

## ANNUAL REPORT 2012-13

### 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           |

### COMPANY SECRETARY & COMPLIANCE OFFICER

- ▶ CS. MOHD. RAEES SHEIKH

### AUDITORS

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

### BANKERS

- ▶ UCO Bank  
▶ Bank of India  
▶ Indian Overseas Bank  
▶ Corporation Bank

### REGISTERED OFFICE

- ▶ 'Agarwal House', Ground Floor,  
5, Yeshwant Colony, Indore (M.P.) – 452 003  
Ph.: 91-731-2538874, 2431709 and 2539575; Fax: 91-731-4030009  
E-mail: ho@admanumfinance.com, admanum\_ho@rediffmail.com  
Web-site: www.admanumfinance.com

### MARKETING OFFICES

- ▶ Indore, Sendhwa, Neemuch, Dhulia, Jalgaon, Nandurbar,  
Chalishgaon, Nasik, Akola, Aurangabad, Khamgaon, Bhavnagar  
Jamnagar, Malegaon, Bhuj, Rajkot, Mehsana, Veraval,  
Himmatnagar, Ahmedabad, Anand, Palanpur, Udaipur, & Bhilwara

### SHARE TRANSFER AGENT

- ▶ (For Physical & Electronic mode)  
M/s Ankit Consultancy Pvt. Ltd.  
Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) – 452 010  
Ph.: 91-731-3198601/602, 2551745 Fax: 91-731-4065798  
E-mail: ankitind@sancharnet.in, ankit\_4321@yahoo.com



## NOTICE

**NOTICE IS HEREBY** given that the 27th Annual General Meeting of the members of Ad-Manum Finance Limited will be held on Saturday the 28th day of September, 2013 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 Annual Accounts for the year ended as at 31.03.2013 and the Report of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended as on 31st March, 2013.
3. To appoint a Director in Place of Mr. Aseem Trivedi, who retires by rotation and being eligible, offers himself for the re-appointment.
4. To Appoint Auditors and to fix their remuneration.

#### **Registered Office:**

"Agarwal House", Ground Floor,  
5, Yeshwant Colony,  
INDORE – 452 003 (M.P.)

By Order of the Board

Sd/-

**VINOD K. AGARWAL**  
(MANAGING DIRECTOR)

Place: Indore

Date: 29 - 05 - 2013

### SPECIAL BUSINESS

5. To approve the donation to Charitable Trusts.

To, Consider, and if thought fit, to pass with or without modification/s, the following resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of section 293(1)(e) and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification/s or re-enactment thereof for the time being in force, the donation of Rs. 4652100/- (Forty Six Lacs Fifty Two Thousand One Hundred Only) to Charitable Trusts, which is approved by the Board in its meeting, be and is hereby ratified and approved by the Shareholders in this Annual General Meeting."

## NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/ herself 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 (48) hours before the commencement of the meeting.
2. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 relating to the donation to the Charitable Trusts to be approved at this general meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday the 26th day of September, 2013 to Saturday the 28th day of September, 2013 (Both days inclusive).
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 28th September, 2013.
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/ or 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, Mr. Aseem Trivedi, retires by rotation and being eligible offers himself for the reappointment. The information relating to the above director to be provided in terms of Clause 49 of the Listing Agreement is included in the report on Corporate Governance published in this annual report.

**13. Shareholders who have not yet claimed/ encashed their Dividend Warrants are advised to take steps to realize the same.**

**The dividend for the year 2005-06, will be statutorily transferred by the Company to the Investor Education and Protection fund (IEPF) and the due date for such transfer is 02nd November 2013.**

**Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company.**

14. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" recently, allowing paperless compliances by companies and has issued a circular to this effect stating that the service of documents/ notices of the Company can be made through electronic mode.

**With a view to participate in the initiative, we request you to provide your e-mail address, if you wish to receive the documents/ notices etc. through electronic mode. You may please send us your e-mail address/s stating clearly your name, Folio No. etc.**

**Registered Office:**  
"Agarwal House", Ground Floor,  
5, Yeshwant Colony,  
INDORE - 452 003 (M.P.)

Place: Indore  
Date: 29 - 05 - 2013

By Order of the Board

Sd/-  
**VINOD K. AGARWAL**  
(MANAGING DIRECTOR)

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

### Item No. 5

The Board of Directors of the Company at its meeting held on 24th Day of September 2012, approved donation of Rs. 4652100/- (Forty Six Lacs Fifty Two Thousand One Hundred Only) to Charitable Trusts.

The donation is given as it is the social responsibility of the Corporate to serve the society to some extent by any way possible and that is why your company is doing this by way of giving donation to the charitable trusts and fulfilling its obligation towards the society.

For the purpose of calculating the amount of donation given to charitable trusts, the calculation is done as per the provisions of section 293(1)(e), 349 and 350 of the Companies Act, 1956 and other applicable provisions if any, wherever applicable.

Notwithstanding anything specified herein above, where in any financial year if the amount of donation given to any Charitable Trust/s exceeds the specified limit so it can be done subject to the approval of the shareholders obtained by passing a special resolution in the annual General Meeting of the company.

The donation given to the charitable Trusts in the financial year 2012-13 has exceeded the specified amount i.e. Rs. 50,000/- or 5% of the average net profits during the three financial years immediately preceding, whichever is greater, so this is required to be ratified and approved by the Shareholders in this Annual General Meeting by passing a Special Resolution. You are requested to consider and pass with or without modification this resolution as a "**Special Resolution**".

None of the Directors is concerned or interested in this resolution.

**Registered Office:**  
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5, Yeshwant Colony,  
INDORE - 452 003 (M.P.)

Place: Indore  
Date: 29 - 05 - 2013

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 27th Annual Report and Audited Accounts for the year ended on 31st March 2013.

### 1. FINANCIAL RESULTS

(Amount in ₹)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Profit before Depreciation, Interest & other adjustments	255793311	191844727
Less : Interest	114277347	99164280
: Depreciation	12024145	12083366
Profit before Tax	<b>129491819</b>	<b>80597081</b>
Less : Provision for current Income Tax	45500000	25000000
: Provision for deferred Income Tax	(2245433)	2219452
: Income Tax for earlier year	412539	(2365811)
: Provision for NPA	3171994	4265080
: Provision for Diminution in Securities	(1372)	7298
Profit for the year	<b>82654091</b>	<b>51471062</b>
Add : Balance of Profit B/F From Previous Year	41996898	29536737
Amount available for appropriation	<b>124650989</b>	<b>81007799</b>
<b>APPROPRIATIONS :</b>		
Proposed dividend @10%	7500000	7500000
Corporate Tax on proposed dividend	1274625	1216688
Transfer to NBFC Reserve	16530818	10294213
Transfer to General Reserve	50000000	20000000
Balance carried to Balance Sheet	49345546	41996898
<b>TOTAL</b>	<b>124650989</b>	<b>81007799</b>

### 2. DIVIDEND

The Board of Directors recommends payment of dividend @ 10 % (previous year @10%) for the year ended on 31st March, 2013.

### 3. DIRECTORS

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

### 4. COMPLIANCE OF RESERVE BANK OF INDIA GUIDELINES

The company is complying circulars and directions issued by the Reserve Bank of India from time to time.

### 5. 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.

### 6. 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 with the Balance Sheet.



# AD-MANUM FINANCE LIMITED

## 7. PARTICULARS OF EMPLOYEES

Particulars of employees in terms of section 217 (2A) of the Companies Act, 1956:-

Name	Designation and nature of Duties	Age	Gross Annual Remuneration ₹	Qualification	Years of Experience	Date of Commencement of Employment	Last Employment & Designation
Mr.V.K. Agarwal	MD & Key Managerial Person	50	7272805	B.Com	27	11.08.1992	NIL

## 8. 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.

## 9. 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:

- In the preparation of the annual accounts the applicable accounting standards have been followed;
- 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 2013 and of the profit of the Company for the year ended on that date;
- 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
- The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

## 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:  
"Agarwal House", Ground Floor,  
5, Yeshwant Colony,  
INDORE - 452 003 (M.P.)

By Order of the Board

Place: Indore  
Date: 29 - 05 - 2013

Sd/-  
VINOD K. AGARWAL  
(MANAGING DIRECTOR)



# AD-MANUM FINANCE LIMITED

## CORPORATE GOVERNANCE REPORT

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) and some of the best practices followed internationally on Corporate Governance, the report containing the details of Corporate Governance systems and processes at Ad-Manum Finance Limited is as under:

### 1. Company's philosophy on Corporate Governance:

The Company recognizes the ideals and importance of Corporate Governance and acknowledges its responsibilities towards all stakeholders including customers, employees, regulatory authorities and shareholders.

Good Corporate Governance acts as a catalyst for consistent growth of an organization. It is the adoption of best business practices which ensure that the Company operates not only within regulatory framework, but is also guided by ethics.

### 2. BOARD OF DIRECTORS

#### a. Composition & Category of Directors

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The composition of the Board and category of Directors is as follows:

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	Director	Independent & Non-Executive

All the independent Directors of the Company at the time of their first appointment to the Board and thereafter at the first meeting of the Board in every financial year give a declaration that they meet with the criteria of independence as provided under clause 49 of the listing agreement.

None of the above Directors is related inter-se.

None of the Directors holds the office in more than the permissible number of companies under the Companies Act, 1956

Brief Resume of Director being re-appointed, 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 Chartered Accountant and Independent and non Executive Director of the Company. He has wide experience in the field of Accounts & Finance.

## b. Attendance Record of Directors

Name of Directors	No. of Board Meetings held	No. of Board Meetings Attended	Last AGM whether attended	Other Directorships	Committee Membership/ Chairman
Mr. Vinod Kumar Agarwal	12	12	No	6	-
Mr. J.N. Choudhury	12	11	Yes	-	-
Mr. Aseem Trivedi	12	8	Yes	-	3
Mr. Vishnu Gupta	12	7	Yes	1	3
Mr. Devi Prasad Kori	12	7	No	1	3

During the financial year 2012-2013 the Board of Directors met 12 times on 10.05.2012, 25.06.2012, 18.07.2012, 30.07.2012, 25.08.2012, 27.08.2012, 24.09.2012, 22.10.2012, 31.10.2012, 24.12.2012, 06.02.2013 and 11.02.2013.

## 3. 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:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fee.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Reviewing, required to be included in the Director's Responsibility Statements to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirement relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public of rights issue, and making appropriate recommendations to the board to take up steps in this matter.



6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity of a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, share holders (in case of nonpayment of declared dividends) and creditors.
12. To review the functioning of the whistle blower mechanism, in case the same is existing.
- 12A. Approval of appointment of CFO (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
13. Carrying out any other function as in the terms of reference of the Audit Committee.

During the year, the Committee has met 5 times (10.05.2012, 30.07.2012, 27.08.2012, 31.10.2012 and 11.02.2013). The details composition and attendance of the members of the Audit Committee in the meetings are as follows:

Name	Position	Meetings Held	Meetings Attended
Mr. Aseem Trivedi	Chairman	5	5
Mr. Vishnu Gupta	Member	5	5
Mr. D.P. Kori	Member	5	5

All the members of Audit Committee are financially literate and have accounting or related financial management expertise. The Company Secretary is the secretary of the Committee.

#### 4. SHAREHOLDER/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.

Name	Position	Meetings Held	Meetings Attended
Mr. Aseem Trivedi	Chairman	4	4
Mr. Vishnu Gupta	Member	4	4
Mr. D.P. Kori	Member	4	4



During the year total numbers of complaints received were 2 and replied to the satisfaction of shareholders. Outstanding complaints as on 31st March, 2013 were NIL.

## 5. REMUNERATION COMMITTEE

The Remuneration Committee comprises of 3 (Three) Independent and Non-Executive Directors namely, Mr. Aseem Trivedi (Chairman), Mr. Vishnu Gupta, Mr. D.P. Kori.

Remuneration Committee met once on 27th August, 2012, during the financial year 2012-2013.

Attendance of each Member at the Remuneration Committee meeting held during the year:

Name	Position	Meetings Held	Meetings Attended
Mr. Aseem Trivedi	Chairman	1	1
Mr. Vishnu Gupta	Member	1	1
Mr. D.P. Kori	Member	1	1

The Broad terms of reference of Remuneration Committee are to determine on behalf of the Board of Directors of the Company and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration package(s) for Executive Director.

### REMUNERATION POLICY OF EXECUTIVE DIRECTORS

#### I. SALARY

The salary of Mr. Vinod Kumar Agarwal is in the scale of ₹ 300000-50000-500000 per month and the salary of Mr. Jayanta Nath Choudhury is in the scale of ₹ 100000-25000-125000 per month with authority to the Board to fix their salary within the above scale from time to time.

#### II. PERFORMANCE BONUS ON NET PROFIT

The Performance Bonus of Mr. Vinod Kumar Agarwal is 5% and of Mr. Jayanta Nath Choudhury is 1% on Net profit as calculated under section 349 and 350 of the Companies Act 1956 in addition to the monthly salary.

#### EXPLANATION

The Overall maximum managerial remuneration does not exceed the prescribed limit in the section 198, 309 and 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.

Notwithstanding anytime specified herein above where in any financial year during the tenure of Mr. Vinod Kumar Agarwal, as Managing Director of the Company and of Mr. Jayanta Nath Choudhury, as Director-In-Charge of the Company, if the Company has no profits or its profits are inadequate, the Board of Directors are hereby authorized to pay them remuneration by way of salary & perquisites not exceeding the limits specified in part II of Schedule XIII of the Act, as minimum remuneration.

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

Name of Directors	Amount	Period of appointment
Mr. Vinod Kumar Agarwal (M.D.) -Remuneration and Perquisites Rent paid	7272805 420000	Appointed for 5 years w.e.f. 01.10.2012
Mr. J.N. Choudhury (Director-in-Charge) -Remuneration and Perquisites	2215193	Re-appointed for 2-years w.e.f. 01.10.2012

## 6. GENERAL MEETINGS

Year	Meeting held	Location	Date	Time	No. of Special Resolution passed
2009-10	Annual General Meeting	Hotel Surya, 5/5, Nath Mandir Road, Indore (M.P.)	30.09.10	11.00 AM	Nil
2010	<b>Extra-Ordinary General Meeting</b>	"Agarwal House" 5, Yeshwant Colony Indore (MP)	27.12.10	11.00 AM	1 (One)
2010-11	Annual General Meeting	Hotel Radisson 12 Scheme No. 94C, Ring Road, Indore 452010 (M.P.)	21.09.11	01.30 PM	One (Increased in Authorized Capital)
2011-12	Annual General Meeting	Hotel Surya, 5/5, Nath Mandir Road, Indore (M.P.)	29.09.12	11.00 AM	One (Appointment of the relative of the Whole-Time-Director)

During the year ended on 31st March 2013, there has/ have been no resolution/s passed by the Company's shareholders through postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to be passed by postal ballot.

## 7. DISCLOSURES

- a) Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interest of the Company.

- b) Details of non-compliance by the Company, penalties, and 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.
- c) The Company is following the Whistle Blowing Policy and affirmation that no personnel have been denied access to the Audit Committee.
- d) Details of compliance with mandatory requirement and adoption of the non mandatory requirement.

There is no instance of non-compliance by the Company and no penalties, strictures etc. imposed on the Company by the Stock Exchange, SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.