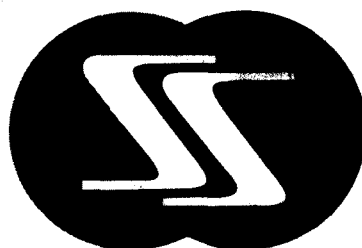


*10th  
Annual Report  
2003-2004*

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**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  
SHRI RANJIT BHARDWAJ

## BANKERS

HDFC BANK, HT HOUSE, K.G. MARG, NEW DELHI-110001  
HDFC BANK, G-28-29, SECTOR-18, NOIDA  
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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# sahil financial services ltd.

## NOTICE

NOTICE is hereby given that Tenth Annual General Meeting of the Members of M/S SAHIL FINANCIAL SERVICES LIMITED, will be held on Tuesday, 1<sup>st</sup> June, 2004 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 businesses

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2004 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 Smt. Aruna Manchanda who retires by rotation and being eligible, offers herself 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 CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION THE FOLLOWING RESOLUTION AS ORDINARY RESOLUTION:  
"RESOLVED THAT Shri Ranjit Bhardwaj, Director who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 22.03.2004 and who holds office upto the date of Tenth Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 have been received be and is hereby appointed as Director 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 the Section 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 approval of members be and is hereby accorded to the appointment of Shri Kamal Manchanda, who is already a Director on the Board as a Whole Time Director of the Company, for a period of five years with effect from 1<sup>st</sup> October 2003, on the following revised terms and conditions: -
 

a) Salary	: Rs. 18,500/- per month for the period 01.10.2003 to 31.05.2004 (inclusive of perquisites)
b) Salary	: Rs. 25,000/- per month w.e.f. 1 <sup>st</sup> June 2004
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 this amount shall be restricted to the annual salary and for the purpose of calculating the above ceiling, perquisites shall be evaluated at actual cost as per Income Tax Rules.
Conveyance	:
Car Repair & Running Expenses	: Rs. 5000/- P.M.
Less: Use of Car for personal purpose	: Rs. 1000/- P.M.
	<u>Rs. 4000/- P.M.</u>
Leave travel assistance	: One-month salary per year.
Medical reimbursement	: One-month salary per year.
Car Driver Salary	: Rs. 2500/- P.M.

Entertainment Expenses – Reimbursement of entertainment expenses actually incurred in the course of Company's business will not be considered as a perquisite. Besides above, he shall be provided Telephone with STD facility.

So long as they functions as Whole-Time Director, he 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, Director of the Company authorised to execute the agreement and file the necessary documents with the ROC and/or other authorities."

By order of the Board,  
FOR SAHIL FINANCIAL SERVICES LTD

Place: Delhi  
Date: 1<sup>st</sup> May 2004

(Chairman)

### 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 26th May, 2004 to 1st June, 2004 (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: 1<sup>st</sup> May 2004

(Chairman)

# **sahil financial services ltd.**

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

### **ITEM NO. 4**

Shri Ranjit Bhardwaj was appointed as additional director of the company during the year in the Board Meeting held on 22.03.2004 under section 260 of the Companies Act, 1956. Shri Ranjit Bhardwaj has wide ranging experienced and his presence in the Board will greatly help the Company. The notice under section 257 of the Companies Act has been received by the management of the Company from some members signifying their intention to propose Shri Ranjit Bhardwaj as a candidate for the office of Director of the company.

The Directors recommend his appointment as a member of the Board in the interest of the Company.

### **ITEM NO. 5**

Shri Kamal Manchanda was appointed as Whole Time Director of the Company for a period of five years with effect from 1<sup>st</sup> October 2003. Shri Kamal Manchanda joined the company and has rich experience in the field and operations of the company. As per the requirements of Section 269 read with Schedule XIII of the Companies Act, 1956, the appointment and any changes in the remuneration payable to him has to be approved by the shareholders in the Annual General Meeting by passing a resolution.

The Board of Directors recommends his appointment as Whole-Time Director with revised terms & conditions.

All the Directors are interested in this resolution.

By order of the Board,  
FOR SAHIL FINANCIAL SERVICES LTD

Place: Delhi

Date: 1<sup>st</sup> May 2004

(Chairman)

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# sahil financial services ltd.

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Tenth Annual General Report of the Company together with the Audited Accounts for the year ended March 31st, 2004.

(Rupees in Lakh)

FINANCIAL RESULTS	2003-2004	2002-2003
Income/(Loss) from Operation	76.98	9.24
Expenditure	12.33	8.48
Gross Profit/(Loss) after Interest but before Depreciation and Tax	64.65	0.76
Depreciation	1.21	1.04
Profit/(Loss) after Depreciation	63.44	(0.28)
Provision for Tax (Including Deferred Tax)	22.95	0.51
Profit/(Loss) after Tax	40.49	(0.79)

### REVIEW OF OPERATIONS AND FUTURE OUTLOOK

The Company has made a profit during the year. The Company is hopeful of maintaining and improving its positions in the future.

### DIVIDEND

Your directors do not recommend any dividend at this stage.

### DIRECTORS

- Smt. Aruna Manchanda, Director of the company retire by rotation at the forthcoming Annual General Meeting and being eligible offer herself for re-appointment.
- Shri Ranjit Bhardwaj, Director who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 22.03.2004 and who holds office upto the date of Tenth Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 have been received be and is hereby appointed as Director of the Company.

### 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

All the provisions of Corporate Governance as provided in the listing agreement of stock exchange with which the Company shares are listed are complied with except some provision.

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 2004-2005.

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

The Company is registered under section 45 1A of the Reserve Bank of India Act, 1934.

### 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

Place : Delhi

Date : 1st May, 2004

(K. L. MANCHANDA)  
DIRECTOR

# sahil financial services ltd.

## CORPORATE GOVERNANCE REPORT

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

The Directors of the Company are pleased to present the Corporate Governance Report for the Financial Year 2003-2004. 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 31<sup>st</sup> March, 2004 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 31<sup>st</sup> March 2004 is as follows:

Name	Designation	Executive/ Non-executive / Independent
Sh. Kamal Manchanda	Whole Time Director	Executive
Sh. K.L.Manchanda	Whole Time Director	Executive
Smt.Aruna Manchanda	Director	Non Executive
Sh. Ranjit Bhardwaj	Director	Non Executive & Independent

#### 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 2003-04 on 30<sup>th</sup> April 2003, 30<sup>th</sup> July 2003, 7<sup>th</sup> August, 2003, 4<sup>th</sup> Oct., 2003, 30<sup>th</sup> October 2003, 3<sup>rd</sup> Nov., 2003, 31<sup>st</sup> January 2004, 22<sup>nd</sup> March, 2004, 25<sup>th</sup> March, 2004. 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
4	Sh. Ranjit Bhardwaj	1	No	2	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 paid remuneration to Directors Mr. Kamal Manchanda and Mr. K.L. Manchanda and no remuneration committee is constituted for the purpose.

### 5. SHARE TRANSFER AND INVESTOR GRIEVANCE 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, one meeting of the Committee was 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	1
Mr. K.L.Manchanda	1

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
2002-2003	S-8, DDA Shopping Complex , Mayur Vihar-I , Delhi- 91	Tuesday, 30 <sup>th</sup> September, 2003	9:00 A.M.	Nil
2001-2002	S-8, DDA Shopping Complex , Mayur Vihar-I , Delhi- 91	Sunday, 29 <sup>th</sup> September, 2002	9:00 A.M.	Nil
2000-2001	S-8, DDA Shopping Complex , Mayur Vihar-I , Delhi- 91	Friday, 28 <sup>th</sup> September, 2001	9:00 A.M.	Nil