



54th Annual Report 2011 – 12

DIRECTORS:

Mr. Sharad K. Pachapurkar (Resigned w.e.f. 1.3.2012)

Mr. Haresh A. Bhojwani

Mr. S. R. Hemmady - Whole-time Director and Secretary upto 31.7.2012
but remains as a Director.

Mr. Hariprasad Adka

BANKERS

Kotak Mahindra Bank Ltd.

Axis Bank Ltd.

AUDITORS

M/s. Bhangaria & Co.
Chartered Accountants

ADVOCATES

M/s. SHELDON LAW FIRM
New Delhi

REGISTERED OFFICE

Plot No. 1 & 2, Jijamata Nagar,
Nashik Road, Nashik – 422101.

NOTICE

NOTICE is hereby given that the Fifty fourth Annual General Meeting of the Members of the Company will be held at the **Registered Office of the Company at Plot No. 1 & 2, Jijamata Nagar, Nashik Road - 422 101 on Tuesday, September 25, 2012 at 9.30 A. M** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account of the Company for the year ended March 31, 2012 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Haresh A. Bhojwani who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

Registered Office

Plot No 1 & 2, Jijamata Nagar,
Nashik - 422 101.

By order of the Board,
For **SIL BUSINESS ENTERPRISES LTD,**
S. R. Hemmady
Director

Date: 23.08.2012

NOTES:

1. A Member entitled to attend and vote on a poll is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, September 21, 2012 to Tuesday, September 25, 2012, both days inclusive.
3. Members are requested to address all communication regarding transfer of shares, change of address etc. directly to the Registrars, viz. Bigshare Services Pvt. Ltd, E-2 & E-3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E), Mumbai 400 072 and in case their shares are held in the dematerialised form, this information should be passed on to their respective Depository Participants without any delay.
4. Members desirous of availing nomination facility may send their nomination in the prescribed form. Nomination forms can be obtained from the Registrars/ Company.
5. On dematerialisation of shares, the nomination registered by the Company automatically stands cancelled. In the case of shares held in electronic (dematerialised) form, the Members are given an option of nomination at the time of opening a demat account. If no nomination is made at the time of opening the demat account, they should approach their respective Depository Participant.
6. As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs("MCA"), Government of India, through its Circular nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents through electronic mode.

In the spirit of the above circulars and as part of the Company's Green Initiative, we henceforth propose to send documents like Notice convening the general meetings, Financial Statements, Directors Report, etc. to the e-mail address provided by the members.

We, therefore, appeal to the members to register their name in getting the documents in electronic mode by sending an e mail giving their Registered Folio No. and/or DP Id/Client Id to the dedicated e mail address at sil@silbusiness.com.

7. Members/Proxies are requested to bring the Attendance Slip sent with this Notice duly filled-in for attending the meeting.

DIRECTORS' REPORT

Your Directors have pleasure in presenting 54th Report on the operation of your Company together with audited accounts for the year ended March 31, 2012.

1. FINANCIAL RESULTS

(Rupees in Lacs)

	Current year		Previous year.	
	Rupees	Rupees	Rupees	Rupees
Sales and Other Income		7.18		257.07
Less :				
Expenditure				
Employees Cost	5.65		186.40	
Operating and Other Exp.	18.22		127.80	
		23.87		
Operating Profit		(16.69)		(57.13)
Extra Ordinary items -				
- Sundry Balances written off	-		(33.74)	
- Profit/(Loss) on sale of Assets	0		611.56	
- Reduction in Liabilities to FD Holders (Int.)	0		.28	
		.0		578.1
Profit/(Loss) before interest, Depreciation & Taxation amount		(16.69)		520.97
- Interest	(10.12)		(.33)	
- Provision for Doubt full Debts	0		(13.24)	
- Provision for Depreciation	(2.48)		(49)	
		(12.60)		(62.57)
The Net Profit/ (Loss) for the year Amounts to		(29.29)		458.40
Earlier years income/expenses				
Income tax earlier year	-			(21.35)
Interest pertaining to earlier years	-			(12.66)
				(1138.91)
Balance brought forward from previous year	-	(29.29)		(714.52)
Leaving a balance to be carried forward		(16451.19)		(15736.67)
		(16480.48)		(16451.19)
INCOME				%
Sales and Other Income	7.18	100	257.08	100.00
EXPENDITURE				
Material Consumption	--		--	--
Employees Cost	5.65	78.69	186.40	72.41
Operating and Other expenses	18.22	253.76	127.80	49.71
Total Expenditure	23.87	332.45	314.20	121.12
Operating Profit (Loss)	(16.69)	(232.45)	(57.12)	(21.12)

2. DIVIDEND:

In view of the loss for the period, the Directors have not recommended any dividend.

3. REVIEW OF FINANCIAL PERFORMANCE:

As reported in the previous years' Annual Reports, the assets of the Company had been sold by Secured Lenders. The Company is not carrying on any activity.

4. BIFR

As reported in earlier Annual Reports, your Company was declared sick unit under section 3(1)(O) of the Sick Industrial Companies (Special Provisions) Act, 1985 SICA) on 5th July, 2006 by the Board for Industrial and Financial Reconstruction (BIFR). A draft Scheme was prepared and submitted by the Company to the BIFR for approval and to the Company's Bankers for their approval. At the hearing held on 05.01.2011 BIFR has dismissed the Company's application. However, the Company is yet to receive the order from BIFR to this effect.

5. OUTLOOK FOR THE CURRENT YEAR

A. BUSINESS IN THE CURRENT YEAR

All the mortgaged assets of the Company had been sold by the secured lenders. The said assets contained production facilities of the Company thereby completely hampering the Company's ability to manufacture goods and even doing job work. After the said sale, the Company is not having any

operating assets. The Company is also not able to maintain an office and the Directors are trying to comply with formalities to the best of their personal capacities. All the employees/workers of the Company had also resigned. The Company is not carrying on any activity at present. The Company has still to pay large amount to banks and other Secured and Unsecured creditors. The Company does not have funds to maintain its office also and at the courtesy of director a postal address is maintained for collecting correspondence. It is not in a position to meet its statutory and other daily expenses.

6. AUDITORS' NOTES AND OBSERVATIONS:

Auditors have made certain observations in their report. These have been appropriately dealt with in the notes to accounts which are self-explanatory.

7. FIXED DEPOSITS:

The outstanding fixed deposits as on March 31, 2012 aggregated to Rs.12.63 crores towards Principle and Rs. 2.47 crores towards interest. The Company has repaid fixed deposits of Rs.17 cr. approx.(7665 folios) during the period from 2002 to date due to persistent efforts of Directors.

Efforts had been made to the effect that part of the funds received by the Company during the period had been used towards repayment of fixed deposits. It is the Company's intention to pay the small depositors as early as possible and the draft Scheme submitted to BIFR had been prepared with this in mind. But under the circumstances, as narrated above the task now seems impossible.

8. ADDITIONAL INFORMATION:

In terms of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant information is given below:

- A. Conservation of Energy: The Company is not carrying on any activity at present and hence it is not applicable.
- B. Technology Absorption, Adaptation and Innovation: Not Applicable
- C. Foreign Exchange Earnings and Outgo:
 - i) Activities relating to exports: NIL
 - ii) Foreign Exchange earned and used: NIL

9. PARTICULARS OF EMPLOYEES:

There were no employees drawing a remuneration exceeding Rs. 60 lacs per annum when employed for the whole year or Rs. 5 lacs per month when employed for part of the year and hence, no disclosure under Section 217(2A) of the Companies Act, 1956 is made.

10. DIRECTORATE:

Mr. Hareesh A. Bhojwani retires by rotation and being eligible offers himself for reappointment.

Mr. S. R. Hemmady resigned as Whole-time Director and Secretary of the Company w.e.f.1.8.2012 but remains as a Director.

11. AUDITORS:

M/s Bhangaria & Co, Chartered Accountants, the Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

12. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, the Board of Directors of the Company confirms:

- I. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure;
- II. that the selected accounting policies were applied consistently and the directors 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 as on March 31, 2012 and of the loss of the Company for the period ended March 31, 2012.
- III. that proper and sufficient care has been taken 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;
- IV. that the annual accounts have been prepared on a going concern basis despite sale of assets of the Company by secured lenders.

13. CORPORATE GOVERNANCE:

A note on Corporate Governance along with a Certificate from Auditors is annexed and forms part of the Directors' Report.

Registered Office:

Plot No.1&2, Jijamata Nagar,
Nashik Road-422 101.

For and on behalf of the Board of Directors,
SIL BUSINESS ENTERPRISES LIMITED,

Date: August 23, 2012.

DIRECTOR

DIRECTOR

MANAGEMENT DISCUSSION AND ANALYSIS:

BUSINESS REVIEW:

As explained earlier in the Directors report and in view of sale of all the assets, the Company does not foresee any fruitful business activity taking place in the near future.

RISK AND OUTLOOK

The Company is not very optimistic about its future. The Company has been declared a sick unit. In view of the fact that the assets of the Company had been sold by secured lenders the outlook for the Company seems to be very bleak.

REPORT ON CORPORATE GOVERNANCE:

A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company consistently endeavors to attain maximum transparency, accountability and equity in all facets of its operations and in all its interactions with all the stakeholders.

B) BOARD OF DIRECTORS:

The Board comprises of Executive and Non-Executive Directors. The Board has three members, two members being non-executive Directors and one executive Director. Two Directors are independent Directors. The Company has a non-executive Chairman.

C) BOARD MEETINGS

During the period from April 01, 2011 to March 31, 2012 the Board met 8 times and there was no gap of more than four months between two meetings. The dates on which the said meetings were held are as follows:

28.04.2011	14.10.2011
22.08.2011	01.12.2011
08.09.2011	31.01.2012
26.09.2011	29.03.2012

The attendance of Directors at the Board meetings (BOD) and Annual General Meeting (AGM) were as follows:

Sr. No	Name of the Director	No of Meetings attended		Remarks
		BOD	AGM	
1.	Mr. R J Paymaster*	4	No	
3.	Mr. S K Pachapurkar**	5	No	
4.	Mr. Haresh Bhojwani	8	Yes	
4.	Mr. S.R.Hemmady***	6	Yes	
5.	Mr. Hariprasad Adka****	4	Yes	

*Mr. R. J. Paymaster has resigned from the Company w. e. f. 19.12.2011.

**Mr. S.K.Pachapurkar has resigned from the Company w. e. f. 01.03.2012.

***Mr. S.R.Hemmady was appointed as Director and Whole Time Director w.e.f. 08.09.2011

****Mr. Hari Prasad Adka was appointed as Director w.e.f. 14.10.2011

Number of other Directorships and Committee Memberships of which the Directors are Members or Chairman of Indian Public Companies (excluding Alternate Directorships and Private Companies)

Name of the Director	No.of outside Directorship(s)	No. of outside Committee Membership(s)
Mr. R J Paymaster	0	-
Mr. S K Pachapurkar	1	-
Mr. Haresh Bhojwani	8	
Mr. S.R.Hemmady	15	
Mr. Hari Prasad Adka	01	

Details of Directors seeking appointment/ reappointment in the Fifty Fourth Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

NAME OF THE DIRECTOR	MR. HARESH A. BHOJWANI
Date of birth	12.05.1930
Qualifications	
Date of appointment	05.07.1951
Experience/ Expertise	Mr. Hareesh Bhojwani is an Advocate by profession and has been practising law for past two decades in Mumbai.

D) COMMITTEES OF BOARD

During the year under review, there were three Committees of the Board -- the Audit Committee, The Shareholders/Investors Grievance Committee, Share Transfer Committee.

The Constitution of the various Committees set up by the Board meets with the requirement that a Director is not to be a member of more than 10 Committees and Chairman of more than 5 Committees.

The details of these Committees are given below:

(i) Audit Committee:

The Audit Committee's powers and role are as laid down by Clause 49 of the Listing Agreement. The Audit Committee comprised Mr. R.J. Paymaster, Chairman of the Committee, (till 19.12.2011) Mr. S K Pachapurkar, (till 01.03.2012) and Mr. H. A. Bhojwani, Mr. S.R.Hemmady (from 08.09.2011), Mr. Hari Prasad Adka (from 14.10.2011). Mr. R. J. Paymaster, Mr. S K Pachapurkar, Mr. H. A. Bhojwani and Mr. Hari Prasad Adka are Independent Directors. The Audit Committee met five times during the period from April 01, 2011 to March 31, 2012, on the following dates.

31.07.2011, 19.08.2011, 14.10.2010, 27.01.2012, 29.03.2012.

(ii) Remuneration of Directors:

Details of remuneration paid to all Directors during the period under review.

The Company pays Rs. 5,000/- as sitting fees for each Board Meeting and for each Committee Meeting attended by its Non-Executive Directors. However, due to paucity of funds the Directors fees have not been paid regularly.

1. The Company did not pay any amount to directors by way of commission.
2. The Company has not issued Stock Options to its Directors.

There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company.

No director of the Company hold any Equity Shares of the Company.

(iii) Shareholders' / Investors' Grievance Committee:

The Shareholders' / Investors' Grievance Committee of the Board oversees redressal of Shareholders/Investors grievances.

The Shareholders'/Investors' Grievance Committee comprises Mr. R J Paymaster as Chairman of the Committee (upto 19.12.2011), and Mr. S K Pachapurkar (upto 28.02.2012), Mr. H. A. Bhojwani, Mr. S.R.Hemmady (from 08.9.2011) and Mr. Hari Prasad Adka (from 14.10.2011) as the Members of the Committee. Three members of the Committee are Independent Directors.

During the year ended on March 31, 2012, four meetings of the Shareholders/Investors' Grievance Committee were held on the following dates:

26.05.2011, 30.06.2011, 14.10.2011, 23.02.2012

Number of complaints raised by Shareholders/Investors regarding equity shares for the year ended March 31, 2012.

Complaints outstanding as on 01.04.2011	NIL
Complaints received during the year ended March 31, 2012.	11
Complaints resolved during the year ended March 31, 2012.	11
Complaints outstanding as on March 31, 2012.	NIL

E) Key information

Key information such as quarterly working results, minutes of audit committee and other committees are made available to the Directors.

The Board is informed of all material, financial and commercial decisions in which any Director has personal interest or where there could be any potential conflict of interest.

F) Disclosure:

There were no materially significant related party transactions that could have had potential conflict with the interests of the Company. There are no transactions with firms and private companies in which Directors are interested.

The Company has not complied with the requisite regulations relating to capital markets. The Company has defaulted in complying with certain clauses of Listing Agreements, such as, Clause 41 - the Company has not submitted and published Un-audited Financial Results from the four quarters ending June 30, 2011, till the quarter ending March 31, 2012, Clause 41 - not submitted Limited Review Report by an Auditor of the Company for these periods. The Bombay Stock Exchange Limited has suspended trading in the Company's Equity Share effective September 11, 2006. This is due to the Company did not had the resources. There were no penalties or strictures imposed on or passed against the Company by Stock Exchanges or SEBI or any Statutory authority during the last 3 years in respect of any matter related to capital markets.

G) Code Of Conduct:

The code of Conduct as adopted by the Board of Directors, is applicable to Directors, senior management and employees of the Company. The Code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and personal relationship. The Company and its employees strive to maintain good code of conduct.

H) General Body Meeting:

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
31.03.2009	30-09-2009	9.30 A.M.	Hotel Durga International Nashik Pune Road, Nehru Nagar Stop, Nashik Road, Nashik-422 101.
31-03-2010	30-09-2010	9.30 A.M.	Hotel Durga International Nashik Pune Road, Nehru Nagar Stop, Nashik Road, Nashik – 422 101.
31-03-2011	01-12-2011**	9.30 A. M.	Plot 1 & 2, Jijamata Nagar, Nashik – 422 101.
31.03.2011	27.02.2012**	9.30 A.M.	Plot 1 & 2, Jijamata Nagar, Nashik – 422 101.

**The Accounts for the year ending March 31, 2011 could not be placed before the AGM and hence the Meeting was adjourned and the adjourned AGM was held on 27th February, 2012.

The Company had not passed Special Resolutions in the previous three Annual General Meetings. The Company has not put through Postal Ballot any resolutions during the previous year ended March, 31 2012.

No Special Resolutions on matters requiring postal balloting as recommended under Clause 49 of the Listing Agreement of the Stock Exchanges, is being proposed for shareholders approval at the ensuing Annual General Meeting.

I) Means of Communication:

- Information like quarterly financial results were submitted to stock exchanges on which Company's Equity Shares are listed. The annual results are posted to every shareholder of the Company.
- Management Discussion and Analysis forms part of this annual report, which is also being posted to all the shareholders of the Company.

J) General Shareholders Information
a. Annual General Meeting:

Date: Tuesday, September 25, 2012 at 9.30 A. M.

Venue: Registered Office of the Company at Plot No. 1 & 2, Jijamata Nagar,
Nashik Road - 422 101.

b. Financial Calendar:

Period	Board Meeting to approve Quarterly Financial Results
Annual General Meeting for the	

year ended March 31, 2012

Last week of September, 2012.

Financial reporting of the quarterly results cannot be assured due paucity of resources like funds, manpower etc.

c. Dates of Book Closure:

The Share Transfer books and Register of Members of the Company will remain closed from Friday, September 21, 2012 to Tuesday, September 25, 2012 (both days inclusive).

d. Listing of Equity Shares on Stock Exchanges:

The Company's Equity Shares continue to be listed at Bombay Stock Exchange Ltd., Mumbai and National Stock Exchange of India. However, The Bombay Stock Exchange Limited has suspended trading in the Company's Equity Shares w. e. f. September 11, 2006.

e. Stock Code

Bombay Stock Exchange CODE NO.: 531890

National Stock Exchange of India : Stock code: SNOWCEMIND

f. Stock Market Price Data: the Equity Shares of the Company was suspended from trading w. e. f. 11th September, 2006 and hence no trade data is given.

g. Registrar and Share Transfer Agent:

Bigshare Services Pvt. Ltd.,
E-2/3 Ansa Industrial Estate,
Saki Vihar Road, Andheri (East),
Mumbai 400072.
Phone: 28470652/53, 40430200 Fax : 28475207 E-mail : bigshare@bom7.vsnl.net.in

h. Share Transfer System

Physical transfer of shares are processed by Registrar & Share Transfer Agent, Bigshare Services Pvt Ltd and approved by the Share Transfer Committee. After approval, the share transfer agents forward the share certificates to the transferee by registered post. A summary of transfer/ transmission of Equity Shares of the Company so approved by the Committee is placed at every Board Meeting. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance with share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with Stock Exchanges. As per the directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form.

(i) Distribution of Shareholding as on March 31, 2010.*

Shareholding	No of shareholders	No of shares	Percentage of Shareholding
Up to 500	11437	49,09,294	46.72
501-1000	93	6,67,466	6.35
1001-2000	33	4,29,367	4.09
2001-3000	17	4,20,962	4.01
3001-4000	2	66,380	0.63
4001-5000	5	2,29,008	2.18
5001-10000	4	3,00,668	2.86
10001 and above	7	34,84,955	33.16
Total	11598	1,05,08,100	100.00

(ii) Pattern of Shareholding as on March 31, 2010.*

Indian Promoters	7,11,261	6.77
FII/Overseas Corporate Bodies/NRI	52,029	0.50
Indian Financial Institutions/Banks/ Mutual Fund etc	1,36,200	1.29
Private Bodies Corporate	11,69,404	11.13
Resident Individuals	84,39,206	80.31
Total	1,05,08,100	100.00

* Data as on 31.03.2012 is not provided by NSDL/CDSL.

i. Equity Shares held by the Non - Executive directors.

NIL

j. Dematerialization of Share and Liquidity:

As on March 31, 2012, 89.08% of the Company's total shares representing 93,60,369 Equity Shares are held in dematerialized form and the balance 10.92% representing 11,47,731 Equity Shares are held in physical form.