

# TILAK FINANCE LTD

30<sup>th</sup> ANNUAL REPORT  
F.Y.2010-11

**30<sup>th</sup> ANNUAL REPORT**

**BOARD OF DIRECTORS**

<b>SHRI GIRRAJ KISHOR AGRAWAL</b>	-	Director
<b>SMT TANU GIRRAJ AGARWAL</b>	-	Director
<b>SHRI TUSHAR RAMCHANDRA RANE</b>	-	Director
<b>SHRI PRAVIN VASISHTH</b>	-	Director

**AUDITORS :**

**M/S PRAVEEN CHANDAK & ASSOCIATES,**  
403, NEW SWAPANALOK CHS LTD,  
NATAKWALA LANE,  
BORIVALI(W),  
MUMBAI-400092

**REGISTERED OFFICE :**

E/109, CRYSTAL PLAZA,  
NEW LINK ROAD, ANDHERI (WEST),  
MUMBAI : 400053.

**REGISTAR & TRANSFER AGENT**

SHAREX DYNAMIC (INDIA ) PVT LIMITED  
UNIT NO 1 LUTHARA IND PREMISES  
SAFED POOL, ANDHERI KURLA ROAD,  
ANDHERI EAST, MUMBAI 400 072.

**WEBSITE :**

[www.tilakfinance.com](http://www.tilakfinance.com)

### NOTICE

Notice is hereby given that the **30<sup>th</sup>** Annual General Meeting of the Members of **TILAK FINANCE LIMITED** will be held on 17<sup>th</sup> August 2011 at **03:30 P.M** at the Registered Office at E-109 Crystal Plaza, New Link Road, Andheri West, Mumbai 400053 to transact the following business.

#### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2011, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint Mr. Girraj Kishor Agrawal as Director of the company, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint auditor and to fix his remuneration in consultation with the board.

#### SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT Mr. Tushar Rane, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT Mr. Pravin Vasishth, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

6. 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 Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) and the provisions of Article 12 of the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, (a) each of the 1,22,20,000 equity shares of the nominal value of Rs.10/- each in the authorised share capital of the Company be sub-divided into 12,22,00,000 equity shares of Rs. 1/- each AND THAT Clause V (being Capital Clause) of the Memorandum of Association of the Company relating to equity shares be altered accordingly.

RESOLVED FURTHER that the Board of Directors of the Company (“the Board”, which expression shall also include a Committee thereof) be and they are hereby authorised to issue new share certificates representing the sub-divided equity shares with new distinctive numbers, consequent to the sub-division of shares as aforesaid and /or credit the shareholders’ accounts maintained with the Depositories, subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960, and the Articles of Association of the Company and to inform the Depositories and the Registrar and Transfer Agents of the Company and execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board, to any Committee thereof or to any Director(s) or Company Secretary, to give effect to the aforesaid resolution.”

#### REGISTERED OFFICE

At E-109 Crystal Plaza,  
New Link Road, Andheri (W),  
Mumbai - 400 053,

#### BY ORDER OF THE BOARD

Sd/-  
**Girraj Kishor Agrawal**  
Chairman

DATED : 15/ 07/2011

**NOTES**

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 2) The Register of Members and the Transfer Book of the Company will remain closed from 01/08/2011 to 02/08/2011 (both days inclusive.)
- 3) Members / Proxies should bring attendance slip duly filled in for attending the meeting. Members are also requested to bring their copies of Annual Report.
- 4) Members are requested to notify immediately any change in their address details to the Company's Registrar and share transfer agents for shares held in demat / physical form at Sharex Dynamic Private Limited, Luthra Industrial Premises, Unit No. 1, Safed Pool, Andheri (E), Mumbai - 400 072
- 5) Printed copies of the Balance Sheet, Profit and Loss Account, Director's Report, the Auditor's Report and every other documents required by the law to be annexed or attached to the Balance Sheet for the period ended 31st March, 2011 are enclosed herewith.
- 6) Members seeking any information with regard to accounts are requested to write to the company at least one week in advance so as to enable the management to keep the information ready.
- 7) Proxies in order to be effective must be deposited duly stamped and signed at the Registered Office of the Company not less than 48 hours before the meeting.
- 8) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is enclosed and forms part of the Notice.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES, 1956.****Item Nos. 4**

Mr. Tushar Rane have been appointed as Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 read with Articles of Association of the Company with effect from 11/11/2010. The terms of the directors expire at the ensuing Annual General Meeting of the Company. The Company has received notice from the member proposing to appoint Mr. Tushar Rane as Director of the Company.

None of the Directors of the Company are interested in passing the resolution, except Mr. Tushar Rane to the extent of his appointment as Director of the Company.

**Item Nos. 5**

Mr. Pravin Vasishth have been appointed as Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 read with Articles of Association of the Company with effect from 15/07/2011. The terms of the directors expire at the ensuing Annual General Meeting of the Company. The Company has received notice from the member proposing to appoint Mr. Pravin Vasishth as Director of the Company.

None of the Directors of the Company are interested in passing the resolution, except Ms Saloni Girraj Agrawal to the extent of his appointment as Director of the Company.

**Item Nos. 6**

The shareholders to note that the equity shares of your Company are listed on the Stock Exchange, Mumbai (BSE). The shares are actively traded on BSE.

The market price of the shares of the Company has witnessed significant spurt over the last 6 months. In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of Directors of the Company ('the Board') at their meeting held on 15/07/2011, considered it desirable to sub-divide the nominal value of the equity portion of the authorised share capital of the Company.

## Annual Report 2010-2011

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The shareholders may please note that presently the nominal value of the equity shares is Rs.10/- each and consequent to the sub-division it is being divided into 10 (Ten ) equity shares of Rs. 1/- each. The date on which this sub-division would become effective, will be decided by the Board after obtaining the shareholders' approval, which will be notified through the Stock Exchanges.

Shareholders attention is also invited to the fact that in view of the foregoing, the existing Capital Clause V in the Memorandum of Association of the Company relating to equity shares also need relevant amendment to give effect to the sub-division.

The Directors of the Company are deemed to be concerned or interested in the resolution only to the extent of shares held by them in the Company.

**REGISTERED OFFICE**

At E-109 Crystal Plaza,  
New Link Road, Andheri (W),  
Mumbai - 400 053,

DATED : 15/ 07/2011

**BY ORDER OF THE BOARD**

Sd/-  
**Girraj Kishor Agrawal**  
Chairman

**Details of the Directors seeking appointment / re-appointment at the forthcoming  
Annual General Meeting.  
( In pursuance of Clause 49 (vi) (A) of the Listing agreement.)**

**Director seeking re-appointment**

Name of the Director.	Shri Tushar Rane
Date of Birth.	01/05/1980
Date of Appointment.	11/11/2010
Expertise in any specific functional Area.	NIL
Qualification	B.A.
Directorships held in other companies. (excluding foreign- Companies.)	1) Banas Finance Ltd 2) Rockon Fintech Limited 3) Sarah Construction Private Limited 4) Trask Infrastructure Private Limited 5) Axon Infotech Limited
Committee position held in other Companies.	1) Chairman and Member in Remuneration Committee and Member in Audit and Shareholders Committee of Banas Finance Ltd. 2) Member in Audit, Remuneration and Shareholders Committee of Rockon Fintech Ltd. 3) Member in Audit Committee of Axon Infotech Limited

**Director seeking re-appointment**

Name of the Director.	Shri Pravin Vasishth
Date of Birth.	12/01/1971
Date of Appointment.	15/07/2011
Expertise in any specific functional Area.	NIL
Qualification	B.A.
Directorships held in other companies. (excluding foreign- Companies.)	1) Rockon Fintech Limited 2) Trask Infrastructure Private Limited
Committee position held in other Companies.	1) Chairman and Member in Remuneration Committee and Member in Audit and Shareholders Committee of Rockon Fintech Ltd.

**Director seeking re-appointment**

Name of the Director.	Shri Girraj Kishor Agrawal
Date of Birth.	19/05/1964
Date of Appointment.	23/12/2009
Expertise in any specific functional Area.	NIL
Qualification	Chartered Accountant
Directorships held in other companies. (excluding foreign- Companies.)	1) Banas Finance Ltd 2) Axon Infotech Ltd. 3) Shree Nath Commercial & Finance Ltd. 4) Five X Finance & Investment Ltd. 5) Kayaguru Health Solutions Private Ltd. 6) Kayaguru Insurance Broker Private Ltd. 7) Kayaguru Wellness Private Ltd. 8) Handful Investrade Pvt. Ltd. 9) GSR Techno Consultancy Private Ltd.
Committee position held in other Companies.	1) Member in Audit, Remuneration and Shareholders Grievance Committee in Axon Infotech Ltd.  2) Member in Audit, Remuneration and Shareholders Grievance Committee in Shree Nath Commercial & Finance Ltd.

## BOARD OF DIRECTORS' REPORT

To  
The Members

Your Directors present their 30<sup>th</sup> Annual Report with Audited Statement of Accounts for the year ended on March 31, 2011.

### Financial Results

(Amt. In Lacs)

Particulars	Year Ended 31/03/2011	Year Ended 31/03/2010
Income	790.25	245.56
Profit before Dep. & Int.	37.60	170.84
Depreciation	17.52	3.82
Interest	0.00	0.00
Profit after Depreciation & Interest	20.07	167.02
Provision for Taxation	3.72	47.07
Provison for Tax (deferred)	8.61	8.83
Profit after Tax	7.74	111.12
Net profit/ (Loss)	7.74	111.12
Amount Available for Appropriation	7.74	111.12
Balance carried to Balance Sheet	7.74	111.12

### FINANCIAL HIGHLIGHTS

During the year Company's total sales including other income is Rs 790.25 lacs as compared to Rs. 245.56 lacs in the previous year and thereby registering an increase of 222% as compared to the previous year.

### DIVIDEND

Your Directors decided to plough back the profit and therefore dividend is not declared.

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. Girraj Kishor Agrawal retire by rotation at the ensuing Annual General Meeting, and being eligible offers himself for reappointment.

During the financial year 2010-11, the Board of Directors appointed Mr. Tushar Rane as an Additional Director with effect from 11 November, 2010. Your Directors recommend the appointment of Mr. Tushar Rane as a Director of your Company at the forthcoming Annual General Meeting.

The Board of Directors also appointed Mr. Pravin Vasishth as an Additional Director with effect from 15 July, 2011. Your Directors recommend the appointment of Mr. Pravin Vasishth as a Director of your Company at the forthcoming Annual General Meeting.

### DEPOSITS

Your company has not accepted any deposits within the meaning of Section 58 A of The Companies Act, 1956.

### FOREIGN EXCHANGE

There is no inflow and outflow of Foreign Exchange.

### 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:

That in the preparation of the accounts for the financial year ended 31st March 2011 the applicable accounting standards have been followed, along with proper explanation relating to all material departures.

That they have, in the selection of the accounting policies, consulted the statutory auditors and have 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 financial year and of the profit of the Company for that period.

They have taken proper and sufficient care to the best of their knowledge and ability 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 have prepared the accounts for the financial year ended 31st March 2011 on a going concern basis.

#### **AUDITORS**

M/S. PRAVIN CHANDAK & ASSOCIATES, Chartered Accountants statutory auditors of the Company retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. The Company has received a certificates from them under Section 224(1-B) & 226(3) of the Companies Act, 1956.

#### **AUDITORS REPORT**

Observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

#### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

The particulars under the companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, on conservation of energy and Technology absorption is not applicable

#### **PARTICULARS OF EMPLOYEE**

The information required under section 217(2A) of the Companies Act 1956, read with the Companies (particulars of employees) Rules 1975, forms part of this report - Not applicable.

#### **LISTING OF SHARES**

Equity shares of your Company are listed on Bombay Stock Exchange only and the Company has paid the necessary Listing fees for the year 2010 - 2011.

#### **BONUS SHARES**

Evaluating the good business done by the Company and in order to create long term value for its investors, reward to the public shareholders, the Board of Directors of the Company has approved and recommends, issue and allotment of Bonus shares by capitalization of Reserves and Surplus of the Company.

#### **PREFERENTIAL ALLOTMENT**

During the year Company has issued 1,09,95,000 equity shares at Rs. 10/- each at premium of Rs 5/- on preferential basis to promoters and non promoters.

#### **POSTAL BALLOT**

Postal ballot was conducted by the company for the alteration in Objects Clause of Memorandum of Association.

#### **GREEN INITIATIVE IN CORPORATE GOVERNANCE'**

The ministry of corporate Affairs (vide circular nos.17/2011 and 18/2011 dated April 21 and April 29,2011 respectively), has undertaken 'Green initiative in corporate Governance' and allowed companies to share



documents with its shareholders through an electronic mode. Members are requested to support their green initiative by registering/updating their email addresses, in respect of shares held in dematerialised form with their respective depository participants and in respect of shares held in physical form with TSRDL.

### **CORPORATE GOVERNANCE COMPLIANCE**

As required under the listing agreement with the stock exchange, corporate governance and management discussion and analysis report form part of this Annual Report.

### **ACKNOWLEDGEMENT**

The Board of Directors wishes to express sincere thanks to Bankers, Shareholders, clients, Financial Institutions, customers, sup-pliers and employees of Companies for extending support during the year.

**FOR & ON BEHALF OF THE BOARD**

**Sd/-**

**Girraj Kishor Agrawal**

Chairman

PLACE : MUMBAI

DATED : 15/07/2011

**CORPORATE GOVERNANCE REPORT****A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company believes in transparent dealings and integrity and compliance of rules and regulations. The Company firmly believes that good corporate governance is pre-requisite to meet the stakeholders' requirements and needs. The mandatory requirements of the code of Corporate Governance as per clause 49 of the listing agreement have been implemented by your Company.

**B) BOARD OF DIRECTORS**

The Board of Directors comprises of Mr. Girraj Kishor Agarwal, Mrs. Tanu Girraj Agarwal as Non Executive Director, Mr. Tushar Rane as Independent Non Executive Director and Pravin Vasishth as Independent Non Executive Director

- a) The composition of the Board of Directors and their attendance at the meetings during the period and at the last Annual General Meeting as also number of other directorships, membership of committees are as follows: -

Name of Director	Status	No. of Board meetings Attended	Attendance at last AGM	No. of other Director ships	Committee Membership	
					Member	Chairman
Mr. Girraj Kishor Agarwal	N.E.D	16	Yes	9	9	-
Mrs. Tanu Girraj Agarwal	N.E.D	16	Yes	9	9	-
Mr. Tushar Rane	I.N.E.D	16	No	5	10	4
Mr. Pravin Vasishth	I.N.E.D	Nil	No	1	3	3

N.E.D Non Executive Director

W.T.D Whole Time Director

I.N.E.D Independent Non Executive Director

**Notes:**

During the period ended 31<sup>st</sup> March 2011, 16 Board Meetings were held on the following dates:

12/04/2010, 30/04/2010, 06/05/2010, 20/05/2010, 28/05/2010, 04/06/2010, 15/06/2010, 21/07/2010, 14/08/2010, 17/09/2010, 27/09/2010, 06/10/2010, 07/10/2010, 12/11/2010, 06/01/2011 and 15/02/2011.

**C) AUDIT COMMITTEE**

The Audit Committee comprises of viz Mr. Tushar Rane, one non-executive Independent Director as Chairman of Audit Committee, Mrs. Tanu Girraj Agarwal, Mr. Pravin Vasishth as members of Committee.

The Committee met four times during the period ended 31<sup>st</sup> March 2011.

The terms of reference of the Committee are as per the guidelines set out in Clause 49 of the listing agreement with the Stock Exchanges and section 292A of the Companies Act, 1956 and inter alia it briefly includes review of quarterly and Annual financial statements, the statutory Auditor's Report on the financial statements, Internal audit reports, internal controls, Accounting policies and to generally interact with the Internal Auditors and Statutory Auditors.

**D) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE**

The Committee comprises of Mr. Tushar Rane, Mr. Pravin Vasishth and Mrs. Tanu Girraj Agarwal. The Committee normally meets twice a month to approve transfer of shares and other shares related matters. Mr. Pravin Vasishth is the Chairman of the Committee.