

*9th
Annual Report
2002-2003*

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SAHIL FINANCIAL SERVICES LTD.

[Signature]

DIRECTOR

sahil financial services limited

REGD. OFFICE : S-8 & S-2, DDA Shopping Complex, Opp. Pocket-1, Mayur Vihar Phase-I, Delhi-110 091

CORP. OFFICE : G-10 & 11, Sector-18, NOIDA-201301 (U.P.)

sahil financial services ltd.

DIRECTORS

SHRI KRISHAN LAL MANCHANDA
SHRI KAMAL MANCHANDA
SMT. ARUNA MANCHANDA

BANKERS

HDFC BANK, HT HOUSE, K.G. MARG, NEW DELHI-110001
STATE BANK OF BIKANER & JAIPUR,
G-14 & 15, SECTOR 18, NOIDA.

AUDITORS

M/S. R. RASTOGI & CO.
207-208, VAKIL CHAMBERS,
A-115, VIKAS MARG, SHAKARPUR
DELHI-110 092

REGISTERED OFFICE

S-8 & S-2, DDA SHOPPING COMPLEX,
OPP. POCKET-1, MAYUR VIHAR PHASE-I,
DELHI - 110 091

CORPORATE OFFICE & SHARE DEPARTMENT

G - 10 & 11, SECTOR-18, NOIDA-201301 (U.P.)

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CONTANTS

Notice	2
Director's Report	3
Corporate Governance	4-6
Auditor's Report	7-8
Balance Sheet	9
Profit / Loss Accounts	10
Schedules	11-15
Cash Flow Statement	16
Abstract Balance Sheet	17

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NOTICE

NOTICE is hereby given that Ninth Annual General Meeting of the Members of SAHIL FINANCIAL SERVICES LTD., will be held on Tuesday, 30th September, 2003 at 9.00 A.M. at the Registered Office of the Company : S-8 & S-2, DDA Shopping Complex, Opp. Pocket-1, Mayur Vihar Phase-I, Delhi-110 091, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 and Profit & Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Kamal Manchanda who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize Board of Directors to fix their remuneration.

SPECIAL BUSINESS :

4. To pass with or without modification the following resolution as special resolution :
"Resolved that, subject to Under Section 198, 269, 309 and Schedule XIII of the Companies Act, 1956 and the Subject to approval of shareholders ensuing Annual General Meeting of the Company, be and are hereby appointed Shri Kamal Manchanda and Shri K.L. Manchanda as the Whole Time Director of the Company, with effect from 01-10-2003 upon the term and condition including remuneration as follow :

TERMS & CONDITIONS

A. SHRI KAMAL MANCHANDA

1. Period of Agreement : 5 (Five) years with effect from 01/10/2003
2. a) Salary : Rs. 15000-3000-30000 per month
- b) Perquisites : Sh. Kamal Manchanda, Whole-time Director shall also be entitled to the following perquisites which will be allowed in addition to the salary and shall be restricted to an amount equal to the annual salary for the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, perquisites shall be evaluated at actual cost.
- Conveyance
- Running and Car repair expenses : Rs. 5000/- P.M.
- Less : Deduction on Car for personal use : Rs. 1000/- P.M.
- Rs. 4000/- P.M.
- Leave travel assistance : One month salary per year
- Medical reimbursement : One month salary per year
- Company Car driver salary : Rs.2500/- P.M.

B. SHRI K. L. MANCHANDA

1. Period of Agreement : 5 (Five) years with effect from 01/10/2003
2. a) Salary : Rs. 12000-2000-20000 per month
- b) Perquisites : Sh. K. L. Manchanda, Whole-time Director shall not be entitled to any perquisites.

Entertainment Expenses - Reimbursement of entertainment expenses actually incurred in the course of Company's business will not be considered as a perquisites. Besides above, Whole-Time Directors shall be provided Telephone with STD facility.

The Whole-Time Director, so long as they functions as such, shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committee thereof. Further Resolved that, Smt. Aruna Manchanda authorised to execute the agreement and file the necessary documents with the ROC and/or other authorities."

All the Directors are interested in this resolution.

By order of the Board,
FOR SAHIL FINANCIAL SERVICES LTD

Place : Delhi
Date : 7th Aug., 2003

Director

- NOTES :
- i) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48TH HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
 - ii) The Register of Members and Share Transfer Books of the Company will remain closed from 24th Sep. 2003 to 30th Sep. 2003 (both days inclusive).
 - iii) Members are requested to notify the change in their address and such communications be addressed to the Corporate Office of the Company .
 - iv) As a measure of economy, Copies of the Annual Report will not be distributed at the Annual General Meeting.

By order of the Board,
FOR SAHIL FINANCIAL SERVICES LTD

Place : Delhi
Date : 7th Aug., 2003

Director

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

ITEM NO. 4

Sh. Kamal Manchanda and Shri K.L. Manchanda are appointed as Whole Time Directors of the Companies for diversifying into various other activities and for day-to-day affairs of the Company, Board of Directors in Board Meeting held on 07/08/03 have decided to appoint Sh. Kamal Manchanda and Shri K.L. Manchanda as Whole Time Director for a period of five years with effect from 01/10/2003. Terms and Conditions of their appointment have been mentioned in resolution. An agreement has been made with Whole-Time Directors and all these documents are available for inspection during business hours.

Board of Directors recommend their appointment as Whole-Time Director.

By order of the Board,
FOR SAHIL FINANCIAL SERVICES LTD

Place : Delhi
Date : 7th Aug., 2003

Director

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DIRECTORS' REPORT

Your Directors have pleasure in presenting the Ninth Annual General Report of the Company together with the Audited Accounts for the year ended March 31st, 2003.

	(Rupees in Lakh)	
FINANCIAL RESULTS	2002-2003	2001-2002
Income/(Loss) from Operation	9.24	(6.30)
Expenditure	8.48	6.44
Gross Profit/(Loss) after Interest but before Depreciation and Tax	0.76	(12.74)
Depreciation	1.04	1.18
Profit/(Loss) after Depreciation	(0.28)	(13.93)
Provision for Tax	0.51	0.00
Profit/(Loss) after Tax	(0.79)	(13.93)

REVIEW OF OPERATIONS AND FUTURE OUTLOOK

The Company has made a loss during the year. The Company is hopeful of improving its positions with better in the future.

DIVIDEND

Your directors do not recommend any dividend at this stage.

DIRECTORS

Sh. Kamal Manchanda, Director of the company retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

DIRECTOR'S RESPONSIBILITY STATEMENT

The Board of Directors of your Company state:-

- That in the preparation of the annual accounts, the applicable accounting standards had been followed;
- That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the financial year and of the Profit & Loss of the Company for that period;
- That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the directors had prepared the annual accounts on a going concern basis.

AUDITORS

M/s R. Rastogi & Co., Chartered Accountants, who have been the Statutory Auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment.

CORPORATE GOVERNANCE

Due to first year of application of 'Corporate Governance' in the case of your company, all the provisions of Corporate Governance as provided in the listing agreement of stock exchange with which the Company shares are listed, could not be complied with.

A separate report on 'Corporate Governance' alongwith Auditors Certificate for its remarks is annexed hereto as a part of this report.

STATUS OF LISTING

The Company's shares are listed at The Delhi Stock Exchange Association Ltd., The Hyderabad Stock Exchange Ltd. and The Stock Exchange, Mumbai. The Company has paid the listing fees to The Delhi Stock Exchange Association Ltd. and The Stock Exchange, Mumbai for year 2003-2004.

NON-BANKING FINANCIAL COMPANIES (RESERVE BANK OF INDIA) DIRECTIONS

The Company had made an application for registration under section 45 1A of the Reserve Bank of India Act, 1934 and the registration certificate had been given by RBI.

PUBLIC DEPOSITS

The Company has not accepted deposits pursuant to Section 58-A of the Companies Act, 1956. Hence no information is required to be appended to this report in terms of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank of India Directions, 1998).

PERSONNEL

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 has not been given since no employee falls within the ambit of this Section.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required to be furnished under Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are not applicable.

ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation of the services rendered by the employees of the Company. They are grateful to shareholders, bankers of the company for their continued valued support.

For and on behalf of the Board

(K. L. MANCHANDA)
DIRECTOR

Place : Delhi
Date : 7th Aug., 2003

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CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

The Directors of the Company are pleased to present their first Corporate Governance Report for the Financial Year 2002-2003. The Securities & Exchange Board of India introduced the Code of Corporate Governance for implementations by the listed companies vide an amendment to the Listing Agreement. The Shareholders and Investors of the Company will find the information informative and useful. Company's policies on the Corporate Governance and due compliance report on specific areas wherever applicable for the year ended 31st March, 2003 are given hereunder divided into the following areas:

1. Company's Philosophy on Corporate Governance

The company believes that for the success of its business, an adherence to the core values of integrity, honesty, accountability and compliance of laws is of utmost significance. The Company continuously strives for improving performance. The Company believes that adherence to Corporate Governance in all its dealings will make the Company more committed towards its Shareholders, Government Authorities, Banks, Stock Exchanges, etc.

2. Board of Directors

Composition and size of the Board

The composition of the Board of Directors as at 31st March 2003 is as follows:

Name	Designation	Executive/ Non-executive / Independent
Sh. Kamal Manchanda	Director	Executive
Sh. K.L.Manchanda	Director	Executive
Smt.Aruna Manchanda	Director	Non Executive

Board meetings held during the year

The Board meets at least once in a quarter to consider, amongst other business, the quarterly performance of the company and its financial results. The Board held 9 meetings during the financial year 2002-03 on 5th April 2002, 30th April 2002, 30th July 2002, 7th August, 17th Aug, 2002, 30th Sep.2002, 30th October 2002, 31st January 2003 and 31st March,2003. All the relevant information needed for taking decisions by the Board is made available to the directors at the meetings.

The Board and its Committees formulate policy decisions, so as to lead and control the Company. The Composition of the Board is in conformity with the amendments in the Listing Agreement. No Director is a member of more than 10 Committees or Chairman of more than of 5 Committees across all companies in which they are directors. The details are as under:

S. No	Name of Director	No. of Board Meetings attended	Attendance at last AGM	Number of Outside Directorship(s) (*)	Total Number of Membership(s) in other Board Committees	Number of Chairmanship(s) in other Board Committees
1	Sh.Kamal Manchanda	9	Yes	4	1	1
2	Sh.K.L.Manchanda	9	Yes	Nil	1	Nil
3	Smt.Aruna Manchanda	9	Yes	4	Nil	Nil

3. AUDIT COMMITTEE

The Company has not constituted any Audit Committee as per Clause 49(1)(b) of the Listing Agreement to review the internal audit systems but the company has its own internal control system commensurate with the company requirements. The paid up capital of the company is less than Rs.5.00 Crore (Rupees Five crore) and doesn't require to constitute the Audit Committee Under Section 292A of the Companies Act,1956.

4. REMUNERATION COMMITTEE REMUNERATION OF DIRECTORS

The Company has not paid any remuneration to Directors except sitting fee to Mr. Kamal Manchanda and Mrs. Aruna Manchanda and therefore no remuneration committee is constituted for the purpose .

5. SHARE TRANSFER AND INVESTOR GRIAVANCE COMMITTEE

The Company has an Investors Grievance Committee under the nomenclature 'Share Transfer and Investor Grievance Committee. The Committee looks after the redressal of Shareholders and Investors Grievances and approves transfer/transmission, sub-division and issue of duplicate share certificates etc.

The Committee consists of two Directors namely Mr. Kamal Manchanda and Shri K.L.Manchanda, being Executive Directors.Mr. Kamal Manchanda acts as the Chairman of the Committee.

During the year, Four meetings of the Committee were held. The following table shows the details of attendance of members of the committee in its meeting:

Name	No. of meetings attended
Mr. Kamal Manchanda	4
Mr. K.L.Manchanda	4

The Company did not receive any shareholders complaint during the year.

6. GENERAL BODY MEETINGS

The Annual General Meetings of the last three years of the Company have been held as under:

For the Year	Location	Day and Date	Time	No. of Special Resolutions passed
2001-2002	S-8, DDA Shopping Complex, Mayur Vihar-I, Delhi- 91	Sunday, 29 th September, 2002	9:00 A.M.	Nil
2000-2001	S-8, DDA Shopping Complex, Mayur Vihar-I, Delhi- 91	Friday, 28 th September, 2001	9:00 A.M.	Nil
1999-2000	S-8, DDA Shopping Complex, Mayur Vihar-I, Delhi- 91	Friday, 29 th September, 2000	9:00 A.M.	Nil

No resolution has been passed by the Company's shareholders through postal ballot during the Financial Year 2002-03 and there is no resolution proposed to be passed through postal ballot in the ensuing Annual General Meeting.