

The image features a decorative graphic consisting of three blue spheres of varying sizes and two thin blue lines. The spheres are arranged in a vertical line, with the largest sphere at the top, a medium-sized sphere in the middle, and the largest sphere at the bottom. The thin blue lines are positioned diagonally, one on the left and one on the right, framing the spheres.

# **Minolta Finance Limited**

Annual Report 2010-2011

# 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 : 29<sup>th</sup> September, 2011  
Time : 11.00 A.M.  
Venue : 37 A&B, Stephen House  
4, B.B.D. Bagh (East)  
Kolkata-700 001

# 19<sup>th</sup> Annual Report 2010 - 2011

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

## Notice

Notice is hereby given that the 19<sup>th</sup> Annual General Meeting of the members of **MINOLTA FINANCE LIMITED** will be held on Thursday, 29<sup>th</sup> September, 2011 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 31<sup>st</sup> March 2011.
2. To appoint Director in place of Mr. Vikash Bansal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

### **SPECIAL BUSINESS :**

4. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

“**RESOLVED THAT** Pursuant to the provisions of Section 260 and all other applicable provisions of the Companies Act, 1956 (the Act) and in terms of Article 87 of the Articles of Association of the Company, Mr. Pankaj Kumar, who was appointed as an Additional Director of the Company at the Board meeting held on 25<sup>th</sup> March 2011 and who holds the office up to the date of this Annual General Meeting in terms of provision of section 260 of the Act, and in whose respect the Company has received a notice from a member under Section 257 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. Pankaj Kumar for the office of Director of the Company be and is hereby appointed as Director of the Company.”

### **Notes :**

1. 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.
2. The Register of Member and the Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> September 2011 to 29<sup>th</sup> September 2011 (both days inclusive).
3. A copy of all the documents referred to in the accompanying explanatory statement are open to inspection at the Registered Office of the Company on all working days except holidays up to the date of AGM and at AGM .
4. The trading in Equity Shares of Company was suspended from trading due to non-compliance of Listing Agreement. The Company has made an Application to BSE for revocation of trading suspension and has filed all requisite documents with BSE.
5. 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.
6. 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.
7. 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.

8. 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.
9. 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.
10. Members are requested to bring copies of Annual Report to the Annual General Meeting.
11. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
12. Members are requested to quote Folio Number in their correspondence.
13. 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 2011-2012 have been paid to Bombay Stock Exchange Ltd. and Kolkata Stock Exchange.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

### **Item No. 4**

The Board of Directors of your Company appointed Mr. Pankaj Kumar as s Additional Director of your Company at the Board meeting held on 25<sup>th</sup> March 2011 to broad base the Board.

Mr. Pankaj Kumar, Age 37, ICWA, L.L.B. is having vast experience in the area of Company Law, Accounts, Audit, Taxation & of IPC Laws since last 8 years and it will be added benefit for the Company if he will be among Board of Directors. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Pankaj Kumar for the office of Director of the Company.

Mr. Pankaj Kumar does not hold any shares in his own name or in the name of his relatives.

As on 31st March 2011, he is not among the Board of Directors in any of the Listed/Limited Companies.

Further, he is not having position of Committee Chairmanship or Committee Membership in any of listed Companies.

Except Mr. Pankaj Kumar in his respective appointment, no other Director is concerned or interested in his appointment as Directors of the Company.

Kolkata, June 25, 2011

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

**DINESH KUMAR PATNIA**  
Chairman

To The Members,

Your Directors have pleasure in presenting the 19<sup>th</sup> Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2011.

<b>Financial Results</b>	<b>Year Ended</b>	(Rs. in Lacs)
	<b>31.03.2011</b>	<b>Year Ended 31.03.2010</b>
Income	<b>4.13</b>	2.63
Profit /(Loss) before Tax & extraordinary item	<b>1.62</b>	(0.01)
Less : Provision for Taxation	<b>0.77</b>	0.00
Profit after Tax	<b>0.85</b>	(0.01)
Less : Statutory Reserves	<b>0.33</b>	0.00
Add/(Less) : Provision of NPA Written Back	<b>(40.83)</b>	133.21
Add: Profit/(Loss) brought forward from Previous Year	<b>(68.80)</b>	(202.00)
Balance carried forward	<b>(109.11)</b>	(68.80)

## **DIVIDEND**

In view of meager profit and in order to conserve resources, your Directors do not recommend any Dividend for the year under review.

## **INDUSTRY STRUCTURE AND DEVELOPMENT**

The Indian economy has emerged rapidly from the slowdown caused by the global financial crisis of 2007-09 and remains one of the fastest growing economies of the world. After dipping to 6.8% in 2008-09, GDP growth had recovered sharply to 8% and is projected to remain above this level in 2010-11. Economic and financial events over the year, however, have increased concerns about the sustainability of the growth momentum.

The global economic and financial situation is recovering slowly. The large fiscal deficits and high debt ratios coupled with slow economic growth have created unsettling conditions for business and have potential for causing great volatility in financial markets. It is hard to visualize strong economic growth in the advanced economies in 2010 and to a large extent in 2011. The implications of this, for India's strategy to return to the 9.0 per cent growth trajectory, are that public policy must promote business confidence and facilitate increased investment.

Apart from above, high current account deficit, particularly in the context of weakening capital inflows, was also a cause of concern, which has hitherto managed to compensate the rising trade deficit. The current account deficit was a manifestation of strong domestic demand and global weakness. This pressure has abated somewhat during the past few months, with rise in exports and slowing (non-oil) imports. However, a strong rebound in India's exports over the past couple of months has considerably reduced the pressure, but India's overall balance of payments remains weaker than expected, putting pressure on the Rupee.

## **OPPORTUNITIES & THREATS**

The Fundamental drives of India's medium term growth prospects remain intact. However, global developments, in conjunction with Indian Policy responses to the concerns noted above, are likely to make 2011-12 a challenging year.

Global economic and financial conditions can be expected to remain adverse for some time, particularly in the aftermath of Japan's natural disaster. Once the current financial year and commodity volatility subsides, deeper structural factors are likely to slow down economic growth, particularly in developed economics.

Fiscal consolidation in Europe and an excess supply overhang in the US will probably moderate growth in the second half, together with increasing expectations of policy rate rise to quell rising inflation.

In India, inflationary pressure are likely to persist and hence result in a further, though moderate, monetary policy tightening the impact of which will be increasingly visible, through rising borrowing costs, in fiscal 2012. Increasing savings, high interest rates, an expected lower rise in currency driven by lower food prices, are likely to help deposits to grow stronger in fiscal 2012. However, in light of inflationary pressures and rising interest rates, there is a likelihood that the credit growth momentum might slow in 2011-12.

## **OVERVIEW OF FINANCIAL AND BUSINESS PERFORMANCE**

During 2010-11, the Company has actually started its business activities and has earned small profit during the year. Having laid down its key business objectives and a common vision, it took several steps in fulfilling these goals. The Company focused on strengthening its retail risk appetite in the SME business and filling product gaps in its business.

Your Company is providing Advisory Services to clients and also investing its surplus fund in Capital, Securities Market. The PBT of the Company stood at Rs. 1.62 Lac which is highest among last few years. The Company has worked hard to find new Clients and to satisfy them with the quality of services and continuous support in order to meet their requirements.

## **RISK MANAGEMENT & CONCERNS**

The objective of risk management is to balance the trade-off between risk and returns and ensure optimum risk adjusted return on capital. It entails the identification, measurement and management of risks across the various businesses of the Company. Risk is managed through a framework of policies and principles approved by the Board of Directors and supported by an Independent risk function that ensures that the Company operates within its risk appetite. The risk management function attempts to anticipate vulnerabilities at the transaction level or at the portfolio level, as appropriate, through quantitative or qualitative examination of the embedded risks. The Company continues to focus on refining and improving its risk management systems. In addition to ensuring compliance with regulatory requirements, the Company had developed internal systems for assessing capital requirements keeping in view the business objectives.

The Company has identified following main risks for its business, which needs to be addressed at this point of time :-

1. Credit Risk
2. Market Risk
3. Liquidity Risk
4. Operational Risk

The Company has framed the appropriate business policies to tackle the challenges of above risks and is continually reviewing and modifying these policies in order to face the challenges and come out with the help of Company's business policies.

## **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

MINOLTA has developed adequate Internal Control Systems in place to ensure a smooth functioning of its business. The Control System provides a reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of Company's assets.

The ICS and their adequacy are frequently reviewed and improved and are documented.

## **MATERIAL DEVELOPMENT IN HUMAN RESOURCES**

The Company was having staff strength of 5 people during the year under review however the Company is recruiting more experienced employees during financial year 2010-11. Once the process of new recruitment will be over, the Company will be able to comment on this.

## **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.

## **CAUTIONARY STATEMENT**

Statements in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations may be forward looking statements. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's performance include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government Regulations, tax laws, statutes and other incidental factors.

## **MANAGEMENT**

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

## **DIRECTORS**

During the year Mr. Kamal Kumar Goenka has resigned from Board of Directors and in his place Mr. Pankaj Kumar has joined the Board w.e.f. 25<sup>th</sup> March 2011 to fill the vacancy caused due to resignation of Mr. Kamal Kumar Goenka.

In accordance with the requirements of the Companies Act, 1956 and as per the provisions of Articles of Association of the Company, Mr. Pankaj Kumar 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. Pankaj Kumar 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.

## **INFORMATION TECHNOLOGY**

The Company aims to maintain a scalable computing infrastructure that delivers efficient and seamless services across multiple channels for customer convenience. In order to retain competitive edge, technology infrastructure has been implemented wherever necessary, in alignment with business requirements.

## **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.

## **HUMAN RESOURCES**

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2011-12, 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.

## **STATUTORY INFORMATION**

The Company being basically in the media sector, requirement, regarding and disclosures of Particulars of conservation of energy and technology absorption prescribed by the rule is not applicable to us.

## **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.

## **PARTICULARS OF EMPLOYEES**

There were no employees in Company during the year under review.

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1988 is reported to be NIL.

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

The Company is having no major business activities other than that of Investment activities 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**.

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

## **DIRECTORS RESPONSIBILITY STATEMENT**

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

1. In the preparation of the annuals accounts, for the year ended 31<sup>st</sup> March 2011, 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.

### **REPORT ON CORPORATE GOVERNANCE**

The Company is committed to good Corporate Governance. The Company respects the rights of its Shareholders to inform on the performance of the Company and its endeavor to maximize the long-term value to the Shareholders of the Company. As per Clause 49 of the listing Agreement of the Stock Exchange, a report on Corporate Governance is set out separately, which forms part of this report.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Corporate Social Responsibility (CSR) is commitment of the Company to improve the quality and living standard of the employees and their families and also to the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and Society.

### **APPRECIATION**

The Board of Directors wishes to convey their appreciation to all the Company's managing body for their performance and continued support. The Directors would also like to thank all the Shareholders, Consultants, Customers, Vendors, Bankers, Service Providers, and Governmental and Statutory Authorities for their continued support.

Kolkata, June 25, 2011

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

**DINESH KUMAR PATNIA**  
Chairman

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Compliance with the requirements of Corporate Governance is set out below :-

1. To enhance the long term interest of its shareholders and to provide good management, the adoption of prudent risk management techniques and compliance with the required standards of capital adequacy, thereby safeguarding the interest of its other stakeholders such as lenders, creditors, customers, suppliers and employees.
2. To identify and recognize the Board of Directors and the Management of the Company as the principal instruments through which good corporate governance principles are articulated and implemented. Further, to identify and recognize accountability, transparency and equality of treatment for all stakeholders, as central tenets of good corporate governance.
3. MINOLTA has during its way towards growth, adopted the MINOLTA Code of Conduct and MINOLTA Prevention of Insider Trading Program. The Company has in place an Information Security Policy that ensures proper utilization of the IT Resources.

## BOARD OF DIRECTORS

### Composition of Directors

The Constitution of Board of Directors of the Company is governed by the Company's Act 1956 and the Clause 49 of listing agreement. The Company's Board comprises a combination of executives and non-executive Directors. The Board presently consists of 3 Directors and its mix provides a combination of professionalism, knowledge and experience required in the line of Business of the Company. The Board is responsible to manage business of the Company. The functions, responsibilities, role and accountability of the Board are well defined.

The Board of Directors met 19 times on 10<sup>th</sup> April, 30<sup>th</sup> April, 30<sup>th</sup> June, 9<sup>th</sup> July, 31<sup>st</sup> July, 3<sup>rd</sup> August, 25<sup>th</sup> August, 6<sup>th</sup> September, 30<sup>th</sup> September, 4<sup>th</sup> October, 5<sup>th</sup> October, 19<sup>th</sup> October, 30<sup>th</sup> October, and 31<sup>st</sup> December in year 2010, on 10<sup>th</sup> January, 17<sup>th</sup> January, 31<sup>st</sup> January, 25<sup>th</sup> March and 31<sup>st</sup> March in the year 2011 during the financial year 2010-2011.

Details of Composition of Board, category of the Directors and their attendance at Board Meetings and last Annual General Meeting, number of other directorship are given below :-

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership	Committee Chairmanship	No. of Directorship in other Public Ltd. Co.
Dinesh Kumar Patnia*	Managing Director	19	Yes	3	1	Nil
Vikash Bansal	Independent Director	19	Yes	3	1	Nil
Kamal Kr. Goenka	Independent Director	17	Yes	3	1	Nil
Pankaj Kumar@	Independent Director	2	No	3	1	Nil

\*Chairman of the Board

@Appointed w.e.f. 25<sup>th</sup> March 2011

## **AUDIT COMMITTEE**

The Committee of the Board of Directors was reconstituted with effect from 25<sup>th</sup> March 2011.

The Audit Committee consists of two Independent Directors & the Managing Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise.

The primary purpose of the Audit Committee is to assist the Board of Directors (the “Board”) of Blue Circle Services Ltd., (the “Company”) in fulfilling its oversight responsibilities with respect to (a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stockholders, the public, any stock exchange and others, (b) the Company’s compliances with legal and regulatory requirements, (c) the Company’s independent auditors’ qualification and independence, (d) the audit of the Company’s Financial statements, and the performance of the Company’s internal audit function and its Independent Auditors.

### **Authority and Responsibilities**

1. The Audit Committee reviews the Company’s financial reporting process, disclosure of accounting treatment, 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 or rights issue, and making appropriate recommendations to the Board to take up steps in this matter, Compliance with listing and other legal requirements relating to financial statements, disclosure norms, internal control systems, risk management policies, accounting policies and practices, ensuring the quality and appropriateness of the Company’s accounting and financial disclosures as well as quarterly/half yearly financial statements. It recommends appointment of Statutory Auditors fixes audit fees and reviews internal control systems, 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, scope for observations of the auditors and adequacy of the internal audit function, discussion with internal auditors any significant findings and follow up there on, To review the functioning of the Whistle Blower mechanism, 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 etc.

In addition to the above, Audit Committee reviews the followings :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
4. Internal audit reports relating to internal control weaknesses;
5. To review the annual financial statements and to recommend their adoption to the Board, with particular reference to disclosure of any related party transaction.
6. To review the Quarterly financial statements and recommend their adoption to the Board.
7. The appointment, removal and terms of remuneration of the Chief internal auditor;

As required under Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement, the new “Terms of Reference” of the Audit Committee were approved by the Board of Directors at its meeting held on 25<sup>th</sup> March 2011.

The members of Audit Committee met four times on 31<sup>st</sup> July, 25<sup>th</sup> August and 30<sup>th</sup> October in year 2010 and on 31<sup>st</sup> January in year 2011 during the financial year ended on 31<sup>st</sup> March 2011.

Name	Number of Meetings Held	Meetings Attended
Mr. Dinesh Kumar Patnia	4	4
Mr. Vikash Bansal	4	4
Mr. Kamal Kr. Goenka*	4	4

\*Chairman of Committee

### REMUNERATION COMMITTEE

Since the Company does not have remuneration Committee (constitution of which is a non-mandatory requirement), the details pertaining to the same are not provided.

#### Details of Remuneration paid to Directors

The payment of salary to Directors was Nil during the financial year 2010-2011.

No Stock option has been allotted to any of the Directors during the financial year 2010-2011.

None of the Independent Directors holds any shares in their name or in the name of their relatives.

### SHARE TRANSFER COMMITTEE

The Board of Directors has constituted Share Transfer Committee under the Chairmanship of Mr. Dinesh Kumar Patnia; Chairman with two other Independent Directors.

The members of Share Transfer Committee met 4 times on 26<sup>th</sup> April, 26<sup>th</sup> July and 26<sup>th</sup> October in year 2010, on 25<sup>th</sup> January during the financial year ended on 31<sup>st</sup> March 2011.

Name	Number of Meetings Held	Meetings Attended
Mr. Dinesh Kumar Patnia*	4	4
Mr. Vikash Bansal	4	4
Mr. Kamal Kr. Goenka	4	4

\*Chairman of Committee

### INVESTOR GRIEVANCE COMMITTEE

The Board of MINOLTA FINANCE LIMITED has constituted a Committee of Directors, which inter-alia also functions as "Shareholders/Investors" Grievance Committee, consisting of three members, chaired by a Non-Executive, Independent Director. The Committee meets once a month and inter-alia, deals with various matter relating to:

- ✓ Transfer/transmission/transposition of shares;
- ✓ Consolidation/splitting of shares/folios;
- ✓ Issue of Share Certificates for lost, sub-divided, consolidated, rematerialize, defaced etc;
- ✓ Review of Shares dematerialized and all other related matters; and
- ✓ Investors' grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

The Share Department of the Company and the Registrar and Share Transfer Agent, Purva Sharegistry India Pvt. Ltd. attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

The Minutes of Shareholders'/Grievances Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

### COMPLIANCE OFFICER

The Company has appointed Mr. Arun Jaiswal as a Compliance Officer within the meaning of Listing Agreement.

## COMPOSITION OF COMMITTEE AND MEETINGS ATTENDED

During the year, twelve meetings of the Committee of Directors were held on April 2, May 3, June 1, July 1, August 2, September 1, October 1, November 2, and December 1<sup>st</sup> in year 2010 and on January 3, February 1 and March 2 in year 2011.

Brief Details of Names, Position, Category and meeting attended by Members of Committee is as follows:

Name	Position	Category	Meetings Attended
Mr. Vikash Bansal*	Chairman	Independent, Non-Executive	12
Mr. Dinesh Kumar Patnia	Member	Executive – Wholetime	12
Mr. Kamal Kr. Goenka	Member	Independent, Non-Executive	12

\*Chairman of Committee

## DETAILS OF SHAREHOLDERS' COMPLAINTS

During the year the Company did not receive any complaint from any of its Members and there were Nil Complaints at the end of Financial Year ending on 31<sup>st</sup> March 2011.

## GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
18 <sup>th</sup> Annual General Meeting	30 <sup>th</sup> September 2010, 11.00 AM	37 A&B, Stephen House, 4, B.B.D. Bagh (East), Kolkata-700 001
17 <sup>th</sup> Annual General Meeting	30 <sup>th</sup> September 2009, 4.30 PM	37 A&B, Stephen House, 4, B.B.D. Bagh (East), Kolkata-700 001
16 <sup>th</sup> Annual General Meeting	30 <sup>th</sup> September 2008, 3.00 PM	37 A&B, Stephen House, 4, B.B.D. Bagh (East), Kolkata-700 001

## LOCATION AND TIME OF LAST TWO EXTRA-ORDINARY GENERAL MEETINGS :

No Extra-Ordinary General Meetings have been held during last three financial years.

## POSTAL BALLOT

No Resolution has been passed during last three financial years through Postal Ballot Rules.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal Ballot.

## SPECIAL RESOLUTION PASSED IN LAST THREE ANNUAL GENERAL MEETINGS:

No Special Resolutions have been passed during previous three financial years.

## BOARD DISCLOSURES

### Risk Management

The Company has a Risk Management Policy which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of the following :-

- ❖ Governance of Risk
- ❖ Identification of Risk
- ❖ Assessment of Control of Risk

The risks have been prioritized through a companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company has appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Risk Officer will make a presentation periodically on risk management to the Board of Directors and the Audit Committee. The Board and the Audit Committee provide oversight and review the risk management policy periodically.

## **SUBSIDIARIES**

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves exceeding 20% of the consolidated turnover or networth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

## **INSIDER TRADING**

The Securities and Exchange Board of India (SEBI) has over the years introduced various amendments to the Insider Trading Regulations of 1992 which ordain new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a `Code of Conduct` for Prevention of Insider Trading (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Officer has been appointed for monitoring adherence to the said Regulations.

## **DISCLOSURES**

- (a) There were no transactions with related parties i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large. The details of the related Party transactions are disclosed under the notes on accounts, as required under the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.
- (b) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise.
- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof.
- (d) **Reconciliation of Share Capital** : A qualified Practicing Company Secretary carried out Reconciliation of Share Capital on quarterly basis to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The "Reconciliation of Share Capital Audit Report" confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. However, since the Company yet to establish connectivity with both NSDL & CDSL, all the Equity Shares of the Company are in physical form and are tallied with Paid-up Capital of the Company.

## **DISCLOSURES ON NON-MANDATORY REQUIREMENTS**

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of Listing Agreement with the Stock Exchange :-

- a) None of the Independent Directors on the Board of the Company has served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) The Company has not setup Compensation and Remuneration Committee.
- c) There was no case of Non-Compliance during financial year 2010-11 in term of provisions of Listing Agreement entered into with BSE by the Company. Further, no penalties have been levied or actions have been taken by BSE or SEBI during last three years.
- d) The Company has complied with mandatory provisions of listing agreement.
- e) The financial statements of the Company are unqualified.
- f) The Board of Directors of the Company at its meeting held on 25<sup>th</sup> March 2011 have adopted the Whistle Blower Policy and appointed an ombudsperson. Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct Policy. No Employee has been denied access to the Audit Committee.

## MEANS OF COMMUNICATIONS

- The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Bombay Stock Exchange Ltd. and published in the leading English Newspapers and in vernacular language Newspaper.
- Company posts its Quarterly Results/Half Yearly/Nine Months & Annual Results on its website [www.minolta.co.in](http://www.minolta.co.in)
- Official News releases have been posted on its web portal [www.minolta.co.in](http://www.minolta.co.in)
- No formal representations were made to Institutional Investors or Analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report will be posted to the shareholders of the Company.

## GENERAL SHAREHOLDER INFORMATION

Detailed information in this regard is provided in section "Shareholders Information" which forms part of this Annual Report.

## SHAREHOLDERS' INFORMATION

### a. Next Annual General Meeting

The information regarding 19<sup>th</sup> Annual General Meeting for the financial year ended on 31<sup>st</sup> March 2011 is as follows :-

Day & Date : Thursday, 29<sup>th</sup> September 2011  
 Time : 11.00 A.M.  
 Venue : 37 A&B, Stephen House, 4, B.B.D. Bagh (East), Kolkata-700 001

b. **Financial Year** : 1st April to 31st March.

### c. Future Calendar :

Subject Matter	Date
Financial Reporting of 1 <sup>st</sup> Quarter ended on 30 <sup>th</sup> June 2011	31 <sup>st</sup> July, 2011
Financial Reporting of 2 <sup>nd</sup> Quarter ended on 30 <sup>th</sup> September 2011	15 <sup>th</sup> November, 2011
Financial Reporting of 3 <sup>rd</sup> Quarter ended on 31 <sup>st</sup> December 2011	15 <sup>th</sup> February 2012
Financial Reporting of 4 <sup>th</sup> Quarter ended on 31 <sup>st</sup> March 2012	30 <sup>th</sup> May 2012
Date of Annual General Meeting	During August 2012

- d. **Date of Book Closure** : September 22 to September 29, 2011. (Both days inclusive)
- e. **Dividend Payment Date** : No Dividend has been recommended for the year under review.
- f. **Listing of Shares** : Bombay, Guwahati & Kolkata Stock Exchanges
- g. **Listing Fees** : Company has paid Annual listing Fees to BSE & NSE and Custodial Fees to NSDL & CDSL for year 2011-12.
- h. **Stock Code & ISIN** : Scrip Code 532164 on BSE  
ISIN – INE514C01018.
- i. **Market Price Data** : Trading in Equity Shares of the Company were suspended from trading during the year under review. The Company has filed application with BSE for revocation of suspension with all requisite documents.

**j. Registrar & Share Transfer Agent.**

M/s. Niche Technologies Pvt. Ltd. has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of physical. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

**M/s. Niche Technologies Pvt. Ltd.**

D-511, Bagree Market, 71, B. R. B. B. Road, Kolkata-700 001

Tel : 033- 2235-7270/ 7271, Fax : 033-2215-6823

Email : nichetechpl@nichetechpl.com, Web : www.nichetechpl.com

**k. Share Transfer Systems**

The Share transfer is processed by the Registrar & Share Transfer Agent, Niche Technologies Pvt. Ltd. and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment.

**l. Distribution of Shareholding as on 31<sup>st</sup> March 2011**

No. of Equity Shares	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-500	592	27.73	286394	2.86
501-1000	709	33.21	506252	5.06
1001-5000	523	24.50	1446044	14.46
5001-10000	145	6.79	1106599	11.07
10001-50000	133	6.23	2686401	26.86
50001-100000	18	0.84	1284211	12.84
100001 and Above	15	0.70	2684099	26.84
<b>Total....</b>	<b>2135</b>	<b>100.00</b>	<b>10000000</b>	<b>100.00</b>

**m. Shareholding Pattern as on 31<sup>st</sup> March 2011**

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	258491	2.58
Indian Bank	0	0.00
Others (Clearing Member)	2972	0.03
Private Corporate Bodies	4872220	48.72
Indian Public (including HUF & Clearing Members)	4866317	48.66
<b>Total .....</b>	<b>10000000</b>	<b>100.00</b>



**n. Dematerialization of Equity Shares & Liquidity**

The Company's Equity Shares are in Demat trading segment and the Company had established connectivity with both NSDL & CDSL by signing the necessary agreements.

**Procedures for dematerialization / rematerialization of Equity Shares:-**

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL/CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of Shares.

The Shares of Company are yet to be admitted for trading on Bombay Stock Exchange Ltd. As on 31st March 2011, 86.24% Equity Shares of the Company are in dematerialized form.

**o. Nomination**

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the by-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

**p. Requirement of PAN Card in case of Transfer of Shares in Physical Form**

Pursuant to SEBI Circular, the shareholders holding shares in physical form are requested to submit self certified copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.

**q. For the Attention of Shareholders holding shares in electronic form**

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

**r. Brief Resume of the Directors Seeking Re-Appointment**

Mr. Vikash Bansal, Age 36, B.Com, is having vast knowledge and rich experience in Financial & Income Tax related activities as well as expertise in Accounting & Taxation. It will be advantageous for the Company to avail his valuable services and rich experience. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Vikash Bansal for the office of Director of the Company.

Mr. Vikash Bansal does not hold any shares in his own name or in the name of his relatives.

Mr. Vikash Bansal is not having any Directorship and Committee Chairmanship in Listed and Public Limited Cos.

**s. Details on use of Public Funds Obtained in the last three years :**

No fund has been raised by way of Public, Right of Preferential Issue or any other mode during last three financial years.

**t. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :**

Not Applicable.

**u. Investors' Correspondence**

Shareholders can contact the following Officials for secretarial matters of the Company :-

Mr. Arun Jaiswal - minoltafinance@gmail.com

**v. Code of Conduct**

The Board of Directors of the Company has laid down Code of Conduct for Directors and for Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.

**w. Address for Correspondence**

MINOLTA FINANCE LIMITED

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

## CHAIRMAN & MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

As required by Clause 49 of Listing Agreement, the Managing Director and CEO's Declaration for Code of Conduct is given below:

To  
The Members of  
**MINOLTA FINANCE LIMITED**

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Kolkata, June 25, 2011

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

**DINESH KUMAR PATNIA**  
Chairman

## Compliance Certificate

To,  
The Members,  
MINOLTA FINANCE LIMITED

We have examined the compliance of Corporate Governance by MINOLTA FINANCE LIMITED for the year ended on 31" March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuing the compliance of the conditions of the corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) is/ are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For U. S. AGARWAL & ASSOCIATES**  
Chartered Accountants

Place: Kolkata  
Date: 25/06/2011

**U. S. AGARWAL**  
Partner  
M. No. 051895

The Board of Directors,  
**M/s. MINOLTA FINANCE LIMITED**

We have examined the registers, records and papers of M/s. MINOLTA FINANCE LIMITED as required to be maintained under the Companies Act, 1956, (hereinafter referred to as "The Act"), the rules made there under and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31<sup>st</sup> March 2011.

On the basis of our examination as well as information and explanations furnished by the Company and the records made available to us, we report that:

1. The Company has kept and maintained all registers and records as per the provisions of the Companies Act 1956 (the Act) and the rules made there under and all entries therein have been duly recorded during the year.
2. The Company has duly filed the forms and return with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company has given proper notice along with the agenda for convening of Board Meeting, Committee Meetings and Annual General Meetings during the year.
4. The proceedings of the Meetings were properly recorded in the Minutes Books during the year.
5. The Board of Directors of the Company is duly constituted during the year.
6. The Company has obtained all the necessary approvals from the Board and Shareholders as required by the Act during the year.
7. The Company has not accepted any Deposit in terms of Section 58A of the Act read with Companies (Acceptance of Deposit) Rules, 1975 during the year.
8. The Company has complied with the provisions of section 154 of the Act during the year.
9. The Company has delivered all the certificates on lodgments thereof for transfer or any other purpose in accordance with the provisions of the Act during the year.
10. The Company has declared dividend and paid to the eligible shareholders in compliance with the provisions of section 205 of the Act during the year.
11. The Company has not paid remuneration to the Managing Director of the Company during the year in terms of section 198, 269, 309 read with Schedule XIII of the Act.
12. The Company has not appointed any sole selling agent in terms of section 294 of the Act during the year.
13. The Company has not given any loan in terms of section 295 of the Act during the year.
14. The Company has not entered into any transactions, which falls under section 297 of the Act during the year.
15. The Directors have disclosed their interest in terms of section 299 of the Act.
16. The Company has not appointed any person as a place of profit in terms of section 314 of the Act during the year.
17. The Company has complied with the provisions of section 372A of the Act.
18. The Company has complied with the applicable provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, SEBI (Prohibition of Insider Trading) Regulations, 1992 during the year.

19. The Company has not issued any Equity Share on Bonus, Right or Preferential basis and thus has not raised any fund during the financial year 2010-11.
20. The Company has not altered its Memorandum of Association and Articles of Association during the year.
21. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company for offences under the Act.

For **M. Rathi & Co.**  
Company Secretaries

Place : Kolkata  
Date : June 25, 2011

**Mukesh Rathi**  
Partner  
Membership No. 4795

## Audit Report for the year ended 31<sup>st</sup> March 2011

The Shareholders,  
**MINOLTA FINANCE LIMITED,  
KOLKATA.**

1. We have audited the attached Balance Sheet of MINOLTA FINANCE LIMITED, KOLKATA, as at 31st March, 2011 and also Profit & Loss Account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Further to our comments in the annexure referred to above, we report that :
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii) In our opinion, proper books of Accounts as required by the law have been kept by the Company so far as appears from our examination of those books.
  - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
  - iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report, comply with the accounting standard referred to in Section 211 (3C) of the Companies Act, 1956.
  - v) On the basis of written representations from the directors of the company, taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a. In the case of Balance Sheet of the State of Affairs of the Company as at 31<sup>st</sup> March, 2011 and
    - b. In the case of Profit & Loss Account, of the Loss for the year ended on that date.
    - c. In the case of cash flow statement, of the cash flows for the year ended on that date.

**For U. S. Agarwal & Associates  
Chartered Accountants**

Place: Kolkata  
Date: 25/06/2011

**U. S. Agarwal  
Partner  
M. No. 051895**

## Annexure to the Auditors' Report

Referred to in paragraph 3 our report of even date on the accounts for the year ended 31st March, 2011 of MINOLTA FINANCE LIMITED, KOLKATA,

4. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
  - (i) The company does not have any fixed assets, matters specified in the said order is not applicable to the Company.
  - (ii)
    - a) The Inventories have been physically verified by the management during the year at reasonable intervals.
    - b) The procedure of physical verification of the inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
    - c) The Company has maintained proper records of inventories and no discrepancies were noticed on physical verification of inventories as compared to book records.
  - (iii) According to information and explanations given to us, the company has not taken or granted any secured or unsecured loans from/to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - (iv) In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets and for the sale. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
  - (v) According to information and explanations given to us, the Company has not entered into any transactions exceeding the value of rupees five lakhs in the financial year in respect of any party, transactions that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956.
  - (vi) In our opinion, and according to information and explanations given to us, the Company has not accepted any deposits from the public. Under section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975, during the year.
  - (vii) In our opinion, the Company's adequate internal audit system is commensurate with the size and the nature of its business.
  - (viii) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other statutory dues with appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues, which have remained outstanding as at 31<sup>st</sup> March 2011 for a period of more than six months.
  - (ix) The accumulated losses of the company are not more than fifty per cent of its net worth. The company has not incurred cash losses during the current financial year covered by our audit but in the immediately preceding financial year.



- (x) In our opinion and according to information and explanations given to us, the company has not taken loan from financial institution, bank or debenture holders.
- (xi) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) The company is not a Chit Fund, Nidhi or Mutual Benefit Society. Hence requirement of item (xiii) of paragraph 4 of the order is not applicable to the Company.
- (xiii) In our opinion and to the best of our information and according to the explanations give to us, proper records are maintained by the Company for dealing or trading in shares, securities, debentures and other investments. The shares have been held in the name of Company, except to the extent of the exemption granted under Section 49 of the Companies Act, 1956. **The Conveyance Deed in respect of investment in immovable property has not been executed in favour of the Company.****
- (xiv) As informed to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xv) As per information and explanations given to us, the company has not taken any fresh term loan during the year.
- (xvi) According to information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long-term investment. Similarly, no funds raised on long term basis have been used for short-term investment.
- (xvii) According to information and explanations given to us, the company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (xviii) The company has not raised any money through public issue. Hence requirement of item (xx) of paragraph 4 of the order is not applicable to the Company.
- (xix) According to the information and explanations provided to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.
- (xx) Other provisions of the above order are not applicable to the Company.

**For U. S. Agarwal & Associates  
Chartered Accountants**

Place: Kolkata  
Date: 25/06/2011

**U. S. Agarwal  
Partner  
M. No. 051895**

**MINOLTA FINANCE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2011**

	Schedule	<u>31.03.2011</u> Rupees	31.03.2010 Rupees
<b><u>SOURCES OF FUNDS</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	1	99,995,750	99,995,750
Reserve & Surplus	2	37,340	5,000
<b>TOTAL</b>		<b><u>100,033,090</u></b>	<b><u>100,000,750</u></b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>Investments</b>	3	64,898,120	72,228,120
<b>Current Assets, Loans &amp; Advances</b>			
Stock-in-Trade	4	1,268,290	1,268,290
Cash & Bank Balances		123,928	65,609
Sundry Debtors		7,700,000	241,401
Loans & Advances		23,391,993	23,421,632
		<b><u>32,484,211</u></b>	<b><u>24,996,932</u></b>
Less : Current Liabilities & Provisions	5		
Sundry Creditors for Expenses		76,310	22,060
Liabilities & Provisions		8,184,079	4,082,026
		<b><u>8,260,389</u></b>	<b><u>4,104,086</u></b>
Net Current Assets		24,223,822	20,892,846
<b>Add: MISCELLANIOUS EXPENDITURE</b>			
(To the extent not written of or adjusted)			
Profit & Loss Account		10,911,149	6,879,785
		<b><u>10,911,149</u></b>	<b><u>6,879,785</u></b>
<b>TOTAL</b>		<b><u>100,033,090</u></b>	<b><u>100,000,750</u></b>
Notes forming part of the accounts & Significant Accounting Policies	6		

As per our report of even date

For **U. S. Agarwal & Associates**  
Chartered Accountants

**U. S. Agarwal**  
Partner  
Membership No. 051895

Place : Kolkata  
Date : 25 June, 2011

**Dinesh Kr. Patnia**  
Director

**Pankaj Kumar**  
Director

**MINOLTA FINANCE LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

Schedule	Year ended on 31.03.2011	Year ended on 31.03.2010
<b>INCOME</b>		
Income from Business Activities	412,000	262,000
Other Income	964	822
Sale of Shares	-	1,975,000
Closing Stock	1,268,290	1,268,290
	<u>1,681,254</u>	<u>3,506,112</u>
<b>EXPENDITURE</b>		
Opening Stock	1,268,290	3,304,790
Bank Charges	1,324	1,500
Advertisement	5,282	-
Professional Fees	12,000	12,000
RTA Fees	3,309	3,309
ROC Filing Fees	5,000	7,650
Listing Fees	17,500	20,344
Printing & Stationery	2,730	1,460
Salary to Staff	120,000	84,000
General Expenses	35,340	27,628
Annual Custody Fees	37,724	33,724
Audit Fees	11,060	11,030
	<u>1,519,559</u>	<u>3,507,435</u>
Profit before Tax	161,695	(1,323)
Less: Provision for Taxation	50,000	-
Profit after Tax	111,695	(1,323)
Less : Statutory Reserves	32,340	-
Less : Income Tax for Earlier Year	27,084	-
Less : Provision for NPA Written back	4,083,135	13,321,068
Less : Contingency Provision for Standard Assets	500	-
Profit/(Loss) brought forward from previous year	6,879,785	(20,199,529)
Profit carried to Balance Sheet	<u>(10,911,148)</u>	<u>(6,879,785)</u>

Notes forming part of the accounts & Significant Accounting Policies 6

As per our report of even date  
For **U. S. Agarwal & Associates**  
Chartered Accountants

**U. S. Agarwal**  
Partner  
Membership No. 051895

Place : Kolkata  
Date : 25 June, 2011

**Dinesh Kr. Patnia**  
Director

**Pankaj Kumar**  
Director

**MINOLTA FINANCE LIMITED**

<b>SCHEDULES TO ACCOUNTS</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
1020,00,000 Equity Shares of Rs.10/- each (Previous year 1020,00,000 Equity Shares of Rs. 10/- each)	<b>102,000,000</b>	102,000,000
<b>Issued, Subscribed &amp; Paid-up</b>		
10000000 Equity Shares of Rs. 10/- each (Previous year 10000000 Equity Shares of Rs. 10/- each)	<b>100,000,000</b>	100,000,000
Less : Calls in Arrears	<b>4,250</b>	4,250
	<b>99,995,750</b>	99,995,750
<b>SCHEDULE 2</b>		
<b>Reserve &amp; Surplus</b>		
Statutory Reserves	<b>32,340</b>	-
Special Reserves (As per RBI Requirements)	<b>5,000</b>	5,000
	<b>37,340</b>	<b>5,000</b>
<b>SCHEDULE 3</b>		
In Properties	<b>805,000</b>	805,000
<b>In Equity Shares, (Valued at Cost)</b>		
Unquoted Shares	<b>63,457,830</b>	70,787,830
Quoted Shares	<b>635,290</b>	635,290
<b>Total .....</b>	<b>64,898,120</b>	72,228,120
<b>SCHEDULE 4</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
Stock-in-Trade	<b>1,268,290</b>	1,268,290
<b>Cash &amp; Bank Balances</b>		
Cash Balance	<b>10,854</b>	38,995
Balance with Scheduled Bank in Current A/c	<b>113,074</b>	26,613
	<b>123,928</b>	65,609
Sundry Debtors (Less than 6 Months)	<b>7,700,000</b>	241,401
<b>Loans and Advances</b>		
(Unsecured, Considered Good)		
Loans to HNI & Corporate Bodies	<b>4,533,344</b>	4,535,003
Share Application Money	<b>18,800,000</b>	18,800,000
Tax Deducted at Source	<b>58,649</b>	86,629
	<b>23,391,993</b>	23,421,632
<b>Total .....</b>	<b>32,484,211</b>	24,996,932
<b>SCHEDULE 5</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
Liabilities for Expenses	<b>76,310</b>	22,060
Other Liabilities	-	28,960
Provision for Taxation	<b>50,000</b>	2,622
Contingency Provision for Standard Assets	<b>500</b>	-
Provision for NPA	<b>8,133,579</b>	4,050,444
	<b>8,260,389</b>	4,104,086

**Statement of Cash Flow Annexed to the Balance Sheet as at 31st March, 2011**

	31.03.2011	(In Rupees) 31.03.2010
<b>A. <u>Cash Flow from Operating Activities</u></b>		
<i>Net Profit before tax and extraordinary Items</i>	<b>161,695</b>	<b>(1,323)</b>
<i>Adjustments for</i>		
Profit on Sale of Assets	(400,000)	(250,000)
Interest Received	(12,000)	(12,000)
<i>Operating profit before working capital changes</i>	<b>(250,305)</b>	<b>(263,323)</b>
<i>Adjustments for Capital Changes</i>		
Decrease (Increase) in Stock-in-Trade	-	2,036,500
Decrease (Increase) in Trade and other Receivables	(7,458,599)	1,020,000
Decrease (Increase) Loan & Advances	29,639	(21,276,272)
Trade Payable and Provisions	4,156,303	7,707
<i>Cash Generated from operations</i>	<b>(3,272,657)</b>	<b>(18,212,065)</b>
Income Tax & FBT Paid For The Year	(50,000)	-
Provision for NPA / Standard Assets	(4,083,635)	-
Adjustment of Earlier Year Tax	(27,084)	(1,200)
<b><i>Net Cash From Operating Activities</i></b>	<b>(7,683,681)</b>	<b>(18,476,588)</b>
<b>B. <u>Cash Flow From Investing Activities</u></b>		
Investments	7,330,000	18,184,880
Profit on Sale of Assets	400,000	250,000
Interest Received	12,000	12,000
<b><i>Net Cash from Investing Activities</i></b>	<b>7,742,000</b>	<b>18,446,880</b>
<b>C. <u>Cash Flow From Financing Activities</u></b>		
Proposed Dividend	-	-
Extraordinary Items	-	-
<b><i>Net Cash used in Financing Activities</i></b>	<b>-</b>	<b>-</b>
<i>Net Increase in Cash &amp; Cash Equivalents</i>	58,319	(29,708)
<i>Opening Balance of Cash &amp; Cash Equivalents</i>	65,609	95,317
<i>Closing Balance of Cash &amp; Cash Equivalents</i>	123,928	65,609

**For and on behalf of the Board**

**Dinesh Kr. Patnia**  
**Chairman & Managing Director**

Kolkata, June 25, 2011

We have verified the attached Cash Flow Statement of Minolta Finance Limited, derived from Audited Financial Statements and the books and records maintained by the Company for the year ended on 31st March 2011 and found the same in agreement therewith.

**For U. S. Agarwal & Associates**  
Chartered Accountants

Kolkata, June 25, 2011

**U. S. Agarwal**  
Partner  
Membership No. 051895

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**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**


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**Significant Accounting Policies:**

- a) Basis of Accounting : The financial statements have been prepared under historical cost convention in accordance with the applicable accounting standards. The Company follows the accrual system of accounting subject to and in consistent with the prudential norms as per NBFC's (RBI) Directions 1998.
- b) Revenue Recognition : Revenue is recognized when there is reason of certainty of its ultimate realization/collection.
- c) Investments being long term in nature are valued at cost subject to provision for permanent diminution in the value of investments.
- d) Inventories are valued at lower of cost or market price, taken on aggregate basis for each category.
- e) Share Issue Expenses : Share Issue Expenses have been amortised over a period of ten years.
- f) Retirement Benefit : Payment of Gratuity Act is not applicable to the Company as number of employees are less than minimum required applicability of Gratuity Act.
- g) Taxation : Deferred Tax Assets for current year has not been recognized as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**Notes on Accounts :**

1. The Company has complied with prudential norms as per NBFC's (Reserve Bank) Directions 1998 with regard to income recognition, assets classification, accounting standards and provisions for bad and doubtful debts as applicable to it.
2. Adjustments in respect of fall in market price of certain quoted investments has not been done since these are long term investments and the inherent value of such investments does not indicate permanent diminution.
3. In the opinion of Board of Director and to the best of their knowledge and belief, the value on realization of Loans & advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet.

4.

<b>Earnings Per Share</b>	<b>2010-11</b>	<b>2009-10</b>
a. Net Profit after tax available for Equity Shareholders (Rs.)	<b>111695</b>	-1323.49
b. Weightage average number of Equity shares of Rs. 10 each	<b>10000000</b>	10000000
c. Basic/Diluted Earnings Per Share (a/b) Rs.	<b>0.01</b>	0.00

5. Related Party Disclosure :  
In terms of Accounting Standard 17 of "The Institute of Chartered Accountants of India" related party transactions as well as payment to Directors is as under :-

Related Party	Relationship	Nature of Transaction	2010-11	2009-10
D K Patnia	Director	Salary	60,000/-	60,000/-
Kamal Goenka	Director	N.A.	-	-
Vikash Bansal	Director	N.A.	-	-

6. SEGMENT INFORMATION FOR THE YEAR ENDED 31.3.2011

**Primary Segment Reporting – Business Segment**

Since the company's entire business of Finance & Investments, so there is no reportable segment.

**Secondary Segment Reporting – Geographical Segment**

Since the company's entire business is in India, so, there is no reportable segment.

7. The company did not earn/spend any money in Foreign Exchange. (Previous year – Nil)
8. Negative figures have been shown in brackets.
9. Previous year's figures have been regrouped and rearranged wherever found necessary.

**For U. S. Agarwal & Associates**  
Chartered Accountants

for & on behalf of board

**U. S. Agarwal**  
Partner  
Membership No. 051895

**Dinesh Kr. Patnia**

Place : Kolkata  
Date : 25<sup>th</sup> June 2011

**Pankaj Kumar**

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956****Balance Sheet Abstract and Company's General Business Profile****I Registration Details**

Registration No.	:	57502
State Code No.	:	21
Balance Sheet Date	:	31.03.2011

**II Capital raised during the year**

Public Issue	:	Nil
Right Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil

**III Position of Mobilisation and Deployment of Funds (Amount in Rs. in Thousands)**

Total Liabilities	:	100033
Total Assets	:	100033

**Sources of funds**

Paid-up Capital	:	99996
Reserves & Surplus	:	37
Secured Loans	:	Nil
Unsecured Loans	:	Nil

**Application of funds**

Net Fixed Assets	:	Nil
Investments	:	64898
Net Current Assets	:	24224
Miscellaneous Expenditures	:	0
Accumulated losses	:	10911

**IV Performance of Company (Amount in Rs. in Thousands)**

Turnover	:	413
Total Expenditure	:	251
Profit before taxes	:	162
Profit after taxes	:	112
Earning Per Share	:	0.00
Dividend Rate	:	Nil

**V Generic Names of Three Principal Products/Services of the Company**

<u>Product Description</u>	<u>Item Code No.</u>
Finance & Investment	37204



# Minolta Finance Limited

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

## PROXY FORM

I/We \_\_\_\_\_ resident of \_\_\_\_\_ in the district of \_\_\_\_\_ being member/members of the above named Company, hereby appoint \_\_\_\_\_ resident of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him \_\_\_\_\_ resident of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/our behalf at the 19<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, the 29<sup>th</sup> day of September 2011 at 11.00 A.M., at 37 A&B, Stephen House, 4, B.B.D. Bagh (East), Kolkata-700 001 and any adjournment thereof.

Registered Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Signed by the said \_\_\_\_\_

Signature of Proxy \_\_\_\_\_

Attested by Shareholder \_\_\_\_\_



# Minolta Finance Limited

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

## ATTENDANCE SLIP

I hereby record my presence at the 19<sup>th</sup> Annual General Meeting of the Company held on Wednesday, the Thursday, the 29<sup>th</sup> day of September 2011 at 11.00 A.M., at 37 A&B, Stephen House, 4, B.B.D. Bagh (East), Kolkata-700 001.

Name of Shareholder/s \_\_\_\_\_

Father/Husband's Name \_\_\_\_\_

Name of Proxy or Company Representative \_\_\_\_\_

Registered Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

Signature of the Shareholder(s) or Proxy or Company Representative \_\_\_\_\_