

AD-MANUM FINANCE LIMITED

BOARD OF DIRECTORS

Mr. Vinod Kumar Agarwal
Director & Chairman

Mr. J.N. Choudhury
Director-In-Charge & CEO

Mrs. Dolly Choudhury
Whole-Time-Director

CA Aseem Trivedi
Independent Director

CA Vishnu Gupta
Independent Director

Mr. D.P. Kori
Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

CS. MOHD. RAEES SHEIKH

CHIEF FINANCIAL OFFICER

VIKAS GUPTA

AUDITORS

Statutory Auditor
M/s Mahendra Badjatya & Co.
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,
Web-site: www.admanumfinance.com

MARKETING OFFICES

Indore | Sendhwa | Khargone | Dhulia | Jalgaon | Nandurbar | Chalisgaon | Nasik | Akola | Aurangabad | Chikhli,
Raver | Bhavnagar | Jamnagar | Malegaon | Bhuj | Rajkot | Mehsana | Veraval | Himmatnagar | Ahmedabad
Anand, Palanpur.

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



AD-MANUM FINANCE LIMITED

NOTICE

Notice is hereby given that the 29th Annual General Meeting of the members of **AD-MANUM FINANCE LIMITED** will be held on Wednesday the 30th day of September, 2015 at Hotel Surya 5/5 Nath Mandir Road, South Tukoganj, Indore-452001(MP) at 11:00 A.M. To transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements, containing the audited Balance Sheet as at 31st March, 2015 and the statement of profit and loss and cash flow statement for the year ended 31st March, 2015, the report of the Board's and Auditors thereon;
2. To declare a dividend on equity shares for the year ended as on 31st March, 2015.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to recommendations of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the members at the 28th Annual General Meeting held on 25th September, 2014 the appointment of M/s Mahendra Badjatya & Co., Chartered Accountants (ICAI Firm Registration No. 001457C) as the Auditors of the Company to hold office till the conclusion of the 31st Annual General Meeting of the Company to be held in the year 2017 be and is hereby ratified for the year 2015-16 and the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31st March, 2016 as may be determined by the Audit Committee in consultation with the Auditors.

Place: Indore
Date: 31-07-2015

Registered Office
"Agarwal House"

Ground Floor
5-Yashwant Colony
Indore-452003 (MP)

FOR AND ON BEHALF OF THE BOARD

sd/-
(CS Mohd. Raees Sheikh)
Company Secretary

NOTES:

1. The Register of Members and Share Transfer Books will remain closed from Thursday 24th Sept., 2015 to Wednesday 30th Sept., 2015 [both days inclusive] for the purpose of payment of the final dividend for the financial year ended March 31st, 2015 and the 29th Annual General Meeting [the meeting]
2. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Board.
3. Members seeking any information are requested to write to the Company by email at ho@admanumfinance.com at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
4. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, ON A POLL ONLY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50 [fifty] and holding in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any such other person or shareholder. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting i.e. by 11.00 A.M. on Monday 28th Sept., 2015. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution/authority, as applicable.
5. Shareholders who have not yet claimed/encash their Dividend Warrants from the year 2007-08 to 2013-14 are advised to take steps to realize the same. "The dividend for the year 2007-08, will be statutorily transferred by the Company to the Investor Education and Protection Fund (IEPF) and the due date for such transfer is 2nd November 2015 and the details of the same has disclosed at the company website (www.admanumfinance.com)."

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6. At the ensuing Annual General Meeting, none of the directors is liable to retire by rotation.
7. Corporate members intending to send their authorized representatives to attend the meeting pursuant to section 113 of the Act are requested to send the Company a certified copy of Board Resolution / Authorization together with specimen signatures authorizing their representative to attend and vote on their behalf at the meeting.
8. Members holding shares in demat form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service [NECS], Electronic Clearing Services [ECS] mandates, nominations, power of attorneys, change in address, change of name, email address, contact numbers, etc. to their Depository Participant [DP]. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agents to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Ankit Consultancy Private Limited, Registrar and Transfer Agents of the Company.
9. Notice of the Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to the members in physical form through permitted mode.
10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Circulars, etc. from the Company electronically. Members may also note that the Notice of the Meeting and the Annual Report will also be available on the Company's website www.admanumfinance.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection at any time between 10:30 a.m. to 1:30 p.m. on any working day upto the date of Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email idho@admanumfinance.com
11. Voting through electronic means: In compliance with provisions of section 108 of the companies Act, 2013 and Rule 20 of The Companies [Management and Administration] Rules, 2014 and clause 35B of the Listing Agreement, the Company is providing e-voting facility as an alternative mode of voting which will enable the members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services [India] Limited [CDSL] to facilitate e-voting. The detailed process, instructions and manner for availing e-Voting facility is annexed to the Notice
12. Mr. Ishan Jain, Practicing Company Secretary [Membership No. ACS 29444] has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
13. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
14. Members can opt for only one mode of voting i.e. either by e-voting or poll paper. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Poll Paper shall be treated as invalid.
15. The e-voting period commences on Friday, 25th Sept., 2015 [9:00 a.m.] and ends on Tuesday 29th September, 2015 [5:00 p.m.]. During this period, Members holding shares either in physical form or demat form, as on Wednesday the 23rd September, 2015 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast vote again.
16. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose names is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail facility of remote e-voting and poll process at the venue of the meeting.
17. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote after following the instructions for e-voting as provided in the Notice convening the Meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and password for casting your vote.

18. The Scrutinizer shall, immediately after the conclusion of voting at the meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same.
19. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.admanumfinance.com and on the website of CDSL www.evotingindia.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited [BSE] where the equity shares of the Company are listed.

REQUEST TO THE MEMBERS:

- a) Intimate changes, if any, in their registered addresses immediately.
- b) Quote their ledger folio number in all their correspondence.
- c) Handover the enclosed attendance slip, duly signed in accordance with their specimen registered with the Company for admission to the meeting place.
- d) Bring their Annual Report and Attendance Slips with them at the AGM venue.
- e) Send their Email address to the Share Transfer Agent for prompt communication and update the same with their D.P. to receive softcopy of the Annual Report of the Company.

Instructions for e-Voting

The instructions for members for voting electronically are as under:

- (i) The voting period begins on Friday, 25th Sept., 2015 from 9:00 a.m. and ends on Tuesday, 29th Sept., 2015 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Wednesday the 23rd Sept., 2015, being the Cut-Off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL : 16 digits beneficiary ID,
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - d. Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below: For Members holding shares in Demat and Physical Form PAN Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for shareholders holding shares in demat as well as physical form) Dividend Bank Details OR Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) Date of Birth (DOB) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).
- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of ADMANUM FINANCE LIMITED on which you choose to vote.

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- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com. Contact Details: Deputy Manager, CDSL 17th Floor, PJ Towers, Dalal Street, Fort, Mumbai-400 001. Email: wenceslausf@cdslindia.com, Tel: 022-22723333/8588

BOARD'S REPORT

Dear Members,

Your Directors are Pleased to present the 29th Annual Report and the Company's Audited financial statement for the Financial Year ended March 31st, 2015.

1. FINANCIAL RESULTS

The Company's Financial Performance for the year ended March 31st 2015, is summarized below:

(Amount in ₹)

PARTICULARS	2014-15	2013-14
Profit before Depreciation, Interest & other adjustments	92545734	180192986
Less : Finance Cost	70705115	86122646
: Depreciation	3799817	12147764
Profit Before Tax	18040802	81922576
Less : Provision for current Income Tax	8000000	28936312
: Deferred Tax Provision Written Back	(3702469)	(8178072)
: Income Tax excess provision Written Back	(8157572)	(958528)
: Provision for NPA	12207257	11123513
: Provision for Diminution in Securities	0	0
Profit for the year	9693586	50999351
Add : Balance of Profit B/F From Previous Year	61428339	49345546
Amount available for appropriation	71121925	100344897
APPROPRIATIONS :		
Proposed dividend @10%	7500000	7500000
Corporate Tax on proposed dividend	1526820	1216688
Transfer to NBFC Reserve	1938717	10199870
Transfer to General Reserve	0	20000000
Balance carried to Balance Sheet	60156388	61428339
TOTAL	71121925	100344897

2. PERFORMANCE

During the year, due to subdued economy and lower repayment strength of the borrowers, and slow off take of the second hand commercial vehicle segment, the recovery process of the company resulted into considerable NPA. The management therefore taking precautions for further disbursement of new loans and therefore the performance of the company became relatively poor both in terms of volume of business and profits. Once the economy improves and the credit cycle of the segment shows improved results, then the company shall again endeavor to undertake the size of operations into full scale.

3. DIVIDEND

The Board of Directors of the Company recommends payment of dividend @ Rs. 1/- for equity shares of Rs. 10/- each (10%) for the year 2014-15 previous year @ Rs. 1/- for equity shares of Rs. 10/- each (10%).

4. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION & PROTECTION FUNDS (IEPF)

Pursuant to the provisions of section 205A(5) and section 205C of the companies Act, 1956, (which are still applicable as the relevant section's under the Companies Act, 2013 are yet to be notified) the amounts pertaining to the dividends that remained unclaimed and unpaid for a period of seven years from the date it became first due for payment, have been transferred from time to time to IEPF on the due dates by the company and no claims in this respect shall lie against the company. The dividend remains unpaid-unclaimed in the Company has been given in the Corporate Governance Report attached with the annual report of the Company.

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5. TRANSFER OF AMOUNT TO THE RESERVES

The Company has transferred Rs. 19,38,717/- to the NBFC Reserves as per requirement of the Directions of the RBI to the NBFC Companies (Previous year Rs.1,01,99,870/-) except that no amount has been transferred or withdrawn from the reserves by the Company.

6. CREDIT RATING

The company's borrowings enjoy BBB-/stable credit ratings from CRISIL. The rating has been revised from BBB (Stable) in the previous year.

7. NON PERFORMING ASSETS AND PROVISIONS

The company is ascertained Non Performing Assets under Non Banking Financial (Non deposit accepting or holding) Company's Prudential norms (Reserve Bank) Directions, 2007, as amended from time to time, and made adequate provisions against. The company did not recognize interest income on such Non Performing Assets. The Company has also written off unrecoverable amount as bad debts.

8. ASSOCIATES/SUBSIDIARIES/JOINT VENTURE COMPANIES

The company does not have any subsidiary and joint venture company. The company also does not have any associate within the meaning of Section 2(6) of the Companies Act, 2013 either at the beginning or end of the financial year. However, the Company is an associate of foreign Company namely Agarwal Coal Corporation(s) Pte. Ltd. (Singapore) which hold 36.93% shares in the Company.

9. DISCLOSURE U/S 134 (3)

Pursuant to the provisions of sec 134 (3) read with companies (Accounts) rules, 2014. The required information's & disclosures, to the extent applicable to the company are discussed elsewhere in this report and their relevant information's are as under:-

9.1. The extracts of Annual Return in the Form MGT-9 as per **Annexure – A.**

9.2 Policy of company for the appointment of Directors and their remuneration as per **Annexure–B.**

9.3 The particulars of related party contracts are enclosed herewith in form AOC-2 as per **Annexure –C.**

9.4 The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of subsection 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report and is annexed as per **Annexure - D.**

There is no employee drawing remuneration of Rs. 500000/- per month or Rs. 6000000/- per year, therefore the particulars of employees as required U/s 197(12) of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable to the Company.

10. RISK MANAGEMENT COMMITTEE

The company has constituted risk management committee and the policy is disclosed on the website of the company. (www.admanumfinance.com).

11. DISCLOSURE OF CODES, STANDARDS, POLICIES AND COMPLIANCES THEREUNDER

a) **Know Your Customer and Anti money laundering measure policy.**

Your company has a board approved Know Your Customer and Anti Money Laundering measure policy (KYC and AML Policy) in place and adheres to the said policy. The said policy is in line with the RBI Guidelines. Company has also adheres to the compliance requirement in terms of the said policy including the monitoring and reporting of cash and suspicious transactions. There are however, no cash transactions of the value or more than Rs.1000000/- or any suspicious transactions whether or not made in cash noticed by the company in terms of the said policy.

b) **Fair Practice Code**

Your company has in place a Fair Practice Code (FPC), as per RBI Regulations which includes guidelines from appropriate staff conduct when dealing with the customers and on the organizations policies vis-a-vis client protection. Your company and its employees duly complied with the provisions of FPC.

c) Code of Conduct for Board of Directors and the Senior Management Personnel

Your company has adopted a code of conduct as required under clause 49 of the Listing Agreement for its BOD and the senior management personnel. The code requires the directors and employees of the company to act honestly, ethically and with integrity and in a professional and respectful manner. A certificate of the Management is attached with the Report in the Corporate Governance section.

d) Code for Prohibition of Insider Trading Practices

Your company has in place a code for prevention of insider trading practices in accordance with the model code of conduct, as prescribed under SEBI (prohibition of insider trading) regulations, 1992, as amended and has duly complied with the provisions of the said code. The BOD at its meeting held on 31/01/2015 adopted (i) AMFL code of practices and procedures for fair disclosure of unpublished price sensitive information and (ii) AMFL code of conduct for prohibition of insider trading, as per SEBI (Prohibition of Insider Trading) Regulations, 2015, which shall become effective from 15/05/2015.

e) Whistle blower policy

Pursuant to the provisions of section 177(9) and (10) of the Companies Act 2013 read with rule 7 of Companies (Meeting of Boards and its powers) Rules, 2014 and clause 49 of the listing agreement, the company has adopted a whistle blower policy which provides for a vigil mechanism that encourages and supports its directors and employees to report instances of unethical behavior, actual or suspected, fraud or violation of the company's code of conduct policy. It also provides for adequate safeguards against victimization of persons who use this mechanism and direct access to the chairman of audit committee in exceptional cases. Policy of the whistle blower of the Company has been given at the website of the Company at www.admanumfinance.com and attached the same as **Annexure H** to this report.

f) Prevention, Prohibition and Redressal of Sexual Harassment of women at work place

The company has in place a policy on prevention, prohibition and redressal of sexual harassment of women at workplace. The primary objective of the said policy is to protect the women employees from sexual harassment at the place of work and also provides for punishment in case of false and malicious representations. No complaint, however, is received by the company under the said policy in FY 2014-15.

g) Nomination, Remuneration and Evaluation policy (NRE Policy)

The Board has, on the recommendation of the nomination and remuneration committee framed a nomination, remuneration and evaluation policy which lays down the criteria for identifying the persons who are qualified to be appointed as directors and, or senior management personnel of the company, along with the criteria for determination of remuneration of directors, KMP's and other employees and their evaluation and includes other matters, as prescribed under the provisions of section 178 of Companies Act, 2013 and clause 49 of the Listing Agreement. Policy of the Company has been given at the website of the Company at www.admanumfinance.com and attached the same as **Annexure B** to this report. The details of the same are also covered in Corporate Governance Report forming part of this annual report.

h) Related Party Transactions Policy

There were no materially significant related party transactions held during the FY 2014-15 that may have potential conflict with the interest of company at large. Transactions entered with related parties as defined under the Companies Act, 2013 and Clause 49 of the listing Agreement during the financial year were mainly in the ordinary course of business and on an arm's length basis. The related party transaction policy as formulated by the company defines the materiality of related party and lays down the procedures of dealing with related party transactions. The details of the same are posted on our web-site (www.admanumfinance.com)

i) Corporate Social Responsibility Policy

Company has framed Corporate Social Responsibility (CSR Policy), as per the provisions of Companies (CSR Policy) Rules, 2015 which, inter alia, lays down the guidelines and mechanism, directly or indirectly through eligible trust or institutions for undertaking socially useful projects for welfare of the society. As per the provisions of section 135 of Companies Act, 2013, the company has constituted a Corporate Social Responsibility Committee. The composition of the CSR Committee and its terms of reference are given in the Corporate Governance Report forming part of this annual report. The Company has under an obligation to spend an amount of Rs. 1842174 being the 2% of Average net profit of preceding three financial years and the company has discharged the said obligation as per the CSR policy of the company. The details of CSR activities are annexed as per **Annexure-E** to this report. And the CSR Policy of the Company are posted on our web-site (www.admanumfinance.com).

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12. LISTING OF SHARES OF THE COMPANY

The equity shares of the company continue to remain listed on BSE limited (code:511359). The company has paid the due listing fees to BSE Limited for the financial year 2015-16 on time.

13. BRANCH NETWORK

Your company has established an integrated branch network to spread the financial operations at different states and locations. At present the company has 24 branches as at 31/03/2015.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of your company consists of 6 directors. During the year Shri Vinod Kumar Agarwal, (DIN 00136613) the Managing Director of the company, due to his pre-occupation has vacated the office as such and has become the Non-Executive Director & Chairman of the company w.e.f. 16/08/2014. Mr. J.N Choudhury (DIN 00136766) continued to hold the office as Director-in-Charge & CEO. Mrs. Dolly Choudhury (DIN 06935952) appointed as whole time director w.e.f. 31/07/2014.

CA Aseem Trivedi, CA Vishnu Gupta and Mr. D.P Kori are the Independent Directors of the Company for a term of 5 years w.e.f. 1st April, 2014. All Independent directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the companies Act, 2013 and clause 49 of the Listing Agreement and forms part of this report. In the opinion of the Board they fulfill the criteria on Independency.

In accordance with the provisions of Section 152 of the companies Act 2013 read with relevant provisions of Articles of Association of the company there are none of any directors is liable to retire by rotation.

The brief resume of directors proposed to be appointed/ reappointed, nature of their expertise in specific functional areas and names of the companies in which they hold directorship along with their membership/chairmanship of committees of the board as stipulated under Clause 49 of Listing Agreement of stock exchanges, or provided in the Corporate Governance section along with the Annual Report.

Based on the confirmations received, none of the directors are disqualified from being appointed, reappointed as directors in terms of section 164 of the Companies Act, 2013.

CS Mohd. Raees Sheikh, a whole time Company Secretary, and Mr. Vikas Gupta, Chief Financial Officer of the company are designated as key managerial personnel of the company w.e.f. 1st April, 2014 as per the provisions of section 203 of the Companies Act, 2013.

15. PERFORMANCE EVALUATION

Pursuant to the provision of Companies Act, 2013 and clause 49 of the Listing agreement, the performance of the Board, its committee's and individual directors are evaluated by number of meetings held, time spent in each meeting deliberating the issues, quality of information/data provided to the members, the time given to them to study the details before each meeting, quality of deliberation in each meeting, contribution of each directors, the details of decisions taken and measures adopted in implementing the decision and feedback to the board.

16. BOARD MEETINGS

During the FY 2014-15 the Board of directors has passed resolutions by circulation on 07-04-2014 and six Board meetings were convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement. The details of the Board meetings held during the year along with the attendance of the respective directors there at are set out in the Corporate Governance Report forming part of this annual report.

17. SIGNIFICANT/ MATERIAL ORDERS PASSED BY THE REGULATOR OR COURT OR TRIBUNALS

There were no significant/material orders passed by any regulator or court or tribunal which would impact the going concern status of the company and its future operations.

18. INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL SYSTEM

The company has appointed an independent firm of Chartered Accountants for conducting the audit as per the internal audit standards and regulations. The internal auditor reports to the audit committee of the board. The audit function maintains its independence and objectivity while carrying out assignments. It evaluates on a continuous basis, the adequacy and effectiveness of internal control mechanism with interaction of KMP and functional staff.

The company has taken stringent measures to control the quality of disbursement of loan and its recovery to prevent fraud. The company has also taken steps to check the performance of the functional employees of the company at branch level.

19. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the BOD of the company had appointed M/s D.K. Jain & Co., Practicing Company Secretaries, Indore to undertake the secretarial audit of the company for the FY 2014-15. The secretarial audit report for the FY ended March 31st, 2015 is annexed as **Annexure – F** to this report. The said report does not contain any material qualification, reservation or adverse remark, except the delay caused in the filing of some documents, which were already filed with the adequate additional filing fee and has been approved by the RoC/MCA, therefore do not call for any further comment.

20. AUDITOR AND AUDITORS REPORT

At the 28th Annual General Meeting held on 25th September, 2014, the members had appointed M/s Mahendra Badjatya & Co (ICAI Firm Registration Number 001457C) Chartered Accountants as statutory auditors of the company, by way of ordinary resolution u/s 139 of the Companies Act, 2013 to hold office for a term of 3 years from the conclusion of 28th AGM until the conclusion of the 31st AGM of the company subject to ratification of appointment by the members of the company at every AGM as per the provisions of the Companies Act, 2013.

Based on the recommendation of the audit committee, the BOD at their meeting held on 29/05/2015 recommended the ratification of appointment of M/s Mahendra Badjatya & Co, Chartered Accountants as statutory auditors of the company, and that, the necessary resolution in this respect is being included in the notice of the 29th AGM for the approval of the members of the company. The company has received consent from statutory auditors and confirmation to the effect that they are not disqualified to be appointed as statutory auditors of the company in terms of the provisions of the Companies Act, 2013 and rules framed thereunder. The Notes to the Accounts referred to in Auditors Report are self explanatory and does not call for any further comment.

21. DIRECTORS RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013:

- In the preparation of the annual accounts for the year ended March 31st 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there is no material departure from the same;
- The directors had selected such accounting policies and applied them consistently and made judgments 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 March 31st 2015 and of the profit and loss of the company for the year ended on that date;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The directors had prepared the annual accounts on a "going concern" basis;
- The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

22. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement with the stock exchange, the corporate governance report, management discussion and analysis and the auditor's certificate regarding compliance of conditions of corporate governance is enclosed herewith as per **Annexure - G**.

23. DETAILS OF FRAUD

Pursuant to the provisions of section 134(3) and 143(12) of the Companies Act, 2013, read with Rule 13 of Companies (Audit and Auditors) Rules, 2014 the disclosure in respect of fraud detected by the company is as under:-

The company has detected fraud by its employees in collusion with borrowers at certain locations involving an amount of Rs. 60.21 Lakh in the financial year 2013-14 which amount is increased to Rs. 227.03 Lakh in the financial year 2014-15. The investigations of police & at the end of the Company are in Progress & after the recovered amount the Company has written off an amount of Rs. 215.79 Lakh as unrecoverable in the books of Accounts in the current financial year. The matter is reported to the Reserve Banks of India & also to Ministry of Corporate Affairs, Government of India, New Delhi. The Fraud has been reported to the Central Government in the prescribed form **ADT-4**.