

*20<sup>th</sup>*  
**ANNUAL REPORT**  
*2005 - 2006*



**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. Mohd. Raees Sheikh

**BANKERS**

- UCO Bank

**REGISTERED OFFICE**

- 'Agarwal House', Second Floor,  
5, Yeshwant Colony, Indore (M.P.) - 452 003  
Ph.: 91-731-2538874, 2431709 and 2539575, Fax: 4040805  
E-mail: admanum\_ho@yahoo.com & admanum\_ho@rediffmail.com

**MARKETING OFFICES**

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

**SHARE TRANSFER AGENT**

(For Physical & Electronic Mode)

M/s Ankit Consultancy Pvt. Ltd

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

Ph. 91-731-2491298, Fax : 4065798 E-mail : ankitind@sancharnet.in

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

**NOTICE IS HEREBY** given that the 20th Annual General Meeting of the members of M/s Ad-Manum Finance Limited will be held on Thursday the 28th day of September, 2006 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 31.03.2006 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 a dividend on Equity Shares for the year ended 31st March, 2006.
3. To appoint a Director in Place of Mr. Aseem Trivedi, who retires by rotation and being eligible, offer himself for re-appointment.
4. To Appoint Auditors and to fix their remuneration.

**Registered Office**

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

Place : **INDORE**

Date : 25/08/2006

**By Order of the Board**

sd/-

**VINOD K. AGARWAL**  
**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 Tuesday the 26th day of September 2006 to Thursday the 28th day of September 2006 (Both days inclusive).
3. 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 28th September 2006.

4. 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.
5. 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.
6. Shareholders are requested to bring their copy of the Annual Report to the Meeting.
7. Members/Proxies should fill the Attendance Slip for attending the meeting.
8. Shareholders are requested to address their correspondence, including a change in their address, if any, to the R&T Agents of the Company.
9. 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.
10. 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.
11. At the ensuing Annual General Meeting, Shri Aseem Trivedi, retire by rotation and being eligible offer 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.
12. Shareholders who have not yet claimed/encashed their Dividend warrant are advised to take steps to realize the same.

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Place : **INDORE**

Date : 25/08/2006

**By Order of the Board**

sd/-

**VINOD K. AGARWAL**  
**MANAGING DIRECTOR**



# AD-MANUM FINANCE LIMITED

## DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 20th Annual Report and Audited Accounts for the year ended on 31st March 2006.

### 1. FINANCIAL RESULTS (Amount in Rs.)

	Current Yr.	Previous Yr.
Profit before Depreciation, Interest & other adjustments	47649094	39971804
Less : Interest	19222287	13555327
: Depreciation	4019729	1607602
Profit before Tax	24407078	24808875
Less : Provision for current Income Tax	3900000	4126000
: Provision for deferred Income Tax	3604750	4349700
: Provision for Fringe Benefit Tax	305000	---
: Income Tax for earlier year	74359	1375
: Provision for NPA	(25869)	(321230)
Add : Income of earlier year	---	1332
Profit for the year	16548838	16654362
Add : Balance of Profit B/F	5197134	5313522
Amount available for appropriation	21745972	21967884

### APPROPRIATIONS :

Proposed dividend (@10%)	3000000	3000000
Corporate Tax on Proposed dividend	420750	420750
Transfer to NBFC Reserve	3275000	3350000
Transfer to General Reserve	10000000	10000000
Balance carried to Balance Sheet	5050222	5197134
TOTAL RS.	21745972	21967884

### 2. DIVIDEND

The Board of Directors recommend payment of dividend @ 10% for the year ended on 31st March, 2006.

### 3. DIRECTORS

During the year Shri Aseem Trivedi, retires by Rotation and being eligible offer himself for reappointment.

### 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 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 2006 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.

The Company has achieved good amount of business from Commercial Association With HDFC Bank Ltd. 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. ACKNOWLEDGMENT

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 staffs for their contribution to the overall performance of the Company.

Registered Office

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

Place : INDORE

Date : 25/08/2006

By Order of the Board

sd/-

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	201.45	N.A
(d) Inter-corporate loans and borrowing	642.02	NIL
(e) Commercial Paper		
(f) Public Deposits		
(g) Other Loans (specify nature) (Bank)	2297.94	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
<b>(3) Break-up of Loans and Advance including bills receivables [other than those included in (4) below] :</b>	
(a) Secured	NIL
(b) Unsecured	165.87

**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	NIL
(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	3413.52

**(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	22.20
(b) Preference	NIL
(ii) Debentures and Bonds	0.09
(iii) Units of mutual funds	20.10
(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			
<b>Total</b>			

(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		
<b>Total</b>		

\*\*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	40.96
(ii) Net Non-Performing Assets	
(a) Related Parties	NIL
(b) Other than related parties	9.96
(iii) Assets acquired in satisfaction of debt	NIL

**For and on behalf of the Board**

sd/-

**VINOD K. AGARWAL**  
**MANAGING DIRECTOR**

Place : INDORE  
Date : 25/08/2006

**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
<b>Mr. Vinod Kumar Agarwal</b>	<b>Managing Director</b>	<b>Executive</b>
<b>Mr. J.N. Choudhury</b>	<b>Director-In-Charge</b>	<b>Executive</b>
<b>Mr. Aseem Trivedi</b>	<b>Director</b>	<b>Independent &amp; Non-Executive</b>
<b>Mr. Vishnu Gupta</b>	<b>Director</b>	<b>Independent &amp; Non-Executive</b>
<b>Mr. Devi Prasad Kori</b>	<b>Director</b>	<b>Independent &amp; Non-Executive</b>

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:

Mr. Aseem Trivedi is a Director of the Company. He is Chartered Accountant and having wide experience in the field of Finance & Accounts etc.

**b. Attendance Record of Directors**

Name of Directors	No. of Board Meeting Attended	Last AGM whether attended	Other Directorships	Committee Membership/ Chairman
Mr. Vinod Kumar Agarwal	8	Yes	5	-
Mr. J.N. Choudhury	8	Yes	-	-
Mr. Aseem Trivedi	3	Yes	-	2
Mr. Vishnu Gupta	4	Yes	-	2
Mr. Devi Prasad Kori	3	Yes	1	2

During the financial year 2005-2006 the Board of Directors met 8 times on 28-04-2005, 30.06.2005, 30-07-2005, 25-08-2005, 29-10-2005, 10-01-2006, 30-01-2006, and 23-02-2006.

**2. AUDIT COMMITTEE**

During the year there is no change in the constitution of Audit Committee.

❖ 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 :

- Oversight of the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- 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.



**AD-MANUM FINANCE LIMITED**

- 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.
- vi. Reviewing the Company's financial & risk management policies.

During the year, the Committee has met 5 times. The details composition and attendance of the members of the Audit Committee in the meetings are as follows:

Name	Position	Meetings Held	Meeting Attended
<b>Mr. Aseem Trivedi</b>	<b>Chairman</b>	5	4
<b>Mr. Vishnu Gupta</b>	<b>Member</b>	5	4
<b>Mr. D.P. Kori</b>	<b>Member</b>	5	4

**3. INVESTOR GRIEVANCE COMMITTEE**

- ❖ The Committee, inter alia, approves issue of duplicate share certificates and oversees and reviews all matters connected with securities transfers. The Committee also looks into redressal of shareholder's complaints like transfer of shares, non-receipt of balance sheet etc.
- ❖ The Board of Directors, to expedite the process of share transfers, has delegated the power of share transfer to the Registrar & Share Transfer Agent of the Company.
- ❖ The Committee oversees the performance of the Registrar & Share Transfer Agent of the Company.

During the year total number of complaints received were 7 and replied to the satisfaction of shareholders. Outstanding complaints as on 31st March, 2006 were NIL.

**4. REMUNERATION COMMITTEE**

This is the non-mandatory requirement of Clause 49 of the Listing Agreement. The board has not formed the Remuneration Committee and all the decision of appointment and remuneration of directors are taken by the Board of Directors and approved by the shareholders in the general meeting (if necessary).

Details of the remuneration paid to the directors during the year under review are as under:

<i>Name of Directors</i>	<i>Amount</i>	<i>Period of appointment</i>
<b>Mr. Vinod Kumar Agarwal (M.D.)</b>		
1. Salary	480000	Appointed for 5-years w.e.f. 01.10.2002
2. House Rent	300000	
<b>Mr. J.N. Choudhury (Director-in-Charge)</b>		
3. Salary	231000	Appointed for 2-years w.e.f. 01.07.2005
4. Bonus	8400	
5. P.F.	9360	
6. Conveyance Allowance	20500	

**5. ANNUAL GENERAL MEETINGS**

Year	Location	Date	Time	No. of Special Resolution passed
2002-03	Hotel Surya, 5/5, Nath Mandir Road, Indore (M.P.)	30.09.03	11.00 AM	1
2003-04	Hotel Surya, 5/5, Nath Mandir Road, Indore (M.P.)	30.09.04	11.00 AM	1
2004-05	Hotel Surya, 5/5, Nath Mandir Road, Indore (M.P.)	30.09.05	11.00 AM	Nil