

19th
ANNUAL REPORT
2004 - 2005



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. Aseem Trivedi - Director
- Mr. Vishnu Gupta - Director
- Mr. D.P. Kori - Director

AUDITORS

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

COMPANY SECRETARY

- Mr. Pankaj Pabaiya

BANKERS

- UCO Bank

REGISTERED OFFICE

- 'Agarwal House', Second Floor,
5, Yeshwant Colony, Indore (M.P.) - 452 003
Ph.: 91-731-2548851, 2538874, 2431709 and 2539575, Fax: 5040805
E-mail: agarcoal@mantrafreenet.com & agarcoal@sancharnet.in

MARKETING OFFICES

Sendhwa, Chalisgaon, Dhulia, Jalgaon, Nandurbar, Shirpur, Ahmedabad, Amreli, Bhuj, Gandhidham, Himmatnagar, Junagadh, Mehsana, Rajkot, Surendranagar, Veraval & Chennai.

SHARE TRANSFER AGENT

(For Physical & Electronic Mode)

M/s Ankit Consultancy Pvt. Ltd

IIInd Floor, Alankar Point, Geeta Bhawan Chouraha, A.B. Road, Indore (M.P.) - 452 001

Ph. 91-731-2491298, Fax : 5065798 E-mail : ankitind@sancharnet.in

AD-MANUM FINANCE LIMITED**NOTICE**

NOTICE IS HEREBY given that the 19th Annual General Meeting of the members of M/s Ad-Manum Finance Limited will be held on Friday the 30th day of September, 2005 at Hotel Surya 5/5, Nath Mandir Road, Indore - 452 001 (M.P.) at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31.03.2005 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2005.
3. To appoint a Director in Place of Mr. J.N. Choudhury, who retires by rotation and being eligible, offer himself for re-appointment.
4. To Appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force and subject to such approvals, the consent of the Company be and is hereby accorded to the re-appointment of Shri J.N. Choudhury, as the Whole-Time Director designated as Director-in-Charge of the Company to hold office for a period of 2 (two) years w.e.f. 01.07.2005 on the terms and conditions as have been set out in the explanatory statement annexed to the Notice convening this Annual General Meeting with a liberty to the Board to vary, alter and modify such salary & perquisites so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any statutory modifications or re-enactment thereof as may be agreed to by the Board of Directors or any committee thereof and Shri J.N. Choudhury."

Registered Office
"Agrawal House" Second Floor,
5, Yeshwant Colony, Indore - 3 (M.P.)

By Order of the Board

sd/-

Place : INDORE

VINOD K. AGARWAL

Date : 25/08/2005

MANAGING DIRECTOR

NOTES

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of meeting.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday the 28th day of September 2005 to Friday the 30th day of September 2005 (Both days inclusive).
3. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
4. Payment of dividend, if declared, will be made on or after the date of Annual General Meeting to those members whose names appear on the Register of Members of the Company on 27th September 2005.
5. 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.
6. **Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.**
7. Shareholders are requested to bring their copy of the Annual Report to the Meeting.
8. Members/Proxies should fill the Attendance Slip for attending the meeting.
9. Shareholders are requested to address their correspondence, including a change in their address, if any, to the R&T Agents of the Company.
10. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
11. **As per section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in the prescribed form to the R&T Agents of the Company.**
12. At the ensuing Annual General Meeting, Shri J.N. Choudhury, retire by rotation and being eligible offer

AD-MANUM FINANCE LIMITED

themselves for reappointment. The information relating to the above director to be provided in terms of Clause 49 of the Listing Agreement are included in the report on Corporate Governance published in this annual report.

13. **Shareholders who have not yet claimed/ encashed 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. 5:

The Board of Directors of the Company on 01.07.2002 appointed Mr. J.N. Choudhury as Whole-Time Director designated as Director-in-Charge for a period of Two years and his appointment & remuneration were approved by members of the Company at 16th Annual General Meeting held on 30.09.2002.

Further the Board in its meeting held on 18.08.2003 revised his remuneration & tenure of office and the same were approved by the members of the Company at 17th Annual General Meeting held on 30.09.2003.

The tenure of office of Shri J.N. Choudhury was expired on 30.06.2005 and the Board of Directors of the Company in its meeting held on 30th day of June, 2005 approved his re-appointment as Whole-Time Director designated as Director-in-Charge of the Company for a further period of 2 (Two) years effective from 01.07.2005, subject to the approval of the members of the Company in the ensuing Annual General on the following terms:

Date of appointment	: 01.07.2005
Tenure of Office	: Two years (from 01.07.2005 to 30.06.2007)
Salary	: Rs. 20,000/- per month.
Perquisites	: Reimbursement of conveyance expenses, provident fund, bonus and gratuity as per the rules of the Company.

Your Directors recommends the said resolution seeking the approval & consent of the shareholders as per the provisions of the Companies Act, 1956.

None of the Directors except Shri J.N. Choudhury is concerned or interested in the resolution proposed at item no. 5.

Registered Office
"Agrawal House" Second Floor,
5, Yeshwant Colony, Indore - 3 (M.P.)

By Order of the Board

sd/-

Place : **INDORE**
Date : 25/08/2005

VINOD K. AGARWAL
MANAGING DIRECTOR

DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 19th Annual Report and Audited Accounts for the year ended on 31st March 2005.

1. FINANCIAL RESULTS (Amount in Rs.)

	Current Year	Previous Year
Profit before Depreciation, Interest & other adjustments	39971804	20065128
Less : Interest	13555327	7846183
: Depreciation	1607602	560560
Profit before Tax	24808875	11658385
Less : Provision for current Income Tax	4126000	3630000
: Provision for deferred Income Tax	4349700	157800
: Income Tax for earlier year	1375	19875
: Exp. for earlier year	--	9255
: Provision for NPA	(321230)	527917
Add : Income of earlier year	1332	--
Profit for the year	16654362	7313538
Add : Balance of Profit B/F	5313522	4499984
Amount available for appropriation	21967884	11813522

APPROPRIATIONS :

Proposed dividend (@10%)	3000000	--
Corporate Tax on Proposed dividend	420750	--
Transfer to NBFC Reserve	3350000	1500000
Transfer to General Reserve	10000000	5000000
Balance carried to Balance Sheet	5197134	5313522
TOTAL RS.	21967884	11813522

2. DIVIDEND

The Board of Directors recommend payment of dividend @ 10% for the year ended on 31st March, 2005.

3. DIRECTORS

During the year Shri J.N. Choudhury, retires by Rotation and being eligible offer himself for reappointment.

Shri Badrilal Gupta was resigned from the Board and



AD-MANUM FINANCE LIMITED

in their place Shri Devi Prasad Kori was appointed as ordinary directors to fill the casual vacancy occurred due to said resignation of director; in the meeting of the Board of Directors held on 30th day of July 2005.

The Board of Directors places its sincere appreciation for the services rendered by the outgoing Director during their tenure as Director 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 NonBanking Financial Companies, Reserve Bank Directives and the rules made there under.

5. DISCLOSURES AS PER TERMS OF PARAGRAPH 9BB OF NON-BANKING FINANCIAL COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 1998.

The disclosures as required under Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 is enclosed herewith as **Annexure - A**.

6. PARTICULARS OF EMPLOYEES

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

7. 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.

8. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed that:

- I. In the preparation of the annual accounts the applicable accounting standards have been followed;
- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and

prudent so as to give true and fair view of the state of affairs of the Company as at 31st March 2005 and of the profit of the Company for the year ended on that date;

- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records on computer in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- IV. The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

9. COMMERCIAL ASSOCIATE BUSINESS WITH HDFC BANK LTD.

During the year the Company entered into an arrangement with HDFC Bank Ltd. as their "Commercial Associate". The Company has achieved good amount of business from this association and look forward for better results in future.

10. CORPORATE GOVERNANCE

A separate report on Corporate Governance and a certificate from the Auditors of the Company regarding the compliance of conditions thereof as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is annexed.

11. AUDITORS AND AUDITOR'S REPORT

M/s Mahendra Badjatya & Company, Chartered Accountants, retire at the conclusion of ensuing Annual General Meeting and eligible offer themselves for re-appointment. The Auditor's Report is self-explanatory hence there is no need of any comments.

12. ACKNOWLEDGEMENT

The Board of Directors places its sincere gratitude for the assistance and co-operation received from Banks, Customers and Shareholders. The Directors take the opportunity to express their sincere appreciation for the dedicated services of the Executives and staff for their contribution to the overall performance of the Company.

By Order of the Board

sd/-

Place : INDORE
Date : 25/08/2005

VINOD K. AGARWAL
MANAGING DIRECTOR

AD-MANUM FINANCE LIMITED

Annexure A
As per Para (5) of Director's Report.
SCHEDULE TO THE BALANCE SHEET OF A
NON-BANKING FINANCIAL COMPANY

(As required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998)

(Rs. In Lakhs)

PARTICULARS

Liabilities side :

(1) Loan and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid :	Amount outstanding	Amount overdue
(a) Debentures : Secured	N.A	N.A
: Unsecured (other than falling within the meaning of public deposits)		
(b) Deferred Credits	N.A	N.A
(c) Term Loans	N.A	N.A
(d) Inter-corporate loans and borrowing	918.89	NIL
(e) Commercial Paper		
(f) Public Deposits		
(g) Other Loans (specify nature) (Bank)	1287.86	NIL
Please see Note 1 below		

(2) Break-up of (1)(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 partly secured debentures i.e. debentures where there is a shortfall in the value of security	_____ NIL _____
(c) Other public deposits	

Please see Note 1 below

Assets side :

	Amount outstanding
(3) Break-up of Loans and Advance including bills receivables [other than those included in (4) below] :	
(a) Secured	NIL
(b) Unsecured	37.21

AD-MANUM FINANCE LIMITED**(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	NIL
(b) Operating lease	NIL
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	1.95
(b) Repossessed Assets	NIL
(iii) Hypothecation loans counting toward EL/HP activities	
(a) Loans where assets have been repossessed	NIL
(b) Loans other than (a) above	2323.52

(5) Break-up of Investment**Current Investment :****1. Quoted :**

- (i) Shares : (a) Equity
- (b) Preference
- (ii) Debentures and Bonds
- (iii) Units of mutual funds
- (iv) Government Securities
- (v) Others (please specify)

 /

 NIL
2. Unquoted :

- (i) Shares : (a) Equity
- (b) Preference
- (ii) Debentures and Bonds
- (iii) Units of mutual funds
- (iv) Government Securities
- (v) Others (please specify)

 /

 NIL
Long Term investments :**1. Quoted :**

(i) Share : (a) Equity	6.01
(b) Preference	NIL
(ii) Debentures and Bonds	0.09
(iii) Units of mutual funds	0.10
(iv) Government Securities	NIL
(v) Others (please specify)	NIL

2. Unquoted :

- (i) Shares : (a) Equity
- (b) Preference
- (ii) Debentures and Bonds
- (iii) Units of mutual funds
- (iv) Government Securities
- (v) Others (please specify)

 /

 NIL

AD-MANUM FINANCE LIMITED

**(6) Borrower group - wise classification of all leased assets,
stock on hire and loans and advances :**

<i>category</i>	<i>Amount net of provisions</i>		
	<i>secured</i>	<i>Unsecured</i>	<i>Total</i>
1. Related Parties :			
(a) Subsidiaries		NIL	
(b) Companies in the same group			
(c) Other related parties			
2. Other than related parties			
Total			

**(7) Investor group-wise classification of all investment
(current and long term) in shares and securities (both
quoted and unquoted) :**

<i>category</i>	<i>Market Value / Break</i>	<i>Book Value (Net</i>
	<i>up or fair value or NAV</i>	<i>of provisions)</i>
1. Related Parties **		
(a) Subsidiaries		
(b) Companies in the same group		NIL
(c) Other related parties		
Total		

**As per Accounting Standard of ICAI (Please see Note 3)

(8) Other Information

<i>Particulars</i>	<i>Amount</i>
(I) Gross Non-Performing Assets	
(a) Related Parties	NIL
(b) Other than related parties	54.33
(ii) Net Non-Performing Assets	
(a) Related Parties	NIL
(b) Other than related parties	10.22
(iii) Assets acquired in satisfaction of debt	NIL

For and on behalf of the Board

sd/-

**VINOD K. AGARWAL
MANAGING DIRECTOR**

Place : **INDORE**
Date : 25/08/2005

AD-MANUM FINANCE LIMITED

CORPORATE GOVERNANCE

REPORT

Company's philosophy on Corporate Governance:

Ad-Manum Finance Limited recognizes the ideals and importance of Corporate Governance and acknowledges its responsibilities towards all stakeholders including customers, employees, regulatory authorities and shareholders.

1. BOARD OF DIRECTORS

a. Composition & Category of Directors

Name of Directors	Designation	Category
Mr. Vinod Kumar Agarwal	Managing Director	Executive
Mr. J.N. Choudhury	Director-in-Charge	Executive
Mr. Aseem Trivedi	Director	Independent & Non-Executive
Mr. Vishnu Gupta	Director	Independent & Non-Executive
Mr. Devi Prasad Kori (w.e.f. 30/07/2005)	Director	Independent & Non-Executive
Mr. Badrilal Gupta (upto 29/07/2005)	Director	Independent & Non-Executive

Brief Resume of Director being reappointed, nature of his expertise in specific functional area and names of the Companies in which he holds the directorship and the membership of Committees of the Board are as under :

- I. Shri J.N. Choudhury is a Director of the Company. He is B.Sc., MIBM, MBA and having vide experience in the field of Finance, Recovery, Accounts, Administration, Marketing & Budgetary Control. At present he is a Director on the Board of M/s Patron Finvest Pvt. Ltd.

b. Attendance Record of Directors

Name of Directors	No. of Board Meeting Attended	Last AGM whether attended	Other Director -ships	Committee Membership/ Chairman
Mr. Vinod Kumar Agarwal	9	Yes	5	-
Mr. J. N. Choudhury	9	Yes	1	-
Mr. Aseem Trivedi	5	Yes	-	2
Mr. Vishnu Gupta	5	Yes	-	2
Mr. Devi Prasad Kori (w.e.f. 30/07/2005)	-	-	1	2
Mr. Badrilal Gupta (upto 29/07/2005)	5	No	1	2

During the financial year 2004-2005 the Board of Directors met 9 times on 01.04.2004, 30.04.2004, 15.07.2004, 30.07.2004, 16.08.2004, 30.10.2004, 01.12.2004, 31.01.2005 and 14.03.2005.

2. AUDIT COMMITTEE

The Audit Committee was reconstituted by the Board of Directors in their meeting held on 30th day of July 2005. The effective changes are:

- ❖ Mr. D.P. Kori was inducted in the Audit Committee and appointed as new member of the Committee in place of Shri Badrilal Gupta.
- ❖ Mr. Badrilal Gupta discontinued as member of the Audit Committee w.e.f. 30th July 2005.
- ❖ The terms of reference stipulated by the Board of Directors to the Audit Committee are, as contained in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, major of which are as follows:
 - i. Oversight of the Company's financial reporting process and the disclosure of its financial information.
 - ii. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
 - iii. Reviewing with management the annual statements before submission to the Board, focusing primarily on; major accounting entries, any change in accounting policies, qualifications in draft audit report, compliance with accounting standards, compliance with Stock Exchange and legal requirements and any related party transactions.
 - iv. Reviewing with management, external and internal auditors, the adequacy and compliance of internal control systems.
 - v. Discussion with external auditors before the audit commences about the nature and scope of audit.