



# SAVANI FINANCIALS LIMITED

809 A, BROADWAY CENTRE, 2ND FLOOR, DR. AMBEDKAR ROAD,  
DADAR (EAST), MUMBAI - 400 014.

26<sup>th</sup>

Annual Report 2009-2010

## SAVANI FINANCIALS LIMITED

BOARD OF DIRECTORS	MR. NAYANT M. SAVANI Chairman MR. RASIKLAL V. SAVANI MR. SAMIR R. MEHTA MR. MANOJ R. SHAH
AUDITORS	P. P. BHANDARI AND COMPANY <i>Chartered Accountant</i>
BANKERS	BANK OF INDIA
REGISTERED OFFICE	809A BROADWAY CENTRE, 2ND FLOOR, DR. AMBEDKAR ROAD, DADAR, (EAST) MUMBAI – 400 014.
REGISTRAR AND SHARE TRANSFER AGENT	BIGSHARE SERVICES PRIVATE LIMITED E-2/3, ANSA INDUSTRIAL ESTATE, SAKI VIHAR ROAD, ANDHERI (E), MUMBAI – 400 072.

## NOTICE

NOTICE is hereby given that the TWENTY SIXTH ANNUAL GENERAL MEETING of the Members of Savani Financials Limited will be held at 11.30 a.m. on Monday, 27<sup>th</sup> September, 2010 at the Registered Office of the Company, 809 A, Broadway Centre, 2nd Floor, Dr. Ambedkar Road, Dadar (East) Mumbai 400 014 to transact the following business :

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of **Shri Rasiklal V. Savani**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### NOTES :

- a. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxy, in order to be effective, must be duly filled, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- b. The Register of Members and the Share Transfer Books of the Company will be closed from 18<sup>th</sup> September, 2010 to 27<sup>th</sup> September, 2010 (both days inclusive).
- c. The equity shares of the company are listed on – The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 and The Stock Exchange – Ahmedabad, Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ahmedabad – 380 015. The Company has paid the annual listing fees of the both Stock Exchanges up to the financial year 2010-2011.
- d. Shareholders may avail of the facility for making nomination in respect of the shares held by them. All rights of transfer and / or to amounts payable in respect of the shares shall vest in the nominee in the event of death of the shareholder. The minor may be a nominee provided that the name of the guardian is mentioned in the nomination form. The facility of nomination is available only to individual shareholders.
- e. Members are requested to notify any changes in their address to the Company's Registrar and Transfer Agent.
- f. Members are requested to bring their copies of the Annual Report to the meeting.

By Order of the Board  
For Savani Financials Limited

**Nayant M. Savani**  
Chairman

Date: 29<sup>th</sup> May 2010  
Registered Office:  
809 A, Broadway Centre, 2<sup>nd</sup> Floor  
Dr. Ambedkar Rd., Dadar (East)  
Mumbai 400 014.

**DIRECTORS' REPORT**

The Members

**SAVANI FINANCIALS LIMITED**

1. Your Directors herewith presents the Twenty Sixth Annual Report of our Company together with the Audited Accounts for the financial year 2009 – 2010.

**2. FINANCIAL RESULTS**

	Year ended 31 <sup>st</sup> March, 2010	(Rs. in lacs) Year ended 31 <sup>st</sup> March, 2009
Gross Profit/(Loss) after interest but before bad debts, prudential provisions, depreciation, taxation	4.31	(0.19)
Less : Prudential Provisions (as per RBI Guidelines)	-	0.21
Bad Debts	-	1.25
Depreciation	0.14	0.14
Net Profit / (Loss) before tax	4.17	1.79
Add / (Less) : Income Tax refunds of earlier years	14.87	-
Net Profit/(Loss)	19.04	(1.79)
Add : Balance brought forward	(629.04)	(627.25)
Balance Carried Forward	(610.00)	(629.04)

**3. TRANSFER TO RESERVES**

In view of the inadequate profits for the year under review, there are no transfers to the Reserves.

**4. DIVIDEND**

In view of accumulated losses your Directors are unable to recommend a dividend for the year ended 31<sup>st</sup> March, 2010.

**5. OPERATIONS**

During the year, the Company continued with thrust on recoveries, cost efficiency, and loss monitoring and recovered Rs.14.87 lacs towards refunds of income tax of earlier years. The Company has registered net profit after tax of Rs.19.04 lacs as against net loss of 1.79 lacs in the previous year. The management is looking for the opportunity in the sectors to identify the niche segments in which the Company can look for the better business possibility. The management is also exploring possibility of identifying new business opportunity to augment its resources.

**6. DEPOSITS**

Your Company has not invited or accepted any deposits from the public during the year under review.

**7. SUBSIDIARY COMPANIES**

The Company does not have a subsidiary. Hence the provisions of Section 212 of the Companies Act, 1956 are not applicable to the Company for the year under review.

**8. SECRETARIAL COMPLIANCE REPORT**

Secretarial Compliance Report pursuant to the provisions of Section 383A (1) issued by a Company Secretary in whole-time practice is enclosed herewith.

**9. DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000, it is hereby confirmed :

- (i) That in preparation of the Annual Accounts, the applicable Accounting Standards have been followed to the extent applicable to the Company's operations with proper explanations relating to material departures, if any.
- (ii) 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 at the end of the financial year and of the profit or loss of the Company for that year.
- (iii) 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.
- (iv) That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2010 on a going concern basis.

**10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO**

The provisions relating to the disclosure of particulars relating to conservation of energy and technology absorption do not apply to your Company since it is engaged in the business of financial services. The Company had no foreign exchange earnings and outgo during the year.

**11. RESPONSE OF THE DIRECTORS TO THE REMARKS MADE IN THE AUDITORS REPORT**

With regard to point no. vii to the Auditors report, the Directors wish to state that internal control procedures are adequate considering the size and nature of its business.

**12. PARTICULARS OF EMPLOYEES**

The Company has no employees during the Current Financial Year.

**13. DIRECTORS**

Shri Rasiklal V. Savani retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

**14. CORPORATE GOVERNANCE**

A Separate report on Corporate Governance along with the Auditors certificate of its compliance is given in a separate annexure.

**AUDITORS**

M/s. P. P. Bhandari and Company, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for reappointment. The Auditors comments are duly explained in the Notes on Account and do not call for any further comments.

**16. ACKNOWLEDGMENT**

Your Company is grateful to the Bankers for their co-operation and assistance and the customers for their patronage.

For and on behalf of the Board

Place : Mumbai  
Date : 29<sup>th</sup> May, 2010

**Nayant M. Savani**  
Chairman



**REPORT ON CORPORATE GOVERNANCE  
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)**

**A. Company's Philosophy on code of Governance :**

The Company's philosophy is to conduct its affairs in a manner, which is transparent, clear and evident to those having dealing with or having stake in the Company, namely shareholders, lenders, creditors and employees. The Company's philosophy on Corporate Governance is thus concerned with the ethics and the values of the Company and its Directors who are expected to act in the best interest of the Company and remain accountable to shareholders and other beneficiaries for their action.

**B. Board of Directors:**

(i) The Board of Directors of the Company comprises of 4 Directors with optimum combination of non-executive and independent directors. The Board met 8 times during the year on various dates and the nature of the directorship of all the Directors are as follows:

NAME OF DIRECTOR	CATEGORY
Mr. Nayant M. Savani	Non-Executive Director and Chairman
Mr. Rasiklal V. Savani	Non-Executive Director
Mr. Manoj R. Shah	Independent Non-Executive Director
Mr. Samir R. Mehta	Independent Non-Executive Director / Professional Director

**(ii) Board Meetings:**

The Board of Directors met 8 times during the financial year on 30.04.2009, 29.06.2009, 31.07.2009, 25.08.2009, 29.10.2009, 25.11.2009, 27.01.2009, 24.02.2010.

**(iii) Attendance of Directors:**

Name of Director	Number of Board Meeting Attended	Attendance at Last AGM held on 29 <sup>th</sup> September 2009.
Mr. Nayant M. Savani	8	Present
Mr. Samir R. Mehta	8	Present
Mr. Rasiklal V. Savani	1	Absent
Mr. Manoj R. Shah	4	Present

The Board of Directors of the Company has optimum combination of non-executive and independent directors. Except Mr. Nayant M. Savani and Mr. Rasiklal V. Savani, all the directors are non-executive independent directors. The Directors of the Company also hold directorship in other Companies details of which are given below :

Name of Director	Number of Directorship Held		Number of Committees of Board	
	Listed Companies	Other Companies (Including Pvt. Ltd.)	Membership	Chairmanship
Mr. Nayant M. Savani	1	5	2	1
Mr. Rasiklal V. Savani	1	2	1	—
Mr. Manoj R. Shah	1	1	1	—
Mr. Samir R. Mehta	1	3	2	1

**DISCLOSURE PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT :**

**DETAILS OF DIRECTORS BEING RE-APPOINTED AT THE ENSUING ANNUAL GENERAL MEETING :**

Name of Director	Mr. Rasiklal V. Savani
Date of Birth	24/10/1938
Date of Appointment	21/12/1983
Qualifications	S.S.C.
Nature of expertise in specific functional areas	Mr. Rasiklal V. Savani is a director of the company since incorporation. He has over 40 years of experience in the management of the groups transport business and is instrumental consolidating the transport business in South India.
Names of Companies in which he is a Director	Savani Transport Prvate Limited Savani Carrying Prvate Limited
Committees in which he is a member	Share transfer cum share holders Grievances Committee - Savani Financial Ltd.

**C. AUDIT COMMITTEE:**

The role of Audit Committee encompasses accounting matters, financial reporting and internal controls. The terms of reference of Audit committee are primarily to review accounting policies and of practices, systems and procedures of internal control, ensure compliances of accounting standards and regulatory guidelines., appointment /removal of auditors and fixing their remuneration. Review pending litigations, observations / Comments of the statutory auditors. Review and held discussions with statutory auditors on their observations and critical issues put forth by them. The Audit Committee met 8 times during the financial year on 30.04.2009, 29.06.2009, 31.07.2009, 25.08.2009, 29.10.2009, 25.11.2009, 27.01.2010 and 24.02.2010. The composition of Audit Committee is as follows :

Name	Designation meeting attended	Number of committee
Mr. Samir R. Mehta	Chairman – Non-Executive Independent Director	8
Mr. Nayant M. Savani	Member – Non-Executive Director	8
Mr. Manoj R. Shah	Member – Non-Executive Independent Director	4

The Audit Committee discussed the Company's unaudited quarterly results before it was placed before the Board of directors and also had overview of the Company's financial reporting process.

**D. SHAREHOLDERS GRIEVANCE COMMITTEE:**

The Shareholders Grievance cum Share Transfer Committee met 24 times during the year. The constitution of which is as under:

Name	Designation
Mr. Nayant M. Savani	Chairman
Mr. R. V. Savani	Member
Mr. Samir R. Mehta	Member
Mr. R. P. Shah	Invitee Member

Function: To deal with share transfer and dematerialization and handling shareholder complaints of all kinds. Mr. R. P. Shah, Invitee member of the Company has been designated as a Compliance Officer and he acts as invitee member of the Shareholders Grievance Committee cum Share Transfer Committee. During the year, the Company received 6(Six) complaints from shareholders and has resolved the same to the satisfaction of the shareholders. The Company has no unresolved complaints from any shareholders at the close of financial year and there is no request pending for any transfer as on date.

**TWENTY SIXTH ANNUAL REPORT 2009-2010**

**E. GENERAL BODY MEETINGS:**

Details of Annual General Meeting held during last three years :

Year	Venue	Date	Time
2008-09	Broadway Center, 2nd Floor, Dadar (East), Dr. Ambedkar Road, Mumbai - 400 014.	September 29,2009	11.30 a. m.
2007-08	Broadway Center, 2nd Floor, Dadar (East), Dr. Ambedkar Road, Mumbai - 400 014.	September 29,2008	11.30 a. m.
2006-07	Broadway Center, 2nd Floor, Dadar (East), Dr. Ambedkar Road, Mumbai - 400 014.	September 29,2007	11.00 a. m.

There are no special resolutions passed at the last 3 Annual General Meetings and no resolution passed by postal ballot.

**F. DISCLOSURE:**

1. None of the transactions with any of the related parties were in conflict with the interest of the Company.
2. The Company has complied with all the provisions of various Corporate Acts, any rules and regulations made thereunder, including the various clauses of Standard Listing Agreement and hence no details of non-compliance by the company, penalties, restrictions imposed on the company by stock exchanges or Securities & Exchange Board of India, or any statutory authority, on any matter related to capital markets, during the last three years, requires to be reported.
3. It is hereby affirmed that no personnel has been denied access to the audit committee.
4. Disclosure of accounting treatment if different from that prescribed in Accounting standards with explanation. The company has duly complied with all the Accounting Standard with proper explanatory statement for deviation, if any.

**G. MEANS OF COMMUNICATIONS:**

The Financial results of the Company are published in One English (Free Press Journal) and One Marathi Newspaper (Navshakti). The Company do not send half yearly / quarterly result to household of the shareholders by means other than News paper publication. The Company has not made any presentation to Institutional Investor or to analysts.

The Management Discussion and Analysis Report is annexed.

**H. CODE OF CONDUCT:**

The Company has framed a specific code of conduct for the members of the Board of Directors, Pursuant to clause 49 of the listing agreement with Stock Exchanges.



**I. GENERAL SHAREHOLDER INFORMATION:**

<p><b>1 Annual General Meeting</b> Schedule Venue</p>	<p>: 27<sup>th</sup> September, 2010 at 11.30 A.M. 809 A , Broadway Center, 2nd Floor, Dr. Ambedkar Road, Dadar (East), Mumbai - 400 014</p>
<p><b>2 Financial Calendar</b></p>	<p>: Annual General Meeting Results for quarter ending June 30 2010, last week of July, 2010 Results for quarter ending September 30 2010, last week of October 2010 Results for quarter ending December 31 2010, last week of January 2011 Results for year ending March 31 2011, On or before 31<sup>st</sup> May 2011</p>
<p><b>3 Book Closure Date</b></p>	<p>: 18<sup>th</sup> September to 27<sup>th</sup> September , 2010 (both the days inclusive)</p>
<p><b>4 Dividend payment date</b></p>	<p>: No Dividend Recommended.</p>
<p><b>5 Listing of equity shares on stock exchanges at</b></p>	<p>: (1) The Mumbai Stock Exchange (2) The Stock Exchange, Ahmedabad</p>
<p><b>6 Stock Code</b></p>	<p>: 511577 at Mumbai Stock Exchange 52068 at Ahmedabad Stock Exchange</p>
<p><b>7 Demat ISIN Numbers in NSDL &amp; CDSL for equity shares</b></p>	<p>: ISIN No. INE 304E01010</p>
<p><b>8 Registrar &amp; Transfer Agent</b></p>	<p>: Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri(E), Mumbai – 400 072</p>
<p><b>9 Share Transfer System</b></p>	<p>: At present, the transfer of shares are effected (if in physical form) within 12 to 15 days from the date of the receipt of the instrument effecting the transfer, subject to the instrument is valid and complete in all respect. However, the Company has offered the facility of transfer cum Demat. Under this system, after the transfer is being effected, an option letter is sent to the transferee indicating the details of the transferred shares and requesting him, if he wishes, to hold such shares in electronic form (Demat). If he wants his shares to be demated, he has to approach his Depository Participant (DP) with the option letter. The DP, based on the option letter, generates a demat request and send the same to the company along with the option letter issued by the company. On receipt of the same, the company dematerialises the shares. In case the transferee does not want the shares in electronic form, he need not exercise the option and the company will dispatch the share certificates after 30 days from the date of such option letter.</p>

TWENTY SIXTH ANNUAL REPORT 2009-2010

10	<b>Distribution of shareholding as on March 31, 2010</b>	:	As per Annexure "A" and Annexure "B" given below
11	<b>Dematerialisation of Shares</b>	:	Over 46.82% of the paid up shares has been dematerialised upto March 31, 2010. Trading in Equity shares of the Company is permitted in dematerialised form w.e.f. October 02,2001 as per notification issued by the Securities and Exchange Board of India. In order to facilitate dematerialisation, the Company has assigned dematerialisation work to M/s. Big Share Services Pvt. Ltd., SEBI Registered, Registrar and Transfer Agent having a connectivity with N.S.D.L./ C.D.S.L.The Company does not have outstanding GDRS / ADRS / Warrants or any Convertible instruments.
12	<b>(i) Correspondence (for dematerialisation/ transfer of shares, payment of dividend on shares, and any other query relating to the shares of the Company)</b>	:	<b>For Shares held in physical and dematerialised form</b> Mr. Srinivas S. Dornal, Bigshare Services Private Limited E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E.), Mumbai – 400 072 <b>AND Savani Financials Limited</b> 809 A, Broadway Shopping Center, 2 <sup>nd</sup> Floor, Dr. Ambedkar Road, Dadar (East), Mumbai: 400 014.
13	<b>(ii) Any query on Annual Report</b>	:	<b>Mr. R. P. Shah</b> Invitee Member & Compliance officer 809A, Broadway Center, 2nd Floor, Dr. Ambedkar Road, Dadar (East), Mumbai – 400 014.
14	<b>Market Price Data</b>	:	<b>High Low during each month in last financial year</b>

Month	BSE Highest	BSE Lowest
April 2009	2.42	2.42
May 2009	2.30	2.10
June 2009	2.31	2.10
July 2009	2.01	2.01
August 2009	3.23	3.23
September 2009	3.55	3.22
October 2009	3.72	3.70
November 2009	4.07	4.07
December 2009	4.63	4.00
January 2010	4.49	4.49
February 2010	4.70	4.70
March 2010	-	-

**Annexure "A"**

Sr. No.	Category of Shareholders	No. of Shares Held	Percentage of Capita
1.	Promoters holding	1,719,590	42.99%
2.	Mutual Fund and U.T.I.	-	-
3.	Banks, Financial Institutions, Insurance Co.	8,400	0.21%
4.	Private Corporate Bodies	25,900	0.65%
5.	Indian Public	2,118,910	52.97%
6.	N.R.I./O.C.B.'s	127,200	3.18%
<b>TOTAL</b>		<b>40,00,000</b>	<b>100.00%</b>

**Annexure "B"**

Number of Equity shares held	Number of Shareholders	Percentage of Shareholders.	Total Holding in Rs.	Percentage of Share held
1-5000	6,242	89.36%	10,049,610	25.12%
5001-10000	473	6.77%	4,030,490	10.08%
10001-20000	137	1.96%	2,141,000	5.35%
20001-30000	43	0.62%	1,103,000	2.76%
30001-40000	16	0.23%	586,000	1.47%
40001-50000	23	0.33%	1,124,000	2.81%
50001-100000	23	0.33%	1,817,000	4.54%
100001 and above	28	0.40%	19,148,900	47.87%
<b>TOTAL</b>	<b>6,985</b>	<b>100.00%</b>	<b>40,000,000</b>	<b>100.00%</b>

**CHAIRMAN CERTIFICATION**

To  
The Board of Directors  
Savani Financials Limited

I to the best of my knowledge and belief, certify that :

1. I have reviewed the financial statements and cash flow statement for the year ended 31<sup>st</sup> March, 2010 and to the best of my knowledge and belief :
  - i) these statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and other applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violating the company's code of conduct.
3. I accept responsibility for establishing and maintaining internal controls over financials reporting and I have evaluated the effectiveness of internal controls systems of the company over financial reporting and have disclosed to the Auditors and the Audit committee, deficiencies in the designing or operations of internal controls over financials reporting, if any of which we are aware and steps I have taken or propose to take to rectify these deficiencies. In my opinion, there are adequate internal controls over financials reporting.
4. I have indicated to the Auditors and the Audit committee, interalia :
  - i) Significant changes in the internal controls over financial reporting during the year under review.
  - ii) Significant changes in accounting policies during the year, as disclosed in Schedule "J" in Notes to accounts.
  - iii) Instances of significant fraud of which I have become aware and the involvement therein, if any of the management or an employee having a significant role in the company's systems on financials reporting. To my knowledge and belief, there are no frauds during the year.

Place : Mumbai,  
Date : 29<sup>th</sup> May, 2010

**NAYANT M SAVANI**  
CHAIRMAN

**P.P. BHANDARI AND CO.**  
CHARTERED ACCOUNTANTS

BARODWALA MANSION,  
B-WING, 3<sup>RD</sup> FLOOR, 81,  
DR. ANNIE BESANT ROAD,  
WORLI, MUMBAI-400 018  
TEL.: 24949991, FAX:2494 9995  
E-MAIL : mail@ppbhandari.com

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

The Members of  
Savani Financials Limited

We have examined the compliance of conditions of Corporate Governance by Savani Financials Limited, for the year ended on 31<sup>st</sup> March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **P.P. Bhandari and Company**  
Chartered Accountants

Place : Mumbai  
Date : 29<sup>th</sup> May, 2010

**Samir Gaglani**  
Partner  
Membership No. 117496

**MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

**1. BUSINESS OPERATIONS :-**

Our Company is medium size Non-Banking Financial Services Company engaged in the sole business segment of financials services. The financial sector has gone through turbulent times during the last few years. The Reserve Bank of India, with a view to effectively regulate NBFC's brought in wide ranging changes on deposit mobilization and prudential norms. These changes, along with other economic changes, have brought major consolidation in the financials sector including the NBFC sector.

The Management continued its thrust on recoveries, cost efficiencies, loss monitoring and strict credit norms. The Company continues to recover certain amounts from its non-performing assets. The Company has restricted its lending operations during the year. The Company at regular interval at reasonable time liquidates its long term investments. The Company is looking for various opportunities and avenues to consolidate its business plan.

**2. BUSINESS SEGMENTS :-**

The Company is engaged only in business of financial services and accordingly there are no separate reportable segments.

**3. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES :-**

The Company has in place adequate internal control systems and procedures commensurate with its size and nature of business. The systems are designed to ensure that the financial and other records are reliable for preparing financial statements. The internal control systems are supplemented by periodical reviews. The review includes adherence to the management policies, safeguarding the assets of the Company and ensuring preparation of timely and accurate financial information.

**4. COMPANY FINANCIAL PERFORMANCE AND ANALYSIS :-**

	Year ended 31st March, 2010	Rs. in laksh Year ended 31st March, 2009
Gross Profit after interest but before bad debts, prudential provisions, depreciation, taxation	4.31	(0.19)
Less : Prudential Provisions (as per RBI Guidelines)	--	0.21
Bad Debts	--	1.25
Depreciation	0.14	0.14
Net Profit / (Loss)before tax	4.17	(1.79)
Add : Income Tax refunds of earlier years	14.87	—
Net Profit / (Loss)	19.04	(1.79)
Add : Balance brought forward	(629.04)	(627.25)
Balance Carried Forward	(610.00)	(629.04)

**5. CAUTIONARY STATEMENTS :-**

In this report on management discussion and analysis describing the Company positions and expectations may be "forward looking statements" within the meaning of applicable laws or regulation. These statements are based on certain assumptions and expectations of future events. Actual results could defer materially from those expressed or implied. The Company assures no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent development, information or events.



**AUDITORS' REPORT**

To THE MEMBERS OF  
SAVANI FINANCIALS LIMITED

We have audited the attached Balance Sheet of SAVANI FINANCIALS LIMITED as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give below a statement on the matters specified in paragraphs 4 and 5 of the said order

- i) In respect of its Fixed Assets;
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;
  - b) As explained to us, the fixed assets being building have been physically verified by the management during the year. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
  - c) During the year the Company has not disposed off a substantial part of its fixed assets.
- ii) The Company has not carried any inventory during the year. Accordingly clauses 4 (ii) (a) to (c) of the Order are not applicable.
- iii) a) The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the clause 4 (b) to (d) of the order is not applicable.  
 b) The company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(iii) (f) to (g) of the order is not applicable.
- iv) In our opinion there are adequate internal control procedures commensurate with the size of the Company and the nature of its business.
- v) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956;
  - a) According to the information and explanations given to us, transactions that needed to be entered into the register have been so entered;
  - b) According to the information and explanations given to us and to the best of our knowledge and belief, there were no transactions in excess of Rs. 5 lakhs in respect of each party, which needs to be commented upon.
- The Company has not accepted any deposits from public to which the provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder would apply.
- vii) *The Company does not have any formal system of internal audit.* However, in our opinion and according to the information and explanations given to us, the internal control procedures are adequate considering the size and nature of its business.
- viii) We are informed that the Central Government has not prescribed the maintenance of cost records for any of the Company's products under section 209 (1) (d) of the Companies Act, 1956.
- ix) a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Service Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues with appropriate authorities, where applicable. As informed to us, the provisions of the Employees State Insurance Act are not applicable to the Company. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March 2010 for a period of more than six months from the date they became payable.



- b) According to the information and explanations given to us, there are no dues in respect of Sales tax, Income tax, Custom duty, Wealth tax, Service Tax, Excise duty and Cess which are disputed.
- x) The Company has accumulated losses which exceeds fifty percent of its net worth. The company has not incurred cash losses during financial year covered by our audit. The Company has incurred cash losses in the immediately preceding financial year.
- xi) The Company does not have any borrowings from banks and financial institution or by way of debentures and hence the clause is not applicable.
- xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- xiii) The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Societies are not applicable to the Company.
- xiv) The Company does not deal or trade in shares, securities and other investments. Accordingly the provisions of clause 4 (xiv) are not applicable to the company.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi) The Company has not obtained any term loans.
- xvii) According to the information and explanations given to us and on the overall examination of the financial statements of the Company and after placing reliance on the reasonable assumptions made by the Company for classification of long term and short term usages of funds, we are of the opinion that, prima -facie, short term funds have not been utilized for long investments.
- xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by way of public issue during the year.
- xxi) On the basis of our examination and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**Further to our comments referred to above, we report that:**

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of these books;
- iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- v) On the basis of written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors and on the basis of examination and records of the Company, we report and certify that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts together with the notes appearing thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India;
- a) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2010;
- b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For P.P. BHANDARI AND CO.**  
Chartered Accountants  
Registration No. 101174 W

**Samir Gaglani**  
Partner  
Membership No. 117496

Mumbai, 29<sup>th</sup> May, 2010

**TWENTY SIXTH ANNUAL REPORT 2009-2010**

**BALANCE SHEET AS AT 31ST MARCH 2010**

	SCHEDULE	Rupees	AsAt 31st March 2010 Rupees	AsAt 31st March 2009 Rupees
<b>I. SOURCES OF FUNDS</b>				
SHAREHOLDERS' FUNDS				
a. Share Capital	A	40,000,000		400,000
b. Reserves and Surplus	B	<u>33,858,100</u>		<u>33,858,100</u>
			73,858,100	<u>73,858,100</u>
LOAN FUNDS				
a. Unsecured Loans	C		400,000	400,000
	TOTAL		<u>74,258,100</u>	<u>74,258,100</u>
<b>II. APPLICATION OF FUNDS</b>				
FIXED ASSETS :				
a. Gross Block	D	420,225		420,225
b. Less : Depreciation/Lease Adjustment		<u>316,385</u>		<u>302,601</u>
c. Net Block			103,840	<u>117,624</u>
INVESTMENTS	E		2,325	28,926
CURRENT ASSETS, LOANS AND ADVANCES F				
a. Cash and Bank Balances		2,264,532		2,646,385
c. Loans and Advances		<u>11,010,261</u>		<u>8,629,503</u>
		<u>13,274,793</u>		<u>11,275,888</u>
Less: CURRENT LIABILITIES AND PROVISIONS	G			
a. Current Liabilities		<u>123,074</u>		<u>68,471</u>
NET CURRENT ASSETS			13,151,719	<u>11,207,417</u>
PROFIT AND LOSS ACCOUNT			61,000,216	<u>62,904,133</u>
	TOTAL		<u>74,258,100</u>	<u>74,258,100</u>
NOTES ON ACCOUNTS	J			

As per our report of even date annexed  
For **P. P. BHANDARI AND CO.**  
Chartered Accountants

For and on behalf of the Board

**Samir Gaglani**  
Partner  
Mumbai, 29th May 2010

**N.M.Savani**  
Chairman  
Mumbai, 29th May 2010

**S.R.Mehta**  
Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH. 2010**

	SCHEDULE	Year ended 31st March 2010 Rupees	Year ended 31st March 2009 Rupees
<b>INCOME</b>			
Other Income	H	929,057	288,866
	<b>TOTAL</b>	<u>929,057</u>	<u>288,866</u>
<b>EXPENDITURE</b>			
Administrative and general expenses	I	498,115	453,848
Depreciation		13,784	13,784
	<b>TOTAL</b>	<u>511,899</u>	<u>467,632</u>
Net Profit / (Loss) before tax		417,158	(178,766)
Less : Tax adjustments of earlier years		<u>1,486,759</u>	<u>-</u>
Net Profit / (Loss)		1,903,917	(178,766)
Add : Balance brought forward from previous year		(62,904,133)	(62,725,367)
Balance carried to Balance Sheet		<u>(61,000,216)</u>	<u>(62,904,133)</u>
Basic and Diluted EPS		0.48	(0.04)
NOTES ON ACCOUNTS	J		

As per our report of even date annexed

For **P. P. BHANDARI AND CO.**

Chartered Accountants

For and on behalf of the Board

**Samir Gaglani**

Partner

Mumbai, 29th May 2010

**N.M.Savani**

Chairman

Mumbai, 29th May 2010

**S.R.Mehta**

Director



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	31st March, 2010	(Rupees) 31st March, 2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) after Extraordinary Items	417,158	(178,766)
Adjustments for :		
Depreciation	13,784	13,784
Loss/ (Profit) on sale of investments	1,969	(166,523)
Dividend received	(2,470)	(1,655)
Interest on Income tax refunds	(890,588)	-
Provision for diminution in value of investments written back	(35,999)	(120,688)
	<u>913,304</u>	<u>(275,082)</u>
Operating profit before working capital changes	(496,146)	(453,848)
Adjustments for :		
Decrease in Trade and other receivables	(3,411)	293,494
Decrease/(Increase) in trade payables	54,603	(147,878)
	<u>51,191</u>	<u>145,616</u>
Cash generated from operations	444,955	(308,232)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale proceeds/Redemption of investments	60,632	287,215
Dividend received	2,470	1,655
Net cash from investing activities	<u>63,102</u>	<u>288,870</u>
	-	-
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Net increase in cash and cash equivalents (A+B+C)	<u>(381,853)</u>	<u>(19,362)</u>
Cash and cash equivalents at the close of the year	2,264,532	2,646,385
Cash and cash equivalents at the beginning of the year	<u>2,646,385</u>	<u>2,665,747</u>
	<u>(381,853)</u>	<u>(19,362)</u>

For P.P.Bhandari And Co.  
Chartered Accountant

For and on behalf of the Board

**Samir Gaglani**  
Partner  
Mumbai, 29th May 2010

**N.M.Savani**  
Chairman  
Mumbai, 29th May 2010

**S.R.Mehta**  
Director

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH -2010  
 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

**SCHEDULE - A : SHARE CAPITAL**

	31st March 2010 Rupees	31st March, 2009 Rupees
Authorised		
1,00,00,000 Equity Shares of Rs.10 each	100,000,000	100,000,000
25,00,000 Redeemable Preference Shares of Rs.10 each	<u>25,000,000</u>	<u>25,000,000</u>
	<u>125,000,000</u>	<u>125,000,000</u>
Issued, Subscribed and Paid up :		
40,00,000 Equity Shares of Rs.10 each, fully paid up	<u>40,000,000</u>	<u>40,000,000</u>
TOTAL	<u>40,000,000</u>	<u>40,000,000</u>

**SCHEDULE - B : RESERVES AND SURPLUS**

Share Premium Account	33,208,100	33,208,100
Special Reserve (under Section 45 - IC of the Reserve Bank of India Act, 1934).	650,000	650,000
TOTAL	<u>33,858,100</u>	<u>33,858,100</u>

**SCHEDULE - C : UNSECURED LOANS**

Loan From a Body Corporate	400,000	400,000
TOTAL	<u>400,000</u>	<u>400,000</u>



**SCHEDULE - D : FIXED ASSETS**

Description	GROSS BLOCK (at cost)				DEPRECIATION				NET BLOCK	
	As at 1st April 2009 Rs	Additions Rs	Deductions/ Adjustments Rs	As at 31st March 2010 Rs	Upto 31st March 2009 Rs	For the Year Rs	Deductions/ Adjustments Rs	Upto 31st March 2010 Rs	As at 31st March 2010 Rs	As at 31st March 2009 Rs
Owned Assets :										
Buildings	420,225	-	-	420,225	302,601	13,784	-	316,385	103,840	117,624
Total	420,225	-	-	420,225	302,601	13,784	-	316,385	103,840	117,624
Previous Year	420,225	-	-	420,225	288,816	13,784	-	302,601	117,624	

<b>SCHEDULE-E : INVESTMENTS (Long Term, Non Trade)</b>	<b>Number</b>	<b>Face Value</b>	<b>31st March</b>	<b>31st March,</b>
		<b>Rupees</b>	<b>2010</b>	<b>2009</b>
			<b>Rupees</b>	<b>Rupees</b>
<b>QUOTED (fully paid, unless otherwise stated)</b>				
<b>Equity Shares :</b>				
Alsa Marine And Harvests Limited	1,000	10	63,750	63,750
Resonance Specialities Ltd. ( Formerly Known as Armour Polymers Limited)	300	10	10,530	10,530
Beta Naphthol Limited	50	10	4,594	4,594
City Lifts (India) Limited	1,500	10	58,875	58,875
Co-Nick Alloys (India) Limited	1,000	10	32,000	32,000
Crown Television Limited	1,000	10	52,800	52,800
Delta International Limited	1,500	10	144,750	144,750
Elque Polyesters Limited	97,700	10	977,000	977,000
Eastern Mining and Allied Industries Limited	500	10	33,675	33,675
Eclat Chemicals Limited	500	10	4,600	4,600
Himachal Fibres Limited	500	10	32,500	32,500
Hytasun Magnetics Limited	2,000	10	73,500	73,500
Indo French Biotech Enterprises Limited	20,100	10	256,275	256,275
Kalinga Cement Limited	18,800	10	188,000	188,000
Merven Drugs Products Ltd (Formerly known as Arch Drug Products Ltd.)	5	10	1,630	1,630
Noble Brothers Impex Limited	4,700	10	188,000	188,000
Parsharti Investments Limited	3,600	10	-	36,000
Premier Industries Limited	20	10	600	600
ROM Industries Limited	1,500	10	41,550	41,550
Real Value Appliances Limited	2,500	10	246,195	246,195
Sterling Kalksand Limited	500	10	6,500	6,500
Swojas Energy Foods Limited	7,700	10	78,680	78,680
Targof Puredrugs Limited	4,400	10	484,000	484,000
Teaktex Processing complex Limited	47,100	10	471,000	471,000
The Andhra Petrochemicals Limited	100	10	2,075	2,075
Total Exports Limited	1,000	10	14,300	14,300
Transpower Engineering Limited	600	10	12,300	12,300
Unified Agro Industries India Limited	400	10	10,000	10,000
The Baroda Rayon Corporation Limited (Rs.7.5 paid up)	52	10	7,875	7,875
			<u>3,497,554</u>	<u>3,533,504</u>
<b>Units Of Mutual Funds</b>				
Mastergain 1992 of Unit Trust of India	1,000	10	-	26,600
			<u>3,497,554</u>	<u>3,560,154</u>
Less : Provision for diminution in value			<u>3,495,229</u>	<u>3,531,228</u>
		(A)	<u>2,325</u>	<u>28,926</u>

Market value of quoted shares/units as on 31st March 2010 Rs.13,501 (Previous year Rs.47,296).

**SCHEDULE -F CURRENT ASSETS, LOANS AND ADVANCES**

	Rupees	31st March 2010 Rupees	31st March, 2009 Rupees
<b>I. CURRENT ASSETS:</b>			
(a) Cash and Bank Balances			
Cash and Cheques on Hand	388,790		488,893
Bank Balances with Scheduled Banks in Current Accounts	<u>1,875,742</u>		<u>2,157,492</u>
	(A)	<u>2,264,532</u>	<u>2,646,385</u>
<b>II. LOANS AND ADVANCES (Unsecured, considered good)</b>			
(a) Deposits		8,500,000	8,500,000
(b) Advances recoverable in cash or in kind or for value to be received		2,510,148	600
(c) Advance payment of taxes (net of provision)		113	128,903
	(B)	<u>11,010,261</u>	<u>8,629,503</u>
	(A + B)	<u><u>13,274,793</u></u>	<u><u>11,275,888</u></u>
<b>SCHEDULE -G : CURRENT LIABILITIES AND PROVISIONS</b>			
<b>I. CURRENT LIABILITIES</b>			
Sundry Creditors (Other than Micro Small and Medium Enterprises) (There are no amounts due and payable to the Investor Education and Protection fund)		123,074	68,471
		<u>123,074</u>	<u>68,471</u>

**SCHEDULE - H : OTHER INCOME**

	31st March 2010 Rupees	31st March, 2009 Rupees
Dividend	2,470	1,655
Profit on sale of investments	-	166,532
Excess provisions of investments written back	35,999	120,688
Interest on Income tax refunds	890,588	-
<b>TOTAL</b>	<b>929,057</b>	<b>288,866</b>

**SCHEDULE - I : ADMINISTRATIVE AND GENERAL EXPENSES**

Rates & Taxes	600	650
Printing and stationery	35,454	37,723
Travelling and conveyance	47,474	55,273
Advertisement	47,627	24,008
Communication expenses	34,822	55,088
Listing and Registration Fees	34,581	34,511
Legal and Professional fees	193,605	100,554
Auditors' Remuneration :		
Audit fees	22,060	22,060
Certification fees	5,515	5,535
	27,575	27,595
Loss on sale of investment	1,969	-
Sundry Balances written off	-	125,097
Less : Adjusted against provision held	-	100,000
	-	25,097
Bank Charges	405	580
Miscellaneous expenses	74,003	92,789
<b>TOTAL</b>	<b>498,115</b>	<b>453,849</b>

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2010 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.**

**SCHEDULE 'J' NOTES ON ACCOUNTS :**

**1. Statement of Significant Accounting Policies**

**A. BASIS OF ACCOUNTS :**

The accounts have been prepared on going concern basis, under the historical cost convention and in accordance with, the Companies Act, 1956 and the applicable Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government.

**B. USE OF ESTIMATES :**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

**C. INCOME RECOGNITION :**

(i) Lease Rentals and Lease Management Fees arising out of Lease Agreements and Hire Charges and Documentation Fees arising out of the Hire Purchase Agreements are recognised as income in accordance with the terms of the agreements entered into with the lessees / hirers or as rescheduled from time to time.

Lease rental income on Lease Agreements executed on or after 1st April, 1995 is recognised on the basis of the implicit rate of return, the difference between the capital recovery and the depreciation being accounted as Lease Adjustment Account.

Hire charges are recognised as income equally over the period of the Hire Purchase Agreements executed on or before 31st March, 1995 and on sum of digits method for agreements executed thereafter.

However, income on non-performing assets identified in accordance with the guidelines issued by the Reserve Bank of India is recognised on realisation in cash or in kind.

(ii) Delayed payment charges are recognised on realisation. All other incomes are accounted on accrual basis.

**D. EXPENSES :**

All expenses are generally accounted for on accrual basis.

**F. FIXED ASSETS AND DEPRECIATION :**

(i) Fixed Assets including Leased Assets are stated at their historical cost less accumulated depreciation and lease adjustment account.

(ii) Depreciation on Fixed Assets is provided for on Straight Line Method :

(a) in respect of Owned Assets acquired upto 16th December, 1993, at the rates adopted in earlier years. Depreciation on owned assets acquired thereafter has been calculated at the revised rates prescribed by Schedule XIV to the Companies Act, 1956.

(b) in respect of leased assets, at the revised rates prescribed by Schedule XIV to the Companies Act, 1956.

(iii) Depreciation on assets acquired or sold, discarded or destroyed during the year is calculated on pro-rata basis from the date of such acquisition or, as the case may be, upto the date on which such asset has been sold, discarded or destroyed.

(iv) Profit or loss on sale of assets is recognised on the date of sale.



**F. INVESTMENTS :**

Investments in securities intended to be traded in and to be held for not more than one year are classified as 'Stock in trade'. All other investments are classified as 'Investments'. Investments in properties are also classified as 'Investments'.

Stock-in-trade is valued at lower of cost or market value for each security individually.

Investments are valued at weighted average cost. Where an investment is acquired in exchange for another asset, the acquisition cost of the investment is determined by reference to the value of the asset given up. Provision for diminution is made to recognise a decline, other than temporary, in the value of each investment individually.

**G. PROVISION FOR DOUBTFUL DEBTS :**

All receivables, loans and advances including assets under lease/hire purchase agreements are classified and provision for doubtful debts is made in accordance with the guidelines issued by the Reserve Bank of India.

**H. TAXES ON INCOME**

Provision for Current tax is made in accordance with the Income Tax laws and rules prevailing for the relevant assessment years.

Deferred tax is recognised, subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods.

2. Contingent Liabilities not provided for :

- |  | Current Year | Previous Year |
|--|--------------|---------------|
|  | Rs. 2,625    | Rs. 2,625     |
| (a) Uncalled liability on partly paid shares |              |               |
3. The Company has unabsorbed depreciation and carried forward losses under tax laws. In absence of virtual certainty of sufficient future taxable income, net deferred tax asset has not been recognised by way of prudence in accordance with Accounting Standard (AS – 22) "Accounting for Taxes on Income" issued by Institute of Chartered Accountants of India.
4. Earnings per share (EPS)

	2009-2010	2008-2009
Net Profit/(Loss) as per profit & loss account	1,903,917	(178,766)
Average no of Equity shares (Face value of Rs 10 each)	4,000,000	4,000,000
Basic and Diluted EPS items(Rs.)	0.48	(0.04)

5. In the opinion of the management, the Current Assets, Loans and Advances have been considered as good and fully recoverable. A provision of Rs.Nil (previous year Rs.1,00,000) is made in the Accounts in accordance with the guidelines issued by the Reserve Bank of India.

6. In the opinion of the management, the company is engaged only in the business of providing financials services and accordingly there are no separate reportable segments as per Accounting Standard-17 dealing with segment reporting.
7. Disclosures in respect of related parties as defined in Accounting Standard 18 with whom transactions have taken place during the year are given below:
- A) Related parties with whom transactions have taken place during the year:
- i) Particulars of Associate concerns:  
Savani Transport Pvt. Ltd.
- B) The following transactions were carried out with the related parties in the ordinary Course of business:

Nature of Transactions	2009-2010	2008-2009
	(Rs.)	(Rs.)
	Associates	Associates
	(as referred To in Ai)	(as referred To in Ai)
Deposit	8,500,000	8,500,000

Note : No amount has been provided on doubtful debts or advances written off other than book in the year in respect of debts due from/to above parties.

8. Additional information pursuant to Previous to the provisions of paragraphs 3 and 4 of Part II of Schedule VI to the Companies Act, 1956 to the extent applicable.
- |  | Current Year | Previous Year |
|--|--------------|---------------|
|  | Nil          | Nil           |
9. Previous years' figures have been regrouped / reclassified, wherever necessary.

As per our report of even date annexed  
**For P.P. Bhandari And Co.**  
Chartered Accountants

For and on behalf of the  
Board of Directors

**Samir Gaglani**  
Partner

**Nayant M Savani**  
Chairman

**Samir R. Mehta**  
Director

Mumbai, 29<sup>th</sup> May, 2010

Mumbai, 29<sup>th</sup> May, 2010

**Schedule to the Balance Sheet of a Non-Banking Financial Company ( as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms ( Reserve Bank) Directions,1998**

Particulars		Amount Outstanding	Amount Overdue
<b>Liabilities Side :</b>			
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid : (a) Debentures : Secured : Unsecured (Other than falling within the meaning of public deposits*) (b) Deferred Credits (c) Term Loans from Banks <sup>#</sup> (d) Inter-corporate loans and borrowing (e) Commercial Paper (f) Public Deposits* (g) Other Loans (specify nature) <i>Security Deposits Against Lease/Hire Purchase Agreements</i> * please see Note 1 below	- - - 4.00 - - -	- - - - - -
(2)	<b>Break-up of (1)(f) above ( Outstanding public deposits inclusive of interest accrued thereon but not paid):</b> (a) In the form of Unsecured debentures (b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security. (c) Other public deposits * please see Note 1 below	- - -	- - -
<b>Assets Side :</b>		Amount Outstanding	
(3)	<b>Break-up of Loans and Advances including bill receivables (other than those included in (4) below):</b> (a) Secured (b) UnSecured		- 85.00
(4)	<b>Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities</b> (i) Lease assets including lease rentals under sundry debtors: (a) Financial lease (b) Operating lease (ii) Stock on hire including hire charges under sundry debtors: (a) Assets on hire (b) Repossessed Assets (iii)Hypothecation loans counting towards EL/HP activities : (a) Loans were assets have been repossessed (b) Loans other than (a) above		- - - - -
(5)	<b>Break-up of Investments :</b> Current Investments : (i) Quoted : (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government securities (v) other (please specify) (ii) Unquoted : (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government securities (v) Others (please specify)		- - - - - - - - - - - - - -



**ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**Registration Details**

Registration No.  State Code :

Balance Sheet Date

**Capital raised during the year (Amount in Rs.000's)**

Public issue  Rights issue

Bonus issue  Private placement

**Position of Mobilisation and Deployment of Funds (Amount in Rs.000's)**

Total Liabilities  Total Assets

**SOURCES OF FUNDS**

Paid-up Capital  Reserves and Surplus

Secured Loans  Unsecured Loans

**APPLICATION OF FUNDS**

Net Fixed Assets  Investments

Net Current Assets  Misc. Expenses

Accumulated Losses  Dividend Rate %

**Performance of Company (Amount in Rs.000's)**

Turnover  Total Expenditure

Profit / (Loss) before exceptional items  Profit / (Loss) after exceptional items

Earnings per Share before exceptional Items  Earnings per Share after exceptional Items

**Generic Names of Three Principal Products / Services of company (as per monetary terms)**

(i) Asset Based Finance

(ii) Investments

(iii) Advisory Syndication Services

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 29th May, 2010

**Nayant M Savani**  
Chairman

**Samir R. Mehta**  
Director



**SAVANI FINANCIALS LIMITED**

**ATTENDANCE SLIP**

Registered Office : 809 A, Broadway Centre, 2nd Floor, Dr. Ambedkar Road, Dadar (East), Mumbai - 400 014.

I hereby record my presence at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company at Broadway Centre, 2nd Floor, Dr. Ambedkar Road, Dadar, Mumbai - 400 014 on Monday, 27<sup>th</sup> September, 2010.

NAME OF SHAREHOLDER / PROXY.....

FOLIO NO. .... NO. OF SHARES HELD .....

SIGNATURE OF THE  
ATTENDING MEMBER / PROXY

**NOTICE :**

- (1) Shareholder/Proxy holder desiring to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
- (2) Shareholder/ Proxy holder should bring copy of the Annual Report for reference at the meeting.

**SAVANI FINANCIALS LIMITED**

**PROXY**

Registered Office : 809 A, Broadway Centre, 2nd Floor, Dr. Ambedkar Road, Dadar (East), Mumbai - 400 014.

I/We \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_ being

a Member / Members of the above-named Company hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing

him, \_\_\_\_\_ of \_\_\_\_\_ in the district of, \_\_\_\_\_

as my / our Proxy to attend and vote for me / us and on my / our behalf at the Twenty Sixth Annual General Meeting of the Company, to be held at 809 A, Broadway Centre, 2nd Floor, Dr. Ambedkar Road, Dadar (East), Mumbai - 400 014 on Monday, the 27<sup>th</sup> September, 2010 at 11.30 a.m. and at any adjournment thereof.

\_\_\_\_\_ed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Reference Folio No \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Signature of Shareholder

<p>Afix 100 Paise Revenue Stamp</p>
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This form is to be used \* in favour of the resolution. Unless otherwise instructed the proxy will act as he thinks fit.  
\*against

Strike out whichever is not desired.

\* Note : The proxy must be returned so as to reach the Registered Office of the Company at 809 A, Broadway Centre, 2nd Floor, Dr. Ambedkar Road, Dadar, Mumbai - 400 014, not less than FOURTY-EIGHT HOURS before the time for holding of aforesaid meeting.

**BOOK - POST**

If undelivered, Please return to :  
REGISTRAR AND SHARE TRANSFER AGENT  
BIGSHARE SERVICES PRIVATE LIMITED.  
E - 2, Ansa Industrial Estate,  
Saki-Vihar Road, Sakinaka,  
Andheri ( East ), Mumbai - 400 072.