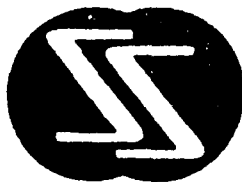


*13th  
Annual Report  
2006-2007*

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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.

## BOARD OF DIRECTORS

Shri Krishan Lal Manchanda  
Shri Kamal Manchanda  
Smt. Aruna Manchanda  
Shri Surendra Kancheti  
Shri Yogesh Kumar

Whole Time Director  
Whole Time Director  
Chairman  
Director  
Director

## COMPANY SECRETARY

Shri Somesh Agrawal

## AUDITORS

M/S. R. Rastogi & Co.  
207-208, Vakil Chambers,  
A-115, Vikas Marg, Shakarpur  
Delhi-110 092

## BANKERS

HDFC Bank Ltd.  
State Bank of Bikaner & Jaipur

## REGISTRAR & SHARE TRANSFER AGENT

Intime Spectrum Registry Ltd.  
A-40, 2nd Floor, Naraina Industrial Area,  
Phase - II, New Delhi - 110028

## REGISTERED OFFICE

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

## CORPORATE OFFICE

G - 10 & 11, Sector-18, Noida - 201301 (U.P.)

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# sahil financial services ltd.

## NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of SAHIL FINANCIAL SERVICES LIMITED will be held on Tuesday the 25<sup>th</sup> day of September, 2007 at 11.00 A.M. at the Registered office of the Company situated at S 8 & S2 DDA SHOPPING COMPLEX, OPP POCKET 1 MAYUR VIHAR, PHASE - I, DELHI -110091 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2007 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 appoint a Director in place of Shri K. L. Manchanda who retires by rotation and being eligible, offers himself for re-appointment.
4. 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:

#### 1. Commencement of new business

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

"RESOLVED THAT, approval be and is hereby accorded pursuant to section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956 to the Company commencing and carrying on as and when its Board of Directors may think fit all or any of the businesses and activities specified in sub-clauses 1-67 in Clause III (C) of the Memorandum of Association of the Company as altered."

#### 6. Change in Name Clause of the company

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

"RESOLVED THAT pursuant to Section 21 of the Companies Act 1956 and other applicable provisions, if any, and subject to the approval of the Central Government and other authorities, if any, the name of the company be and is hereby changed to any other suitable name as may be proposed by the Board of Directors and made available by the Registrar of the companies, NCT of Delhi & Haryana."

"RESOLVED FURTHER THAT Mr. Kamal Manchanda, Director of the Company, be and is hereby authorized to file application for change of name of the company with Registrar Of Companies, NCT of Delhi & Haryana and to do all other acts and things as may be deemed necessary in this regard."

By order of the Board,  
FOR SAHIL FINANCIAL SERVICES LTD

Place: Delhi

Date : 28/07/2007

(Company Secretary)

### NOTES:

- I) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxy in order to be effective must be received by the company not less than 48 hours before the meeting.
- II) Register of Members and Share Transfer Book shall remain close from 17<sup>th</sup> September 2007 to 25<sup>th</sup> September 2007 (both days inclusive).
- III) (a) Members are requested to notify immediately any change of address:
  - (i) to their Depository Participants (DPs) in respect of their electronic share accounts; and
  - (ii) to the Company to its Share Transfer Agents in respect of their physical share folios, if any.
- (b) In case the mailing address on this Annual Report is without the PINCODE, Members are requested to kindly inform their PINCODE immediately.
- IV) Non-resident Indian Shareholders are requested to inform Share Transfer Agents immediately:
  - (a) the change in the residential status on return to India for permanent Settlement.
  - (b) the particulars of NRE Account with Bank in India, if not furnished earlier.
- V) All documents referred to in the accompanying notice are open for inspection at the Registered office of the Company on all working days, except Saturdays between 11.00 a.m. to 1.00 p.m.
- VI) Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
- VII) The Company has connectivity from the CDSL & NSDL and equity shares of the Company may also be held in the electronic form with any Depository Participant (DP) with whom the members/investors are having their depository account. In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agent.
- VIII) As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be down loaded from the website of the Department of Corporate Affairs.
- IX) Pursuant to the Clause No. 49 of the Listing Agreement, profile of the directors proposed for appointment / re-appointment being given in a statement containing details of the concerned directors is attached hereto.



# sahil financial services ltd.

X) An Explanatory Statement under section 173(2) of the Companies Act, 1956 is annexed hereto.

XI) A brief profile of Smt. Aruna Manchanda and Shri. K. L. Manchanda proposed to be reappointed as director is attached herewith.

XII) BRIEF RESUME OF DIRECTORS PROPOSED TO BE RE-APPOINTED AT THE AGM

A) SMT ARUNA MANCHANDA

Smt. Aruna Manchanda is very experienced professional and is working with the company since incorporation as non executive director. She is chairman of the Board of Directors of your company. Apart from this company she is also director on the board of following companies:

- 1) Brand Realty Private Limited
- 2) Tradewell Portfolios Private Limited
- 3) Sahil Securities Limited
- 4) Era Resorts Private Limited

She is not drawing any remuneration from the company and neither any remuneration is proposed to be paid to her on her reappointment.

She is holding 755760 equity shares of the company and is in the promoter group.

B) SHRI K. L. MANCHANDA

Shri K.L. Manchanda is whole time director of the company and is also a promoter of the company. He is actively involved with the company since its incorporation. Apart from your company he is not holding any directorship in any other company. He is a very experienced professional.

Mr. K.L. Manchanda is drawing a remuneration of Rs 12000/- Per Month.

He is holding 10 equity shares of the company.

By order of the Board

FOR SAHIL FINANCIAL SERVICES LTD

Place: Delhi

(Company Secretary)

Date: 28/07/2007

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

ITEM NO5

Commencement of new business

In order to give effect to the resolution proposed for alteration in objects clause of the memorandum of association and to commence the new business company needs to pass the resolution mentioned under item no 5 as special resolution giving authority to its board of directors to start the new business. On the basis of assessment made by your Board of Directors, Board has passed the resolution on 28/07/2007.

Your approval is required by way of special resolution given as ITEM No. 5 above.

None of the directors are interested in the contract except to the extent of their shareholding in the company.

ITEM NO.6

Change in Name Clause of the Memorandum of Association

Initially company was formed as an investment company and is registered as an NBFC but the business is not much lucrative now. Board of directors considered the matter and is of view to change the line of business to Real Estate business. The company has proposed a resolution for alteration in objects clause of the Memorandum Of Association of the Company by means of postal ballot as per section 17 read with section 192-A of the Companies Act, 1956. The existing name of the company does not reflect the altered main objects; it is therefore proposed to change the name of the company.

In order to give effect the resolution for change in objects company may be required to change its name to in order to reflect its main objects as altered thus approval of shareholders is needed to authorize Board to make application for change of name of the company.

Your approval is required by way of special resolution given as ITEM No. 6 above.

None of the directors are interested in the contract except to the extent of their shareholding in the company.

By order of the Board

FOR SAHIL FINANCIAL SERVICES LTD

Place: Delhi

Date: 28/07/2007

(Company Secretary)



# sahil financial services ltd.

## DIRECTORS' REPORT

To

The Members,

Your Directors take pleasure in presenting the Thirteenth Annual Report together with Audited Statements of Accounts for the year ended 31<sup>st</sup> March 2007

| FINANCIAL RESULTS   | 2006-2007 | 2005-2006 |
|---|-----------|-----------|
| Income/(Loss) from Operation  | 181.92    | 33.91     |
| Expenditure   | 15.97     | 25.31     |
| Gross Profit/(Loss) after Interest  |           |           |
| but before Depreciation and Tax   | 165.95    | 8.60      |
| Depreciation  | 2.00      | 2.15      |
| Profit/(Loss) after Depreciation  | 163.95    | 6.45      |
| Provision for Tax (Including Fringe Benefit Tax, Wealth Tax, Deferred Tax & Sec. Tran. Tax) | 30.92     | 0.23      |
| Less/ Add:-Income Tax paid/W.Back   | 5.87      | 1.40      |
| Profit available for appropriation  | 127.16    | 7.62      |
| Transfer to General Reserve   | 25.43     | 1.52      |
| Balance retained in Profit & Loss Account   | 101.73    | 6.10      |

### 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.

### DIRECTORS

In accordance with the Articles of Association of the Company, Shri K. L. Manchanda and Mrs. Aruna Manchanda, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

### AUDITORS

Members are requested to re-appoint M/s R.Rastogi & Co., Chartered Accountants, as Auditors of the Company for the current year and to fix their remuneration.

### OUTLOOK ON OPPORTUNITIES, THREATS, RISKS AND CONCERNS

The average eight percent growth in the last three years has made the country one of the fastest growing economies in the world. The corporate which were paranoid about the approaching competition in the initial days of globalization are now beating their global rivals. The Company continues its focus on the introduction of new services, building brands and tapping new markets to enhance business opportunities. Growth in Real Estate Sector has been phenomenal and company wishes to enter into this segment in this year.

### STATUTORY STATEMENT

The statements, pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, with respect to the conservation of energy, technology absorption, foreign exchange earnings and outgo, and pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, with respect to the employee(s) of the Company drawing remuneration exceeding the sum prescribed therein, are not applicable to your Company.

### 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).

### MANAGEMENT DISCUSSION AND ANALYSIS

The year under review was eventful for Indian markets with activity picking up in Capital market and Real Estate apart from other sectors of the economy.

Barring unforeseen circumstances, your Company is expected to maintain and improve its working in the current year.

The internal control systems and procedures adopted by the Company are adequate and commensurate with the size of operations of the company. These systems and procedures are fine tuned from time to time to meet the requirements.

Statements made in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. However, these statements would be subject to conditions of the stock market, changes in the policies of the government, economic development, reforms and various other factors.

### DIVIDEND

Your directors do not recommend any dividend at this stage.

### DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

- That in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- That the Directors have 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 ended 31st March 2007, and of the profit of the Company for that year;



# sahil financial services ltd.

(iii) That the Directors have 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; and

(iv) That the Directors have prepared the Annual Accounts on a going concern basis.

## CORPORATE GOVERNANCE

Reports on Corporate Governance in accordance with Clause 49 of the Listing Agreements with Stock Exchanges, along with a certificate from Auditors are given separately in this Annual Report.

## RISK AND INTERNAL ADEQUACY

The Company has adequate internal control procedures commensurate with its size and nature of business. The Board of Directors periodically reviews the audit plans, internal audit reports, adequacy of internal controls and risks management.

## STATUS OF LISTING

The company's shares are listed at The Hyderabad Stock Exchange Ltd and The Bombay Stock Exchange, Mumbai. The company has paid the only listing fees to The Bombay Stock Exchange, Mumbai for the year 2007-2008.

The Company's shares are currently trading in compulsory DMAT Segment in BSE. Company has filed an application for delisting of its shares in Hyderabad Stock Exchange and is pending.

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

The Company is a Registered Non-Banking Finance Company under the provisions of Section 45 (1A) of the RBI Act, 1934 and has duly complied with the NON-BANKING FINANCIAL COMPANIES (RESERVE BANK OF INDIA) DIRECTIONS.

## ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance, co-operation and trust reposed in your Company by the Investors, Banks, Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges and other Government Authorities during the financial year under review. Your Directors wish to place on record their deep sense of appreciation for its clients and for the devoted services of the young team of professionals of the Company for its success.

Your Directors also wish to place on record their sincere appreciation of the contribution made by the employees of the Company and are thankful to the Shareholders for their continued patronage and support.

FOR AND ON BEHALF OF THE BOARD

Place: Delhi  
Date: 28/07/2007

Aruna Manchanda  
CHAIRMAN





# sahil financial services ltd.

## CORPORATE GOVERNANCE REPORT

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the following report:

### 1. Company's Philosophy on Code of Governance

The Company is committed to good Corporate Governance and has complied in all material respects with the requirements specified in the Listing Agreement with the Stock Exchanges.

### 2. Board of Directors

During the Financial Year 2006-07, 8 Board Meetings were held on 28th April 2006, 6th July 2006, 28th July 2006, 31st Oct 2006, 24th November 2006, 31st January 2007, 2nd February 2007 and 19th February 2007.

| S. No. | Name of Director      | Category | No. of Board Meetings attended | Attendance at last AGM | Number of Directorship held as on 31st March 2007 in other Companies | Number of Committee Position held in other Companies |                 |
|--------|-----------------------|----------|--------------------------------|------------------------|--|--|-----------------|
|        |                       |          |                                |                        |  | Membership(s)  | Chairmanship(s) |
| 1      | Mr. Kamal Manchanda   | ED (P)   | 8                              | Yes                    | 9  | 2  | Nil             |
| 2      | Mr. K.L. Manchanda    | ED (P)   | 8                              | Yes                    | Nil  | Nil  | Nil             |
| 3      | Mrs. Aruna Manchanda  | NED (P)  | 8                              | Yes                    | 4  | 2  | 2               |
| 5      | Mr. Yogesh Kumar      | NED (I)  | 8                              | Yes                    | 1  | 1  | Nil             |
| 4      | Mr. Surendra Kancheti | NED (I)  | 8                              | Yes                    | Nil  | Nil  | Nil             |

\* Including Directorships held in Private Limited Companies, alternate Directorships and Directorships in bodies incorporated outside India.

ED – Executive Director, ED (P) – Executive Director, Promoter, NED (P) – Non-executive Director, Promoter, NED (I) – Non-executive Director, Independent.

### 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 Director Mr. K.L. Manchanda and no remuneration committee is constituted for this 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.

During the year, six 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 |
|---|--------------------------|
| The Committee consists of two Directors namely Mr. Kamal Manchanda and Mr. K.L. Manchanda, being Executive Directors, Mr. Kamal Manchanda acts as the Chariman of the Committee |                          |
| Mr. Kamal Manchanda   | 6                        |
| Mr. K.L. Manchanda  | 6                        |

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 |
|--------------|---|-----------------------------|-----------|-----------------------------------|
| 2005-2006    | S-8, DDA Shopping Complex , Mayur Vihar-I , Delhi- 91 | Thursday, 31st August, 2006 | 9.00 A.M. | 2                                 |
| 2004-2005    | S-8, DDA Shopping Complex , Mayur Vihar-I , Delhi- 91 | Saturday, 27th August, 2005 | 9.00 A.M. | 6                                 |
| 2003-2004    | S-8, DDA Shopping Complex , Mayur Vihar-I , Delhi- 91 | Tuesday, 1st June, 2004     | 9.00 A.M. | 2                                 |

The Company's shareholders through postal ballot have passed no resolution during the Financial Year 2006-07 and there is one resolution for change in objects clause proposed to be passed through postal ballot before the ensuing Annual General Meeting