



**MANSI**  
**FINANCE (CHENNAI) LTD.**

19th Annual Report 2012 - 2013

**ANNUAL REPORT 2012 -2013**

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**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the **Nineteenth** Annual General Meeting of the members of **MANSI FINANCE (CHENNAI) LIMITED** will be held on Monday, the 30<sup>th</sup> September, 2013 at 11.00 a.m. at the Registered Office of the Company at "MANSI MANSION", No. 22-B, Mulla Sahib Street, Sowcarpet, Chennai - 600 079, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2013 and Profit and Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of **Shri. Mahesh Tated**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to be decided by the Board of Directors.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:  
"RESOLVED that pursuant to the provisions of sections 198, 269, 302, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) the approval of the Company be and is hereby granted for re-appointment of **Shri. SURESH BAFNA** as the Managing Director of the Company for the period of 5 years with effect from 1<sup>st</sup> July, 2013 on the following terms and conditions of remuneration as

approved by the Remuneration Committee of the Board of Directors of the Company."

(a) Salary : Rs.50000/- per month.

(b) Perquisites: Subject to the Ceiling of Rs. 100000/- per annum.

**Category A:**

(i) House rent allowance subject to a maximum of 50% of the salary or house accommodation shall be provided by the Company and 10% of salary shall be recovered by way of rent.

Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income - Tax Rules, 1962 subject to a ceiling of 10% of salary.

(ii) Reimbursement of medical expenses of the Managing Director and his family, the total cost of which to the Company shall not exceed the month salary in the year or three months salary in a block of three years.

(iii) Leave travel assistance: Expenses incurred for self and family in accordance with the Rules of the Company.

(iv) Club Fees: Subject to a maximum of two clubs this will not include admission and life membership.

(v) Personal accident insurance premium: not exceeding Rs.5000/- p.a.

**Category B:**

(i) Car: The Company shall provide a car for the Company's business and, if no car is provided reimbursement of the conveyance shall be made on actual basis as may be claims made by him.

(ii) Gratuity: As per rules of the Company, subject to a maximum ceiling as may be prescribed under the payment of Gratuity Act from time to time.

- (iii) **Earned Privilege Leave:** As per the rules of the Company, subject to the condition that, the leave accumulated but not availed of will be allowed to be encashed for 15 days salary for every completed year of services at the end of the tenure.
- (iv) **Telephone:** Free use of telephone at his residence provided that personal long distance calls on the telephone shall be billed by the Company to the Managing Director.

*Note: For the purpose of perquisites stated in Category "A" above "Family" means the Spouse, the dependent children and dependent parents of the appointee.*

"FURTHER RESOLVED THAT in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to **Shri. SURESH BAFNA** shall be the minimum remuneration payable to him in terms of the provisions of Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT **Shri. SURESH BAFNA**, the Managing Director shall also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/ amenities and other privileges, as any from time to time, be available to other senior Executives of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to decide break up of the remuneration within the above said maximum permissible limit and in order to give effect with the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company."

5. To consider, and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of section 314(1B) of the Companies Act, 1956, consent of the Company be and is hereby accorded to **Shri. ADIT BAFNA**, a relative of **Shri. SURESH BAFNA**, Managing Director of the Company to hold office or place of profit as an Executive Officer of the Company with effect from 1st July, 2013 at a remuneration of Rs.50000/- per month or such other sum as may be determined by the Board of Directors from time to time."

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory amendment thereto or re-enactment thereof) the consent of the Company be and is hereby accorded to Board of Directors to mortgage and/or charge any of its movable and / or immovable properties wherever situated both present and future or to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) and to create a mortgage/and or charge, on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company's any one or more of the undertakings or all of the undertakings of the Company in favour of any bank(s) or body(ies) corporate or person(s), whether shareholders of the Company or not, together with interest, cost, charges and expenses thereon for amount not exceeding Rs.50 Crores (Rupees Fifty Crores only) at any point of time."

"**RESOLVED FURTHER THAT** the securities to be created by the Company aforesaid may rank prior/pari pasu/subservient with/to the mortgages and/or charges already created or to be created by the company as may be agreed to between the concerned parties".

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto."

7. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that the consent of the Company be and is hereby accorded under the provisions of the section 293(1)(d) of the Companies Act, 1956, to the Board of Directors of the Company borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not so set apart for any specific purpose, provided that the total amount upto which moneys may be borrowed by the Board of directors shall not exceed the aggregate of the paid-up capital and free reserves of the Company by more than the sum of Rs.50 Crores at any one time."

By order of the Board  
**For MANSI FINANCE (CHENNAI) LIMITED**

Place: Chennai  
Date: 30-05-2013

**SURESH BAFNA**  
Chairman & Managing Director

**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/herself and the proxy need not be a member of the Company.  
  
The proxy form, in order to be effective, must be deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 25th September, 2013 to Monday, the 30th September, 2013 (both days inclusive) for the purpose of Annual General Meeting of the Company.
3. The members are requested to intimate to the Registrar and Transfer Agents, Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai - 600 002, Change of Address, if any, at the earliest quoting their registered folio number.
4. Members holding Shares in more than one folio in identical order of names are requested to write to Registrar and Transfer Agents enclosing their Share Certificate to enable us to consolidate their holding in one folio to facilitate better service.
5. As per Companies Act, 1956 as amended, a shareholder may nominate in the prescribed manner a person to whom his shares in the Company shall vest in the event of his death (Form 2B of the Companies (Central Govt) General Rules Forms). In the case of joint holding, joint holders may together nominate a person to whom the Shares shall vest in the event of death of the joint holders. Shareholders are requested to avail the facility.
6. Members seeking any information with regard to accounts or operations are requested to write to the Company at an early date so as to enable the management to keep the information ready.



7. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is annexed herewith.

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE, FOLLOWING INFORMATION ARE FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE RE-APPOINTED, VIDE ITEM NO. 2 OF THE NOTICE DATED 30.05.2013.

|   |   |
|---|---|
| Name of the Director  | Shri. MAHESH TATED  |
| Date of Birth   | 10.02.1959  |
| Date of Appointment on the Board as Director  | 31.01.2005  |
| Date of Last re-appointment as Director   | 29.09.2009  |
| Experience in specific functional area  | 29 Years  |
| Qualification   | B.Com.  |
| List of outside Directorship held   | Nil   |
| Chairman/Member of the Committee of Board of Directors of the Company                                 | Audit Committee-Chairman, Shareholder's/Investor's Grievance Committee - Member, Remuneration Committee - Member. |
| Chairman/Member of the Committee of the Board of Directors of other Companies in which he is Director | Nil   |

**EXPLANATORY STATEMENT**

(Pursuant to section 173(2) of the Companies Act, 1956)

**ITEM NO.4**

Shri. SURESH BAFNA was appointed as the Managing Director of the Company for a period of 5 (five) years with effect from 1st July, 2008 to manage and control the affairs of the Company under the superintendence, control and direction of the Board of Directors of the Company. His present term as the Managing Director of the Company expires on 30th June, 2013.

In view of Shri. SURESH BAFNA's performance and capabilities, the remuneration committee of the Board of Directors of the Company at its Meeting held on 30th May, 2013 and the Board Meeting held on 30th May, 2013 have re-appointed, subject to the approval of the Members of the Company in its ensuing Annual General Meeting, Shri. SURESH BAFNA as the Managing Director of the Company for a further period of 5 (five) years with effect from 1st July, 2013.

The terms and conditions for reappointment for Shri. SURESH BAFNA as the Company's Managing Director are summarised hereunder:

1. Shri. SURESH BAFNA shall be the Managing Director of the Company for a period of 5 (five) years with effect from 1st July, 2013 to 30th June, 2018 as decided by the Board of Directors.
2. Shri. SURESH BAFNA shall subject to the superintendence, control and direction of the Board of Directors of the Company have substantial powers of Management and shall perform the duties and exercise the powers in relation thereto and shall also perform such other duties and exercise such further powers as may from time to time be entrusted to or conferred upon him by the Board either alone or jointly with any other person or persons as the Board shall determine.
3. In consideration of his services as the Company's Managing Director, Shri. SURESH BAFNA shall be entitled to receive the following remuneration from the Company:

- (a) Basic Salary: Rs.50000/- per month.
  - (b) Perquisites: Subject to the ceiling of Rs.100000/- per annum.
  - (c) House rent allowance: Maximum of 50% of the Salary.
  - (d) Reimbursement of Medical expenses: Not exceeding one month salary in a year.
  - (e) Club fees: Subject to Maximum of two clubs.
  - (f) Personal accident Insurance Premium: Not exceeding Rs.5000/- p.a.
  - (g) Car: The Company will provide car for the Company's business.
  - (h) Gratuity: As per the rules of the Company, subject to a maximum ceiling as prescribed under Payment of Gratuity Act, 1972.
  - (i) Earned privilege Leave: As per the rules of the Company subject to a maximum of 15 days salary for every completed year of service.
  - (j) Telephone: Reimbursement of bills of one telephone at his residence subject to certain conditions.
4. In the absence or inadequacy of profits of the Company in any financial year during his term of reappointment hereunder, he shall for that year receive the same remuneration as in clause 3 hereinabove specified, within the ceiling limits as laid down in Schedule XIII to the Companies Act, 1956.
5. Shri. SURESH BAFNA shall be entitled to reimbursement of other expenses actually and properly incurred by him in connection with the Company's business.

The terms and conditions of his service, including remuneration, may be varied, altered, increased, enhanced or widened from time to time by the Board as it may in its sole discretion deem fit without seeking further approval of the shareholders of the Company within the maximum amount payable to the Managing Director in accordance with the Act and Schedule XIII thereto.

The re-appointment and remuneration of Shri. SURESH BAFNA as the Company's Managing Director require the approval of the members of the Company in General Meeting by passing a resolution in terms of Schedule XIII read with Section 309 and 311 of the Act.

The Board of Directors commend the resolution for approval by the members of the Company.

Except Shri. SURESH BAFNA, None of the Directors of the company are concerned or interested in this resolution.

**ITEM NO.5:**

The Board of Directors at their Board Meeting held on 30th May, 2013 have considered for appointment of an Executive Officer to look after the day-to-day activities of the Company. The members of the Board have proposed to reappoint Shri. ADIT BAFNA as an Executive Officer of the Company. By virtue of his experience and knowledge, Shri. ADIT BAFNA meets all the requirements of an effective officer of the Company. Re-appointment of Shri. ADIT BAFNA, being a relative of Shri. SURESH BAFNA, Managing Director of the Company requires approval of members under section 314(1)/314(1B) of the Companies Act, 1956. As per the said sections the appointment or re-appointment of Director or relative of such Director to hold office or place of profit requires approval of members of the Company in a General Meeting by passing a Special Resolution in terms of the provisions of the Act.

The Board of Directors commend the resolution for approval by the members of the Company.

Except Shri. SURESH BAFNA, none of the Directors of your Company are concerned or interested in the proposed resolution.

**ITEM NO.6:**

As a security for the loans sanctioned and to be sanctioned by the Banks and financial institutions with whom the Company has negotiated and is negotiating for financial assistance for its project in form of term

loans and working capital facilities, the Company would be required to give first mortgage of all the movable and immovable properties of the Company both present and future.

Section 293(1)(a) of the Companies Act, 1956, provides, inter alia, that the Board of Directors of a public Company shall not, without the consent of such public Company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the financial institution can be considered to be disposal of the Company's properties, it is necessary for the members to pass a resolution under section 293(1)(a) of the Companies Act, 1956 before creation of the said mortgage/charge.

None of the Directors of the Company are concerned or interested in the aforesaid Resolution except as a member of the Company.

**ITEM NO.7:**

The sanction of the shareholders is sought to permit the Board to borrow moneys in excess of the Company's capital and free reserves. This is permissible under section 293(1)(d) of the Companies Act, 1956, if the shareholders approve. With the Company's plans for expansion and diversification, your Board of Directors thinks it necessary to acquire this power and commends passing of this resolution.

None of the Directors of the Company are concerned or interested in the aforesaid Resolution except as a member of the Company.

By order of the Board  
**For MANSI FINANCE (CHENNAI) LIMITED**

Place: Chennai  
Date: 30-05-2013

**SURESH BAFNA**  
**Chairman & Managing Director**

**DIRECTORS' REPORT**

Dear Members,

Your Directors have great pleasure in presenting the Nineteenth Annual Report and Audited Accounts for the year ended 31st March, 2013. The summarised financial results of the Company are given hereunder:

**FINANCIAL RESULTS:**

| Particulars                                     | Year ended 31 <sup>st</sup><br>March, 2013<br>(Rs. in Thousands) | Year ended 31 <sup>st</sup><br>March, 2012<br>(Rs. in Thousands) |
|---|--|--|
| Profit before Depreciation & Tax                | 17437.69   | 8668.63  |
| Less: Depreciation                              | <u>635.49</u>  | <u>749.67</u>  |
| Profit Before Taxation                          | 16802.20   | 7918.96  |
| Less: Provision for Income Tax                  |  |  |
| Current Tax                                     | 4400.00  | 1900.00  |
| Prior Years Adjustment                          | 42.14  | (152.94)   |
| Deferred Tax                                    | <u>0.00</u>  | <u>0.00</u>  |
| Profit after tax                                | 12360.06   | 6171.90  |
| Less: Transfer to Statutory Reserve             | <u>2452.01</u>   | <u>1234.38</u>   |
| Net Profit for the year                         | 9908.05  | 4937.52  |
| Add: Balance Brought Forward from previous year | <u>58032.54</u>  | <u>53095.02</u>  |
| Balance carried to Balance Sheet                | 67940.59   | 58032.54   |

**DIVIDEND:**

Since your Board is looking forward to expand the business of the Company and hence your Directors do not recommend any dividend for the year under report.

**DEPOSITS:**

The Company has not accepted any public deposits during the year.

**RESERVE BANK OF INDIA REGULATIONS:**

Your Company is generally complying with the directions of the Reserve Bank of India regarding prudential norms of accounting, capital adequacy ratio, provisions for bad and doubtful debts and other requirements as per the directions issued from time to time.

**DIRECTORS:**

Shri. MAHESH TATED, Director of your Company, retires by rotation and being eligible, offers himself for re-appointment.

**AUDITORS:**

The Auditors of the Company **M/s. SIROHIA & CO**, (FRN: 003875S) Chartered Accountants, Chennai retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A Certificate under section 224(1B) of the Companies Act, 1956 has been received from them.

**AUDITORS REPORT:**

The observations made in the Auditors' report are self-explanatory and requires no further explanation.

**LISTING AT STOCK EXCHANGE:**

The Equity Shares of the Company continue to be listed on Bombay Stock Exchange Limited. The annual listing fee for the year 2012-2013 has been paid to these Exchanges.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS/OUTGO:**

In terms of Section 217(1)(e) of the Companies Act, 1956 and the rules framed thereunder, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is given below:

**1) CONSERVATION OF ENERGY:**

The consumption of electricity during the year is minimal. The management is taking conscious efforts to conserve the energy.

**2) TECHNOLOGY ABSORPTION:**

The Company has no activity relating to technology absorption.

**3) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Outgo = Rs. NIL (Previous Year Rs. NIL)

Earned = Rs. NIL (Previous Year Rs. NIL)

**PARTICULARS OF EMPLOYEES:**

Particulars of Employees in terms of requirement of section 217(2A) of the Companies Act, 1956 are not given since none of the employees are drawing remuneration more than the limits prescribed under the Act.

**CORPORATE GOVERNANCE:**

The Company has obtained a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance. The same is annexed with this report. Report of Corporate Governance for the year 2012-2013 and Management Discussion and Analysis are forming part of this Annual report.

**COMPLIANCE CERTIFICATE:**

Compliance Certificate as required under proviso to sub-section (1) of Section 383A of Companies Act, 1956 is annexed hereto.



**DIRECTORS' RESPONSIBILITY STATEMENT:**

In terms of provisions of Section 217(2AA) of the Companies Act, 1956 the Directors confirm:

1. That in the preparation of the Annual accounts, for the financial year ended 31<sup>st</sup> March, 2013 the applicable accounting standards had been followed along with proper explanations relating to material departures.
2. That the Directors had selected such accounting policies and applied them consistently and made judgements 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. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. That the Directors had prepared the annual accounts on a going concern basis.

**ACKNOWLEDGEMENTS:**

Your Directors would like to express their grateful appreciation for the assistance and continued co-operation extended by the Banks, Government Authorities and Clients during the period under review. Your Directors wish to place on record their deep sense of appreciation for the devotion and sense of commitment shown by the employees at all the levels and acknowledge their contribution for its success.

For and on behalf of the Board

**(SURESH BAFNA)**

**(MAHESH TATED)**

Place: Chennai Chairman & Managing Director

Director

Date: 30-05-2013.

**COMPLIANCE CERTIFICATE**

**CIN: L65191TN1994PLC028734**

Nominal Capital: Rs.55000000/-

Paid-up Capital : Rs.35349000/-

To,

**The Members,**

**M/s. MANSI FINANCE (CHENNAI) LIMITED**

"MANSI MANSION"

No. 22-B, Mulla Sahib Street,

Sowcarpet, CHENNAI - 600 079.

We have examined the registers, records, books and papers of **M/s. MANSI FINANCE (CHENNAI) LIMITED** having Registered Office at "MANSI MANSION", No. 22-B, Mulla Sahib Street, Sowcarpet, Chennai - 600 079, as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2013**. It is the responsibility of the Company to prepare and maintain the relevant necessary records under the Companies Act, 1956 and other applicable laws. Our responsibility is to carry out an examination, on the basis of our professional judgement so as to award a reasonable assurance of the correctness and completeness of the records for the purpose of this Certificate. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, We certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.

2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, Tamilnadu, Regional Director, Central Government, Company Law Board or other authorities except in some of the cases within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met **Ten** times respectively on 16.04.2012, 28.05.2012, 04.06.2012, 12.08.2012, 05.09.2012, 29.09.2012, 14.11.2012, 11.02.2013, 14.02.2013 and 23.03.2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. The Company has not passed any resolution by circulation.
5. *As informed by the management, the Company has closed its Register of Members from 30th August, 2012 to 5th September, 2012 and necessary Compliance of section 154 of the Act has been made. However, the news paper clippings in which such advertisement was published was not available at the time of verification for this certificate. The Company does not have any Debenture holders.*
6. The Annual General Meeting for the financial year ended on 31st March, 2012 was held on 5th September, 2012 after giving due notice to the members of the Company and other concerned and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. As informed by the management, the Company has not entered into any contracts falling within the purview of Section 297 of the Act during the financial year.

10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. The Company has obtained necessary approvals from the Board of Directors and members pursuant to Section 314 of the Act wherever applicable.
12. The Company has not issued any duplicate share certificates during the financial year.
13.
  - (i) The Company has delivered all the Certificates on allotment of securities and on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
  - (ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - (iii) The Company was not required to post warrants to any members of the Company as no dividend was declared during the financial year.
  - (iv) The Company was not required to transfer any amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
  - (v) The Company has generally complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/ Whole-Time Director/ Manager during the financial year.

**MANSI FINANCE (CHENNAI) LTD.**

16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/ or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms /companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the financial year.
24. The amount borrowed by the Company from the directors, financial institutions, banks and others during the financial year ending 31st March, 2013 are exceeding the borrowing limits of the Company.
25. The Company has made loans and investments to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose. The Company

- has not given any guarantees or provided securities to other bodies corporate during the financial year.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
  27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
  28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
  29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
  30. The Company has not altered its Articles of Association during the financial year.
  31. As informed by the management, there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
  32. The Company has not received any money as security from its employees during the financial year.
  33. The Company has not deducted any contribution towards Provident Fund during the financial year.

**(RASHMI MAHESHWARI)**

Company Secretary

ACS 6531 C.P. No. 6597

Date: 30.05.2013

**ANNEXURE 'A'**

(Forming part of Compliance certificate dated 30th May, 2013)

Statutory Registers as maintained by M/s. **MANSI FINANCE (CHENNAI) LIMITED**

1. Register of Members u/s 150.
2. Index of Members u/s 151.
3. Register and Returns u/s 163.
4. Minutes Book of Meeting of Board of Directors u/s 193.
5. Minutes Book of Proceedings of General Meeting u/s 193.
6. Books of Accounts u/s 209.
7. Register of Contracts with Companies and firms in which Directors are interested u/s 301.
8. Register of Directors u/s 303.
9. Register of Directors' Shareholdings u/s 307.
10. Register of Loans & Investments u/s 372A.

**ANNEXURE 'B'**

(Forming part of Compliance certificate dated 30th May, 2013)

Forms and returns as filed by M/s. **MANSI FINANCE (CHENNAI) LIMITED** with the Registrar of Companies, Tamilnadu, Regional Director, Central Government, Company Law Board or other authorities during the financial year ended 31st March, 2013.

1. Form 23AC with Balance Sheet as at 31<sup>st</sup> March, 2012 and Form 23ACA with Profit & Loss Account for the financial year ended 31<sup>st</sup> March, 2012 filed u/s 220 vide SRN P90746884 on 17.10.2012.
2. Form 20B with Annual Return (Schedule V) as on date of AGM held on 15<sup>th</sup> September, 2012 filed u/s 159 vide SRN Q01884139 on 23.11.2012 with additional fees.
3. Form 66 with Compliance Certificate for the financial year ended 31<sup>st</sup> March, 2012 filed u/s 383A vide SRN P88913280 on 14.09.2012.

Date: 30.05.2013

**(RASHMI MAHESHWARI)**

Company Secretary  
ACS 6531 C.P. No. 6597

## CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2012-2013

### 1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company always strives to achieve optimum performance at all levels by following and adhering to best corporate governance practices, such as:

- Fair and transparent business practice.
- Effective management Control by Board.
- Adequate representation of promoter, executive and independent directors on the Board.
- Compliance of Law.
- Transparent and timely disclosures of financial and management information.

### 2. BOARD OF DIRECTORS:

The Board of Directors of Mansi Finance (Chennai) Limited consists of Four Directors. There are no institutional nominees on the Board. The details of Composition and categories of Director are given below:

| S.No. | Name of the Director   | Category             |
|-------|------------------------|----------------------|
| 1.    | Shri. Suresh Bafna     | Director             |
| 2.    | Shri. Bhupat L Thakkar | Independent Director |
| 3.    | Shri. Yuvaraj A Jain   | Independent Director |
| 4.    | Shri. Mahesh Tated     | Independent Director |



The Chairman of the Board is Shri. SURESH BAFNA, Managing Director. None of Non-Executive Directors of the Company is holding any equity shares in the Company.

The Composition and category of Directors and their memberships in other Board/Committees as on 31st March, 2013 is as under:

| S. No. | Name of the Director   | Category                    | No. of other director-ships held | No. of Memberships in Board Committees of other companies |
|--------|------------------------|-----------------------------|----------------------------------|---|
| 1      | Shri. Suresh Bafna     | Promoter-Executive Director | 2                                | Nil   |
| 2      | Shri. Bhupat L.Thakkar | Independent Director        | Nil                              | Nil   |
| 3      | Shri. Yuvaraj A. Jain  | Independent Director        | 2                                | Nil   |
| 4      | Shri. Mahesh Tated     | Independent Director        | Nil                              | Nil   |

**3. BOARD PROCEDURE:**

**Board Meeting:**

During 2012-2013, the Board of Directors met Ten (10) times on 16.04.2012, 28.05.2012, 04.06.2012, 12.08.2012, 05.09.2012, 29.09.2012, 14.11.2012, 11.02.2013, 14.02.2013 and 23.03.2013.

The details of the meeting of the Board of Directors are given below:

Board of Directors:

| Date of Meeting | Total Members | Attendance by number of members | Date of Meeting | Total Members | Attendance by number of members |
|-----------------|---------------|---------------------------------|-----------------|---------------|---------------------------------|
| 16-04-2012      | 4             | 4                               | 29-09-2012      | 4             | 4                               |
| 28-05-2012      | 4             | 4                               | 14-11-2012      | 4             | 4                               |
| 04-06-2012      | 4             | 4                               | 11-02-2013      | 4             | 4                               |
| 12-08-2012      | 4             | 4                               | 14-02-2013      | 4             | 4                               |
| 05-09-2012      | 4             | 4                               | 23-03-2013      | 4             | 4                               |

The annual operating plans, budgets, quarterly results, performance of various units/divisions and various other information, including those specified under Annexure 1A to the Clause 49 of Listing Agreement entered into by the Company with the Stock Exchange, as may be amended from time to time, were duly placed before the Board of Directors of the Company.

Attendance of Directors at the Board Meetings and last Annual General Meeting:

| S. No. | Name of Director       | Attendance    |          |
|--------|------------------------|---------------|----------|
|        |                        | Board Meeting | Last AGM |
| 1      | Shri. Suresh Bafna     | 10            | Yes      |
| 2      | Shri. Bhupat L Thakkar | 10            | Yes      |
| 3      | Shri. Yuvaraj A. Jain  | 10            | Yes      |
| 4      | Shri. Mahesh Tated     | 10            | Yes      |

**4. REMUNERATION TO DIRECTORS:**

During the year the Company had paid remuneration of Rs.282000/- to Shri. SURESH BAFNA, Managing Director. Presently, the Company has not formulated a scheme for grant of stock options either to Executive Directors or employees.

**5. AUDIT COMMITTEE:**

The Audit Committee consists of three Independent Directors. The members of the Committee are Shri. MAHESH TATED, Chairman, Shri. BHUPAT L THAKKAR and Shri. YUVARAJ A JAIN. The Statutory Auditor and Senior Executive officer are the invitees of all meetings of committee.

The terms of reference of the Audit Committee are wide enough covering the mandatory items as required under clause 49 of the Listing Agreement and its major functions are:

- To receive the Quarterly, Half-yearly and Annual Financial results, management discussion and Analysis statement of the Company, before submission to the Board.
- To recommend appointment of Auditors and fixing their remuneration.
- To discuss with the statutory auditor the nature and scope of the audit.

The Audit Committee met 4 times during the year and attendance of audit committee is as under:

| Date of Meeting | Total Members | Attendance by number of members |
|-----------------|---------------|---------------------------------|
| 04.06.2012      | 3             | 3                               |
| 12.08.2012      | 3             | 3                               |
| 14.11.2012      | 3             | 3                               |
| 14.02.2013      | 3             | 3                               |

**6. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE MEETING:**

The Board has constituted an Investor's Grievance Committee which looks into the shareholders and Investor's grievances. The members of the committee are Shri. YUVARAJ A JAIN, Chairman and Shri. M.K. TATED.

**Attendance of Shareholders/ Investors Grievance Committee:**

| Date of Meeting | Total Members | Attendance by number of members | Date of Meeting | Total Members | Attendance by number of members |
|-----------------|---------------|---------------------------------|-----------------|---------------|---------------------------------|
| 04-06-2012      | 2             | 2                               | 14-11-2012      | 2             | 2                               |
| 12-08-2012      | 2             | 2                               | 14-02-2013      | 2             | 2                               |

- The Company's shares are compulsorily traded in dematerialised form. Hence the Committee has met at relevant intervals considering the volume of transfers received in the physical segment.
- The Company has no transfers pending at the close of the financial year.
- No complaints were received during the year 2012-2013.

**7. REMUNERATION COMMITTEE:**

The Company has constituted Remuneration Committee consisting of two Independent Directors Shri. BHUPAT L THAKKAR and Shri. M.K. TATED as required under section 198, 269 and 309 read with schedule XIII of the Companies Act, 1956. The Main objective of the Committee is to decide amount of salary payable to Managing Director/Whole-time Directors in case the total payment is exceeding limit prescribed under section 198 of the Companies Act, 1956. During the year the Company had paid remuneration of Rs.282000/- to Shri. SURESH BAFNA, Managing Director.

Attendance of the Committee during the year is follows:

| Date of Meeting | Total Members | Attendance by number of members |
|-----------------|---------------|---------------------------------|
| 04-06-2012      | 2             | 2                               |

#### 8. General Body Meetings:

The details of the location and time for last three Annual General Meetings are given below:

| Year      | Location  | Date                                   | Time       | No. of Special Business |
|-----------|---|--|------------|-------------------------|
| 2009-2010 | 'Mansi Mansion',<br>No.22-B, Mulla Sahib Street,<br>Sowcarpet, Chennai - 79 | 28 <sup>th</sup><br>September,<br>2010 | 10.00 A.M. | ---                     |
| 2010-2011 | 'Mansi Mansion',<br>No.22-B, Mulla Sahib Street,<br>Sowcarpet, Chennai - 79 | 15 <sup>th</sup><br>September,<br>2011 | 10.00 A.M. | ---                     |
| 2011-2012 | 'Mansi Mansion',<br>No.22-B, Mulla Sahib Street,<br>Sowcarpet, Chennai - 79 | 5 <sup>th</sup><br>September,<br>2012  | 10.00 A.M. | ---                     |

#### 9. DIRECTORS:

Shri. MAHESH TATED, Director of the Company, retires by rotation being eligible, offers himself for re-appointment.

**10. DISCLOSURES:**

No transaction of material nature has been entered into by the Company with its promoters, directors or the management or relative etc., which may have potential conflict with the interest of the Company.

**Disclosures of non-compliance by the Company:**

The shares of your Company are continued to be listed on the BSE (Bombay Stock Exchange Limited). The shares of the Company were freely traded on the exchange until January, 2013, thereafter the trading on such shares and securities was suspended due to non-compliance of the clauses of Listing Agreement as entered with the Stock Exchange. The Company has thereafter complied with all the pending clauses and have made timely submissions with the Exchange. The Company has made a request application to the authorities to revoke such suspension and permit the stakeholders to freely trade with the securities. However, as on date, the status of the Company continues to be suspended on the exchange. Apart from this there were no instances of non-compliance or penalty or Strictures imposed on the Company by SEBI or any other authority on any matter relating to Capital Markets during the last three years.

Transaction with the related parties is disclosed in point No. 20 of Notes to the Accounts in the Financial Statements of this Annual Report 2012-2013.

**11. CEO / CFO CERTIFICATION:**

As required under Clause 49 of the Listing Agreements CEO/CFO certificate duly signed by Shri. SURESH BAFNA, Managing Director was placed at the meeting of the Board of Directors held on 30.05.2013.

**12. CODE OF CONDUCT:**

The Board of Mansi Finance (Chennai) Limited had laid down a code of conduct for all the Board members and the senior management. All the members and the senior management personnel have affirmed Compliance of the code. A declaration of Managing Director of the Company is attached with this Annual Report.

**13. MEANS OF COMMUNICATION:**

The Annual, half year and quarterly results are regularly submitted to the Stock Exchanges in accordance with the listing Agreement and also published in News papers. The Unaudited results for every quarter and the Audited results for the year end is published in Makkal Kural & Trinity Mirror news papers. The management discussion and analysis report is forming part of the Annual Report.

**14. GENERAL SHAREHOLDERS INFORMATION:**

- a) **Annual General Meeting:** Nineteenth Annual General Meeting of the Company will be held on Monday the 30<sup>th</sup> September, 2013 at 'Mansi Mansion', No.22-B, Mulla Sahib Street, Sowcarpet, Chennai - 600 079, at 11.00 a.m.
- b) **Date of Book Closure:** The Register of Members and Share Transfer Book of the Company will remain closed from 25<sup>th</sup> September, 2013 to 30<sup>th</sup> September, 2013 (both days inclusive).
- c) Financial Year 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013.
- d) **Financial Calendar:**
  - First Quarter: Second week of August, 2012
  - Second Quarter & Half Yearly: Second week of November, 2012
  - Third Quarter: Second Week of February, 2013
  - For the year ended 31<sup>st</sup> March, 2013: Last Week of May, 2013

e). **Listing on Stock Exchanges:** Bombay Stock Exchange Ltd with scrip code 511758.

f) **Market price data:**

| Months         | BSE   |           |              |
|----------------|---|-----------|--------------|
|                | High (Rs.)  | Low (Rs.) | Volume (No.) |
| April 2012     | 11.20   | 6.84      | 5917         |
| May 2012       | 9.66  | 6.51      | 4255         |
| June 2012      | 9.14  | 6.22      | 6032         |
| July 2012      | 9.22  | 6.20      | 7656         |
| August 2012    | 11.09   | 8.01      | 11834        |
| September 2012 | 10.39   | 7.05      | 7040         |
| October 2012   | 10.80   | 7.67      | 2865         |
| November 2012  | 10.20   | 6.94      | 5935         |
| December 2012  | 9.95  | 8.37      | 4815         |
| January 2013   | 11.18   | 7.62      | 9192         |
| February 2013  | <b>TRADING SUSPENDED DUE TO NON-COMPLIANCE OF LISTING AGREEMENT</b> |           |              |
| March 2013     |   |           |              |

g) **Share Transfer System:**

Registrar and Share Transfer Agents: M/s. Cameo Corporate Services Limited. All the transfers are processed and approved by the Share Transfer Committee.



**h) Distribution of Shareholdings as on March 31, 2013:**

Distribution of Shareholdings pattern based on categories of shareholding as on March 31, 2013:

| S.No. | Category                                     | No. of shares held | % of share holding |
|-------|--|--------------------|--------------------|
| 1     | Indian Promoters                             | 2018001            | 57.09              |
| 2.    | Persons acting in concert with the promoters | -----              | -----              |
| 3     | Private Corporate Bodies                     | 361177             | 10.22              |
| 4     | Indian Public                                | 1155722            | 32.69              |
|       | Total  | 3534900            | 100.00             |

Note: Total Foreign share holdings are NIL

Distribution of shareholdings based on slab of shareholdings as on 31st March, 2013:

| Slab of Shareholding | Shareholders | %             | Amount (in Rs.) | %             |
|----------------------|--------------|---------------|-----------------|---------------|
| 0010 - 5000          | 2433         | 87.68         | 3843370         | 10.87         |
| 5001 - 10000         | 130          | 4.68          | 1119970         | 3.17          |
| 10001 - 20000        | 111          | 4.00          | 1634440         | 4.62          |
| 20001 - 30000        | 20           | 0.72          | 493190          | 1.40          |
| 30001 - 40000        | 6            | 0.22          | 210250          | 0.60          |
| 40001 - 50000        | 51           | 1.84          | 2544750         | 7.20          |
| 50001 - 100000       | 5            | 0.18          | 383440          | 1.08          |
| 100001 and above     | 19           | 0.68          | 25119590        | 71.06         |
| <b>TOTAL</b>         | <b>2775</b>  | <b>100.00</b> | <b>35349000</b> | <b>100.00</b> |

**i) Dematerialization of Shares:**

The Company's Equity Shares are included in the list of Companies whose scrips have been mandated by SEBI for settlement only in dematerialized form by all investors. The Company has signed agreements with National Securities Depository Limited and Central Depository Services (India) Limited to offer depository service to its shareholders and has paid one time custody charges to NDSL and regularly paying annual charges to CDSL for the benefit of its members. The Company's ISIN is INE094E01017.

**j) Outstanding GDR's/ADR's warrants or any Convertible Instruments:**

During the year no Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Warrants or any convertible instruments were issued.

**k) Investor Correspondence:**

For Transfer, Transmission, dematerialization of shares and change of address may be pleased to contact:

**M/s. Cameo Corporate Services Limited**

'Subramanian Building'  
No.1, Club House Road,  
CHENNAI - 600 002.  
Phone: (044) 28460930

For any other queries relating to Secretarial matters may be contacted with:

**MANSI FINANCE (CHENNAI) LIMITED**

"MANSI MANSION",  
No.22-B, Mulla Sahib Street,  
Sowcarpet, CHENNAI - 600 079.  
Phone: (044) 25292139

Shareholders holding shares in electronic mode shall send all their correspondences to their respective Depository Participant.

**DECLARATION OF MD & CEO**

I, SURESH BAFNA, Managing Director and CEO of **M/s.Mansi Finance (Chennai) Limited** do hereby declare that the Company has duly complied with requirements relating to the code of conduct as laid down in clause 49(I)(D) of the Listing Agreement with the Stock Exchanges.

For **Mansi Finance (Chennai) Limited**

Place: Chennai  
Date: 30-05-2013.

**SURESH BAFNA**  
Chairman & Managing Director

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Economic Overview**

With the Indian economy growing at the average annual growth rate of 8 percent over the past three years, the demand for automobiles has gone up and consequently the demand for finance too. This is expected to be sustained for another five years, in view of continued thrust of the successive governments in infrastructure development.

Interest rates have started moving upward which is evident from the hike in reverse repo rate effected thrice in the last fiscal by the Reserve Bank of India. This will increase the cost of borrowing with consequential affect on the lending rate.

### **Opportunities:**

The continued exponential growth in the country has created enormous opportunities for financial intermediaries to exploit favourable and propel their business to greater heights.

India has emerged as one of the fastest growing economies in the globe and has generated a lot of interest among foreign investors both financial and strategic. Global players see India as the future economic powerhouse and they are making huge investments in different business within the country. Buoyant market conditions and sustained economic growth over the past few years coupled with a very positive outlook in the coming years give the business of our Company.

**Threats:**

Ever surge in business opportunities economic growth with its new entrants into the market. New entrants could be a threat to the various business segments of the Group. However, competition only help the Group build a strong business model, employ the best human talent and capitalize on the long years of excellent client relationship and a proven track record.

**Segment-wise or product-wise performance:**

At present the Company is carrying on only one segment of financing business.

**Risks and concerns:**

Any change in the interest rate in the market will have impact on the profit of the company. The company has a defined credit policy duly approved and reviewed by the Management from time to time. The credit policy is strictly implemented and the debtors are regularly monitored. However any default or downgrade of credit worthiness of customers may affect profitability.

The company strives to comply with all the statutory laws of the Country. But the same law may be misused by opposite party especially the defaulters. It may happen in financial business that some people may get loan from the financiers with no intention to repay.

**Internal control systems and their adequacy:**

The company has instituted adequate internal control procedure commensurate with the nature of its business and size of its operations. It is based on well-defined individual roles and responsibilities with

their limit of authority at various level, as well as effective feedback flow. All the significant observations and follow-up actions thereon are reported to the Board of Directors. An Audit Committee consisting of two independent and one non-executive directors are in place.

**Human Resource/Industrial Relation:**

Your company believes that its employees represent the backbone of its success. The company, on one hand provides its people with an environment in which they develop, excel and innovate, while on other, it sets challenging targets and rewards superior performance.

- ★ The HR Policies of the company have been designed to achieve the following goals:
- ★ Better quality and safety
- ★ Research and development capabilities
- ★ Lesser attrition rate.

Industrial relations at all the works of the company remained cordial and harmonious during the current period under review. Despite severe competition, the enthusiasm and unstinting efforts of the employees have enabled the company to remain at the forefront of the industry.

There is no transaction conflicting with the interest of the company.

**Cautionary statement**

Estimates and expectations stated in this Management Discussion and Analysis may be "forward-looking statements" within the meaning of the applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a

difference to your Company's operation include economic conditions affecting the interest rate, inflation, changes in the interest rate, changes in the Government regulations, tax laws, other statutes and incidental factors. The Company undertakes no responsibility to update or revise any forward-looking statement.

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Member of Mansi Finance (Chennai) Limited

We have examined the compliance of conditions of Corporate Governance by Mansi Finance (Chennai) Limited (the Company) for the year ended on 31<sup>st</sup> March 2013 as stipulated in Clause 49 of Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance, it is neither an audit nor an expression of opinion on the financial statements 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 grievances are pending for a period exceeding 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 **SIROHIA & CO.,**  
CHARTERED ACCOUNTANTS

**(VINOD KUMAR)**  
PARTNER

Place: Chennai  
Date : 30-05-2013.



**REPORT OF THE AUDITORS TO THE MEMBERS  
OF MANSI FINANCE (CHENNAI) LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of MANSI FINANCE (CHENNAI) LIMITED ( 'the Company' ) which comprises the balance sheet as at 31st March 2013 , the statement of Profit & Loss Account and the Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The

procedure selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- i. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2013
- ii. In the case of statement of Profit & Loss, of the Profit for the year ended on that date; and
- iii. In the case of the Cash flow statement, of the cash flows of the Company for the year ended on that date.

**Report on other legal & regulatory requirements**

1. As required by the Companies (Auditor's Report order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, We annexe hereto a statement on the matters specified in paragraphs 4 & 5 of the said order.

2. As required by section 227 (3) of the Act, we report that :
- (a) We have obtained all the information and explanation which, to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion proper books of account as required by Law have been kept by the Company so far as it appears from our examination of such books.
  - (c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company.
  - (d) In our opinion, the Balance Sheet, Statement of Profit and loss and the Cash Flow Statement are in compliance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable
  - (e) According to the information and explanations given to us, in relation to the affairs of the Company, none of the Directors are disqualified from being appointed as Directors as on 31st March, 2013 under Section 274 (1)(g) of the Companies Act, 1956.

**FOR M/S. SIROHIA & CO**  
**CHARTERED ACCOUNTANTS**  
Firm Reg. No.003875S

PLACE : CHENNAI  
DATE : 30-05-2013

**(VINOD KUMAR)**  
PARTNER  
M.No.207094

**ANNEXURE TO THE AUDITORS' REPORT**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) All these assets have been physically verified by the management at reasonable intervals. As Informed to us no material discrepancy have been noticed between the physical verification and books of the Company.  
(c) During the year, In our opinion Company has not disposed of substantial part of fixed assets.
2. Physical verification of Inventory is not applicable since the company has not traded in goods during the year.
3. During the year Company has not taken/granted any loans from Companies and firms listed in the Register maintained under section 301 of the Companies Act,1956. Company availed Loans from directors/Corporates. The rate of interest and terms and conditions of the loan are, prima facie, not prejudicial to the interest of the Company. There is no overdue amount of loans taken.
4. In our opinion and according to the information and explanation given to us there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to Lending of money (Finance) and purchase of fixed assets. During the course of audit, no major weakness has been noticed in the above controls and therefore the reporting of the same does not arise.
5. According to the information and explanations given to us, Company has made necessary entries in the register maintained under section 301 of the Companies Act,1956.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the rules framed thereunder.
7. The Company has an internal audit system commensurate with the size of the Company and the nature of its business.
8. We are informed by the Company, that maintenance of Cost records has not been prescribed by the Central Government U/s 209(1)(d) of the Companies Act, 1956.
9. (a) According to the explanations given to us, the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employees State Insurance Act, 1948 are not applicable to the Company. As per records of the Company, no Undisputed amount is payable, in respect of Income Tax, Wealth Tax, Sales tax and Customs duty, as at 31st March, 2013 outstanding for a period of more than six months from the date they became payable.
- (b) Except for Income Tax demand as given below, according to information and explanation given to us, there are no dues of sales tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

| Particulars | Amount(Rs) | Period to which amount relates | Forum where the dispute is pending           |
|-------------|------------|--------------------------------|--|
| Income Tax  | 42,087.00  | Financial year 2003-2004       | Commissioner of Income Tax (Appeals) Chennai |
| Income Tax  | 119,420.00 | Financial year 2004-2005       | Commissioner of Income Tax (Appeals) Chennai |

10. Company does not have any accumulated loss at the end of the financial year and has not incurred cash losses during the current and immediately preceding financial years.
11. In our opinion and according to the information and explanations given to us, there is no amount due to a financial institution and debenture holders. However in the case of dues to bank, the Company has not defaulted in payments.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares and other similar securities.
13. According to the information and explanations given to us, the provisions of special statutes applicable to chit fund, nidhi or mutual benefit society are not applicable to the Company.
14. Based on our examination of records and the information and explanations given to us, the Company does not deal/trade in shares, securities, debentures and other investments. Wherever investments are made in shares & securities, they are held in the Company's name.
15. According to the information and explanations given to us, the company has not given guarantees for loans taken from financial institutions or banks.
16. According to the information and explanations given to us, the company has not raised any term loan.
17. According to the information and explanations given to us, and on overall examination of the balance sheet and the Cash Flow Statement, we report that no funds raised on short term basis have been used for long term investment.

**MANSI FINANCE (CHENNAI) LTD.**

18. According to the information and explanations given to us, the company has not made preferential allotment of shares to any parties and listed in the Register maintained under section 301 of the Companies Act.
19. According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
20. According to the information and explanations given to us, the company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**FOR M/S. SIROHIA & CO**  
**CHARTERED ACCOUNTANTS**  
Firm Reg. No.003875S

PLACE : CHENNAI  
DATE : 30-05-2013

**(VINOD KUMAR)**  
PARTNER  
M.No.207094

| <b>Balance Sheet As at 31st MARCH 2013</b>           |      |                          |      |                          |      |
|--|------|--------------------------|------|--------------------------|------|
|  | Note | As at<br>31st March 2013 |      | As at<br>31st March 2012 |      |
|  |      | Rs.                      | Ps.  | Rs.                      | Ps.  |
| <b>I. EQUITY AND LIABILITIES</b>                     |      |                          |      |                          |      |
| <b>(1) Shareholders' Funds</b>                       |      |                          |      |                          |      |
| (a) Share Capital                                    | 2    | 35,349,000.00            |      | 35,349,000.00            |      |
| (b) Reserves and Surplus                             | 3    | 87,534,333.93            |      | 75,750,274.83            |      |
| <b>(2) Share application money pending allotment</b> |      |                          | 0.00 |                          | 0.00 |
| <b>(3) Non-Current Liabilities</b>                   |      |                          |      |                          |      |
| (a) Long-term borrowings                             | 4    | 124,898,885.18           |      | 81,313,410.38            |      |
| (b) Deferred tax liabilities (Net)                   |      |                          | 0.00 |                          | 0.00 |
| (c) Other Long term liabilities                      | 5    | 1,730,000.00             |      | 50,000.00                |      |
| <b>(4) Current Liabilities</b>                       |      |                          |      |                          |      |
| (a) Short-term borrowings                            | 6    | 11,116,555.04            |      | 12,105,830.04            |      |
| (b) Trade payables                                   |      |                          | 0.00 |                          | 0.00 |
| (c) Other current liabilities                        | 7    | 6,272,996.50             |      | 4,850,855.50             |      |
| (d) Short-term provisions                            | 8    | 3,907,411.00             |      | 2,513,707.00             |      |
| <b>Total</b>   |      | <b>270,809,181.65</b>    |      | <b>211,933,077.75</b>    |      |
| <b>II. Assets</b>                                    |      |                          |      |                          |      |
| <b>(1) Non-current assets</b>                        |      |                          |      |                          |      |
| (a) Fixed assets                                     |      |                          |      |                          |      |
| (i) Tangible assets                                  | 9    | 40,486,321.05            |      | 38,643,557.05            |      |



MANSI FINANCE (CHENNAI) LTD.

|   |    |                       |                       |
|---|----|-----------------------|-----------------------|
| (b) Non-current investments             | 10 | 10,460,908.12         | 13,031,598.01         |
| (c) Deferred tax assets (net)           |    | 0.00                  | 0.00                  |
| (d) Long term loans and advances        | 11 | 1,538,501.00          | 1,638,501.00          |
| (e) Other non-current assets            |    | 0.00                  | 0.00                  |
| <b>(2) Current assets</b>               |    |                       |                       |
| (a) Current investments                 |    | 0.00                  | 0.00                  |
| (b) Receivable under Financing activity | 12 | 192,595,345.00        | 136,814,017.00        |
| (c) Cash and bank balances              | 13 | 10,298,930.48         | 14,638,728.69         |
| (d) Short-term loans and advances       | 14 | 10,082,570.00         | 82,570.00             |
| (e) Other current assets                | 15 | 5,346,606.00          | 7,084,106.00          |
| <b>Total</b>                            |    | <b>270,809,181.65</b> | <b>211,933,077.75</b> |

See accompanying notes forming part of financial statements

**AS PER OUR REPORT OF EVEN DATE ATTACHED**

For **SIROHIA & CO.,**  
 CHARTERED ACCOUNTANTS  
 Firm Reg. No.0038755

For and on behalf of the Board

**VINOD KUMAR**  
 Partner  
 M.No.207094

**SURESH BAFNA**  
 Chairman & Managing Director

**M K TATED**  
 Director

PLACE: CHENNAI  
 DATE : 30-05-2013

**NOTES TO ACCOUNTS**

**Notes on Financial Statements for the year ended 31-MARCH 2013**

1. Mansi Finance Chennai Limited (the Company) is a public Company and incorporated under the provisions of the Companies Act, 1956. Its shares are listed in the Bombay Stock Exchange in India. The Company is registered as a Non-Banking Company (NBFC) with Reserve Bank of India.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 BASIS FOR PREPARATION OF FINANCIAL STATEMENT**

- a The Financial Statements are prepared under the historical cost convention in accordance with the generally accepted Accounting Principles
- b The Company follows the directions prescribed by the Reserve Bank of India for Non - Banking Financial Companies and the applicable Accounting Standards issued by the Institute Of Chartered Accountants Of India.

**2.2 USE OF ESTIMATES**

The preparation of financial statements required the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and reported income and expense during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. future results may vary from these estimates.

**2.3 REVENUE RECOGNITION**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest on loans is recognised on accrual basis at the contract rate wherever feasible.

Income in respect of Non-performing assets is recognised as and when received as per the guidelines given in the Non Banking Financial Companies prudential norms (Reserve Bank) Directions, 2007.

**2.4 VALUATION OF FIXED ASSETS :**

Fixed Assets are stated at historical cost Less accumulated depreciation.

**2.5 DEPRECIATION/ AMORTIZATION POLICY :**

Depreciation on Fixed Assets is provided on written down value method as per the rates specified in the Schedule XIV of The Companies Act, 1956.

**2.6 VALUATION OF INVESTMENTS :**

Investments are stated at Cost (The Company holds only Long Term Investments)

**2.7 TAXATION**

Current Tax is the amount of tax payable on the taxable income for the year and determined in accordance with the provisions of the Income Tax Act,1961. Deferred tax is recognised, on timing difference, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. Since there is no significant timing difference, no deferred tax has been provided.

**2.8 IMPAIRMENT OF ASSETS**

The Company is basically a finance Company holding only finance assets hence no impairment of assets is accounted.

**MANSI FINANCE (CHENNAI) LTD.**

|  | As at<br>31st March 2013 |            | As at<br>31st March 2012 |            |
|--|--------------------------|------------|--------------------------|------------|
|  | Rs.                      | Ps.        | Rs.                      | Ps.        |
| <b>2. SHARE CAPITAL</b>  |                          |            |                          |            |
| <b>Authorised Share Capital</b>  |                          |            |                          |            |
| 55,00,000 Equity Shares Of Rs.10/- Each  | 55,000,000.00            |            | 55,000,000.00            |            |
| <b>Issued,Subscribed &amp; paid up:</b>  |                          |            |                          |            |
| 35,34,900 Equity Shares Of Rs.10/- Each  | 35,349,000.00            |            | 35,349,000.00            |            |
| 2.1 Company has one class of share capital, comprising ordinary shares of Rs. 10 each. Subject to the Company's Articles of Association and applicable law, the Company's ordinary shares confer on the holder the right to receive notice of and to vote at general meetings of the Company, the right to receive any surplus assets on a winding up of the Company and an entitlement to receive any dividend declared on ordinary shares. |                          |            |                          |            |
| 2.2 The Reconciliation of the number of shares outstanding and the amount of share capital as at 31-03-2013 and 31-03-2012 is set out below :  |                          |            |                          |            |
| Particulars  | As at 31-03-2013         |            | As at 31-03-2012         |            |
|  | No of Shares             | Amount     | No of Shares             | Amount     |
| Shares at the beginning  | 3,534,900                | 35,349,000 | 3,534,900                | 35,349,000 |
| Addition (subscription during the year)  | 0                        | 0          | 0                        | 0          |
| Deletion   | 0                        | 0          | 0                        | 0          |
| Shares at the end  | 3,534,900                | 35,349,000 | 3,534,900                | 35,349,000 |
| <b>2.2 The details of Share holding more than 5% shares</b>  |                          |            |                          |            |
| Name of the Shareholder  | No of Shares             | % held     | No of Shares             | % held     |
| Adit Bafna   | 508200                   | 14.37%     | 510726                   | 14.45%     |
| Padmavathi Bafna   | 324749                   | 9.19%      | 324749                   | 9.19%      |
| Osiaji Finance Chennai Ltd   | 309900                   | 8.77%      | 309900                   | 8.77%      |
| Manltha B  | 261800                   | 7.40%      | 312023                   | 8.82%      |
| Suresh Batna   | 251200                   | 7.10%      | 292100                   | 8.26%      |
| Sajjan Kanwar Bafna  | —                        | —          | 202495                   | 5.73%      |
| Sureshchand Chhogmalji Huf   | —                        | —          | 192000                   | 5.43 %     |

**MANSI FINANCE (CHENNAI) LTD.**

|  | As at<br>31st March 2012 |                       | As at<br>31st March 2011 |                      |
|--|--------------------------|-----------------------|--------------------------|----------------------|
|  | Rs.                      | Ps.                   | Rs.                      | Ps.                  |
| <b>3. RESERVES AND SURPLUS</b>                           |                          |                       |                          |                      |
| <b>SHARE PREMIUM</b>                                     |                          | 5,349,000.00          |                          | 5,349,000.00         |
| <b>STATUTORY RESERVE</b>                                 |                          |                       |                          |                      |
| As per Balance Sheet                                     | 12,368,729.00            |                       | 11,134,348.00            |                      |
| Add: Transferred from<br>Profit & Loss account           | 2,356,814.00             | 14,725,543.00         | 1,234,381.00             | 12,368,729.00        |
| <b>Profit &amp; Loss Account</b>                         |                          |                       |                          |                      |
| As per Balance Sheet                                     | 58,032,535.83            |                       | 53,095,021.63            |                      |
| Add: Profit for the year                                 | 11,784,069.10            |                       | 6,171,905.20             |                      |
|  | <u>69,816,604.93</u>     |                       | <u>59,266,926.83</u>     |                      |
| Less: Appropriations                                     |                          |                       |                          |                      |
| Transfer to Statutory<br>Reserve u/s 45-IC of<br>RBI Act | 2,356,814.00             | 67,459,790.93         | 1,234,381.00             | 56,032,545.83        |
| <b>TOTAL</b>   |                          | <u>87,534,333.93</u>  |                          | <u>75,750,274.83</u> |
| <b>4. LONG TERM BORROWINGS</b>                           |                          |                       |                          |                      |
| <b>Secured</b>   |                          |                       |                          |                      |
| HDFC Bank- Car Loan                                      | 0.00                     |                       | 409,711.60               |                      |
|  |                          |                       | 0.00                     | 409,711.60           |
| <b>Unsecured</b>   |                          |                       |                          |                      |
| From directors   | 111,559,347.18           |                       | 68,390,851.78            |                      |
| Inter Corporate Loan                                     | 13,339,538.00            | 124,898,885.18        | 12,512,847.00            | 80,903,698.78        |
| <b>TOTAL</b>   |                          | <u>124,898,885.18</u> |                          | <u>81,313,410.38</u> |
| <b>5. OTHER LONG TERM LIABILITIES</b>                    |                          |                       |                          |                      |
| Rental Advances  |                          | 1,730,000.00          |                          | 50,000.00            |
|  |                          | <u>1,730,000.00</u>   |                          | <u>50,000.00</u>     |

**MANSI FINANCE (CHENNAI) LTD.**

|  | As at                |     | As at                |     |
|--|----------------------|-----|----------------------|-----|
|  | 31st March 2013      |     | 31st March 2012      |     |
|  | Rs.                  | Ps. | Rs.                  | Ps. |
| <b>6. <u>SHORT TERM BORROWINGS</u></b>                     |                      |     |                      |     |
| Andhra Bank OD A/c<br>(Secured against Bank Fixed Deposit) | 11,116,555.04        |     | 12,105,830.04        |     |
|  | <u>11,116,555.04</u> |     | <u>12,105,830.04</u> |     |
| <b>7. <u>OTHER CURRENT LIABILITIES</u></b>                 |                      |     |                      |     |
| Interest received in advance                               | 2,205,250.00         |     | 2,465,500.00         |     |
| Other Liabilities  | 4,067,746.50         |     | 2,385,355.50         |     |
|  | <u>6,272,996.50</u>  |     | <u>4,850,855.50</u>  |     |
| <b>8. <u>SHORT TERM PROVISIONS</u></b>                     |                      |     |                      |     |
| Income Tax provision (net of payment)                      | 2,248,471.00         |     | 854,767.00           |     |
| Provision for Non performing assets                        | 1,658,940.00         |     | 1,658,940.00         |     |
|  | <u>3,907,411.00</u>  |     | <u>2,513,707.00</u>  |     |

**MANSI FINANCE (CHENNAI) LTD.**

**9. FIXED ASSETS**

| S. No | Assets              | Gross Block          |                     |                  | Depreciation         |                     |                      | Net Block         |                     |                      |                      |
|-------|---------------------|----------------------|---------------------|------------------|----------------------|---------------------|----------------------|-------------------|---------------------|----------------------|----------------------|
|       |                     | As On 1.4.2012       | Additions           | Deletion         | Total                | Upto 31.3.2012      | Deductions 31-3-2012 | For 31-3-2013     | Upto 31.3.2013      | As at 31.3.2012      | As at 31.3.2013      |
| 1     | Computers           | 515,424.00           | 60,300.00           | 0.00             | 575,724.00           | 429,059.01          | 0.00                 | 39,370.00         | 468,429.01          | 86,364.99            | 107,394.99           |
| 2     | Furniture & Fixings | 845,792.00           | 0.00                | 0.00             | 845,792.00           | 787,124.44          | 0.00                 | 10,619.00         | 797,743.44          | 58,667.56            | 48,048.56            |
| 3     | Land & Building     | 36,105,001.60        | 2,352,379.00        | 59,518.00        | 38,396,962.60        | ---                 | ---                  | ---               | ---                 | 36,106,001.60        | 38,396,962.60        |
| 4     | Office Equipments   | 889,773.97           | 47,750.00           | 0.00             | 937,523.97           | 550,246.18          | 0.00                 | 49,650.00         | 599,896.18          | 339,527.79           | 337,627.79           |
| 5     | Air Conditioner     | 43,200.00            | 0.00                | 0.00             | 43,200.00            | 10,466.00           | 0.00                 | 4,523.00          | 15,209.00           | 32,514.00            | 27,991.00            |
| 6     | Camera              | 16,710.00            | 12,863.00           | 0.00             | 29,573.00            | 3,887.00            | 0.00                 | 1,794.60          | 5,671.00            | 12,823.00            | 21,902.00            |
| 7     | Vehicles            | 4,026,442.32         | 62,415.00           | 0.00             | 4,088,857.32         | 2,016,716.21        | 0.00                 | 529,547.00        | 2,546,263.21        | 2,009,726.11         | 1,542,594.11         |
|       | <b>GRAND TOTAL</b>  | <b>42,443,343.89</b> | <b>2,535,707.00</b> | <b>59,518.00</b> | <b>44,919,532.99</b> | <b>3,797,718.84</b> | <b>0.00</b>          | <b>635,493.60</b> | <b>4,433,211.84</b> | <b>38,645,625.05</b> | <b>40,488,321.85</b> |
|       | Previous year       | 36,361,667.10        | 6,721,891.57        | 642,282.78       | 42,441,275.99        | 3,520,267.84        | 462,919.00           | 749,670.00        | 3,797,718.84        | 32,851,395.26        | 38,643,537.05        |

**MANSI FINANCE (CHENNAI) LTD.**

**10. NON CURRENT INVESTMENTS**

(Long Term Investments)

In Equity shares-Quoted

|                              | As at<br>31-03-2013 |                     | As at<br>31-03-2012 |                      |
|------------------------------|---------------------|---------------------|---------------------|----------------------|
|                              | No.of<br>Shares     | Amount              | No.of<br>Shares     | Amount               |
| Advent Computers Ltd         | 4,440               | 383,480.00          | 4,440               | 383,480.00           |
| Aksh Opti Fiber Ltd          | 0                   | 0.00                | 7,500               | 465,976.63           |
| Bata India Limited           | 28                  | 6,069.46            | 28                  | 6,069.46             |
| Coimbatore Poiner Mills      | 200                 | 200.00              | 200                 | 200.00               |
| Crestanimation               | 0                   | 0.00                | 2,500               | 357,494.91           |
| Chennai Meenakshi Mult. Hos  | 17,865              | 318,826.37          | 17,865              | 318,826.37           |
| Essar Oil Limited            | 2,100               | 97,000.00           | 2,100               | 97,000.00            |
| Finolex Industries Ltd       | 1,000               | 76,850.00           | 1,000               | 76,850.00            |
| Gujarath Sidee Cement        | 10,000              | 196,345.94          | 10,000              | 196,345.94           |
| HFCL                         | 0                   | 0.00                | 5,000               | 158,454.50           |
| Inox Leisure ltd             | 0                   | 0.00                | 500                 | 68,238.27            |
| Jaiprakash Hydro Power       | 2,200               | 75,528.86           | 2,200               | 75,528.86            |
| Kotak Mahindra Finance       | 1,000               | 159,218.64          | 1,000               | 159,218.64           |
| MRPL                         | 1,000               | 66,400.00           | 1,000               | 66,400.00            |
| Nucleus Software Expo        | 0                   | 0.00                | 1,000               | 307,461.10           |
| Maruti Udyog                 | 250                 | 155,399.49          | 250                 | 155,399.49           |
| NTPC                         | 2,214               | 256,391.16          | 2,214               | 256,391.16           |
| ONGC                         | 1,440               | 262,756.90          | 1,440               | 262,756.90           |
| Petronet LNG                 | 1,400               | 81,589.11           | 1,400               | 81,589.11            |
| Redington India Ltd          | 0                   | 0.00                | 5,000               | 341,648.73           |
| Reliance Industries Ltd      | 1,000               | 545,100.00          | 1,000               | 545,100.00           |
| Reliance Power Ltd           | 45                  | 0.00                | 45                  | 0.00                 |
| Reliance Capital Ltd         | 9                   | 0.00                | 9                   | 0.00                 |
| Reliance Communication Ltd   | 182                 | 0.00                | 182                 | 0.00                 |
| Reliance energy Ventures     | 13                  | 0.00                | 13                  | 0.00                 |
| Sai Television               | 200                 | 8,000.00            | 200                 | 8,000.00             |
| Sasken Communication Techno. | 0                   | 0.00                | 500                 | 255,643.49           |
| Sonata Software              | 0                   | 0.00                | 10,000              | 644,147.42           |
| Tata Consultancy Ltd         | 494                 | 214,646.68          | 494                 | 214,646.68           |
| Ultra Tech Ltd               | 100                 | 43,690.97           | 100                 | 43,690.97            |
| Valbhav Gems                 | 22,215              | 6,362,714.47        | 22,215              | 6,362,714.47         |
| Ing Vysya Bank Ltd           | 901                 | 86,900.07           | 831                 | 58,525.01            |
|                              |                     | <b>9,397,108.12</b> |                     | <b>11,967,798.11</b> |



**MANSI FINANCE (CHENNAI) LTD.**

|  |        |                       |        |                       |
|--|--------|-----------------------|--------|-----------------------|
| <b><u>Optionally Fully Convertible Debentures</u></b>  |        |                       |        |                       |
| Essar Oil Limited                                      |        | 12,500.00             |        | 12,500.00             |
| <b><u>Unquoted Equity Shares</u></b>                   |        |                       |        |                       |
| Sambhav energy Ltd                                     | 20,000 | 200,000.00            | 20,000 | 200,000.00            |
| Mansi Chhog Impex Ltd                                  | 20,000 | 200,000.00            | 20,000 | 200,000.00            |
| <b><u>Government Of India Securities</u></b>           |        |                       |        |                       |
| Government of India Bond                               |        | 600,000.00            |        | 600,000.00            |
| <b><u>Other Investment</u></b>                         |        |                       |        |                       |
| Mahindra Time share                                    |        | 51,300.00             |        | 51,300.00             |
|  |        | <b>10,460,908.12</b>  |        | <b>13,031,598.11</b>  |
| Note:  |        |                       |        |                       |
| 1) Aggregate Value Of Quoted Investments               |        | 9,397,108.12          |        | 11,967,798.11         |
| 2) Market Value Of Quoted Investments                  |        | 7,003,624.00          |        | 6,629,050.00          |
| <b>11. <u>LONG TERM LOANS &amp; ADVANCES</u></b>       |        |                       |        |                       |
| Rental Advances  |        | 1,500,000.00          |        | 1,608,500.00          |
| Other deposits   |        | 38,501.00             |        | 30,001.00             |
|  |        | <b>1,538,501.00</b>   |        | <b>1,638,501.00</b>   |
| <b>12. <u>RECEIVABLES UNDER FINANCING ACTIVITY</u></b> |        |                       |        |                       |
| Secured  |        | 192,295,345.00        |        | 136,463,017.00        |
| Unsecured  |        | 300,000.00            |        | 351,000.00            |
|  |        | <b>192,595,345.00</b> |        | <b>136,814,017.00</b> |
| <b>13. <u>CASH &amp; BANK BALANCES</u></b>             |        |                       |        |                       |
| Cash in hand   |        | 2,142,157.09          |        | 1,695,944.59          |
| Balances with Banks (Chqs Issued)                      |        | -9,318,695.95         |        | -3,169,156.90         |
| Fixed Deposit with Banks                               |        | 17,475,469.34         |        | 16,111,941.00         |
|  |        | <b>10,298,930.48</b>  |        | <b>14,638,728.69</b>  |

MANSI FINANCE (CHENNAI) LTD.

|   |                      |                      |
|---|----------------------|----------------------|
| <b>14. SHORT TERM LOANS &amp; ADVANCES</b>          |                      |                      |
| Unsecured-considered good (unless otherwise stated) |                      |                      |
| Income Tax Refund due                               | 57,570.00            | 57,570.00            |
| Land advance  | 10,000,000.00        | 0.00                 |
| Other Advances                                      | 25,000.00            | 25,000.00            |
|   | <u>10,082,570.00</u> | <u>82,570.00</u>     |
| <b>15. OTHER CURRENT ASSETS</b>                     |                      |                      |
| Unsecured-considered good (unless otherwise stated) |                      |                      |
| Shares applicaton                                   | 1,000,000.00         | 0.00                 |
| Other Current Assets                                | 4,346,606.00         | 7,084,106.00         |
|   | <u>5,346,606.00</u>  | <u>7,084,106.00</u>  |
| <b>REVENUE FROM OPERATIONS</b>                      |                      |                      |
| Interest received                                   | 31,002,731.34        | 20,376,384.00        |
| Bad debts recovered                                 | 128,350.00           |                      |
|   | <u>31,131,081.34</u> | <u>20,376,384.00</u> |
| <b>16. OTHER INCOME</b>                             |                      |                      |
| Rent received                                       | 3,599,150.00         | 90,000.00            |
| Maintenance charges received                        | 55,950.00            | 0.00                 |
| Dividend received                                   | 63,902.50            | 77,482.00            |
| Long Term Profit on Sale of Shares                  | 57,681.65            | 1,569,120.25         |
| Agricultural Income-net                             | 830,769.00           | 817,095.00           |
| Profit/(loss) from sale of shares                   | (1,626,979.07)       | 0.00                 |
| Profit/(loss) from sale of fixed assets             | 2,573,031.00         | 109,936.22           |
|   | <u>5,553,505.08</u>  | <u>2,663,633.47</u>  |
| <b>17. EXPENSES</b>                                 |                      |                      |
| <b>Other operating Expenses</b>                     |                      |                      |
| Advertisement                                       | 58,801.00            | 66,357.00            |
| Audit Fees  | 43,820.00            | 39,326.00            |
| Bank Charges & Commission                           | 55,283.43            | 67,620.00            |
| Commission paid                                     | 280,000.00           | 0.00                 |
| Corporation tax                                     | 49,654.00            | 15,958.00            |
| Electricity Expenses                                | 93,061.00            | 41,707.00            |
| Gifts & Compliments                                 | 13,020.00            | 15,170.00            |
| Insurance   | 66,376.28            | 62,127.90            |
| Entertainment Exp                                   | 122,264.50           | 750.00               |
| Legal Consulting & other expenses                   | 75,721.00            | 394,835.00           |
| Listing Fees  | 52,842.00            | 35,950.99            |

**MANSI FINANCE (CHENNAI) LTD.**

|                              |                     |                     |
|------------------------------|---------------------|---------------------|
| Office & General Expenses    | 565,923.55          | 437,482.43          |
| Club Entrance Fees           | 0.00                | 661,800.00          |
| Postage & Telegram           | 26,412.00           | 11,303.00           |
| Printing & Stationery        | 119,881.00          | 118,653.00          |
| Professional Charges         | 22,472.00           | 8,015.00            |
| Rent Paid                    | 492,912.00          | 547,230.00          |
| Petrol & Vehicle Maintenance | 316,720.93          | 318,031.26          |
| Repairs & Maintenance        | 260,326.00          | 100,253.00          |
| Share Transfer Fee           | 0.00                | 28,703.00           |
| Staff Welfare                | 85,567.00           | 121,516.00          |
| Telephone Charges            | 110,146.70          | 75,622.00           |
| Travelling & Conveyance      | 346,893.58          | 380,923.21          |
| Charity & Donation           | 173,401.00          | 74,552.00           |
| Demat Charges                | 3,451.06            | 1,203.48            |
|                              | <u>3,434,950.03</u> | <u>3,625,091.27</u> |

**18. PAYMENT TO AUDITORS**

|             |                  |                  |
|-------------|------------------|------------------|
| Audit Fees  | 31,000.00        | 28,000.00        |
| Other Fees  | 8,000.00         | 7,000.00         |
| Service Tax | 4,820.00         | 4,326.00         |
|             | <u>43,820.00</u> | <u>39,326.00</u> |

**Expenditure in foreign currency** NIL NIL

**19. EARNING PER SHARE (EPS)**

|  | 2012-2013     | 2011-2012    |
|--|---------------|--------------|
| a. Net profit after tax as per profit & loss | 11,784,069.10 | 6,171,905.20 |
| b. Weighted average number of Equity Shares  | 3,534,900.00  | 3,534,900.00 |
| c. Basic & Diluted Earnings per share        | 3.33          | 1.75         |
| d. Face value of Equity shares               | 10.00         | 10.00        |

**20 RELATED PARTY DISCLOSURES**

| SLN | NAME OF THE RELATED PARTY | RELATION                             |
|-----|---------------------------|--------------------------------------|
| 1   | Madras Mercantile Agency  | Associates                           |
| 2   | Mansi Mercantile Agency   | Associates                           |
| 3   | Sajjan Kanwar Bafna       | Relative of Key Management personnel |
| 4   | Adit S Bafna              | Relative of Key Management personnel |
| 5   | Suresh Bafna              | Key Managerial Personnel             |

**TRANSACTIONS DURING THE YEAR**

| Sr.No. | Nature of Transaction | Associates  | Key Managerial personnel | Director Relative |
|--------|-----------------------|-------------|--------------------------|-------------------|
| 1.     | Loan Received         | 111,559,347 | --                       | --                |
| 2.     | Interest paid on Loan | 11,270,551  | --                       | --                |
| 3.     | Remuneration          | --          | 282,000.00               | --                |
| 4.     | Rent paid             | --          | --                       | 471,912.00        |
| 5.     | Salary paid           | --          | --                       | 246,000.00        |

**21. SEGMENT REPORTING.**

The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segment as per accounting standard -AS17- Segment Reporting.

**22. CONTINGENT LIABILITIES & COMMITMENTS**

Disputed Income Tax liability for Financial Year 2003-2004 & 2004-2005 Rs. 161,507. Appeal is pending before Commissioner of Income Tax (Appeal)

**23. EMPLOYEES BENEFIT:**

The Company has not made any provision in the books for employees benefits-hence the Accounting Standard (AS) 15, is not applicable.

**24. DUES TO MICRO, SMALL & MEDIUM ENTERPRISES**

The Company has no dues to Micro, Small & Medium enterprises during the year ended 31st March 2013.

**25. Previous Year's Figures Have Been Re- Grouped And Re-Classified Wherever Necessary, To Confirm To Current Year's Classification.****AS PER OUR REPORT OF EVEN DATE ATTACHED**

For **SIROHIA & CO.,**  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

**VINOD KUMAR**  
Partner

**SURESH BAFNA**  
Chairman & Managing Director

**M K TATED**  
Director

PLACE: CHENNAI  
DATE : 31-05-2013

## CASH FLOW STATEMENT

|  | Amount in Rs.<br>(in thousands)<br>2012-2013 | Amount in Rs.<br>(in thousands)<br>2011-2012 |
|--|--|--|
| <b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>       |  |  |
| Profit/(Loss)  | 11,784.07                                    | 6,171.91                                     |
| Less:  |  |  |
| Dividend received                                    | (63.90)                                      | (77.48)                                      |
| Profit on sale of shares                             | (57.68)                                      | (1,569.12)                                   |
| Profit on sale of fixed assets                       | (2,573.03)                                   | (109.94)                                     |
|  | <u>9,089.45</u>                              | <u>4,415.37</u>                              |
| Add:   |  |  |
| Depreciation   | 635.49                                       | 749.67                                       |
| Provision for taxation                               | 4,400.00                                     | 1,900.00                                     |
| Loss on sale of Shares                               | 1,626.98                                     | 0.00   |
| Provisions-net                                       | 0.00   | 0.00   |
| OPERATING PROFIT BEFORE WORKING CAPITAL              | <u>15,751.93</u>                             | <u>7,065.04</u>                              |
| <b>CHANGES</b>                                       |  |  |
| (Increase)/Decrease in Current Assets                | (63,845.92)                                  | (47,151.18)                                  |
| Increase/(Decrease) in other Current Liabilities     | 1,422.14                                     | 1,190.44                                     |
| Increase/(Decrease) in other non Current liabilities | 1,680.00                                     | 0.00   |
| Increase/(Decrease) in long term loans & advance     | (100.00)                                     | 0.00   |
| Income tax paid                                      | (3,006.30)                                   |  |
| NET CASH INFLOW/(OUTFLOW) FROM OPERATING             | <u>(48,098.15)</u>                           | <u>(38,895.70)</u>                           |
| ACTIVITIES   | (A)  |  |
| <b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>       |  |  |
| Purchase of fixed assets                             | (2,535.71)                                   | (6,721.89)                                   |
| Purchase of Investments                              | 0.00   | 0.00   |
| Sale of Fixed assets                                 | 59.52  | 290.00                                       |

**MANSI FINANCE (CHENNAI) LTD.**

|   |                   |                   |
|---|-------------------|-------------------|
| Sale of Investments   | 2,570.69          | 103.40            |
| Profit on sale of shares  | 57.68             | 1,569.12          |
| Profit on sale of fixed assets                                      | 2,573.03          | 109.94            |
| Loss on sale of fixed assets  | (1,626.98)        | 0.00              |
| Dividend received   | 63.90             | 77.48             |
| <b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING</b>                     | <b>1,162.14</b>   | <b>(4,571.95)</b> |
| <b>ACTIVITIES</b>   | <b>(B)</b>        |                   |
| <b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>                      |                   |                   |
| Acceptance/(Repayment) of Loans                                     | 42,596.20         | 38,696.75         |
| Proceeds from issue of shares                                       | 0.00              | 0.00              |
| <b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING</b>                     | <b>42,596.20</b>  | <b>38,696.75</b>  |
| <b>ACTIVITIES</b>   | <b>(C)</b>        |                   |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b> | <b>(4,339.81)</b> | <b>(4,770.90)</b> |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>       | <b>14,638.74</b>  | <b>19,409.64</b>  |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>             | <b>10,298.93</b>  | <b>14,638.74</b>  |

**For AND ON BEHALF OF THE BOARD**

**AS PER OUR REPORT OF EVEN DATE ATTACHED**

**For M/S. SIROHIA & CO  
CHARTERED ACCOUNTANTS**

**(SURESH BAFNA)**      **(M K TATED)**  
Chairman & Managing Director      Director

**(VINOD KUMAR)**  
Partner

PLACE : CHENNAI  
DATE : 30-05-2013

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**MANSI FINANCE (CHENNAI) LIMITED**  
Regd. Off: 'Mansi Mansion', 22B Mulla Sahib Street,  
Sowcarpet, Chennai - 600 079.

**PROXY FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member(s) of Mansi Finance (Chennai) Limited, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ of \_\_\_\_\_ of \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the Nineteenth Annual General Meeting of the Company to be held on Monday, 30th day of September 2013 at 11.00 a.m. at the Registered Office of the Company at 'MANSI MANSION', No. 22-B, Mulla Sahib Street, Sowcarpet, Chennai - 600 079, and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013 Address:

Revenue  
Stamp

Membership Folio No.

Signature \_\_\_\_\_  
No. of shares held \_\_\_\_\_

- Note: 1. The Proxy must be deposited at the Registered office of the Company not less than 48 hours before the time fixed for the meeting.  
2. Proxy need not be a member.

**MANSI FINANCE (CHENNAI) LIMITED**  
Regd. Office: 'Mansi Mansion', 22B Mulla Sahib Street,  
Sowcarpet, Chennai - 600 079.

I hereby record my presence at the Nineteenth Annual General Meeting of the Company to held on Monday, 30th September, 2013 at 11.00 A.M. at the Registered Office of the Company at 'MANSI MANSION', 22-B Mulla Sahib Street, Sowcarpet, Chennai-600 079.

Signature \_\_\_\_\_

Full Name of the Member/Proxy

Note: Member attending the meeting in person are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

BOOK - POST

To

Four horizontal dashed lines for recipient address.

If undelivered, please return to :  
**MANSI FINANCE (CHENNAI) LIMITED**  
**MANSI MANSION**  
22-B, Mulla Sahib Street,  
Ground Floor, Sowcarpet,  
Chennai - 600 079.

**BOARD OF DIRECTORS**

**Mr. SURESH BAFNA**  
**Mr. BHUPAT L. THAKKAR**  
**Mr. YUVARAJ A. JAIN**  
**Mr. M.K. TATED**

**Chairman & Managing Director**  
**Director**  
**Director**  
**Director**

**REGISTERED OFFICE**

"Mansi Mansion"  
22-B, Mulla Sahib Street  
Sowcarpet, Chennai - 600 079  
Phone - 25292139

**BANKERS**

**ANDHRA BANK**  
40, Anna Pillai Street,  
Sowcarpet, Chennai - 600 079

**TAMILNAD MERCANTILE BANK LTD.,**  
Chennai.

**AUDITORS**

**SIROHIA & CO.,**  
Chartered Accountants  
No.51, Maddox Street,  
1st Floor (Near Veterinary College)  
Choolai, Chennai-600 112.  
Phone : 26401741

**SHARE TRANSFER AGENTS**

**CAMEO CORPORATE SERVICES LTD**  
Subramanian Buildings  
1, Club House Road,  
Chennai - 600 002  
Phone : 28460390