

An abstract graphic design featuring three overlapping circles of varying sizes, each composed of concentric rings in shades of gray. Three thin, light gray diagonal lines intersect the circles. One line passes through the top-left of the largest circle, another through its bottom-left, and a third through the bottom-left of the smallest circle. The largest circle is in the top right, the smallest is in the middle, and a third, partially visible circle is in the bottom right.

# **Minolta Finance Limited**

Annual Report 2012-2013

# Minolta Finance Limited

## BOARD OF DIRECTORS

Dinesh Kumar Patnia  
Vikash Bansal  
Pankaj Kumar

Chairman  
Independent Director  
Independent Director

## COMPLIANCE OFFICER

Mr. Arun Jaiswal

## AUDITORS

M/s. U. S. Agarwal & Associates  
Chartered Accountant

## BANKERS

Axis Bank Ltd.

## REGISTERED OFFICE

37 A&B, Stephen House  
4, B.B.D. Bagh (East)  
Kolkata-700 001

## REGISTRAR & SHARE TRANSFER AGENT

Niche Technologies Pvt. Ltd.  
D-511, Bagree Market  
71, B. R. B. B. Road,  
Kolkata-700 001

## ANNUAL GENERAL MEETING

Date : 27th September, 2013  
Time : 11.00 A.M.  
Venue : 37 A&B, Stephen House  
4, B.B.D. Bagh (East)  
Kolkata-700 001

# 21st Annual Report 2012 - 2013

## CONTENTS

● Notice	2
● Directors' Report	4
● Management Discussion & Analysis	7
● Report on Corporate Governance	10
● Auditors' Certificate on Corporate Governance	22
● Secretarial Compliance Report	23
● Auditors' Report	26
● Balance Sheet	30
● Statement of Profit & Loss Account	31
● Cash Flow Statement	32
● Notes	33

Members are requested to bring their copy of Annual Report at the time of Meeting

## MINOLTA FINANCE LTD.

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### NOTICE

Notice is hereby given that the 21st Annual General Meeting of the members of **MINOLTA FINANCE LIMITED** will be held on Friday, 27th September, 2013 at 11.00 A.M. at 37 A&B, Stephen House, 4, B.B.D. Bagh (East), Kolkata-700 001 to transact following business as:

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2013.
2. To appoint Director in place of Mr. Vikash Bansal, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and thought fit, to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:
4. **"RESOLVED THAT** M/s. U. S. Agarwal & Associates, Chartered Accountants, Kolkata be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, to examine and audit the accounts of the Company for the financial year 2013-2014, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of out of pocket expenses and applicable taxes."

#### Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
3. The Register of Member and the Share Transfer Books of the Company will remain closed from 20th September 2013 to 27th September 2013 (both days inclusive).
4. A detail of Director seeking re-appointment in this Annual General Meeting is attached separately to the notice.
5. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id **minoltafinance@gmail.com** for quick and prompt redressal of their grievances.
6. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
7. The identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the relevant identity card issued by the Depository Participant at the Annual General Meeting.
8. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
9. Members are requested to intimate change in their address immediately to M/s Niche Technologies Pvt. Ltd., the Company's Registrar and Share Transfer Agents, at their office at D-511, Bagree Market, 71, B. R. B. Road, Kolkata-700 001.

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**MINOLTA FINANCE LTD.**

10. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s Niche Technologies Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above.
11. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
12. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (form 2B) to M/s Niche Technologies Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.
13. Members are requested to bring copies of Annual Report to the Annual General Meeting.
14. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
15. Members are requested to quote Folio Number/Client ID in their correspondence.
16. The Equity shares of the Company are listed on Bombay Stock Exchange Ltd., Guwahati Stock Exchange and Kolkata Stock Exchange and Listing Fees for the financial year 2013-2014 have been paid to Bombay Stock Exchange Ltd. and Kolkata Stock Exchange.

**Details of Director seeking re-appointment in the 21st Annual General Meeting on 27th September 2013 (in term of Clause 49 of the Listing Agreement)**

<b>Vikash Bansal</b> Fathers' Name Date of Birth Date of Appointment Expertise in specific functional areas  Years of Experience Qualifications Qualification List of outside Directorship held Member of Committee on the Board  Member/Chairman of Committee in other Companies  No. of Shares held in own name or in the name of Relatives	Shri Roshan Lal Bansal 18th June 1975 8th January 2004 Expertise in Accounts, Taxation, Capital & Money Market and also having good knowledge of Company Laws 15 Years Graduation Arihant Enterprises Ltd. Audit Committee – Chairman Investor Grievance Committee - Member Remuneration Committee - Chairman Share Transfer Committee – Member  Audit Committee – Member Investor Grievance Committee – Member Investment Committee – Member Nil
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Kolkata, May 30, 2013

By order of the Board  
For MINOLTA FINANCE LIMITED

**Registered Office :**  
37 A&B, Stephen House  
4, B.B.D. Bagh (East)  
Kolkata-700 001

**Sd/-**  
**DINESH KUMAR PATNIA**  
Chairman

## MINOLTA FINANCE LTD.

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### Directors' Report

To

The Members,

Your Directors have pleasure in presenting the 21st Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2013.

FINANCIAL RESULTS	(₹ in Lacs)	
	Year Ended 31.03.2013	Year Ended 31.03.2012
Income	10.16	5.82
Profit /(Loss) before Tax & extraordinary item	(0.11)	(6.80)
Less : Provision for Taxation	0.00	0.00
Profit / (Loss) after Tax	(0.11)	(6.80)
Less : Extra-Ordinary Items	0.20	17.92
Less : Statutory Reserves	0.37	0.46
Add: Profit/(Loss) brought forward from Previous Year	(134.33)	(109.11)
Balance of Profit / (Loss) carried forward	(134.25)	(134.33)

#### OVERVIEW OF ECONOMY

According to the latest estimates, Indian Economy grew by 5% in FY 2013, reflecting lower than expected growth in both industry and services sectors. Inflation also was at elevated levels. However with commodity and crude oil prices on the decline from the peak and with various policy initiatives coming through, the Economy is estimated to grow by around 6% in FY2014 with lower Inflation.

#### OVERALL PERFORMANCE & OUTLOOK

The Business environment remains extremely challenging and the recessionary economic conditions leading to slowdown in demand and inflation pushed scale up of input costs left its adverse imprint on overall performance for 2012-2013.

Due to sluggishness in economy and lack of demand by consumers, Gross income from operations remained at ₹ 10.16 Lac in comparison to last years' figure of ₹ 5.82 Lac. In term of Net Loss, the same was of ₹ 0.11 Lac in comparison to last years' net loss of ₹ 6.80 Lac.

The Company is in to the Business of Investment and Financing activities.

The company is willing to continue to be in the business of Investment in financing but is also willing to invest wisely so as the Company can be a profit making entrepreneur during the year and thus can deliver to its Shareholders.

#### DIVIDEND

In view of loss as well carried forward losses, your Directors do not recommend any Dividend for the year under review.

#### SUBSIDIARY COMPANY

The Company does not have any Subsidiary Company.

#### MANAGEMENT DISCUSSIONS & ANALYSIS

As required by Clause 49 of Listing Agreement, the Management Discussion and Analysis is annexed and forms part of the Directors' Report.

#### MANAGEMENT

There is no Change in Management of the Company during the year under review.

**DIRECTORS**

There is no change in composition of Board during the Financial Year under review.

In accordance with the requirements of the Companies Act, 1956 and as per the provisions of Articles of Association of the Company, Mr. Vikash Bansal is liable to retire after conclusion of forthcoming Annual General Meeting and is eligible, offers themselves for re-appointments in the forthcoming Annual General Meeting. Except Mr. Vikash Bansal himself, none other Directors are interested in their respective re-appointments. Further, none of the Directors of the Company are disqualified under section 274(1)(g) of the Companies Act 1956.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the annual accounts, for the year ended 31st March 2013, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted 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 profit of the Company for that period.
3. 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.
4. The Directors had prepared the annual accounts on a going concern basis.

**STATUTORY INFORMATION**

The Company being basically in to the business of NBFC and is lending its fund to Corporate Clients and HNIs. Beside this the Company is investing its fund in the Capital Market. Due to said line of business, the requirement, regarding and disclosures of Particulars of conservation of energy and technology absorption prescribed by the rule is not applicable to us.

**INFORMATION TECHNOLOGY**

Your Company believes that in addition to progressive thought, it is imperative to invest in research and development to ascertain future exposure and prepare for challenges. In its endeavor to obtain and deliver the best, your Company has invested its money for acquiring latest Computer hardware and software.

**RESEARCH & DEVELOPMENT**

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature size of operations of your Company.

**AUDITORS**

The Auditors M/s U. S. Agarwal & Associates, Chartered Accountants, Kolkata hold the office until the conclusion of ensuing Annual General Meeting. Your Company has received certificate from the Auditors u/s 224(1B) of the Companies Act, 1956 to the effect that their reappointment if made, will be within the limit prescribed. The shareholders are requested to appoint Auditors and fix their remuneration.

**COMMENTS ON AUDITOR'S REPORT :**

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

## **MINOLTA FINANCE LTD.**

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### **PARTICULARS OF EMPLOYEES**

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1975 is reported to be NIL.

### **PARTICULARS UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956**

The Company is having no business other than the business of Investing in Securities Market as well as to lend money to Corporate and HNIs during the year under review and hence the information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is reported to be **NIL**.

### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

### **PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act 1956 and the rules there under.

### **REPORT ON CORPORATE GOVERNANCE**

The Company conforms to the norms of Corporate Governance as envisaged in the Companies Act, 1956 and the Listing Agreement with the Bombay Stock Exchange Limited. Pursuant to Clause 49 of the Listing Agreement, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

### **APPRECIATION**

Your Directors wish to place on record their appreciation towards the contribution of all the employees of the Company and their gratitude to the Company's valued customers, bankers, vendors and members for their continued support and confidence in the Company.

Kolkata, May 30, 2013

#### **Registered Office :**

37 A&B, Stephen House  
4, B.B.D. Bagh (East)  
Kolkata-700 001

By order of the Board  
For MINOLTA FINANCE LIMITED

Sd/-  
**DINESH KUMAR PATNIA**  
Chairman

## **Management Discussions & Analysis**

### **MACRO ECONOMIC ENVIRONMENT**

The year 2012 had been a year of slow growth world over and as per IMF forecast Global Economy is likely to show a growth of 3.3% during 2013 as compared to growth of 3.2% during 2012. The Global Economies witnessed a subdued growth with diverging growth paths across major economies. US economy which has registered a modest recovery is again subject to the adverse impact of the budget sequestration which will gradually gain pace during 2013. Japan's economy has shown signs of improvement on account of monetary and fiscal stimulus undertaken. The sovereign debt crises and the danger of a banking system meltdown in peripheral euro zone countries coupled with contraction in its major economies like Germany has resulted in negative growth in Euro zone.

The growth in the Emerging Market Economies which are viewed as growth engines of the world economy world over have also slowed down with Brazil and South Africa registering accelerated growth where as Russia, China and India a lower growth.

According to the Central Statistics Office's advance estimate of GDP growth, Indian Economy is expected to grow at 5% during the year 2012-13 as compared to a growth of 6.21% registered during 2011-12. This has been mainly on account of weak industrial activity compounded by domestic supply bottlenecks and slackening of external demand. This has also slowdown the growth in the service sector which has been the main driver of the growth.

The Reserve Bank of India in order to strike a balance in growth- inflation dynamics has initiated various measures during 2012-2013 to provide greater liquidity to financial system. This has resulted in moderating the headline inflation within its acceptable level. The food inflation as measured by new combined (rural and urban) consumer price index (CPI) remains in double digit is a cause of concern. The measures initiated are expected to result in moderate growth in GDP in the second half of 2013-2014.

### **REVIEW OF OPERATIONS**

The performance of the Company remained lackluster during the year and the Company could not perform well due to the reasons of recession, higher inflation rate, lack of demand in Money Market in terms of safety and security as well as disappointing performance of Indian Economy.

Gross income from operations remained at ₹ 10.16 Lac for the year in comparison to last year's figure of ₹ 5.82 Lac. The Net Profit of the Company after Extra-Ordinary Items stood at ₹ 0.09 Lac in comparison to last years' Loss of ₹ 24.76 Lac.

### **BUSINESS SEGMENT**

Being one of the Non Banking Finance Company (NBFC), the Company was into the business of Investment in Capital and Money Market during the year; in accordance with the Accounting Standard 17 notified by Companies (Accounting Standards) Rules 2006.

### **OPPORTUNITIES**

The Indian money market is "a market for short-term and Long term funds with maturity ranging from overnight to one year and includes financial instruments that are deemed to be close substitutes of money. It is diversified and has evolved through many stages, from the conventional platform of treasury bills and call money to commercial paper, certificates of deposit, repos, FRAs and IRS more recently.

The Indian money market consists of diverse sub-markets, each dealing in a particular type of short-term credit. The money market fulfills the borrowing and investment requirements of providers and users of short-term funds, and balances the demand for and supply of short-term funds by providing an equilibrium mechanism. In Stock Market or Capital Market, the first and foremost thing of strength is its ability to provide high return. SEBI is a regulatory body of Indian stock market which protects the interest of the investors which is an added benefit of Stock Market. Large number of securities which provides medium for investment and thus people can make money by way of investing wisely in Stock Market. Large numbers of Brokers are there in Market who plays a role of facilitator for investment.



## **MINOLTA FINANCE LTD.**

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### **THREATS & CONCERNS**

The Indian economy is caught between low growth and stubbornly high inflation. Last month, the International Monetary Fund (IMF) revised the year-over-year GDP growth forecast of India to 5.7 percent for 2013, down from its January estimate of 5.9 percent. The IMF attributed structural factors as the primary reasons for the poor performance, rather than the cyclical factors cited by the government last month. Additionally, the IMF expects consumer-price inflation to remain at around 10 percent in 2013 due to a rise in food and fuel prices. Lately, there have been signs of easing inflationary pressures. The wholesale-price inflation has steadily decreased since late 2012, while consumer-price inflation went below 10 percent this May, as the economy operates below capacity. However, the government's attempt to reduce the fuel subsidy bill by raising administered fuel prices will likely reverse the fall in inflation in the remaining part of the year.

The situation for India is unique because both fiscal and monetary policies have had limited flexibility to bail out the economy. High fiscal and current-account deficits restrict the government's ability to undertake proactive stimulus programs to boost the economy. The level of domestic inflation remains higher than the Reserve Bank of India's (RBI's) comfort level, which limits the RBI's ability to ease monetary policy further. Despite such pressures, the RBI is expected to reduce the policy rates, though marginally, in order to boost economic activity in the country.

Fiscal deficit is expected to be 5.3 percent of GDP in 2012-2013, while the current account recorded the largest-ever deficit of 6.7 percent of GDP in the third quarter of 2012-2013. The government's strategy of fiscal consolidation has repeatedly gone off course since 2008 due to a series of unfavorable developments. Since last September, the government has taken bold measures to cut down fuel subsidies to prop up public finance, helping the government to restrict the fiscal deficit within the revised target of 5.1 percent of GDP. However, with general elections being just a year away, progress in this direction will be limited and even likely reverse.

### **RISK MANAGEMENT**

The Company has aligned its policy on risk assessment in line with global approach and risk assessment reports are reviewed on regular intervals. The Company has adopted a focused approach towards risk management in the form of a corporate insurance program which has the goal of optimizing the financing of insurable risks by using a combination of risk retention and risk transfer. The program covers all potential risks relating to business operations of the Company at its various locations.

The Company's business critical software is operated on a server with regular maintenance and back-up of data and is connected to centralized computer center with two physically separated server parks operated by the Company. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. The global communication network is managed centrally and is equipped to deal with failures and breakdowns. Updated tools are regularly loaded to ensure a virus free environment.

### **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company has implemented a comprehensive system of internal controls and risk management systems for achieving operational efficiency, optimal utilisation of resources, credible financial reporting and compliance with local laws. These controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Management information and reporting system for key operational activities form part of overall control mechanism.

The Company has retained the services of independent firms of professionals to function as internal auditors and provide reports on various activities covering observations on adequacy of internal controls and their recommendations. Findings of internal audit reports and effectiveness of internal control measures are reviewed by top management and audit committee of the Board. During the year, internal audit team of Company performed audits of major operational areas of the Company and carried out elaborate checks and verification and shared their findings with top management for remediation of minor gaps wherever required.

**HUMAN RESOURCES**

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2012-2013, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

The Company believes that learning is an ongoing process. Towards this end, the Company has built a training infrastructure which seeks to upgrade skill levels across grades and functions through a combination of in-house and external programme.

**CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY**

The Company constantly strives to meet and exceed expectations in terms of the quality of its business and services. The Company commits itself to ethical and sustainable operation and development of all business activities according to responsible care and its own code of conduct. Corporate Social Responsibility is an integral part of the Company's philosophy and participates in activities in the area of education and health.

**CAUTIONARY STATEMENT**

Certain statements under "Management Discussion & Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statement within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

**COMPLIANCE**

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal Guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes. New products and process launched during the year were subjected to scrutiny from the Compliance Standpoint and proposals of financial services were screened from risk control prospective.

The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years except re-instatement fees paid to BSE for revocation of suspension from trading in the Equity Shares of the Company.

Kolkata, May 30, 2013

By order of the Board  
For MINOLTA FINANCE LIMITED

**Registered Office :**  
37 A&B, Stephen House  
4, B.B.D. Bagh (East)  
Kolkata-700 001

**Sd/-**  
**DINESH KUMAR PATNIA**  
Chairman