

# **SALORA FINANCE LIMITED**



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**22<sup>ND</sup> ANNUAL REPORT  
2005-2006**

# ***SALORA FINANCE LIMITED***

## **BOARD OF DIRECTORS.**

<b><i>MR.K.K. JIWARAJKA</i></b>	<b><i>- MANAGING DIRECTOR</i></b>
<b><i>MR.S.K. JIWARAJKA</i></b>	<b><i>- DIRECTOR</i></b>
<b><i>MR.M.L. TULSYAN</i></b>	<b><i>- DIRECTOR</i></b>
<b><i>MR. TUSHAR JIWARAJKA</i></b>	<b><i>- DIRECTOR</i></b>

## **AUDITORS**

**M/S K.C. SANGHAVI & COMPANY**

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## **BANKERS**

**CANARA BANK**

## **REGISTERED OFFICE**

**84, MARTHANDA,  
DR. A. B. ROAD,  
WORLI, MUMBAI-40018**

## **CORPORATE OFFICE**

**201, SUMER KENDRA,  
PANDURANG BUDHKAR MARG,  
WORLI, MUMBAI -400018.**

**SALORA FINANCE LIMITED**

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of the Company will be held

at : 84, Marthanda, Dr. A. B. Road, Worli Mumbai - 400 018.

on: Saturday, 30<sup>th</sup> September 2006 at 11.00 a.m.

to transact the following business:

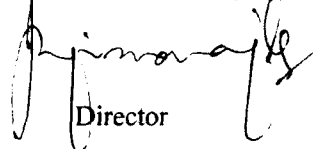
**ORDINARY BUSINESS**

1. To receive, consider & adopt the Audited Balance Sheet as at 31.03.2006 and the Profit & Loss Account for the year ended on that date and the Directors' & Auditors' Reports thereon.
2. To appoint a Director in place of Mr. M. L. Tulsyan who retires by rotation, but being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

**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 AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, September 28, 2006 to Saturday, September 30, 2006 (both days inclusive).
3. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.

**BY ORDER OF THE BOARD**



Director

**REGISTERED OFFICE:**

84, Marthanda,  
Dr. A. B. Road, Worli  
Mumbai- 400 018.

Dated: August 31, 2006

**DIRECTORS' REPORT TO THE MEMBERS –**

Your Directors have pleasure in presenting the 22<sup>nd</sup> Annual Report together with the Audited Accounts for the financial year ended 31<sup>st</sup> March 2006

**Financial Results**

The financial results of the Company for the year ended March 31, 2006 are summarized below:

	<b>Current year 2005-2006</b>	<b>Previous Year 2004-2005 (Rs. in Lacs)</b>
Income from operations and other income	239.51	143.38
Profit before Depreciation & Tax	193.57	98.30
Less: Depreciation	1.32	1.23
Profit/ (Loss) before Tax	192.26	97.08
Less: Provision for Taxation & Deferred Tax	35.05	12.01
Net Profit/ (Loss) after Tax	157.20	85.06
Add: Balance brought forward from last year	146.01	60.94
Balance carried to Balance Sheet	303.21	146.01

**Review of Operations**

A growing economy and a buoyant Capital market helped the Company register good growth in income and profits. During the year under review, the Company continued its focus on fee based advisory services and investment activity. The upswing in Indian Capital Market gave ample opportunity for the company to improve its Profitability.

Income for the year ended 31<sup>st</sup> March 2006 is Rs 239.51 lacs as against the previous year's Rs 143.38 lacs, thereby registering a healthy growth of 67%. Net Profit after tax jumped from Rs 85.06 lacs in the previous year to Rs 157.20 lacs in the current year (increase of 85% over 2004-05 figures).

The economy is expected to grow at over 8% in 2006-07, which augurs well for the Indian Capital Market. The robust capital market being the prime focus of Company's activity a good performance may be anticipated for the year ending 31.03.2007.

**Diversification**

Your Company has decided to tap the lucrative defense market which has been recently opened up by the Govt. in a big way for Private sector Participations towards this end, your Company has acquired IDCL which was Promoted by a team of highly experienced Professionals in this field. Your management believes that this will add significantly to the bottom line in the years to come.

**Dividend**

As the Company is planning substantial expansion of its fund based activities, there arises a need to conserve resources. Therefore no dividend is proposed for the year 2005-06.

**Deposits**

The Company has not accepted any deposits from the public or otherwise as on 31st March 2006

**Directors**

Mr. M. L. Tulsyan, Director of the Company would retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

**Particulars under Section 217(1)(e) of the Companies Act, 1956.**

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption etc. is not given in view of the activities of the Company.

During the year, the foreign exchange earnings were Rs. NIL and outgo was Rs. 11,12,641/-

**Particulars of Employees**

The Company does not have any employees whose particulars are required to be given under the provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975.

**Subsidiary Company**

Integrated Documentation Consultants (Private) Ltd became a subsidiary of the company with effect from 29-08-2005. After it was acquired from the Promoters

The consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standards issued by the Institute of Chartered Accountants of India. The consolidated profit before tax for the year 2005-06 is Rs.1,87,18,532. and the profit after tax is Rs. 1,52,022,92. Since Intergrated Documentation Consultants (Private) Ltd became a subsidiary on 29-08-2005, the comparative figures of the previous year are not given.

The statement under section 212 of the Companies Act, 1956 in respect of subsidiary company also forms part of this report.

**Listing**

The equity shares of the company are listed on the Bombay Stock Exchange Limited. The Company has paid the Annual Listing fees to the Stock Exchange for the year 2006-2007.

**Auditors**

M/s. K. C. Sanghavi & Co., Chartered Accountants, Mumbai would retire at the ensuing Annual General Meeting and they are eligible for re-appointment.

You are requested to appoint Auditors and to fix their remuneration.

**Directors Responsibility Statement**

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The Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) 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 and of the profit or loss of the Company for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts on a going concern basis.

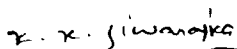
**Compliance Certificate**

A Compliance Certificate from a secretary in whole-time practice under section 383A of the Companies Act, 1956 in respect of the financial year ended on March 31, 2006 is attached hereto.

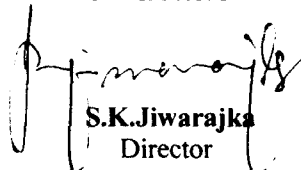
**Acknowledgement**

Your Directors convey their gratitude to the Company's valued Clients, Bankers and Shareholders for their continued support. The Directors also record their appreciation of the Company's employees at all levels for their dedication, commitment and hard work.

**For and on behalf of the Board of Directors**



**K. K. Jiwarajka**  
Managing Director



**S.K. Jiwarajka**  
Director

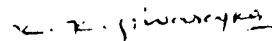
Place: Mumbai

Date : 31<sup>st</sup> August 2006.

Statement pursuant to section 212 of the Companies Act, 1956 relating to subsidiary company

- |  |   |
|--|---|
| 1. Name of the Subsidiary  | Intergrated<br>Documentation<br>Consultants (Private) Ltd<br>31 <sup>st</sup> March, 2006 |
| 2. Financial Year of the Subsidiary ended on   |   |
| 3. Shares of the subsidiary held by the Holding Company on the above date :  |   |
| (a) Number of Shares   | 10,500  |
| Face Value   | Rs 10/-   |
| (b) Extent of holding  | 100%  |
| 4. Net aggregate Profits or Losses for the current financial year since becoming subsidiary so far as concern the Members of the Holding Company, not dealt with or provided for in the Accounts of the Holding Company  | 5,07,256  |
| 5. Net aggregate Profits or Losses for the previous financial year since becoming subsidiary so far as concern the Members of the Holding Company, not dealt with or provided for in the Accounts of the Holding Company | Not Applicable  |
| 6. Net aggregate amounts received as dividends for previous financial years since becoming subsidiary dealt with in the Accounts of the Holding Company in relevant years  | NIL   |

For and on behalf of the Board of Directors



**K. K. Jiwarajka**  
Managing Director



**S.K. Jiwarajka**  
Director

Place: Mumbai

Date : 31<sup>st</sup> August 2006.

# **JIGYASA SINGHI & ASSOCIATES**

Company Secretaries

J-11/18, Jai Mahal Society,  
Bangur Nagar, Goregaon (W)  
Mumbai 400 081  
Tel: (022) 2172 8888  
E-Mail: jys@jys.co.in

Registration No : 11- 33922

Authorised Capital : Rs. 9,00,00,000/-

## Compliance Certificate

To,  
The Members  
**SALORA FINANCE LIMITED**  
84, Marthanda, Dr. A. B. Road,  
Worli, Mumbai 400 018

We have examined the registers, records, books and papers of **SALORA FINANCE LIMITED** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31 2006. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained the registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and the entries therein have been recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time mentioned in the said annexure.
3. The Company being a public limited company, comments that a Private Limited Company has minimum prescribed capital, maximum number of members, invitation to public to subscribe for shares and acceptance of deposits from persons other than its members, directors or their relatives, are not required.
4. The Board of Directors duly met 5 (Five) times on 28.4.2005, 29.7.2005, 22.8.2005, 26.10.2005 and 28.1.2006 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. (No circular resolution was passed.)
5. The Company closed its Register of Members from Wednesday, 28th September, 2005 to Friday 30th September, 2005 for the purpose of Annual General Meeting and had complied with the provisions of Section 164 of the Act.
6. The annual general meeting for the year ended on March 31, 2006 was held on 30.09.2005 after giving notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.





7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and/or persons or firms or companies referred to in the Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company was not required to obtain any approvals from the Board of Directors, members or the previous approval of the Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13.
  - (i) There was no allotment/ transfer/ transmission of securities during the financial year.
  - (ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year. There were no unpaid dividends in the Company.
  - (iv) There are no unpaid dividends, application money due for refund, matured deposits, matured debentures or the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
  - (v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancies during the financial year.
15. The appointment of Managing Director has been made in Compliance with the provisions of section 289 read with Schedule XIII to the Act.
16. The Company has not appointed any sole selling agents during the financial year.



17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/ accepted any deposits including any unsecured loans falling within the purview of Section 88A during the financial year.
24. The Company has not made any borrowings during the financial year.
25. The Company has made loans, advances and investments in other bodies corporate during the financial year.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.

