

MINOLTA FINANCE LIMITED



**ANNUAL REPORT
AND
ACCOUNTS
2002 - 2003**

MINOLTA FINANCE LIMITED

BOARD OF DIRECTORS : D. K. PATNIA (Whole-time Director)

H. D. GODHA

T. C. GODHA

K. B. JANI

AUDITORS : U.S. AGARWAL & ASSOCIATES
42/1, B.B. GANGULY STREET
KOLKATA – 700 012



BANKERS : ABN AMRO BANK

REGISTRAR & SHARE TRANSFER AGENT : NICHE TECHNOLOGIES (P) LTD.
71, B.R.B. BASU ROAD
KOLKATA – 700 001

REGISTERED OFFICE : 30, BENTICK STREET
3RD FLOOR, ROOM NO. 315,
KOLKATA - 700 001

MINOLTA FINANCE LIMITED**NOTICE**

NOTICE IS HEREBY GIVEN that the 11th Annual General meeting of the Members of MINOLTA FINANCE LIMITED will be held at its Registered office, 30, Bentick Street, 3rd Floor, Room No. 315, Kolkata - 700 001, on Monday, the 29th day of September, 2003 at 1:00 P.M. to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March' 2003 and Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Sri H.D. Godha who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

"RESOLVED that M/S U.S. Agarwal & Associates, Chartered Accountants, who retires after conclusion of this Annual General Meeting and offer themselves for reappointment be and are hereby appointed as the Auditors of the Company to hold such office till the conclusion of the next Annual General Meeting at a remuneration to be decided by the board."

NOTES:

1. A Member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A Proxy need not be a Member of the Company. Proxies, in order to be effective must be received at 30, Bentick Street, 3rd Floor, Room No. 315, Kolkata - 700 001, not less than forty-eight hours before this Annual General Meeting.
2. As a measure of economy copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report at the meeting.
3. The Register of Members & Share Transfer Books of the Company will remain closed from 26th day of September'2003 to 29th day of September'2003 (Both days inclusive).

Registered Office :
30, Bentick Street
3rd Floor, Room No. 315
Kolkata - 700 001
Dated : 27th August, 2003

By and on behalf of the Board
D.K. Patnia
Whole-time Director

MINOLTA FINANCE LIMITED**3****DIRECTORS' REPORT**

To

THE MEMBERS

Your Directors have pleasure in presenting the 11th Annual report on the business and operations of the Company together with Audited statements of accounts for the year ended 31st March, 2003 to the shareholders.

REVIEW OF OPERATION

Some highlights of the performance during the said year are reproduced for your consideration:

	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
Profit/(Loss) before Tax	(1,32,081.70)	(30,801.54)
Less : Income Tax for earlier year	—	53,707.00
Deferred Tax Liability	—	23,492.00
	<hr/>	<hr/>
Profit/(Loss) after Tax	(1,32,081.70)	(1,08,000.54)
Profit brought forward	(22,08,323.65)	
Add : Deferred Tax Assets	<u>5,24,692.00</u>	
	(16,83,631.65)	(21,00,323.11)
Balance carried to Balance Sheet	<u>(18,15,713.35)</u>	<u>(22,08,323.65)</u>

DIVIDEND

In view of losses during the year under review, your directors regret their inability to recommend any dividend for the year ended 31st March, 2003.

OPERATION

During the Financial Year 2002 - 2003, the performance of the company was not satisfactory due to difficult economic conditions that prevailed through out the year. In spite of the intense competition from Banks and Financial Institutions, your company expect to achieve satisfactory growth in the coming years.

PRUDENTIAL NORMS

The Company is consistently complying with all the guidelines issued by the Reserve Bank of India for NBFCs with respect to capital adequacy, asset classification, provisioning and income recognition on non-performing assets.

FIXED DEPOSITS

The Company has not accepted and/or renewed any fixed deposit during the period under review.

DIRECTORS

Sri H.D. Godha retires from office by rotation in accordance with the requirements of Companies Act, 1956 and being eligible, offers himself for reappointment.

CORPORATE GOVERNANCE

Your Company complies with all the requirements pertaining to Corporate Governance, in terms of Clause 49 of the Listing Agreement with the Stock Exchanges. A detailed report on Corporate

MINOLTA FINANCE LIMITED

Governance has been included in this report alongwith a certificate from the auditors of the company regarding compliance of conditions of Corporate Governance. Further, a separate Management Discussion and Analysis report is also given in this report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 your Directors confirm that :

- i) In the preparation of the annual accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same.
- ii) Your directors have 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 the end of the financial year and of the Loss of the company for that period.
- iii) Your directors have 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.
- iv) Your directors have prepared the accompanying Annual Accounts for the year ended 31st, March, 2003 on a going concern basis.

AUDITORS

M/S. U.S. Agarwal & Associates., Chartered Accountants, Kolkata, statutory Auditors of your Company hold office until the conclusion of the 11th Annual General Meeting and are recommended for re-appointment. The Company has received a certificate from them to the effect that their reappointment, if made, would be within the limits prescribed under section 224(1C) of the Companies Act, 1956.

AUDITORS REPORT

The Auditors Report read together with the notes to account is self explanatory and do not call for any further explanation under section 217(3) of the Companies Act, 1956.

PERSONNEL

During the year, no employee was in receipt of remuneration of or in excess of the amount prescribed under Section 217(2A) of the Companies Act, 1956.

STATUTORY INFORMATION

Particulars required to be furnished by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

1. Part A and B pertaining to conservation and technology absorption are not applicable to the company.
2. Foreign Exchange earnings and outgoes : NIL

ACKNOWLEDGEMENT

Your Directors wish to convey their gratitude to the company's clients, Bankers, Financial Institutions, Share holders, well wishers and employees, for their valued and timely support.

Place : Kolkata

Dated : 30th Day of June, 2003

For and on behalf of the Board

D. K. Patnia – Whole time Director

H. D. Godha – Director

MINOLTA FINANCE LIMITED**5****ANNEXURE – I****MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The management of MINOLTA FINANCE LIMITED is pleased to present its report analysing the company's operation. The report contains expectation of the Company's business based on the current market trends.

INDUSTRY STRUCTURE AND DEVELOPMENT OPPORTUNITIES AND THREATS, REFERENCE OUT LOOKS AND RISKS AND CONCERN

The Non-Banking Financial Industry in private sector provide a variety of services including fund based and fee based activities and cater to retail and non retail market and niche segments.

The increased penetration of the banking sector in all segments of the financial services industries and reduced direct cost of borrowing for high quality borrowers have greatly reduced business opportunities for NBFC's. However liberalisation of the economy coupled with on going reforms like disinvestment of public sector units and GDP growth forecast of 5%-6% per annum over the next several years has created a positive environment for the Financial Services Industry in India and the same is also visible from Capital Market which has consistent growth since beginning of the Current Financial Year.

Company intends to maintain its focus on fund based activity Viz. loan financing and Capital Market operations. Company is exposed to specific risk that are particular to its business and the environment within which it operates like interest rate volatility, market risk and credit risk. Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk management practice.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal Control System Commensurate with its size and nature of business. While operating, managers ensure compliance within their areas. The management regularly reviews all the operations and reports and have also set up an Audit Committee to keep better control on the system.

FINANCIAL & OPERATION PERFORMANCE

During the financial year 2002-2003, the performance of the company was not satisfactory in view of difficult economic conditions that prevailed through out the year. The detail high light of the performance are produced in the Directors Report.

DEVELOPMENT IN HUMAN RESOURCES

The Company continued with its policy of Human Resources Development and retention. There is regular interaction and periodical review are carried out with the staff where a sense of challenge is inculcated amongst the employees in view of the increased competitiveness in the market-place today.