant in the securities/capital market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details of PAN along with a photocopy of both sides of the PAN card, duly self attested, to the Registrar and Share Transfer Agents of the Company, M/s. Cameo Corporate Services Limited, Chennai.
12. Pursuant to Rule 18(3) of the Companies (Management and Administration) Rules,2014, you are requested to provide your e-mail id to facilitate easy and faster dispatch of Notices of the general meetings and other communications by electronic mode from time to time.

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT,2013

Item No.5 to 7:

Your Board is of the opinion that all of the Independent Directors fulfill the conditions specified in the Act for appointment as independent Directors of the Company. Non-Executive Independent Directors who will complete their present term at the ensuing AGM, being eligible and seeking re-appointment, be considered by the shareholders for re-appointment for a term upto five consecutive years. Non-Executive Independent Directors who do not complete their term at the ensuing AGM will continue to hold office till the expiry of their term and thereafter would be eligible for re-appointment for a fixed term in accordance with the Companies Act, 2013. Details in respect of Directors who are proposed to be appointed as Independent Directors, are furnished in the Corporate Governance section of the Annual Report. All are eminent personalities in their respective fields. Your Board considers that their continued association with the Company would be immense benefit to the Company. In view thereof, your Board has recommended them to be classified as independent Directors.

Accordingly the Board has recommended for approval of the shareholders, under agenda item nos. 5 to 7 of the accompanying notice, the classification of the aforementioned Directors also as independent directors pursuant to Section 149 of the Companies Act, 2013 read with rules made thereunder, with their respective term of Office upto a five years with effect from 1st April, 2014.

Concerned Directors are interested in their respective resolutions being related to their own appointments. Other than the aforesaid, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolutions as set out in item Nos. 5 to 7 of the accompanying notice. None of the Directors are related inter se to each other.

This explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

ITEM 8

The Members of the Company at the Annual General Meeting held on 25.08.2011, approved under the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.75 crores.

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at item no.8 of the notice, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs.75 crores (Rupees Seventy Five crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item no.11.

DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2014

Dear Members,

Your Directors present the 33rd Annual report with Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	Year ended 31 st March 2014	Year ended 31 st March 2013
Total Revenue	548.59	448.94
Less: Total Expenses	423.08	344.08
Profit Before Tax	125.51	104.86
Profit After Tax	85.72	74.40
Surplus brought forward	37.31	33.50
Excess Provision for Income- tax written back	0.14	0.11
Available for appropriation	123.17	108.01
Transfer to :		
- Statutory Reserve	17.14	14.90
- General Reserve	9.00	9.00
Proposed Equity Dividend	40.00	40.00
Dividend Tax	6.80	6.80
Surplus Carried Forward to Balance Sheet	50.23	37.31

DIVIDEND:

Your Directors recommend a dividend of 10% (same as last year) on the paid up Equity Share Capital for the year ended 31/03/2014. The dividend together with dividend tax of Rs. 6.80 lacs absorbs a sum of Rs.46.80 lacs.

CORPORATE GOVERNANCE:

A detailed report on corporate governance, together with a certificate from the Statutory Auditor, in compliance with Clause 49 of the Listing Agreement, is attached as part of this report.

Compliance reports in respect of all laws applicable to the Company have been reviewed by the Board of Directors.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

High inflation, pricey fuel, high cost of borrowing and slowdown in economy have taken a toll on the sale of domestic medium and heavy commercial vehicles. But in the case of used Light Commercial Vehicles (LCVs) there is always a vast demand. In 2013-14 LCVs have yet again proved that they are less affected compared to heavy and medium vehicles.

BUSINESS :

During the year 2013-14, your company's disbursement was Rs.1551.30 lacs as against Rs. 1514.35 lacs in the previous year registering a marginal growth over the previous year despite sluggish economic environment. Total income for the year grew by 22.20% at Rs.548.59 lacs as against Rs. 448.94 lacs in the previous year. Profit before tax was higher at Rs. 125.50 lacs as compared to Rs.104.86 lacs. The net profit from operation was at Rs.85.72 lacs as against Rs74.40 lacs over the previous financial year.

The company's sustained focus on strict credit acceptance norms and excellent collection skills has ensured that the asset quality continues to be good in the industry. The standard assets stood at 98.73% of the total business assets as on 31/03/2014. The gross and net NPAs stood at 1.27% and 0.94% of the total business assets as on 31/03/2014.

OUTLOOK

Your company's fortune are closely linked to those of the automotive industry. According to a report, Indian commercial vehicle sales were expected to grow at a Compounded Annual Rate of Growth (CARG) of 15% in the next five years. The improving road infrastructure in rural and semi-urban areas will be one of the main

drivers of this development. Our company has, over the years based its exposures in the LCVs and Passenger Vehicle segment. Due to impressive infrastructure developments which is good in the South, so we foresee a good demand for the LCV and passenger segment. Economic condition bound to improve and in particular Automobile, Infrastructure and Financial Service sectors where we expect a boom. Consequently, the growth prospects for 2014-15 will be good. Your Company will continue to strive for meaningful growth, focusing as always on, delivering outstanding customer service, retention of existing trustworthy customers, superior credit quality and efficient cost management, in order to sustain profitability.

OPPORTUNITIES, CHALLENGES, RISKS AND CONCERNS

Your Company, being in the business of financing of Light commercial vehicles, cars etc. it is expected that there would be abundant opportunities for the growth of NBFC sector in financing of LCVs.

Competition from private and public sector banks in the retail financing and competitive interest rates are challenges to the industry.

With strong and dynamic management, experienced and skilled staff, retention of trustworthy customers, improvement of assessment procedures and quality of appraisal, the Company is confident of converting challenges into opportunities.

Any operational risk, market risk and interest risk can have adverse impact on the operations of the Company. Through continuous emphasis on cost control and cost reduction measures and taking corrective action wherever necessary, the Company will minimize risk.

DEPOSITS:

The Company has not accepted any Public Deposits since 01/04/2004 and the Public Deposits as on the date of closing of Accounts was NIL.

DIRECTORS:

Mr.M.Deepak Dugar, Joint Managing Director retires by rotation under Section 152(6) of the Companies Act, 2013 and being eligible offers himself for re-appointment.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of existing Independent Directors Mr.G.Chidambar, Mr.K.S.Markandan and Mr.P.S.Balasubramaniam as Independent Directors for five consecutive years for a term upto 31st March, 2019. Details of the proposal for appointment of them are mentioned in the Corporate Governance Report of the Company.

AUDITORS:

The Statutory auditors of the Company, E.Hemanadhan & Co, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

COMPLIANCE CERTIFICATE:

As per the provisions of Section 383A of the Companies Act, 1956, a compliance certificate from a Company Secretary in whole time practice is annexed hereto which forms part of this Report.

PARTICULARS OF EMPLOYEES REMUNERATION:

None of the employees of the company is in receipt of remuneration in excess of limits prescribed under section 217(2A) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT:

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

1. in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures:-
2. they have selected such accounting policies and applied them consistently and made judgments and estimates which are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit of the company for the year:
3. they have taken proper and sufficient care for the maintenance 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:
4. The Annual Accounts have been prepared on a going concern basis.

Information as per Sec.217 (I) (e) of the Companies Act, 1956:

The provisions relating to the conservation of energy and technical absorption do not apply to the Company.

The Company had no foreign exchange earnings/outgo during the year under reference.

ACKNOWLEDMENT:

Your directors thank all the shareholders, customers, vehicle manufacturers, dealers, bankers and financial institution for their continued support to your company. Your Directors also place record their appreciation of the excellent teamwork and dedication displayed by the employees at all levels.

For and on behalf of the Board

**G.Chidambar
Chairman**

**Place: Chennai
Date: 03/05/2014**

Report on Corporate Governance

I Corporate Philosophy on Code of Governance:

The Company's philosophy on corporate governance is to ensure that its obligations are discharged in a fair and transparent manner and to enhance the value to all its stakeholders through sound and professional governance. The Company endeavors to constantly comply with and continuously improve on these aspects.

II Board of Directors:

All the members of the Board are eminent persons with considerable expertise and experience in the automobile, banking, finance, insurance and transport sectors. The Company is immensely benefited by the range experience and skills that the Directors bring to the Board.

The Board comprises six members, of which three are Non-Executive Directors. The Chairman of the Board is Sri G.Chidambar.

During the year ended March 31, 2014, Four Board meeting were held on the following dates 28/05/2013, 03/08/2013, 26/10/2013 and 25/01/2014.

The composition of the Board and other relevant details are given below :

Name of the Directors	Designation	Category	No. of Directorships held in Other Indian Companies	No.of Board / Committee Memberships held in other Companies	Attendance at Meetings	
					Board	Last A.G.M 12/9/13
Sri G.Chidambar	Chairman	Non-Executive Independent	3	3	4	Yes
Sri K.S. Markandan	Director	Non-Executive Independent	1	-	4	Yes
Sri P.S.Balasubramaniam	Director	Non-Executive Independent	7	3	4	Yes
Sri M.Deepak Dugar	Joint Managing Director	Promoter Executive	-	-	3	Yes
Sri M Praveen Dugar	Executive Director	Promoter Executive	-	-	3	Yes
Sri N. Mahaveerchand Dugar	Managing Director	Promoter Executive	-	-	4	Yes

All Directors and Senior Management Personnel have re-affirmed compliance with the Code of Conduct approved and adopted by the Board of Directors. A declaration to this effect signed by the CEO has been given at the end of the report.

II-A THE DETAILS OF INDEPENDENT DIRECTORS AND RETIRING DIRECTORS ARE MENTIONED BELOW :
Particulars of the Directors seeking re-appointment in the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement.

Name of the Director	Mr. G. Chidambar	Mr. K. S. Markandan	Mr. P. S. Balasubramaniam	Mr. M. Deepak Dugar
Date of Birth	23/03/1931	03/10/1935	12/07/1944	25/05/1976
DIN	00017015	00505217	00019843	00190780
Date of Appointment	24/10/1991	20/11/1996	26/03/2005	23/05/1996
Expertise in specific Functional areas	Retired Managing Director of Life Insurance Corporation of India (LIC). He was on the board of several companies viz. Tata Chemicals Ltd., Reliance Industries Ltd., J.K. Corp Ltd., LIC Mutual Fund and IT Pioneer AMC.	Former Executive of State Bank of India and Bharat Overseas Bank Ltd. Has over 4 decades of Experience in Banking With specialization in Agricultural, Industrial And International Banking.	Retired Managing Director of the Investment Trust of India Ltd. Has over 3 decades Of experience in Non-Banking Finance companies. Has held Many key positions in several Hire Purchase and Leasing Associations such President FIPHA, Chairman – ELAI and Vice President Asian Leasing Association.	Has over a decade of Experience in Banking And Financial Services.
Qualifications	MA., AIA., FIIA.	B.Sc., CAIIB.	B.Com., ACA, ACS	B.Com., MBA
List of other companies in which Directorship held as on 31.03.2014	India Nippon Electricals Ltd., Coromandel Stamping & Stones Ltd. and Royal Financial Services Ltd.	Flamagas India Private Ltd.	Kothari Safe Deposit Ltd., Kothari Sugars and Chemicals Ltd., Kothari Biotech Ltd., Kothari International Trading Ltd., Finance Companies Association (India) HCK Capital Services Pvt. Ltd., Equitas Finance (Private) Ltd.	—
Chairman / Member of the Committees of the Board of other public companies in which he is a Director as on 31.03.2014	India Nippon Electricals Ltd. Member - Audit Committee Coromandel Stamping & Stones Ltd Member - Audit Committee Royal Financial Services Ltd. Member - Audit Committee	— — —	Kothari Safe Deposits Ltd. Member – Share Transfer and Shareholders Grievance Committee & Investment Committee. Kothari Sugars and Chemicals Ltd. Member – Share Transfer cum Shareholders Grievances Committee, Investment and Credit Approval Committee, Remuneration Committee And Audit Committee. Equitas Finance (Private) Ltd. Member – Audit and Risk management Committee, Resourcing Committee and Assets Performance Monitoring Committee.	— —
Shareholding as on 31.03.2014 : Held individually Held jointly with others	1000 Equity Shares --	---		470900 Equity Shares
Relationship with other Directors	---	---		Son of Mr. N. Mahaveer Chand Dugar, M.D and Brother of Mr. M. Praveen Dugar, Executive Director

III Audit Committee:

The brief terms of reference of the Audit Committee are :

- Reviewing the financial statements before they are submitted to the Board of Directors
- Reviewing the internal control systems
- Risk Management policies and practices.
- Any other matters that are relevant.

The Audit committee comprises of two Non-Executive Directors and a Managing Director.

The committee held four meetings during the year 2013-2014 on the following dates:

28/05/2013, 03/08/2013, 26/10/2013 and 25/01/2014

The composition of the Audit Committee and the attendance of its members are given below :

Name	No.of meeting held	No.of meeting attended
Sri K.S.Markandan, Chairman	4	4
Sri P.S.Balasubramaniam	4	4
Sri N.Mahaveerchand Dugar	4	4

IV Remuneration of Directors:

None of the non-executive directors has pecuniary relationship or transactions with the company. Remuneration paid to Directors during 2013-2014.

Name of the Director	Sitting Fees	Salary	Other Perquisites	Total
Sri G. Chidambar	8000	N.A.	N.A.	8000
Sri K.S. Markandan	8000	N.A.	N.A.	8000
Sri P.S. Balasubramaniam	8000	N.A.	N.A.	8000
Sri M. Deepak Dugar	N.A.	360000	1820	361820
Sri M. Praveen Dugar	N.A.	360000	1820	361820
Sri N. Mahaveerchand Dugar	N.A.	600000	1820	601820

Disclosure on number of shares and convertible instruments held by non-executive directors as on 31/03/2014

Name of the Non-Executive Director	Number of shares held individually as on 31/03/2014	Number of convertible instruments held as on 31/03/2014
Sri G.Chidambar	1000	-
Sri K.S.Markandan	-	-
Sri P.S.Balasubramaniam	-	-

V Shareholder / Investors Grievances Committee:

The function of the committee is to redress the grievances of Shareholders' and Investors' and to create and review the systems for improving the services.

The present composition of the Shareholder' and Investors' Grievance Committee is given below:

- Sri G. Chidambar, Chairman
- Sri N.Mahaveerchand Dugar, Member
- Sri M.Deepak Dugar, Member

The committee meets for resolving the grievances relating to transfer and transmission and other grievances of shareholders. The Committee met 7 times during the financial year on 29/7/2013, 17/8/2013, 12/9/2013, 18/10/2013, 02/12/2013, 14/03/2014, and 28/03/2014 and all the members attended the meetings.

No investor complaint was received and resolved during the year. None was pending unresolved as on 31st March, 2014.

VI General Body Meetings:

Details relating to last three Annual General Meetings:

Year	Date	Time	Location	No.of Special Resolutions Passed
2013	12/09/2013	11.00 AM	South India Hire Purchase Association Premises, Desababdu Plaza, First Floor, 47,Whites Road, Royapettah, Chennai – 600 014	Nil
2012	06/09/2012	11.00 AM	South India Hire Purchase Association Premises, Desababdu Plaza, First Floor, 47,Whites Road, Royapettah, Chennai – 600 014	Nil
2011	25/08/2011	11.00 AM	South India Hire Purchase Association Premises, Desababdu Plaza, First Floor, 47,Whites Road, Royapettah, Chennai – 600 014	Nil

No special resolution was passed through postal ballot during the last year.

No special resolution is proposed to be passed through postal ballot at the ensuing AGM.

VII Disclosures:

- There were no materially significant related party transactions having potential conflict with the interests of the company at large.
- There were no non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years.
- All the mandatory requirements specified under clause 49 have been complied with.
- The Company proposes to adopt other non-mandatory requirements as and when necessary.

VIII Means of Communication :

Quarterly unaudited results of the company were published in accordance with the Stock Exchange Listing Agreement in News Today in English and Makkal Kural in Tamil.

IX General Shareholder Information :

- 33rd Annual General Meeting
Date : 21 / 08 / 2014 Time: 11.00 A.M.
Venue : The South India Hire Purchase Association premises, "Desabandu Plaza"
First Floor, 47, Whites Road, Royapettah, Chennai – 600014.
- Financial Year : 1st April 2014 to 31st March 2015
- Date of Book Closure : 14/08/2014 to 21/08/2014
- Date of payment of Dividend :05/09/2014
- Listing on Stock Exchange : The Company's Equity shares are listed on the Madras Stock Exchange.
- The company has paid the listing fees for the financial years 2013-14 and 2014-15 to the above stock exchange.
- MSE Stock Code : MAHAVIRFIN
- **Demat ISIN No. for CDSL / NSDL is INE911L01017**
- Following are transferable to the Investor Education and Protection Fund(IEPF) on the respective due dates, as under, in accordance with the provisions of Section 205A (5) of the Companies Act,1956.

Nature of Dividend	Transferable to IEPF on
Final Dividend 2006-07	26/10/2014
Final Dividend 2007-08	13/10/2015
Final Dividend 2008-09	25/09/2016
Final Dividend 2009-10	15/10/2017
Final Dividend 2010-11	23/09/2018
Final Dividend 2011-12	04/10/2019
Final Dividend 2012-13	10/10/2020

Members who have not yet made claims are, therefore, requested to contact the Registrar and Share Transfer Agents or the company immediately.

- Stock Market Data: During the year under review, no transaction has taken place in the equity shares of the company on the Madras Stock Exchange where the Company's shares are listed.
- Share transfers were processed and share certificates dispatched within one month from the lodgement in accordance with the stock exchange listing requirement.
- Registrar and Transfer Agents: M/s.Cameo Corporate Services Ltd. Registrar and Share Transfer Agents of the company have attended to the share transfer formalities regularly. The Registrar and Share Transfer Agents can be contacted by the investors at the following address:

Cameo Corporate Services Limited, 'Subramanian Building',
No.1, Club House Road, Chennai – 600 002.

Phone: 28460390 Fax: 044-28460129 Gram: Cameo

E-mail: cameo@cameoindia.com ; Website: www.cameoindia.com

- Distribution of shareholding as on 31/03/2014

No. of Equity Shares Held	Shareholders		Total Shares	
	Number	% of Total	Number	% to Capital
(1)	(2)	(3)	(4)	(5)
Upto 500	1633	95.72	198927	4.97
501 - 1000	46	2.70	39525	0.97
1001 - 2000	5	0.29	7725	0.19
2001 - 3000	1	0.06	2100	0.05
3001 - 4000	0	0.00	0	0.00
4001 - 5000	0	0.00	0	0.00
5001 - 10000	1	0.06	6350	0.16
10001 and above	20	1.17	3746373	93.66
TOTAL	1706	100.00	4000000	100.00

Shareholding Pattern as on 31/03/2014

Category	No. of Shares	Percentage of Shareholding
Promoters	2938000	73.45
Bodies Corporate	1450	0.04
Public	1060550	26.51
Total	4000000	100.00

- Dematerialisation of shares: As at 31/03/2014, Equity shares numbering 1194209 of Rs.10 each (29.86% of the total number of shares) is in dematerialized form.
- Registered Office of the Company:-
K.G. Plaza, IIIrd Floor, 41-44, General Patters Road, Chennai - 600 002.
Phone Nos.28614466, 28614477, 28614488
E-mail:mahaveerfinance@yahoo.co.in / info@mahaveerfinance.com

Declaration on Code of Conduct

As required by Clause 49(1D) of the Listing Agreement, it is hereby affirmed that all the Board Members and Senior management personnel have complied with the Code of Coduct of the Company.

For MAHAVEER FINANCE INDIA LIMITED
N.Mahaveerchand Dugar
Managing Director

Place : Chennai
Date : 03/05/2014

Auditor's Certificate on Corporate Governance

We have examined the compliance of the conditions of corporate governance by Mahaveer Finance India Limited, Chennai for the year ended 31st March, 2014 as stipulated in clause 49 of the Listing Agreement entered into by the company with the Stock Exchange.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For E.HEMANADHAN & CO
Chartered Accountants
E.HEMANADHAN
Proprietor
Membership No.205593

Place : Chennai
Date : 03/05/2014

COMPLIANCE CERTIFICATE

Registration No: 008555

Authorised Capital: Rs.50,000,000

To

The Members,

M/s Mahaveer Finance India Limited,

I have examined the registers, records, books and papers of M/s Mahaveer Finance India Limited ('the Company') as required to be maintained under the Companies Act, 1956, ('the Act') and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2014 (the 'Financial Year' 2013-2014). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, I certify that in respect of the aforesaid financial year:

1. The Company has updated and maintained all registers as stated in Annexure 'A' to this certificate.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Chennai.
3. The Company being a public limited Company the applicability of Section 3(1)(iii) does not arise.
4. The Board of Directors duly met 4 times on **28.05.2013, 03.08.2013, 26.10.2013 and 25.01.2014** during the financial year in respect of which proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose.
5. The Company closed its Register of Members from **06.09.2013 to 12.09.2013** (both days inclusive) and the necessary compliance of Section 154 of the Act has been made during the financial year.
6. The Annual General Meeting for the financial year ended 31.03.2013 was held on **12.09.2013** after giving notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The Company has not granted any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contract falling under the provisions of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has issued duplicate share certificates during the financial year and the same has been approved by the share transfer committee.
13. The Company has:
 - i. delivered all the share certificates on lodgment thereof for transfer and transmission of equity shares in accordance with the provision of the Act, however the Company has not made any allotment of shares.
 - ii. deposited the amount of dividend declared in a separate Bank Account.
 - iii. posted cheques for dividend to all the members within a period of 30 days from the date of declaration of dividend during the financial year.
 - iv. unpaid dividend for the year ended 31/03/2006 (2005-06) has been transferred to Investor Education and Protection Fund account in accordance with the provision of the Act; and no application money due for refund, matured debentures and the interest accrued thereon is pending to be transferred to Investor Education and Protection Fund;
 - v. Has complied with the requirements of Section 217 of the Act
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancies during the financial year.
15. The Company has not newly appointed Managing Director / Whole-time Director / Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year
17. The Company has made an application to the Company law Board for the purpose of compounding of offence as provided under Section 621A(4)(a) of the Act and the penalty levied had been paid by the Company and necessary e-form 21 has been filed before the Registrar of Companies. Further the Company has not made any other application to the Central Government, Regional Director, Registrar of Companies or such other authorities as may be prescribed under the various provisions of the Act, during the financial year under review.

18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares and therefore the question of redeeming the same does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company, has availed unsecured loan amounting to Rs. 4,62,04,335 /- from its Directors and their relatives during the financial year. Being a non banking financial Company the provisions relating to the Acceptance of Deposits Rules, 1975 is not applicable and the Company is in the process of complying other residual compliances as applicable.
24. The amount borrowed by the company from Banks and others during the financial year are within the borrowing limits of the Company.
25. According to the information, explanations and declaration furnished by the management, the Company had not made any loans / given guarantees or provided securities to other bodies corporate under Section 372A of the Companies Act, 1956 except investments in the securities of other bodies corporate, for which necessary resolution had been passed in the Board of Directors of the Company. Hence complied with the provisions of the Act.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association with respect to change in composition of authorised share capital during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employees and employer's contribution to provident fund with the prescribed authorities pursuant to Section 418 of the Act.

Lakshmmi Subramanian
Practising Company Secretary
C.P.No.1087

Place: Chennai
Date: 03.05.2014

Annexure A
Registers as maintained by the Company

1. Register of Members under sec 150 of the Companies Act, 1956.
2. Minutes Book of Meetings of Board and General Meetings
3. Register of Directors under Sec. 303 Companies Act, 1956.
4. Register of Directors' Shareholdings under section 307 Companies Act, 1956.
5. Register of Contracts under Section 301 Companies Act, 1956.
6. Register of Charges under Section 143 Companies Act, 1956.

ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on **31st March 2014**

Name of the Document	Date of Event	Date of filing	Due Date	Remarks
Form 8	29/05/2013	12/06/2013	27/06/2013	In-Time
Form 23 AC& ACA	12/09/2013	18/09/2013	11/10/2013	In-Time
Form 20B	12/09/2013	08/11/2013	10/11/2013	In-Time
Form 66	12/09/2013	18/09/2013	11/10/2013	In-Time
Form11INV	07/11/2013	11/11/2013	06/12/2013	In-Time
Form 17	14/03/2014	25/03/2014	12/04/2014	In-Time
Form 17	24/03/2014	25/03/2014	22/04/2014	In-Time
Form 21	08/10/2013	08/10/2013	16/10/2013	In-Time

Place: Chennai
Date: 03.05.2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHAVEER FINANCE INDIA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Mahaveer Finance India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 those books.
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;
 - e) on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) section 274 the Act.

**For E.HEMANADHAN & CO
Chartered Accountants**

**E.HEMANADHAN
Proprietor
Membership No.205593**

**Place : Chennai
Date : 03/05/2014**

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 1 of our report on Other Legal and Regulatory Requirements

1. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- b. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification;
- c. The Company has not disposed off any substantial part of its fixed assets during the year.
2. The Company is a Non-Banking Financial Company (NBFC) engaged in the business of giving loans and does not maintain any inventory. Therefore, the provisions of clause 4(ii) of the Order are not applicable to the Company.
3. a. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. The Company has taken loans unsecured from companies or other parties covered in the register maintained under Section 301 of the Act. The number of parties and amount involved in the transactions are 4Nos and Rs.4,62,04,335/- respectively.
- b. The rate of interest and other terms and conditions on which the loans taken by the company are prima facie not prejudicial to the interest of the company.
- c. The payment of the principal amount and interest are regular.
- d. There is no overdue amounts in the aforesaid loans.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for financing operations and the purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the above controls and therefore the reporting of the same does not arise.
5. a. In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register, in pursuance of Section 301 of the Act have been entered.
- b. These transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA of the Act and the rules framed there under, to the extent applicable, have been complied with.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act.
9. a. According to the records of the Company, the company is regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax and any other statutory dues with the appropriate authorities.
- b. According to the information and explanations given to us, there are no undisputed dues payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess which are outstanding as at 31/03/2014 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no dues of sales tax, income tax, wealth tax, customs duty, excise duty and cess that have not been deposited with appropriate authorities on account of any dispute.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the current and immediately preceding financial year.
11. According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks.
12. According to the information and explanations given to us, the company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit societies are not applicable to the Company.
14. In respect of investments, proper records have been maintained by the company for the transactions and timely entries have been made therein. The shares are held by the Company in its own name.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company, prima facie, were applied by the Company during the year for the purposes for which the loans were obtained.
17. According to the information and explanations given to us and on overall examination of the Balance Sheet of the company, we report that funds raised on short-term basis during the year have not been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.
19. The Company has not issued any debentures and hence no securities and charges are required to be created in respect thereof.
20. The Company has not raised any money by way of public issues during the year.
21. To the best of our knowledge and according to the information and explanations given to us, during the year no fraud on or by the Company was noticed or reported during the course of our audit.

For E. HEMANADHAN & CO
Chartered Accountants
E. HEMANADHAN
Proprietor
Membership No.205593

Place : Chennai
Date : 03/05/2014



MAHAVEER FINANCE INDIA LIMITED

Balance Sheet as at 31st March, 2014

Rs.

PARTICULARS	NOTE NO	March 31 2014	March 31 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	40000000	40000000
(b) Reserves and surplus	3	22105850	18199211
		62105850	58199211
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	42583678	17941994
(b) Deferred tax liabilities (Net)	5	4785762	3457334
		47369440	21399328
(4) Current Liabilities			
(a) Short-term borrowings	6	162362665	163119909
(b) Other current liabilities	7	1153881	654526
(c) Short-term provisions	8	6712862	5746026
		170229408	169520461
TOTAL		279704698	249119000
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
Tangible assets	9	12433029	10059721
(b) Non-current investments	10	1223237	1156682
(c) Other non-current assets	11	599380	575230
		14255646	11791633
(2) Current assets			
(a) Cash and cash equivalents	12	1251546	653048
(b) Short-term loans and advances	13	255211280	231050187
(c) Other current assets	14	8986226	5624132
		265449052	237327367
TOTAL		279704698	249119000
Significant Accounting Policies and Notes to the Accounts	1 to 20		

As per our report of even date attached

For **E Hemanadhan & Co.**
Chartered Accountant

G Chidambar
Chairman

N Mahaveerchand Dugar
Managing Director

E Hemanadhan
Proprietor

K S Markandan
Director

M. Deepak Dugar
Joint Managing Director

Place : Chennai
Date : 03/05/2014

P S Balasubramaniam
Director

M Praveen Dugar
Executive Director

MAHAVEER FINANCE INDIA LIMITED**Profit and Loss Statement for the Year Ended 31st March, 2014****Rs.**

PARTICULARS	NOTE NO	March 31 2014	March 31 2013
I. Revenue from operations	15	54844499	44875716
II. Other income	16	14515	18586
III. Total Revenue (I + II)		54859014	44894302
IV. Expenses:			
Employee benefits expense	17	4851633	5035722
Finance costs	18	27263898	20938962
Depreciation and amortization expense	9	2009436	1432060
Other expenses	19	8183307	7001725
Total expenses		42308274	34408469
V. Profit before Tax (III - IV)		12550740	10485833
VI. Tax expense:			
(1) Current tax		2650000	1750000
(2) Deferred tax		1328428	1295767
		3978428	3045767
VII. Profit After tax (V - VI)		8572312	7440066
VIII. Basic and Diluted Earnings Per Share of Rs.10/- each in Rupees		2.14	1.86
Significant Accounting Policies and 1 to 20 Notes to the Accounts			
As per our report of even date attached			

For **E Hemanadhan & Co.**
Chartered Accountant**G Chidambar**
Chairman**N Mahaveerchand Dugar**
Managing Director**E Hemanadhan**
Proprietor**K S Markandan**
Director**M. Deepak Dugar**
Joint Managing DirectorPlace : Chennai
Date : 03/05/2014**P S Balasubramaniam**
Director**M Praveen Dugar**
Executive Director

MAHAVEER FINANCE INDIA LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES:

- (a) The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the provisions of the Companies Act, 1956. The Company follows the directions prescribed by the Reserve Bank of India (RBI) for Non Banking Financial Companies.
- (b) INCOME RECOGNITION :
1. Income from Hypothecation transactions is accounted on the basis of the Internal Rate of Return method.
 2. Lease income is accounted as per the Accounting Standard 19 on "Leases" issued by ICAI.
- (c) FIXED ASSETS / DEPRECIATION :
1. Fixed Assets are stated at historical cost less accumulated depreciation.
 2. Depreciation on assets is provided on straight line method at the rates prescribed under Schedule XIV to the Companies Act, 1956.
- (d) INVESTMENTS
- Investments meant to be held for long term are stated at cost and provision for diminution in value, other than temporary is considered wherever necessary.

	Rs.	
	31-03-2014	31-03-2013
2 SHARE CAPITAL:		
a. Authorised 50,00,000 Equity Shares of Rs.10/- each	5000000	5000000
b. Issued, Subscribed and fully paid up 40,00,000 Equity Shares of Rs.10/- each fully paid-up in cash	4000000	4000000
c. Reconciliation of Number of Equity shares :- Number of Equity shares outstanding at the beginning	4000000	4000000
Add: Issue of Equity shares	0	0
Number of Equity shares outstanding at the end	4000000	4000000
d. Shares in the company held by each shareholder holding more than 5% of Equity shares	No.of shares held/ % of holding	No.of shares held/ % of holding
Mahaveerchand Dugar N	780000 / 19.50%	599600 / 14.99%
Gunasundari Dugar M	770000 / 19.25%	599600 / 14.99%
Deepak Dugar M	470900 / 11.80%	541900 / 13.54%
Pradeep Dugar M	458500 / 11.46%	504600 / 12.62%
Praveen Dugar M	458600 / 11.47%	504700 / 12.62%

		Rs.	
NOTES TO THE ACCOUNTS (Contd.)		31-03-2014	31-03-2013
3	RESERVES & SURPLUS		
a.	GENERAL RESERVE		
	Opening balance	5900000	5000000
	ADD: Transfer from Surplus in the Profit and Loss Statement	900000	900000
		6800000	5900000
b.	STATUTORY RESERVE		
	(As per Section 45-IC of the Reserve Bank of India Act, 1934)		
	Opening balance	8567950	7077650
	ADD : Transfer from Surplus in the Profit and Loss Statement	1714500	1490300
		10282450	8567950
c.	Surplus in the Profit and Loss Statement		
	Opening balance	3731261	3349955
	Add: Profit for the year from Profit and Loss Statement	8572312	7440066
	Add: Excess Provision for Income-tax written back	14127	11340
		12317700	10801361
	Less : Appropriations :		
	Transfer to General Reserve	900000	900000
	Transfer to Statutory Reserve	1714500	1490300
	Equity Dividend	4000000	4000000
	Dividend Tax	679800	679800
	Profit & Loss A/c Surplus Closing Balance	5023400	3731261
	Total reserves and surplus	22105850	18199211
4	Long-term Borrowings		
	Secured		
	Term Loans from bank	583678	441994
	Unsecured		
	Loans and advances from related parties	42000000	17500000
		42583678	17941994
5	Deferred Tax Liabilities (Net)		
	Deferred Tax Liability: Depreciation	4785762	3457334
6	Short-term borrowings		
	Secured		
	Cash Credit facilities from Banks	146327474	145947771
	Term Loans from bank	848116	430016
	Term Loans - Others	10982740	0
	Unsecured		
	Loans and advances from related parties	4204335	16742122
		162362665	163119909

Cash Credit facilities are secured by charge on Hypothecation Loan Receivables, Hire Purchase / Lease agreements, ranking pari passu, excluding assets which are specifically charged to others. The Term loans from bank are secured by Hypothecation of office vehicles. The Term loans from others are secured by Specific assets covered under Hypothecation Loan.

Rs.

NOTES TO THE ACCOUNTS (Contd.)		31-03-2014	31-03-2013
7 Other Current liabilities			
Unpaid Dividends		564155	370425
Sundry Creditors		589726	284101
		1153881	654526
8 Short-term Provisions			
Provision for Taxation		276244	25477
Provision for Non-Performing Assets		888728	450749
Provision for Standard Assets		652000	590000
Provision for Diminution in value of Investments		216090	0
Proposed Dividend		4000000	4000000
Provision for Dividend Tax		679800	679800
		6712862	5746026

FIXED ASSETS**9 Tangible assets**

Particulars	Gross Block				Depreciation				Net Block	
	As on 01-04-2013	Additions	Deductions	As at 31-03-2014	As on 01-04-2013	Additions	Deductions	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
Furniture	3599203	0	0	3599203	2196092	132261	0	2328353	1270850	1403111
Office Equipment	9058297	3081071	1177041	10962327	2618188	1436513	919162	3135540	7826787	6440109
Vehicles	3365273	1559553	0	4924826	1148772	440662	0	1589434	3335392	2216501
Total	16022773	4640624	1177041	19486356	5963052	2009436	919162	7053327	12433029	10059721

10 NON-CURRENT INVESTMENTS**In Shares at cost - Quoted**

S.No.	Name of the Company	QTY	31-03-2014	31-03-2013
1	Deccan Finance Ltd	600	1000	1000
2	Dhandapani Finance Ltd	1	53	53
3	GVK Power & Infrastructure Ltd (9000)	18000	372530	318302
4	Hindustan Construction Ltd (1500)	3000	93162	80835
5	Indian Seamless Enterprises Ltd	4	200	200
6	Indo Asian Finance Ltd	3	19	19
7	Jhagadia Copper Ltd	90	2700	2700
8	Onida Finance Ltd	800	1	1
9	Reliance Capital Ltd	500	330991	330991
10	Reliance Infrastructure Ltd	500	421057	421057
11	Sakthi Finance Ltd	100	500	500
12	Sundaram Finance Ltd	100	723	723
13	Tatia Skyline Ltd	400	1	1
14	The Karur Vysya Bank Ltd.	6	300	300
Aggregate Book Value of Investments Quoted			1223237	1156682
Aggregate Market Value of Investments Quoted			714093	476385

		Rs.	
NOTES TO THE ACCOUNTS (Contd.)	31-03-2014	31-03-2013	
11 Other Non-current Assets Unsecured, Considered good			
Rent Deposits and others	599380	575230	
12 Cash and cash equivalents			
Balances with banks	286144	175795	
Balances with Bank for Unpaid Dividend Accounts	579866	378822	
Fixed Deposit with Bank	5000	0	
Cash on Hand	380536	98431	
	1251546	653048	
13 Short-term Loans and Advances			
a. Secured, Considered good			
Hypothecation Loans	252853053	222449304	
Net Investment in Lease	2215567	8371296	
	255068620	230820600	
b. Unsecured considered good Other loans and advances			
Advance Income tax and Tax Deducted at Source (net of provisions)	36342	51769	
Other Advances	106318	177818	
	142660	229587	
Total (a+b)	255211280	231050187	

In accordance with Accounting Standard -19-Leases, the reconciliation between the total gross investment in the lease and the present value of minimum lease payments (MLP) receivables as on 31.03.2014 is as follows:-

Gross Investment in Lease	2989109	10682649
Less: Unearned Finance Income	773542	2311353
	2215567	8371296

Maturity Pattern of the Gross Investment in lease and Present Value of MLP receivables

	Gross Investment in Lease / MLP	Gross Investment in Lease / MLP
Not later than 1 year	1660734 / 1094481	5658574 / 4199603
Later than 1year and not later than 5years	1328375 / 1121086	5024075 / 4171693
Later than 5 years	-	-
14 Other Current Assets Unsecured, Considered good		
Income Receivable	25891	788426
Other assets	8960335	4835706
	8986226	5624132

		Rs.
NOTES TO THE ACCOUNTS (Contd.)	2013-2014	2012-2013
15 Revenue from Operations		
Hypothecation Loans	53385528	43020597
Lease	1458971	1855119
	54844499	44875716
16 Other Income		
Dividend	14515	18586
	14515	18586
17 Employee benefits expense		
Salaries	4592968	4734151
Contribution to Provident & Other Funds	133873	165604
Staff Welfare Expenses	124792	135967
	4851633	5035722
18 Finance costs		
Interest Expense to Scheduled Banks	19227234	18685471
Interest Expense Others	8036664	2253491
	27263898	20938962
19 Other Expenses		
Rent	2153500	2148000
Postage & Telegrams	629300	603846
Telephones	469473	476920
Electricity charges	335965	367111
Travelling & Conveyance	481829	370667
Advertisement Charges	88250	46444
Director's Sitting Fees	24000	22000
Insurance	88332	127161
Bank Charges	483797	396407
Repairs & Maintenance	247005	235159
Printing & Stationery	277512	203192
Business Promotion Expenses	133732	70746
Subscription	18730	8618
Payment to Auditors:		
For Statutory Audit	50000	40000
For Other Services	23500	19250
Filing Fees	101200	40602
Legal Charges	245896	245875
General Expenses	222939	189479
Vehicle Repairs & Maintenance	825115	739711
Loss on Sale of Fixed Assets	242879	17894
Loss on Sale of Investment	0	160349
Bad Debts	324284	239066
Diminution in value of Investments	216090	0
Provision for NPA	437979	74608
Provision for Standard Assets	62000	158620
	8183307	7001725

NOTES TO THE ACCOUNTS

20 General

20.1 Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's presentation.

20.2 Segment Reporting:

The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Accounting Standard – AS 17 “Segment Reporting issued by ICAI”.

20.3 Related Party Disclosures:

Related Party Disclosures as required by AS 18 of the ICAI are given below:

- (i) Key Management personnel:
Mr.N.Mahaveerchand Dugar, Managing Director.
Mr.M.Deepak Dugar, Joint Managing Director.
Mr.M.Praveen Dugar, Executive Director.
- (ii) The disclosure of related party transactions during the year and balances as on 31st March 2014

Nature of Transactions	Key Management Personnel	Relatives of Key Management Personnel	31.03.2014	31.03.2013
EXPENDITURE:				
Remuneration	1325460	-	1325460	1325460
Interest	977922	4227470	5205392	1732359
Rent	120000	1620000	1740000	1740000
LIABILITIES :				
Loans	7693850	38510485	46204335	34242122

Signature to Notes 1 to 20

As per our report of even date attached

For **E Hemanadhan & Co.**
Chartered Accountant

E Hemanadhan
Proprietor

Place : Chennai
Date : 03/05/2014

G Chidambar
Chairman

K S Markandan
Director

P S Balasubramaniam
Director

N Mahaveerchand Dugar
Managing Director

M. Deepak Dugar
Joint Managing Director

M Praveen Dugar
Executive Director

MAHAVEER FINANCE INDIA LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014****Rs.**

	2013-14		2012-13	
A) CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before Tax and Extra-Ordinary items:		12550740		10485833
Add:				
Depreciation	2009436		1432060	
(Profit) / Loss on Sale of Fixed Assets	242879		17894	
(Profit) / Loss on Sale of Investments	0		160349	
Provision for Non-Performing Assets	437979		74608	
Provision for Standard Assets	62000		158620	
Provision for Diminution in value of Investments	216090		0	
Finance Cost	27263898		20938962	
Dividend Received	(14515)	30217767	(18586)	22763907
Operating Profit Before Working Capital Changes		42768507		33249740
(Increase) Decrease in Short term Loans & Advances	(24161093)		(62574961)	
(Increase) Decrease in Other Current Assets	(3362093)		(1338824)	
(Increase) Decrease in Other Non-Current Assets	(24150)		0	
Increase (Decrease) in Current Liabilities	499355	(27047981)	159981	(63753804)
Cash Generated from Operations		15720526		(30504064)
Financial Expenses		(27263898)		(20938962)
Direct Taxes paid		(2385106)		(1713183)
NET CASH FLOW FROM OPERATING ACTIVITIES		(13928478)		(53156209)
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(4640624)		(3242193)
Sale of Fixed Assets		15000		165000
Purchase of Investments		(66555)		0
Sale of Investments		0		236481
Dividend Received		14515		18586
NET CASH FROM INVESTING ACTIVITIES		(4677664)		(2822126)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Increase (Decrease) in Long Term Borrowings		24641684		12364017
Increase (Decrease) in Short Term Borrowings		(757244)		47967067
Dividend paid (including Corporate Dividend Tax)		(4679800)		(4648900)
NET CASH FROM FINANCING ACTIVITIES		19204640		55682184
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		598498		(296151)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		653048		949199
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		1251546		653048

Previous year's figures have been regrouped/reclassified wherever necessary to conform to current year's classification

As per our report of even date attachedFor **E Hemanadhan & Co.**
Chartered Accountant**G Chidambar**
Chairman**N Mahaveerchand Dugar**
Managing Director**E Hemanadhan**
Proprietor**K S Markandan**
Director**M Deepak Dugar**
Joint Managing DirectorPlace : Chennai
Date : 03/05/2014**P S Balasubramaniam**
Director**M Praveen Dugar**
Executive Director

MAHAVEER FINANCE INDIA LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 2014

(As required under paragraph 9BB of NBFC Prudential Norms (Reserve Bank) Direction, 1998)

Sl. No.	Particulars	(Rs.in lacs.)	
LIABILITIES SIDE :			
1.	Loans and Advances availed by the NBFCs Inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdues
	(a) Debentures:		
	Secured	—	—
	Unsecured	—	—
	(Other than falling within the Meaning of public deposits)		
	(b) Deferred Credits	—	—
	(c) Terms Loans	14.32	—
	(d) Inter-Corporate loans and borrowing	—	—
	(e) Commercial Paper	—	—
	(f) Public Deposits	—	—
	(g) Other Loans	109.83	—
	Bank Borrowings	1463.27	—
	Loans from Directors	462.04	—
2.	Break-up of (l)(f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid):		
	(a) In the form of Unsecured Debentures	—	—
	(b) In the form of party secured debentures i.e. debentures Where there is a shortfall, in the value of security	—	—
	(c) Other Public Deposits	—	—
ASSETS SIDE:			
3.	Break-up of Loans and Advances including bills receivables (other than those include in (4) below):		
	(a) Secured	—	
	(b) Unsecured	—	
4.	Break-up of Leased Assets and Stock-on-hire and Hypothecation loans counting towards EL/HP activities:		
	(i) Lease assets including lease rentals Under sundry debtors:		
	(a) Financial Lease	22.16	
	(b) Operating Lease	—	
	(ii) Stock on Hire including hire charges Under sundry debtors:		
	(a) Assets on Hire	—	
	(b) Repossessed Assets	—	
	(iii) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been Repossessed	—	
	(b) Loans other than (a) above	2528.53	

5. Break-up of Investments:
 Long Term Investments:
1. Quoted:
 - (i) Equity Shares 12.23
 - (ii) Debentures 0.00
 - (iii) Units of Mutual funds 0.00
 2. UnQuoted:
 - (i) Equity Shares –
 - (ii) Government Securities –
6. Borrower group-wise classification of all leased assets, Stock-on-Hire and loans and advances:

Category	Amount net of provisions		Total
	Secured	Unsecured	
1. Related Parties			
(a) Subsidiaries	–	–	–
(b) Companies in the same group	–	–	–
(c) Other related parties	–	–	–
2. Other than related parties	2541.80	–	2541.80
Total	2541.80	–	2541.80

5. Investor Group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value/Break Up or fair value or NAV	Book Value (Net of provisions)
1. Related Parties		
(a) Subsidiaries	–	–
(b) Companies in the same group	–	–
(c) Other related parties	–	–
2. Other than related parties	7.14	10.07
Total	7.14	10.07

6. Other information

Particulars	Amount
(i) Gross Non-performing Assets	
(a) Related parties	–
(b) Other than related parties	33.65
(ii) Net Non-performing Assets	
(a) Related parties	–
(b) Other than related parties	24.76
(iii) Assets acquired in satisfaction of debt	–

MAHAVEER FINANCE INDIA LIMITED

CIN : L65191TN1981PLC008555

Regd.Office:K.G.PLAZA, 3RD FLOOR, 41-44 GENERAL PATTERS ROAD, CHENNAI-600002

Phone : 28614466, 28614477 & 28614488 :: Fax: 044-28604099 ::

Email:mahaveerfinance@yahoo.co.in, info@mahaveerfinance.com

ATTENDANCE CARD

33rd ANNUAL GENERAL MEETING

TIME : THURSDAY 21ST AUGUST 2014 AT 11.00AM.

VENUE : SOUTH INDIA HIRE PURCHASE
ASSOCIATION PREMISES
DESABANDU PLAZA,
FIRST FLOOR, 47, WHITES ROAD,
ROYAPETTAH, CHENNAI-600014

MEMBER

PROXY
(Name in Capital Letters)

I hereby record my presence at the
33rd AGM of the Company.

Signature of Member / Proxy

- Note:1. Admission restricted to Members / Proxy only.
2. Please avoid bringing children / non-members with you.
3. Kindly contact Help-desk at the venue for any clarifications / assistance.

MAHAVEER FINANCE INDIA LIMITED

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Email:mahaveerfinance@yahoo.co.in info@mahaveerfinance.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act,2013 and Rule 19(3) of the Companies (Management and Administration) Rules,2014)

Name of the Member(s):

Folio No./DP ID/Client id:

Registered address:

E-mail:

I/We, being the member (s) of _____ shares of the above named company, hereby appoint:

1.Name: _____ 2.Name: _____ 3.Name: _____

Address: _____ Address: _____ Address: _____

E-mail ID: _____ E-mail ID: _____ E-mail ID: _____

Signature: _____ Or failing him/her Signature _____ Or failing him/her Signature _____

As my /our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the 33rd Annual General Meeting of the Company, to be held on Thursday, the 21st August 2014 at 11.00 AM at the South India Hire Purchase Association Premises, DESABANDU PLAZA,First Floor, 47, Whites Road, Royapettah, Chennai-600014 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote (optional)		
		For	Against	Abstain
Ordinary Business				
1	Adoption of accounts for the financial year 2013-2014			
2	Declaration of Dividend for the financial year 2013-14			
3	Appointment of a director in place of Mr.M.Deepak Dugar, who retires by rotation and being eligible , seeks re-appointment			
4	Appointment of M/s.E.Hemanadhan &Co. as the Statutory auditors of the Company			
Special Business				
5	Appointment of Mr.G.Chidambar as an Independent Director			
6	Appointment of Mr.K.S.Markandan as an Independent Director			
7	Appointment of Mr.P.S.Balasubramaniam as an Independent Director			
8	Special Resolution for borrowing in excess of the aggregate of paid-up share capital And free reserves			

Signed this _____ day of _____ 2014

Signature of the Shareholder _____



Signature of Proxy holder (s) _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the company, not less than 48 hours before the commencement of the Meeting.

BOOK-POST



If undelivered please return to :
M/s. Mahaveer Finance India Limited
K.G. Plaza, 3rd Floor,
No. 41-44, General Patters Road, Chennai - 600 002.

