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SHALIBHADRA

FINANCE LIMITED

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ANNUAL ACCOUNTS

2004 - 2005

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Shalibhadra
FINANCE LIMITED

BOARD OF DIRECTORS

SHRI MAYUR A. VORA	*Chairman*
SHRI MINESH M. DOSHI	*Managing Director*
SHRI MUKUND H. DOSHI	*Director*
SHRI GOVIND L. KESWANI	*Director*

REGISTERED OFFICE
3, Kamat Industrial Estate,
396, Veer Savarkar Marg,
Prabhadevi,
Mumbai - 400 025.

BRANCHES
Vapi
Bharuch
Valsad
Navsari
Baisal

CONTENTS	PAGE NO.
Notice	1
Directors Report	2 to 9
Auditors Report	10 to 14
Balance Sheet	15
Profit & Loss Account	16
Schedule	17 to 26
Notes to Accounts	27 & 30
Cash Flow Statement	31 & 34
Proxy Form & Attendance	35

BANKERS
Dena Bank

AUDITORS
M/s. K. S. Sanghavi & Co.
Chartered Accountants

ADVOCATES & SOLICITORS
Kanga & Co.,
Mumbai.

SHARE TRANSFER SERVICE
3, Kamat Industrial Estate,
396, Veer Savarkar Marg,
Prabhadevi, Mumbai - 400 025 INDIA

14th Annual General Meeting on Thursday, 29th December, 2005 at 3.30 p.m. at 3, Kamat Industrial Estate, 396, Veer Savarkar Marg, Opp. Siddhivinayak Temple, Prabhadevi, Mumbai - 400 025.

Shareholders are requested to bring their copies of the Annual Report along with them at the Annual General Meeting.

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SHALIBHADRA
FINANCE LIMITED

NOTICE

NOTICE is hereby given that the 14th ANNUAL GENERAL MEETING of the members of SHALIBHADRA FINANCE LIMITED will be held on Thursday 29th December, 2005 at 3.30 p.m., at Registered Office at 3, Kamat Industrial Estate, Ground Floor, Opp, Siddhi Vinayak Temple, Prabhadevi, Mumbai – 400 025 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and the Profit and Loss Account for the year ended on that date and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Mukund H. Doshi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Mr. Govind L. Keswani as Director of the company.
4. To appoint Mr. N. M. Rampuria as Director of the company.
5. To appoint the Auditors and fix their remuneration.

Registered Office:

3, Kamat Industrial Estate,
396, V. S. Marg, Opp. Siddivinayak Temple,
Prabhadevi. Mumbai - 400 025.
Tel : 2432 2993 / 2432 2994
Place : MUMBAI.
Date : 27TH OCTOBER 2005.

For and on behalf of Board of Directors

DIRECTORS

NOTES

1. A MEMBER ENTITTLED TO ATTEND AND VOTE IS ENTITTLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER .The instrument appointing a proxy must be deposited with the Company at its Registered Office no less than 48 hours before the time for holding meeting.
2. The share transfer Book and the Register of Members of the Company has remain closed from 28.12.2005 to 31.12.2005.
3. All members are requested to:
   (i) Intimate any change of address, if any, to the Company quoting reference to their Registered Folio number.
   (ii) Write to the Company for any information about accounts 10 days in advance of the Annual General Meeting.
   (iii) Members/Proxies are requested to bring the copy of their Annual Report alongwith them and to produce the attendance slip at the entrance of the meeting hall.
   (iv) Convert there shares in Demat form for easy liquidity or sale through Stock Exchange and safety.
4. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all working days, Saturdays and Holidays, between 11.00 a.m. and 1.00 p.m. upto date of the Annual General Meeting.
5. In all correspondence with the Company, the members are requested to quote their members folio numbers and in case their shares are held in dematerialised form, quote their client ID Number and their DPID Number.
6. Information required to be furnished under the Listing Agreement.
   As required under the Listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be appointed/ re-appointed are given below:-

(A)	Name	:	Shri. Mukund H. Doshi
	Date of Birth	:	6th August ,1938.
	Qualification	:	S. S. C.
	Experience	:	Wide experience in the line of Trading. He is a member of Audit Committee. Remuneration Committee & Shareholders Committee.
(B)	Name	:	Shri. Govind L. Keswani
	Date of Birth	:	6th April, 1965.
	Qualification	:	B. Com, F.C.A., Grad.C.W.A.
	Experience	:	Wide experience in the line of Accounts, Finance & Audit
(C)	Name	:	Shri. N. M. Rampuria
	Date of Birth	:	3rd January, 1957.
	Qualification	:	MBA (Finance).
	Experience	:	Wide experience in the line of Accounts and Finance

For and on behalf of Board of Directors

Place : MUMBAI.
Date: 27TH OCTOBER 2005.

DIRECTORS

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Shalibhadra
FINANCE LIMITED

DIRECTORS REPORT

Your directors present here with the 14th Annual Report of the company with the Audited Statements of the Accounts for the year ended March 31, 2005.

FINANCIAL RESULTS:

The financial results for the year under review are summarised as follows:

Particulars	Current Year 2004 – 2005 (Rs.in '000)	Previous Year 2003 – 2004 (Rs.in '000)
Business Income	19,670.00	15,750.00
Profit before Interest, Depreciation, Lease Equilisation Charges & Tax	10,278.00	7,205.00
Less:		
a. Interest	4,391.00	2,922.00
b. Depreciation	1,266.00	1,305.00
Profit before tax	4,621.00	2,978.00
Provision for Tax	2,050.00	150.00
Profit after tax	2,569.00	1,478.00
Proposed Dividend	2,501.00	
Distribution Tax	327.00	
Transfer to General Reserve	0	1,000.00
Transfer to Special Reserve	550.00	350.00
Balance brought forward from Previous Year	819.00	691.00
Balance carried to Balance Sheet	10.00	819.00

DIVIDEND:

The Directors recommended dividend of 5% i.e. Rs. 0.50 per share.

PERFORMANCE REVIEW:

The company has done reasonably well on vehicle finance front due to decent growth in two and three wheeler industry.The Company is concentrating on old vehicle financing to generate additional business.

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CORPORATE GOVERNANCE & COMPIANCE CERTIFICATE

A separate section on Corporate Governance is included in the Annual Report and the certificate from the Company's Auditors confirming the Compliance of the conditions on the Corporate Governance as stipulated in the Clause 49 of the Listing Agreement with the Stock Exchange is annexed hereto.

OUTLOOK AND PROSPECTS:

The Company expect the growth in vehicle finance. The company also expect growth in old vehicle finance You directors are sincerely putting efforts to improve profitability and financial strength of the Company and increase shareholders value in future.

8. Clause 32: Cash flow statement pursuant to clause 32 listing agreement is provided alongwith Notes to Accounts.

PUBLIC FIXED DEPOSITS:

The Company has no public deposit as of date and will not accept any deposit without prior approval of the statutory authorities concerned.

PRUDENTIAL NORMS:

The company is consistently complying with all the guidelines issued by the Reserve Bank of India for NBFC's with respect to capital adequacy, asset classification, provisioning and income recognition on non-performing assets.

The capital adequacy of the Company as on 31st March, 2005 is much higher than the minimum norms stipulated by the RBI for NBFC.

DIRECTORS:

In accordance with the Articles of Association Shri Mukund H. Doshi who retires by rotation is eligible for the reappointment. Members are requested to reappoint him.

The Board recommended the appointment of Shri Govind L. Keswani as director Members are requested to appoint him.

The Board recommended the appointment of Shri N. M. Rampuria as director Members are requested to appoint him.

The Board of Directors shall be broad based by inclusion of independent Directors from various fields in due course.

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ShalibhadRA
FINANCE LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

1) That in the preparation of the annual accounts for the financial year ended 31st March, 2005, the applicable accounting standards have been followed;
2) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2005 and of the profit of the Company for that period.
3) 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;
4) That the annual accounts for the financial year ended 31st March, 2005 are prepared on a 'going concern' basis.

PARTICULARS OF EMPLOYEES :

The company has not paid remuneration attracting the Provisions of Sec. 217 (2A) of the Companies Act, 1956.

PARTICULARS UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 :

Additional information required under the provisions of the above section read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, regarding conservation of Energy, Technology Absorption are not applicable as the company is not carrying out any manufacturing operation.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

During the year under review, the company has neither earned any foreign exchange nor incurred any expenses.

AUDITORS :

M/s. Keswani & Keswani Chartered Accountants resigned as auditors during the year under review. The Board appointed M/s K.S.Sangavi & Co. Chartered Accountants as auditors till the Annual General Meeting

M/s. K. S. Sangavi & Co. Chartered Accountants retiring Auditors of the Company, retires at the ensuing Annual General Meeting of the Company and are eligible for re-appointment. Members are requested to appoint the auditors and fix their remuneration.

The remarks given by auditors are suitably answered in the notes to the accounts which is self explanatory.

ACKNOWLEDGMENTS :

Your Directors wishes to place on record their appreciation to all the employees for their hard work, dedication, commitment and rendering impeccable service to every constituent of the company's customer and shareholders.

Place : Mumbai

DATED : 27TH OCTOBER 2005

For And On Behalf Of the Board of Directors.

MAYUR. A. VORA
Chairman

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MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The company has focus in the field of vehicle finance specially two wheeler segment, which is very encouraging due to growth of two wheeler industry.

OPPORTUNITIES AND THREATS

Opportunities

The Company has well located 5 branches with good dealer network and experienced staff. Two and Three wheeler industry continue to look growing at good rate. Company is also engaged in financing of old vehicle which is showing good growth.

Threats

Recovery is causing a major problem. There is lot of competition from other players leading to reduction in rate of interest. The trade risk is unavoidable which one has to bear to avail the opportunities available.

SEGMENT WISE PERFORMANCE

The Company has mainly one reportable business segment namely 'Financial Services', hence no further disclosure is required under Accounting Standard (AS) 17 on segment reporting.

OUTLOOK

The Company expects the growth in vehicle finance. You directors are sincerely putting efforts to improve profitability and financial strength of the Company and increase shareholders value in future. Barring unforeseen circumstances, the management is confident that financial position of the Company would improve further in the near future.

B. Clause 32: Cash flow statement pursuant to clause 32 listing agreement is provided alongwith Notes to Accounts.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate system of Internal Check and control, costing and budgeting.

FINANCIAL PERFORMANCE

During the year the operations have been satisfactory and profitable insofar as the Company has generated revenue of Rs.196.70 Lacs (Previous year Rs.157.50 Lacs) and a profit after tax of Rs. 25.69 Lacs (Previous Year Rs.14.78 Lacs).

MATERIAL DEVELOPMENT IN HUMAN RESOURCES FRONT

The Company has a good team of young persons looking after business.

ENHANCING SHAREHOLDER VALUE

The creation of shareholders value is one of the prime objectives of the management.
The Company is making all efforts to improve the shareholders value.

DISCLAIMER

Statements in this Management Discussion and Analysis describing the Company's objectives, projections and expectations may be "forward looking" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied. Important factors that might materially affect the future performance of the company include the state of the Indian economy, changes in government regulation, tax laws and the state of the financial markets and others factors such as litigation.

MATERIAL CHANGES AFTER THE DATE OF BALANCESHEET

Pursuant to provisions of Section 217(1)(d) of the Companies Act, 1956, there has been no material change and commitment affection the financial position of the Company, which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.

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CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in clause 49 of Listing Agreement as applicable to the company is set out below:

1 COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The company is committed to good corporate governance and has started implementing corporate governance norms as prescribed by SEBI. The Company respects the rights of not only of its Shareholders but also of general public to the information on the performance of the Company and considers it self a trustee of its Shareholders.

2. BOARD OF DIRECTORS:

COMPOSITION AND CATEGORY

Present strength of the Board of Directors is four whose composition is given below

1 Managing Director.
2 Promoter Directors.
3 Non-Executive Director.

ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING

During the financial year ended March 31,2005, Twelve Board Meetings were held on 29th April 2004, 27th May 2004, 24th June 2004, 29th July 2004, 26th August 2004, 23th September 2004, 28th October 2004, 25th November 2004, 30th December 2004, 27th January 2005, 24th February 2005, 31st March 2005

Name of the Director	No. of Board Meetings attended	Attendance at last AGM held on 29th September 2004.
Shri Minesh M. Doshi	12	Present
Shri Mayur A. Vora	10	Present
Shri Mukund H. Doshi	11	Present
Shri Govind L. Keswani	1	Present as Auditor

3. DISCLOSURE REGARDING APPOINTMENT OR REAPPOINTMENT OF DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, and Articles of Association of the Company, Shri Mukund H. Doshi, Director of the Company, retire by rotation at the forthcoming Annual General Meeting and are eligible for reappointment. Shri Mukund H. Doshi offers himself for reappointment. The required details of Shri Mukund H. Doshi are provided in the Notice of the Annual General Meeting.

The Board recommend the appointment of Shri Govind L. Keswani as director. The required details of Shri Govind L. Keswani are provided in the Notice of the Annual General Meeting.

The Board recommend the appointment of Shri N. M. Rampuria as director. The required details of Shri N. M. Rampuria are provided in the Notice of the Annual General Meeting.

4 AUDIT COMMITTEE :

Company has formed Audit Committee comprising 2 Directors of the Company Three meetings were held during the year on 28th October 2004, 27th January 2005 and 31st March 2005 to consider the financial statement and discussion on Internal control system of the Company.

Composition and the name of the members as on 31st March 2005 :

Shri Minesh M. Doshi — Managing Director.
Shri Mukund H. Doshi — Member.

5. REMUNERATION COMMITTEE :

The Company has formed Remuneration Committee. The remuneration committee comprises of three Directors.

Composition and the name of the members as on 31st March 2005:

Shri Mayur A. Vora — Chairman
Shri Mukund H. Doshi — Member

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6. SHAREHOLDERS COMMITTEE :

NAME OF DIRECTORS, NO.OF COMPLAINTS, NO. OF COMPLAINTS NOT SATISFIED, NO. OF PENDING SHARE TRANSFER.

The Company's Shareholders Committee looks after share transfer as well as takes care of Investors Grievances. Members of the Committee are:

Shri Mayur A. Vora

Shri Mukund H. Doshi

Company has attended the Investors Grievances / Correspondence promptly. There is no pending complaint as on 31st March 2005. There is no outstanding request for Share Transfer and dematerialisation as on 31st March 2005.

7. GENERAL BODY MEETINGS :

The last three Annual General Meeting of the Company were held as under:

Financial Year	Date	Time	Venue
2001-2002	26th September 2002	3.30 p.m.	Administrative Office
2002-2003	29th September 2003	3.30 p.m.	Administrative Office
2003-2004	29th September 2004	3.30 p.m.	Administrative Office

During the period under report the Company has not an Extra Ordinary General Meeting

8. DISCLOSURES :

SEBI has initiated penalty proceedings against the company for late filing of certain documents. Matter is still under consideration by SEBI.

Other than above Stock Exchange or SEBI has not imposed any fine, penalty or restriction for non-compliance of any matters relating to capital market during last three years.

9. MEANS OF COMMUNICATION :

The quarterly and half-yearly results are forthwith communicated to Mumbai Stock Exchange after they are approved and taken on record by Board of the Directors of the Company.

Company's Management Discussion and Analysis for the year ended March 31st 2005 forms a part of and this Annual Report and is given under the section so captioned.

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10. GENERAL SHAREHOLDER INFORMATION :

1. Annual General Meeting : Date and Time : 29th December 2005, 3.30 p.m.
   Venue : Registered office of the Company.

2. Date of Book Closure : 28th December 2005 to 31st December 2005.

3. Listing on Stock Exchange : Shares of the Company are listed on Mumbai Stock Exchange. Annual Listing fees as prescibed have been paid for the calender year 2005

4. Financial Calander :

Financial Reporting for the Year ended March 31,2005	By End of April 2005 (Un audited)
Quarter ending June 30,2004	By End of July 2004
Quarter ending September 30,2004	By End of October 2004
Quarter ending December 31,2004	By End of January 2005
Annual General Meeting for the year Ended March 31,2005	December 29, 2005

5. Stock Code : BSE , Mumbai (Physical) – 11754
   BSE , Mumbai (Demat Segment) – 511754

6. Stock Market Data : The shares are not traded regularly in Stock Exchanges.

7. Share Transfer System:
   Share transfer application received in physical form and demat requests found in order are normally confirmed within reasonable time and posted /informed to the agencies within the requisite time.

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