

# Annual Report 2014-2015



**Shalibhadra**

FINANCE LIMITED

# CORPORATE INFORMATION



## Board of Directors

Shri Mukund Doshi	Chairman
Minesh Doshi	Managing Director
Govind Keswani	Independent Director
Narotanmal Rampuria	Independent Director
Dr. Falguni Doshi	Independent Director

## Registered Office

3, Kamat Industrial Estate,  
Opp. Siddhi Vinayak Temple,  
396, Veer Savarkar Marg,  
Prabhadevi,  
Mumbai 400 025.

Chief Financial officer  
Palak V Patani

## Auditors

M/s. K.S.Sanghvi & Co.  
Chartered Accountants  
(Firm Registration Number: 116714W)

## Bankers

Bank of Maharashtra  
Indian Overseas Bank  
Dena Bank

## Branches

Ahmedabad	Nashik
Anand	Navsari
Bardoli	Rajpipla
Bharuch	Satara
Boisar	Shahpur
Dabhoi	Surat
Himmatnagar	Surgana
Jalgaon	Vadodara
Mehsana	Valsad
Nadiad	Vapi
Nandurbar	

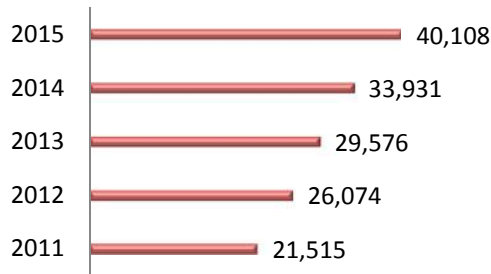
## Share Transfer Service

3, Kamat Industrial Estate,  
Opp. Siddhi Vinayak Temple,  
396, Veer Savarkar Marg,  
Prabhadevi,  
Mumbai 400 025.

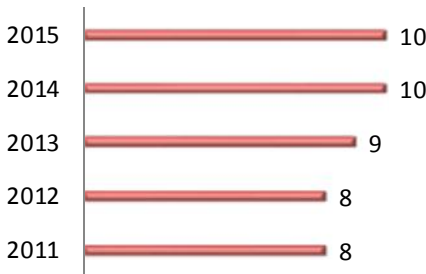
# KEY PERFORMANCE INDICATORS



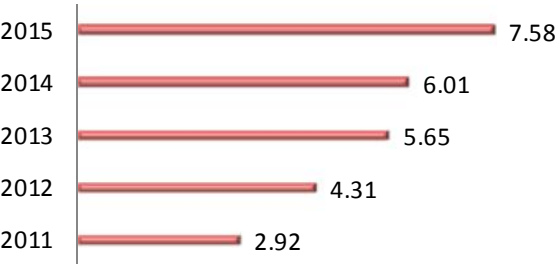
## Number of Live Customers



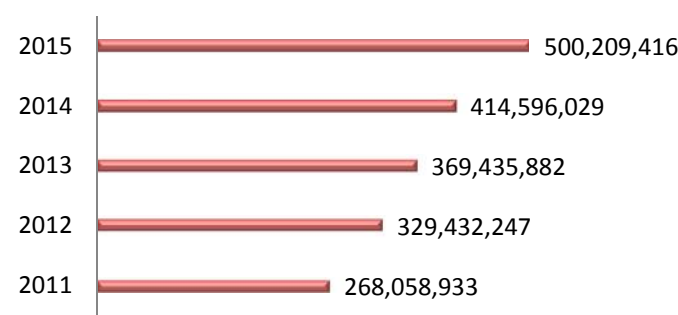
## Dividend %



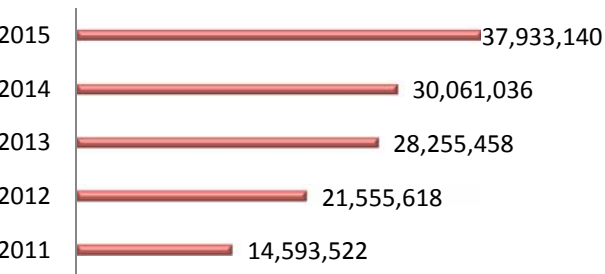
## EPS



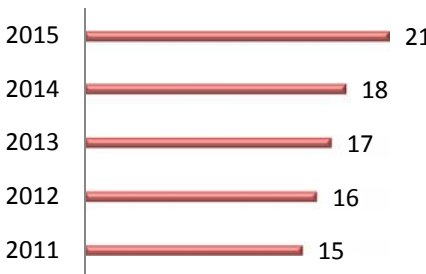
## Total Assets



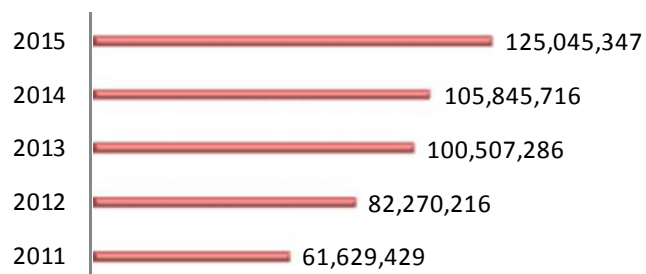
## Net Profit After Tax



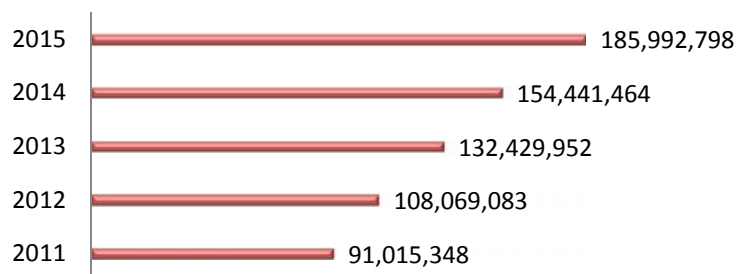
## Geographical Presence (Branches)



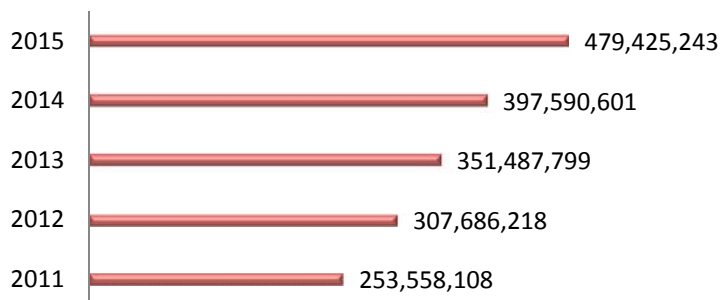
## Total Income



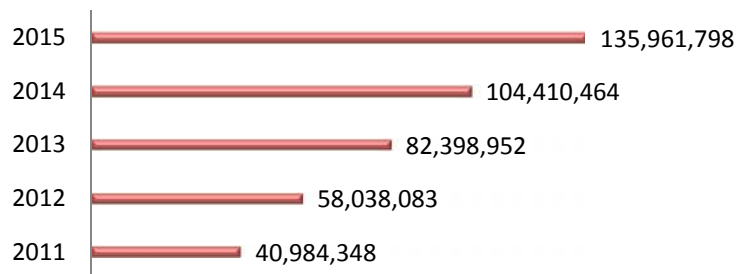
## Net Worth



## Asset Under Management



## Reserves & Surplus







**Return on Average Net  
Worth as on 31.03.15**

**22.29%**

---

**Gross Interest Spread(%)  
as on 31.03.2015**

**14.5%**

---

**Total Income/Average  
Assets as on 31.03.15**

**27.34%**

---

**Expense to Portfolio  
Ratio in 2014-15**

**8.19%**

---

---

**% Growth in Total  
Income in 2014-15**

**18.14%**

---

**Cost to Income Ratio as  
on 31.03.2015**

**28.73%**

---



# INSIDE...



## Corporate Overview

01	Corporate Information
02	Key Performance Indicators
06	Summary of Results

## Statutory Reports

07	Directors' Report
12	Secretarial Audit Report
14	Extract of Annual Report
21	Corporate Governance Report
26	Certificate on Corporate Governance
27	Management Discussion & Analysis

## Financial Statements

29	Independent Auditors Report
33	Balance Sheet
34	Statement of Profit & Loss
35	Cash Flow Statement
38	Significant Accounting Policies
41	Notes on Financial Statements
47	Schedule XIX

## Shareholders Information

50	Notice of Annual General Meeting
52	Proxy Form
53	Attendance Slip

# SUMMARY OF RESULTS



Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Assets Financed	479,425,243	397,590,601	351,487,799	307,686,218	253,558,108
Number of live contracts	40,108	33,931	29,576	26,074	21,515
Total Assets	500,209,416	414,596,029	369,435,882	329,432,247	268,058,933
Total Income	125,045,347	105,845,716	100,507,286	82,270,216	61,629,429
Profit before depreciation and tax	59,212,850	48,509,083	46,778,076	34,809,307	26,145,015
Depreciation	560,857	613,315	594,225	557,689	501,055
Profit Before Tax (PBT)	58,651,993	47,895,768	44,783,851	34,101,618	23,905,522
Profit After Tax (PAT)	37,933,140	30,061,036	28,255,458	21,555,618	14,593,522
Dividend %	10	10	9	8	8
Equity Share Capital	50,031,000	50,031,000	50,031,000	50,031,000	50,031,000
Reserves & Surplus	135,961,798	104,410,464	82,398,952	58,038,083	40,984,348
Net Worth	185,992,798	154,441,464	132,429,952	108,069,083	91,015,348
Geographical presence/Branches	21	18	17	16	15
Earnings Per Share (EPS)	7.58	6.01	5.65	4.31	2.92

## DIRECTOR'S REPORT

Dear Members,

Your directors are delighted to present the 24<sup>th</sup> Annual Report and the Audited financial statements of the company for the year ended March 31, 2015.

### Financial Results:

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

Particulars	Rs. in '000	
	2014 - 2015	2013- 2014
Business Income	1,25,045	1,05,845
<b>Profit before Interest, Depreciation &amp; Tax</b>	<b>89,686</b>	75,953
Less: Interest	30,473	27,444
Depreciation	561	613
<b>Profit before tax</b>	<b>58,652</b>	47,896
Less: Provision for Income Tax	20,672	17,800
Provision for Deferred Tax	47	35
<b>Profit after tax</b>	<b>37,933</b>	30,061
Add: Balance brought forward from Previous Year	48,205	32,994
	<b>86,138</b>	63,055
<b>Less: Appropriations</b>		
Proposed Dividend	5,003	5,003
Distribution Tax	1024	847
Transfer to/(from) General Reserve	5,000	3,000
Transfer to Special Reserve	8,000	6,000
<b>Balance carried to Balance Sheet</b>	<b>67,111</b>	48,205

### Dividend:

Your Directors have recommended a dividend of 10% (i.e. Rs 1.00 per equity share) for the financial year ended March 31, 2015 (last year Re. 1.00 per equity share).

### Finance:

Company wants to raise fund Rs. 5 corers from banks/financial institutions during FY 2015-16.

### Corporate Governance & Compliance Certificate:

A separate section on Corporate Governance is included in the Annual Report and the certificate from company secretary 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:

Outlook & Prospect look very encouraging due to increase sale of new two wheelers. Company has also started financing consumer durables where response is encouraging.

Cash flow statement pursuant to clause 32 listing agreement is provided along with 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.



**RBI Guidelines:**

The Company is consistently complying with all the guidelines issued by the Reserve Bank of India for NBFC's (AFC'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, 2015 is much higher than the minimum norms stipulated by the RBI for NBFC (AFC's).

**Accounts & Accounting Standards:**

The Company adheres to the prudential guidelines prescribed by the Reserve Bank of India and to the Accounting Standards issued by the Institute of Chartered Accountant of India in preparation of its financial statements.

The particulars on the related party exposures, non-performing assets and business levels in vehicle loans purchase and other activities, required to be disclosed in the format prescribed by the Reserve Bank of India are contained in the schedules forming part of the accounts.

**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.

**Declaration by independent directors:**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

**Independent directors meeting:**

During the year under review, the independent Directors of the Company met on January 15, 2015 inter-alia, to discuss:

- a) Evaluation of performance of Non-Independent Directors and the Board of Directors of the Company as a whole.
- b) Evaluation of performance of the Chairman of the Company, taking into views of Executive and Non Executive Directors.
- c) Evaluation of the quantity, content and timelines of flow of information between the Management and the board that is necessary for the Board to effectively and reasonably perform its duties.

**Induction and training of the board members:**

Directors are issued a detailed appointment letter which inter alia sets out terms of appointment, duties, responsibilities etc. of such director. Each independent director of the Company on appointment is given such letter of appointment and also briefed by the Managing Director/ Executive Director about the nature of business of the Company, its finances, operations etc. The Compliance Officer of the company also assists the Independent Director in understanding their statutory duties, obligations and responsibilities as a Director/ Independent Director of the Company.

**Evaluation of performance of the board members:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the evaluation of the performance of the Board as well as of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee has been carried out. The performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

**Subsidiary companies:**

The Company does not have any Subsidiary.

**Risk management:**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the company has constituted a business risk management committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Board's report. At present the company has not identified any element of risk which may threaten the existence of the company.

**Significant and material orders passed by regulators/courts if any:**

There are no significant or material orders passed by the Regulators / courts which would impact the going concern status of the Company and its operations.

**Disclosure under the sexual harassment of women at workplace (prevention, prohibition and redressal) Act, 2013:**

The company has in place an Anti Harassment policy in line with the requirements of The sexual harassment of women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, company has not received any Sexual Harassment Complaints.

**Shares:**

- a) The Company has not bought back any of its securities during the year under review.
- b) The Company has not issued any Sweat Equity Shares during the year under review.
- c) No Bonus Shares were issued during the year under review.

**Employees Stock Option Plan:**

The Company has not provided any Stock Option Scheme to the employees.

**Directors' Responsibility Statement:**

Your Directors state that:

- a) In the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) The Directors have selected such accounting policies and applied them consistently and made judgements 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 at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a 'going concern' basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**Material Changes after the date of Balance Sheet:**

There has been no material change and commitment affecting 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.

**Management's discussion and analysis report:**

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.