

**17<sup>th</sup>**  
**ANNUAL REPORT**  
**2002-2003**



**AD-MANUM FINANCE LIMITED**

*'Agarwal House', Second Floor*  
*5, Yeshwant Colony, Indore (M.P) - 452 003*

## **AD-MANUM FINANCE LIMITED**



### **BOARD OF DIRECTORS**

- |                           |                          |
|---------------------------|--------------------------|
| • Mr. Vinod Kumar Agarwal | - Managing Director      |
| • Mr. J.N. Choudhury      | - Director - In - Charge |
| • Mr. Dipak K. Kalani     | - Director               |
| • Mr. Ajay Mittal         | - Director               |
| • Mr. Pankaj Kalani       | - Director               |

### **AUDITORS**

- M/s. Mahendra Badjatya & Company  
Chartered Accountants  
208, Morya Center, 16 Race Course Road,  
Indore (M.P).

### **BANKERS**

- UCO BANK

### **REGISTERED OFFICE**

- 'Agarwal House', Second Floor  
5, Yeshwant Colony,  
Indore (M.P) - 452 003

### **OFFICES**

- Sendhwa, Dhulia, Jalgaon, Bhuj, Rajkot, Junagadh, Mehsana, Nandurbar, Amreli,  
Surendra Nagar & Veraval.

### **SHARE TRANSFER AGENT**

- (For Physical & Electronic Mode)  
M/s Ankit Consultancy Pvt. Ltd.  
II<sup>nd</sup> Floor Alankar Point, Gita Bhawan Chouraha A.B. Road,  
INDORE (M.P.) 452 001  
Ph. 2491298 Fax : 0731-5065798 E-mail : [ankitind@sancharnet.in](mailto:ankitind@sancharnet.in)

**AD-MANUM FINANCE LIMITED****NOTICE**

**NOTICE IS HEREBY** given that the 17th Annual General Meeting of the Members of AD-MANUM FINANCE LIMITED will be held at Hotel Surya 5/5, Nath Mandir Road, Indore - 452 001 (M.P) On Tuesday the 30th September 2003 at 11.00 A.M. to transact the following business:-

**ORDINARY BUSINESS**

1. To consider and adopt the audited Balance Sheet as at 31.03.2003 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in Place of Mr. Ajay Mittal, who retires by rotation and being eligible, offer himself for re-appointment.
3. To Appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS**

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

**RESOLVED THAT** in accordance with the provisions of the sections 198, 269, 309, 310, 311, schedule XIII and other applicable provision, if any, of the companies act, 1956. The consent of the company be and is hereby accorded to increase the period of the appointment and remuneration payable to Mr. J.N.Choudhury, Director-In-Charge as set out below including remuneration to be paid in case of inadequacy of profit, absence of profit or no profits in such manner as may be agreed in between the board of directors and Mr. J.N. Choudhury but so as not to exceed the limits specified in schedule XIII read with section 198, 309 and other applicable provisions, if any, of the act or any amendments thereof or reenactments thereof.

Date of appointment : 01.07.2002

Period of appointment : Increased from earlier 2 years to 3 years so as to expire on 30.06.2005.

Salary : Increased from Rs. 12000 per month to Rs. 17000 per month for the remaining

period of his tenure of office with effect from 01.07.2003 to 30.06.2005.

Perquisites

: Reimbursement of conveyance expenses, provident fund, Bonus and gratuity as per the rules of the company.

**RESOLVED** further that the managing director of the company be and is hereby authorised to do all such acts, deeds, matters, and things as may be considered necessary, usual or expedient to give effect to the above resolution.

5. To consider, and if thought fit, to pass with or without modification (s), the following resolution as a **special resolution**:-

**RESOLVED THAT** all the equity shares of the company be delisted from the Ahmedabad Stock Exchange, Ahmedabad, the Madhya Pradesh stock Exchange, Indore subject to such approvals, Permissions and sanctions as may be necessary and in compliance with such condition and modifications as may be prescribed for this purpose.

**RESOLVED FURTHER THAT** the Board of Directors of the company (hereinafter referred to as "the board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred by the Board) be and is hereby authorised to seek voluntary delisting to take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may in its absolute discretion, difficulty, doubt that may arise in regard to delisting of the equity shares and to execute all such deeds, documents, writings as may be necessary, desirable or expedient as may be deemed fit and for this purpose to delegate the authority duly vested in it by virtue hereof to the managing director or any other person to whom the board may consider suitable to do the various acts, deeds and things as required to be done in this behalf.

Registered office,  
"Agarwal House" Second floor  
5, Yeshwant Colony,  
INDORE 452 003 (M.P)

By Order of the Board

sd/-  
V.K. AGARWAL  
(MANAGING DIRECTOR)

Place: INDORE  
Date : 18.08.2003

**AD-MANUM FINANCE LIMITED****NOTES**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 26th September, 2003 to Tuesday the 30th September, 2003 (Both days inclusive)
3. Shareholders desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
4. Members are requested to notify immediately any change in their address to the Company or to their concerned Depository.
5. Members are requested to quote their folio number/Demate a/c number & DPID in all correspondences with the company.
6. Members are requested to bring their copies of the Annual Report to the Meeting.
7. Shareholder who have not yet claimed/enchased their Dividend warrant are advised to take steps to realize the same.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM No.4**

Mr. J.N. Choudhury was appointed vide board meeting resolution dated 01.07.2002 as whole time director of the company designated as director in charge of the company with effect from 01.07.2002 for a period of two years on the terms and conditions set out in the body of the board resolution passed in that meeting. The said appointment of Mr. J.N. Choudhury as Whole Time Director of the company and his remuneration were approved by the members of the company at 16th annual general meeting held on 30.09.2002.

The board has recommended at its meeting held on 18th August 2003 to revise the remuneration of Mr. J.N. Choudhury with effect from 01.07.2003 from Rs. 12000 to Rs. 17000 per month and also to increase his period of appointment from the original 2 years to 3 years with effect from 01.07.2002 so as to expire on 30.06.2005.

Mr. J.N. Choudhury MIBM, MBA having 11 years experience is responsible for overall day to day operations of the company. He is in the employment of the company since 1993.

None of the director of the company is interested in the above resolution except Mr. J.N. Choudhury to the extent of the enhancement in his remuneration package.

You are requested to consider and pass the resolution.

**ITEM No. 5**

Presently, the company's securities are listed on the following three stock exchange in india :

1. Ahemdabad Stock Exchange, Ahemdabad.
2. M.P. Stock Exchange, Indore (Regional Stock Exchange)
3. The Stock Exchange, Mumbai.

Except Mumbai Stock Exchange the trading of the company's shares at other stock exchanges is negligible. With the extensive networking of the stock exchange, Mumbai (BSE) the extension of the terminals to other cities as well, investors have access to online dealing in the company's securities across the country.

The company's equity shares are being traded only in dematerialised form. In view of the extremely low trading volumes the benefits accruing to the investors by keeping the shares of the company listed on stock exchanges at Ahemdabad & M.P. are not commensurate with costs incurred by the company for continued listing on these stock exchanges.

The securities and exchanges Board of India (SEBI) has issued the securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003. Under these Guidelines, voluntarily delisting of shares from one or more stock exchanges have been permitted without obtaining buy-back to the shareholders provided the securities of the company have been listed for a minimum period of three years on any stock exchange and a public announcement in prescribed manner shall be published in newspaper.

The members approval is being sought by way of a special resolution for delisting of company's equity shares from Ahemdabad & M.P. Stock exchanges.

None of the director of the company is interested in the aforesaid resolution.

Your directors recommend the special resolution for aproval of the Members.

Registered office,  
"Agarwal House" Second floor  
5, Yeshwant Colony,  
INDORE 452 003 (M.P.)

By Order of the Board

sd/-  
V.K. AGARWAL  
(MANAGING DIRECTOR)

Place: INDORE  
Date : 18.08.2003

**AD-MANUM FINANCE LIMITED****DIRECTOR'S REPORT**

Your Directors have pleasure in presenting herewith the 17th Annual Report and Audited Accounts for the year ended on 31st March, 2003 and report as under :-

**1. FINANCIAL RESULTS**

	<b>Current Year(Rs.)</b>	<b>Previous Year(Rs.)</b>
Profit before Depreciation-		
Interest & other Adjustments	<b>16942410</b>	13326385
Less : Interest	<b>6428318</b>	4882688
: Depreciation	<b>529050</b>	350555
Profit before Tax	<b>9985042</b>	8093142
Less : Provision for current Income Tax	<b>2850000</b>	2400000
Provision for deferred Income Tax	<b>215000</b>	60000
Income Tax for Earlier Year	<b>151350</b>	---
Provision for Gratuity	---	64427
Provision for NPA	<b>404870</b>	410444
Add : Income of Earlier Year	<b>18887</b>	4983
	<b>6382709</b>	5163254
Less : Gratuity for Earlier Year	---	222486
Profit for the Year	<b>6382709</b>	4940768
Add : Balance of Profit B/F	<b>3117275</b>	2176507
Amount Available for Appropriation	<b>9499984</b>	7117275
<b>APPROPRIATIONS :</b>		
Transfer to Statutory reserves as per RBI Act	---	1000000
Trfd. to General Reserve	<b>5000000</b>	3000000
Balance Carried to Balance Sheet	<b>4499984</b>	3117275
	<b>9499984</b>	7117275

**2. DIVIDEND**

With a view to conserve the resources for strengthening the working capital base of the Company no Dividend is recommended by the Board of Directors for the year.

**3. DIRECTORS**

During the year Shri Ajay Mittal retires by Rotation and being eligible offer himself for reappointment. Mr. Sudama Tiwari resigned from the Board and in place Mr. Pankaj Kalani appointed as An ordinary Director of the company. Except this There is no other change in the Constitution of Board of Directors of the Company.

**4. PUBLIC DEPOSITS**

The Company has neither invited nor accepted any deposits during the Year and also Complied with the requirements of Non-Banking financial companies

Reserve Bank directives and the rules made thereunder.

**5. PARTICULARS OF EMPLOYEES**

There was no employee drawing salary of Rs.200000/-per month or Rs.2400000/- per annum.

**6. PARTICULARS U/s.217(i)(e) OF THE COMPANIES ACT, 1956**

Since the Company does not carry on any industrial activity, therefore, the information required in accordance with the provisions of section 217 (1)(e) of the Companies Act, 1956 need not be furnished by the Company.

**7. DIRECTOR'S RESPONSIBILITY STATEMENT**

The Statement as required under section 217(2AA) of the Companies Act, 1956 is given in Annexure "A" forming a part of this report.

**8. CORPORATE GOVERNANCE**

The report of the Board of Directors on corporate governance is given in annexure-'B' forming part of this report.

**9. AUDITORS**

M/s Mahendra Badjatya & Company, Chartered Accountants, retire at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for reappointment.



## AD-MANUM FINANCE LIMITED

### 10. ACKNOWLEDGMENT

The Board acknowledge with gratitude, the co-operation and assistance provided by the Company's Bankers. Your directors also thank the shareholders for their continued support.

Registered office,  
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5, Yeshwant Colony,  
INDORE 452 003 (M.P)

By Order of the Board  
  
sd/-  
V.K. AGARWAL  
(MANAGING DIRECTOR)

Place: INDORE  
Date : 18.08.2003

### ANNEXURE "A" TO DIRECTOR'S RESPONSIBILITY STATEMENT

Director's Responsibility Statement as required under section 217 (2AA) of the Companies Act, 1956 (The Act):

- (i) That in the preparation of the annual accounts for the year ended 31st march, 2003 the applicable accounting standards has been followed along with proper explanation relating to material departures;
- (ii) That the Directors had selected such accounting policies as mentioned in schedule 16 of the audited accounts attached herewith and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the above period;
- (iii) That the Director had taken proper and sufficient care for the maintenance of adequate accounting records on Computer accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That Directors had prepared the annual accounts on a going concern basis.

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By Order of the Board  
  
sd/-  
V.K. AGARWAL  
(MANAGING DIRECTOR)

Place: INDORE  
Date : 18.08.2003

### CORPORATE GOVERNANCE REPORT

#### Annexure-"B"

#### Company's philosophy on Corporate Governance

The recently introduced clause 49 of the listing agreement with Stock Exchange incorporates certain disclosures/requirements related to Corporate Governance with the purpose of enhancing statutory compliances and disclosures related thereto. In pursuance of this objective, we are pleased to report the following:-

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### OVERALL REVIEW OF FINANCE BUSINESS

The company is mainly doing finance on second hand commercial vehicles. There is stiff competition among major NBFC companies in the second hand vehicle finance sector, but due to long history and good background of the company the customers give preference to the company. Your company continued to secure improved business as compared to the last year which is due to timely adoption of prudent business strategies, measures taken to reduce cost of funds and cost of operations, improved funds management and effective steps taken to maintain the NPA levels. Your company has also strengthened the marketing efforts and at present operates at 12 centers of Madhya Pradesh, Maharashtra and Gujarat.

#### OPPORTUNITIES AND THREATS

According to the management of the company, the second hand vehicle finance sector has good potential, as still banks and institutions are keeping themselves away from this sector. However due to enormous resources held with banks and institutions coupled with their focus to tape personal finance business aggressively the chances of their entry in this business segment cannot be ruled out.

Further, a major threat appears to be on account of further reduction in interest rates, if any, trends in take over of loans etc. which might affect the profitability of the company. However your company is confident of facing the challenges and is optimistic about the sustenance of this finance segment for quite a long time.



**AD-MANUM FINANCE LIMITED****RISK AND CONCERN**

Though the management of company is quite meticulous about the security and recovery aspect of each finance file which reflect from the fact that the overall NPA recognized by the company is only to the tune of Rs. 815314/-.

Your company will continue to adopt strategies to register significant increase in business volumes, and would initiate still more concentrated efforts to maintain the NPA level to its minimum.

**BOARD OF DIRECTORS**

1. The strength of the Board of Directors of the company were five on 31st March, 2003. The Board comprises of executive and Non-Executive Directors. There is no non working chairman and Shri Vinod Kumar Agarwal is Managing Director.
2. The Board met 17 times during the period April 2002 to March,2003.
3. Participation of the Directors has been active. Attendance record of the participating Directors are as follows:

Sl.No.	Name of Directors	Category	No.of attended Meeting
i.	Vinod K. Agarwal	Managing Director(Executive)	16
ii.	J.N.Choudhury	Director-In-Charge(Executive)	14
iii.	Dipak K. Kalani	Independent (Non Executive)	12
iv.	Ajay Mittal	Independent (Non Executive)	7
v.	Sudama Tiwari	Independent (Non Executive)	--

4. The Company ensure compliance of various statutory requirements.
5. All the statutory Register that are required to be maintained, particularly, Register of investments etc are properly maintained and continuously updated.

**AUDIT COMMITTEE**

A qualified and independent audit committee has been set up having three non executive Directors. The Audit Committee comprises of Mr. Ajay Mittal as Chairman, Mr. Dipak Kalani and Mr. Sudama Tiwari as members.

The Committee shall be overseeing the Company's financial reports and disclosure of its financial information. It will recommend the appointment of Auditors, fixation of Audit fee and also for payment for any other services. The committee will also review quarterly un-audited financial results and annual accounts of the company.

**SHAREHOLDERS GRIEVANCE COMMITTEE**

Grievance committee comprises of Mr. Ajay Mittal, Mr. Dipak Kalani and Sudama Tiwari as members the committee will ensure that all the complaints of the shareholders are redressed at the earliest.

**REMUNERATION COMMITTEE**

This is a non-mandatory requirement of clause 49 of the listing agreement. The board has not formed the remuneration committee and all decision of appointment and remuneration of executive directors are taken by the board of directors and approved by the shareholders in general meeting.

Details of the remuneration of directors are as under.

**AD-MANUM FINANCE LIMITED**

Name of the Directors	Amount	Period of appointment
Vinod Kumar Agarwal (M.D.)		Appointed for 5 years w.e.f. 01.10.2002.
- Salary	264000	
- House Rent	150000	
J.N.Choudhury (Director-In-Charge)		Appointed for 3 years w.e.f. 01.07.2002.
- Salary	108000	
- Bonus	6000	
- PF	7020	

**GENERAL BODY MEETINGS**

A) The details of the last three annual General Meetings are as under:-

FINANCIAL YEAR	LOCATION	DATE	TIME
2000	Hotel surya 5/5 nath mandir road,Indore	30/09/00	11:00AM
2001	Hotel surya 5/5 nath mandir road,Indore	30/09/01	11:00AM
2002	Hotel surya 5/5 nath mandir road,Indore	30/09/02	11:00AM

Special business transacted at the last annual General Meetings was,

To reappoint the Managing Director shri Vinod Kumar Agarwal, to appoint Mr. J.N.Choudhury as Director in-charge and confirmation of Mr. Ajay Mittal as additional Director.

B) An extra ordinary general meeting of the company was also held on 24.03.2003 to transact the business of donation to charitable institutions.

**MEANS OF COMMUNICATION**

The Company's quarterly results in the format prescribed by the stock exchanges are approved and taken on record by the Board within the prescribed time frame and sent immediatly to all stock exchanges on which the company's shares are listed. These results are published in english and in vernacular news paper.

**GENERAL SHAREHOLDERS INFORMATION**

- Annual General Meeting date, day, time and venue  
30-09-2003, Tuesday, 11A.M., at Hotel Surya,5/5 Nath Mandir Road Indore 452001.
- Financial calender for the year 2003-04  
Financial year 1st April to 31st March
 

Ist quarter result	= 4th week of July 03
IInd quarter reult	= 4th week of October 03
IIIrd quarter result	= 4th week of January 04
Result for the year end	= 4th week of April 04
- Book closure date:- Friday 26th September to Tuesday 30th September 03 (Both days inclusive)
- Dividend payment : No dividend is recommended for the F.Y. 02-03.
- Listing of equity shares : The companies shares are listed at The stock exchange Mumbai, The M.P stock exchange Indore and The Ahemdabad stock exchange. The listing fees upto the Year 2002-2003 has been paid to all stock exchanges.