



SAVANI FINANCIALS LIMITED

28th Annual Report 2011-12

BOARD OF DIRECTORS

MR NAYANT SAVANI (till 11.05.2012)
MR RASIKLAL V. SAVANI (till 11.05.2012)
MR MANOJ SHAH (till 11.05.2012)
MRS DEEPA TRACY (wef 11.05.2012)
MR.MANISH CHAUDHARI(wef 11.05.2012)
MR. SAMIR R. MEHTA
MR. SURESH MHATRE (wef 11.05.2012)

AUDITORS

P. P. BHANDARI AND COMPANY
Chartered Accountants

BANKERS

BANK OF INDIA

REGISTERED OFFICE

91, MANTRA HOUSE,
MAROL CO-OP INDUSTRIAL ESTATE,
M. V. ROAD, ANDHERI (EAST),
MUMBAI – 400 059.

**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 EIGHTH ANNUAL GENERAL MEETING of the Members of Savani Financials Limited will be held at 11.15 a.m. on Thursday, 27th September, 2012 at 21, Marol Co-Op Industrial Estate, M. V. Road, Andheri (East), Mumbai – 400 059 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and the Statement of 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 Samir Mehta, 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.

SPECIAL BUSINESS:

To consider and if, thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

1. "RESOLVED THAT Mrs. Deepa Tracy, who was appointed by the Board of Directors as a Director of the Company with effect from 11th May, 2012 in terms of Section 260 of the Companies Act, 1956 holds office up to the date of this Annual General Meeting and being eligible offered herself for appointment as a Director of the Company liable to retirement by rotation".
2. "RESOLVED THAT Mr. Manish Chaudhari, who was appointed by the Board of Directors as a Director of the Company with effect from 11th May, 2012 in terms of Section 260 of the Companies Act, 1956 holds office up to the date of this Annual General Meeting and being eligible offered herself for appointment as a Director of the Company liable to retirement by rotation".
3. "RESOLVED THAT Mr. Suresh Mhatre, who was appointed by the Board of Directors as a Director of the Company with effect from 11th May, 2012 in terms of Section 260 of the Companies Act, 1956 holds office up to the date of this Annual General Meeting and being eligible offered herself for appointment as a Director of the Company liable to retirement by rotation".

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 20st September, 2012 to 27th September, 2012 (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 2012-2013.
- 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

Deepa Tracy
Director

Date: 29th May 2012

Registered Office: 91, Mantra House, Marol Co-Op Industrial Estate, M. V. Road, Andheri (East), Mumbai – 400 059.

DIRECTORS' REPORT

The Members

SAVANI FINANCIALS LIMITED

1. Your Directors herewith presents the Twenty Eight Annual Report of our Company together with the Audited Accounts for the financial year 2011-2012

2. FINANCIAL RESULTS

	Year ended 31 st March, 2012	(Rs. in lacs) Year ended 31 st March, 2011
Gross Profit/(Loss) after interest but before depreciation, taxation and exceptional item	(0.26)	9.49
Depreciation	—	0.10
Net Profit before exceptional items	(0.26)	9.39
Add: Exceptional Item – Profit on Sale of Premises	—	24.06
Net profit before tax	(0.26)	33.45
Less : Income Tax	—	—
Net Profit	(0.26)	33.45
Add : Balance brought forward	(576.55)	(610.00)
Balance Carried Forward	<u>(576.81)</u>	<u>(576.55)</u>

3. TRANSFER TO RESERVES

The losses incurred during the year have been transferred to the Balance sheet.

4. DIVIDEND

In view of accumulated losses your Directors are unable to recommend a dividend for the year ended 31st March, 2012.

5. OPERATIONS

During the year, the Company continued with thrust on recoveries, cost efficiency, and loss monitoring and recovered Rs.0.30 lacs (as against Rs.14.10 lacs) towards compensation for legal settlements. Further during the year, the Company has earned interest income on its investments aggregating to Rs. 3.61 lacs. The Company has registered net loss after tax of Rs.0.26 lacs as against net profit of 33.45 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. CHANGE IN THE MANAGEMENT AND CONTROL OF THE COMPANY

In terms of the Public Announcement dated 21st October, 2011 and pursuant to the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("SEBI Regulations"), the Acquirers viz. Mrs. Deepa Tracy and Mr. Manish Chaudhari have acquired 17,19,590 (42.99%) of the equity shares which was originally held by the erstwhile promoters of the Company and 3,71,460 (9.29%) equity shares, which were tendered by the other shareholders of the Company in the Open Offer.

Consequent to the above transfers of Equity shares in the Company, as approved by the Board of Directors in the meeting held on 11th May, 2012, the Acquirers now hold 20,91,050 (52.28%) equity shares in the Company.

Further, consequent to the above transfers of Equity Shares in favour of Mrs. Deepa Tracy and Mr. Manish Chaudhari, the day to day operations and management of the Company is now vested with the above new promoters.

7. DEPOSITS

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

8. 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.

9. 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.

10. 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 judgments 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 31st March, 2012 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

Smt. Deepa Tracy, Shri. Manish J.Chaudhari and Shri. Suresh Mhatre joined the Board on 11th May 2012.

Shri. Nayant M. Savani, Shri. Rasiklal V. Savani and Shri. Manoj Kumar Shah stepped down from the Board on 11th May 2012.

The Board wishes to place on record their sincere appreciation for the contribution made by Shri. Nayant M.Savani, Shri. Rasiklal V. Savani and Shri. Manoj Kumar Shah for the growth and development of the company.

Shri Samir R. Mehta 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.

15. 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

Deepa Tracy
Director

Place : Mumbai

Date : 29th May, 2012

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 01.04.2011, 30.05.2011, 30.07.2011, 11.08.2011, 02.09.2011, 31.10.2011, 11.11.2011 and 31.01.2012.

(iii) Attendance of Directors:

Name of Director	Number of Board Meeting Attended	Attendance at Last AGM held on 28 th September 2011
Mr. Nayant M. Savani	8	Present
Mr. Samir R. Mehta	8	Present
Mr. Rasiklal V. Savani	2	Absent
Mr. Manoj R. Shah	5	Present

The Board of Directors of the Company has optimum combination of non-executive and 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	3	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 DIRECTOR BEING RE-APPOINTED AT THE ENSUING ANNUAL GENERAL MEETING:**

Name of Director	Mr. Samir R. Mehta
Date of Birth	01/07/1964
Date of Appointment	28/08/1991
Qualifications	B. Com., FCA
Nature of expertise in specific functional areas	Mr. Samir Mehta is a practicing Chartered Accountant having vast experience in the profession of financial services. He is associated as Director of the Company since 1991.
Names of Companies in which he is a Director	Pancham Nishad Creatives Ltd. V-Magnum Opus Strategic Solutions Pvt Ltd Ace Publications and Promotions Private Limited
Committees in which he is a member	Audit Committee – Savani Financials Ltd. Share Transfer cum Shareholders Grievances Committee – Savani Financials 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 7 times during the financial year on 30.05.2011, 30.07.2011, 11.08.2011, 02.09.2011, 31.10.2011, 11.11.2011 and 31.01.2012.

The composition of Audit Committee is as follows:

Name	Designation meeting attended	Number of committee
Mr. Samir R. Mehta	Chairman – Non-Executive Independent Director	7
Mr. Nayant M. Savani	Member – Non-Executive Director	7
Mr. Manoj R. Shah	Member – Non-Executive Independent Director	3

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 17 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.

Mrs Deepa Tracy, Director, has been designated as the Compliance Officer wef 11th May, 2012 in place of Mr. R. P. Shah.

E. GENERAL BODY MEETINGS:

Details of Annual General Meeting held during last three years:

Year	Venue	Date	Time
2010-11	809A, Broadway Centre, 2nd Floor, Dadar (East), Dr. Ambedkar Road, Mumbai – 400 014	September 28, 2011	11.30 a. m.
2009-10	809A, Broadway Centre, 2nd Floor, Dadar (East), Dr. Ambedkar Road, Mumbai – 400 014	September 27, 2010	11.30 a. m.
2008-09	809A, Broadway Centre, 2nd Floor, Dadar (East), Dr. Ambedkar Road, Mumbai – 400 014	September 29, 2009	11.30 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 Standards with proper explanatory statement for deviation, if any.

G. MEANS OF COMMUNICATIONS:

The Financials 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:

1 Annual General Meeting :	
Schedule	27 th September, 2012 at 11.15 A.M.
Venue	21, Marol Co-operative Industrial. Estate, M.V. Road, Andheri (East), Mumbai – 400 059.
2 Financial Calendar :	Board Meetings Results for quarter ending June 30 2012, mid week of August, 2012 Results for quarter ending September 30 2012, mid week of November 2012 Results for quarter ending December 31 2012, mid week of February 2013 Results for year ending March 31 2013, On or before 31 st May, 2013
3 Book Closure Date :	20 th September to 27 th September, 2012 (both the days inclusive)
4 Dividend payment date:	No Dividend Recommended.
5 Listing of equity shares: on stock exchanges at	(1) The Mumbai Stock Exchange (2) The Stock Exchange, Ahmedabad
6 Stock Code :	511577 at Mumbai Stock Exchange 52068 at Ahmedabad Stock Exchange
7 Demat ISIN Numbers in NSDL & CDSL for equity shares	ISIN No. INE 304E01010
8 Registrar & Transfer Agent	Bigshare Services Private Limited E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri(E), Mumbai – 400 072
9 Share Transfer System:	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.
10 Distribution of shareholding as on March 31, 2012 :	As per Annexure "A" and Annexure "B"
11 Dematerialisation of Shares	: Over 48.25% of the paid up shares has been dematerialised upto March 31, 2012. 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(i) Correspondence : **For Shares held in physical and dematerialised form**
(for dematerialisation/ transfer of shares, payment of dividend on shares, and any other query relating to the shares of the Company) Ms. Flavia Dsouza Bigshare Services Private Limited, E-2/3, Ansa Industrial Est, Sakivihar Rd, Sakinaka, Andheri(E), Mumbai-400 072 **AND** Savani Financials Limited 91, Mantra House, Marol Co-op. Industrial Estate, M. V. Road, Andheri (East), Mumbai – 400 059.

13(ii) Any query on Annual Report : Mrs Deepa Tracy
Compliance officer 91, Mantra House, Marol Co-operative Industrial Estate, M. V. Road, Andheri (East), Mumbai – 400 059.

14 Market Price Data : **High Low during each month in last financial year**

Month	BSE Highest	BSE Lowest
April 2011	6.00	5.97
May 2011	5.75	5.75
June 2011	6.33	6.03
July 2011	6.02	6.02
August 2012	-	-
September 2011	-	-
October 2011	6.30	5.72
November 2011	6.03	5.75
December 2011	6.19	5.35
January 2012	6.25	5.14
February 2012	6.07	5.02
March 2012	9.43	5.77

Annexure "A"

Sr. No.	Category of Shareholders	No. of Shares Held	Percentage of Capital
1.	Promoters holding	17,19,590	42.99%
2.	Mutual Fund and U.T.I.	—	—
3.	Banks, Financial Institutions, Insurance Co.	8,400	0.21%
4.	Private Corporate Bodies	92,050	2.30%
5.	Indian Public	20,55,760	51.39%
6.	N.R.I. /O.C.B.'s	1,24,200	3.11%
	TOTAL	40,00,000	100.00%

Annexure "B"

Number of Equity shares held	Number of Shareholders	Percentage of Shareholders	Total Holding in Rs.	Percentage of Share held
1-5000	6152	89.59%	99,42,110	24.86%
5001-10000	458	6.67%	39,13,490	9.78%
10001-20000	136	1.98%	21,29,000	5.32%
20001-30000	38	0.56%	9,67,000	2.41%
30001-40000	13	0.19%	4,79,000	1.20%
40001-50000	25	0.36%	12,24,000	3.06%
50001-100000	22	0.32%	16,99,000	4.25%
100001 and above	23	0.33%	1,96,46,400	49.12%
TOTAL	6867	100.00%	4,00,00,000	100.00%

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 31st March, 2012 and to the best of my knowledge and belief :
 - i) these statements do not contain any material untrue statement or omit any material fact of 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 Note 1 to the Financial Statements.
 - 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 : 29th May, 2012

DEEPA TRACY
DIRECTOR

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 31st March, 2012 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 Co.**
Chartered Accountants
Firm Regn. No. 101174W

Samir Gaglani
Partner
(Membership No.117496)

Place : Mumbai
Date : 29th May, 2012

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 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 and during the year has recovered Rs.0.30 lacs towards compensation for legal settlements. Further during the year, the Company has earned interest income on its investments aggregating to Rs. 3.61 lacs. 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 31 st March, 2012	(Rs. in lacs) Year ended 31 st March, 2011
Gross Profit/(Loss) after interest but before depreciation, taxation and exceptional item	(0.26)	9.49
Depreciation	—	0.10
Net Profit before exceptional items	(0.26)	9.39
Add: Exceptional Item – Profit on Sale of Premises	—	24.06
Net profit before tax	(0.26)	33.45
Less : Income Tax	—	—
Net Profit	(0.26)	33.45
Add : Balance brought forward	(576.55)	(610.00)
Balance Carried Forward	(576.81)	(576.55)

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 differ 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, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date both annexed thereto which we have signed under reference to this report. 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, (the 'Act') we give below a statement on the matters specified in paragraphs 4 and 5 of the said order;

- i) The company has no Fixed Assets during the year hence; the requirements of clause 4(i) are not applicable to the company.
- 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(iii) (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) Based on the audit procedures applied by us and according to the information, explanations and representation given to us, we are of the opinion that particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the register maintained under that section have been so entered;
 - b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of Rs.5 lakhs in respect of each party, the transactions have been made at prices which are, prima facie, reasonable having regard to the prevailing market prices at the relevant time.
- vi) 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 there under 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, 2012 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 incurred cash losses during financial year. However, the company has not 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 during the year.
- 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, Statement of 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, 2012 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, 2012 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 read together with 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 principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2012;
 - b) in the case of the Statement of Profit and Loss, of the Loss 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
Firm Regn. No. 101174W

(Samir Gaglani)
Partner
Mem. No. 117496

Mumbai, May 29, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

Rupees

	Note No.	March 31, 2012	March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	40,000,000	40,000,000
Reserves & Surplus	3	(23,823,082)	(23,796,802)
		<u>16,176,918</u>	<u>16,203,198</u>
Current Liabilities			
Other Current Liabilities	4	70,122	31,425
Total		<u>16,247,040</u>	<u>16,234,623</u>
ASSETS			
Non -Current Assets			
Long Term Loans and Advances	5	36,169	8,500,000
Current Assets			
Cash and Cash Equivalents	6	13,570,511	7,734,623
Short Term Loans and Advances	7	2,500,000	—
Other Current Assets	8	140,360	—
Total		<u>16,210,871</u>	<u>7,734,623</u>
		<u>16,247,040</u>	<u>16,234,623</u>
See Accompanying Notes to the Financial Statements	12		

This is the Balance Sheet referred to in our report of even date

For P. P. BHANDARI AND CO.
Chartered Accountants

(SAMIR GAGLANI)
Partner

Deepa Tracy
Director

Manish Chaudhari
Director

Mumbai, Dated 29th May, 2012

Mumbai, Dated 29th May, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Rupees

	Note No.	2011-2012	2010-2011
INCOME			
Other Operating Income	9	391,644	1,461,767
Total Revenue		391,644	1,461,767
EXPENSES			
Finance Costs			
- Interest on Sales Tax Assessments		-	17,024
Depreciation	10	-	10,338
Other Expenses	11	417,924	495,476
Total Expenses		417,924	522,838
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS & TAXATION		(26,280)	938,929
Exceptional Item - Profits on sale of Premises		-	2,406,498
PROFIT/(LOSS) BEFORE TAXATION		(26,280)	3,345,427
Tax Expense:			
Current Tax		-	-
Excess Provision of Tax written back		-	113
		-	113
PROFIT/(LOSS) FOR THE YEAR*		(26,280)	3,345,314
Balance Brought forward from previous year		(57,654,902)	(61,000,216)
		(57,681,182)	(57,654,902)
AMOUNT AVAILABLE FOR APPROPRIATION			
APPROPRIATIONS			
Balance Carried to Balance Sheet		(57,681,182)	(57,654,902)
Earnings Per Equity Share in Rupees (Refer Note 12 (B))			
Basic and Diluted before Exceptional item		(0.01)	0.23
Basic and Diluted after Exceptional item		(0.01)	0.84
See Accompanying Notes to the Financial Statements	12		

This is the Statement of Profit and Loss referred to in our report of even date

For P. P. BHANDARI AND CO.

Chartered Accountants

(SAMIR GAGLANI)

Partner

Mumbai, Dated 29th May, 2012

Deepa Tracy

Director

Mumbai, Dated 29th May, 2012

Manish Chaudhari

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Rupees

	2011-2012	2010-2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT / (LOSS) AFTER TAX	(26,280)	3,345,427
Adjustments for :		
Depreciation	-	10,338
Loss on sale of investments	-	3,443,982
Profit on sale of Premises	-	(2,406,498)
Dividend received	-	(520)
Interest on Sales tax refunds	-	(2,544)
Interest paid	-	19,568
Provision for diminution in value of investments written back	-	(3,495,229)
	-	(2,430,903)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	(26,280)	914,524
Adjustments for :		
Trade and Other Receivables	5,963,831	2,510,148
Trade and Other Payables	38,697	(91,649)
	6,002,528	2,418,499
CASH GENERATED FROM OPERATIONS	5,976,248	3,333,023
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Premises	-	2,500,000
Proceeds from Sale of Investments	-	53,572
Dividend income	-	520
NET CASH FROM INVESTING ACTIVITIES	-	2,554,092
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
(Repayments) / proceeds from Borrowings (Net)	-	(400,000)
Interest and other financial charges	-	(19,568)
Interest received on Sales tax refund	-	2,544
NET CASH FROM FINANCING ACTIVITIES	-	(417,024)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	5,976,248	5,470,091
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	13,710,871	7,734,623
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	7,734,623	2,264,532
	5,976,248	5,470,091

As per our attached Report of even date

For P. P. BHANDARI AND CO.

Chartered Accountants

(SAMIR GAGLANI)

Partner

Mumbai, Dated 29th May, 2012

Deepa Tracy

Director

Mumbai, Dated 29th May, 2012

Manish Chaudhari

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**Basis of Accounting**

The Financial Statements are prepared on the historical cost convention, in accordance with applicable Accounting Standards and the relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per criteria set out in the Schedule VI to the Companies Act, 1956.

Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised.

Revenue Recognition

- a) 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 recognized 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 recognized 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 recognized 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 recognized on realization in cash or in kind.

- b) Delayed payment charges are recognised on realisation.
- c) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- d) All other incomes and expenditures are accounted on accrual basis.

Fixed Assets

Tangible Fixed Assets are stated at cost or revalued amounts, as the case may be, less accumulated depreciation, lease adjustment account and provision for impairment, if any. The cost includes expenditure incurred in the acquisition and construction / installation and other related expenses in bringing the asset to working condition for its intended use. In respect of qualifying assets, related pre operational expenses including borrowing costs are also capitalised. In case of revaluation of fixed assets, the original cost as written up by the valuer, is considered in the account and the differential amount is transferred to revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

Depreciation

Depreciation on Tangible Fixed Assets has been provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 on prorata basis from the date of additions and/or disposal :

- (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.

Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost or fair value. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

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.

Income Taxes

Tax expense comprises both current and deferred taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods are recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has carry forward unabsorbed depreciation and tax losses, deferred Tax assets are recognised only to the extent there is a virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realised.

Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

Rupees

	March 31, 2012	March 31, 2011
NOTE 2: SHARE CAPITAL		
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	25,000,000	25,000,000
	<u>125,000,000</u>	<u>125,000,000</u>
Issued, Subscribed and Fully Paid-up		
40,00,000 Equity Shares of Rs.10 each, fully paid up	40,000,000	40,000,000
	<u>40,000,000</u>	<u>40,000,000</u>

Terms/ Rights attached to the Share Capital;

The company has only one class of equity share and the shareholder is entitled to one vote per share. In the event of liquidation of the company, the shareholders will be entitled to receive remaining assets of the company after distribution of all preferential amounts in proportion to the number of shares held.

Details of Shareholders holding more than 5 percent of the shares;

In respect of Equity Shares;	March 31, 2012	March 31, 2011
Name of the Shareholder	No. of Shares held	No. of Shares held
Nayant Savani	285,700	285,700
Savani Holdings Private Limited	704,500	704,500

NOTE 3: RESERVES AND SURPLUS

Share Premium Account		
As per last Account	33,208,100	33,208,100
Special Reserve (under Section 45 - IC of the Reserve Bank of India Act, 1934)		
As per last Account	650,000	650,000
Surplus / (Deficit) in the Statement of Profit & Loss		
As per last Account	(57,654,902)	(61,000,216)
Profit/(Loss) for the year	(26,280)	3,345,314
Net deficit in the Statement of Profit & Loss	<u>(57,681,182)</u>	<u>(57,654,902)</u>
	<u>(23,823,082)</u>	<u>(23,796,802)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

	March 31, 2012	March 31, 2011
Rupees		
NOTE 4: OTHER CURRENT LIABILITIES		
Other Payables:		
Sundry Creditors For Expenses (Other than Micro, Small and Medium Enterprises)	64,540	24,817
Withholding taxes	5,582	6,608
(There are no amounts due and payable to the Investor Education and Protection Fund)	<u>70,122</u>	<u>31,425</u>
NOTE 5: LONG TERM LOANS AND ADVANCES		
Rental Deposit with related party	-	8,500,000
Tax Deducted at Source	36,169	-
	<u>36,169</u>	<u>8,500,000</u>
NOTE 6: CASH AND CASH EQUIVALENTS		
Balances with banks		
In Current Accounts	2,399,749	7,479,395
In Deposit Accounts	11,000,000	-
Cash on hand	170,762	255,228
	<u>13,570,511</u>	<u>7,734,623</u>
NOTE 7 : SHORT TERM LOANS AND ADVANCES		
(Unsecured Considered Good)		
Rental Deposit with related party	2,500,000	-
	<u>2,500,000</u>	<u>-</u>
NOTE 8: OTHER CURRENT ASSETS		
(Unsecured - Considered Good)		
Accrued Interest on Fixed Deposits	140,360	-
	<u>140,360</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

	Rupees	
	2011-12	2010-2011
NOTE 9: OTHER INCOME		
Compensation for legal settlements	30,000	1,410,000
Dividend on Investment	-	520
Interest Income	361,644	-
Provision for Diminution of Investments written back	-	3,495,229
Less : Loss on sale / disposal of investments		3,443,982
	<u>-</u>	<u>51,247</u>
	<u>391,644</u>	<u>1,461,767</u>
NOTE 10: DEPRECIATION		
On Premises	-	10,338
	<u>-</u>	<u>10,338</u>
NOTE 11: OTHER EXPENSES		
Rates and Taxes	480	480
Printing and stationery	40,483	39,222
Travelling and conveyance	46,093	57,119
Advertisement	45,206	58,554
Communication expenses	33,904	32,708
Listing and Registration Fees	39,820	34,302
Membership and Subscription	13,236	13,236
Legal & Professional Charges	128,133	168,457
Auditors' Remuneration:		
Audit fee	22,472	22,060
Other Services	5,618	5,515
	<u>28,090</u>	<u>27,575</u>
Miscellaneous Expenses	42,479	63,823
	<u>417,924</u>	<u>495,476</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

NOTE 12: OTHER ADDITIONAL NOTES / INFORMATION

A 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 recognized by way of prudence in accordance with Accounting Standard (AS – 22) "Accounting for Taxes on Income" issued by Institute of Chartered Accountants of India.

		Rupees
	March 31, 2012	March 31, 2011
B Earnings Per Share:		
Profit/(Loss) after taxation, refund of income tax and before Exceptional Item	(Rs.) (26,280)	938,816
Profit/(Loss) after taxation, refund of income tax and Exceptional Item	(Rs.) (26,280)	3,345,314
Number of Equity Shares (Face Value Rs.10/-)	4,000,000	4,000,000
Earning Per Share in Rupees - Basic		
Before Exceptional Item	(0.01)	0.23
After Exceptional Item	(0.01)	0.84

C 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.

D Related Party Disclosure:

a) Relationships:

- 1 Associate Concerns
 - Savani Transport Private Limited
 - Savani Holdings Private Limited

b) Nature of transactions:

The following transactions were carried out with the related parties mentioned in A above, in the ordinary course of business.

	Associate Concerns	
	2011-12	2010-11
1 Sale of Fixed Asset		
Savani Holdings Private Limited	-	2,500,000
2 Sale of Investments		
Savani Holdings Private Limited	-	53,522
3 Rental Deposits given received back (Net)		
Savani Transport Private Limited	6,000,000	-
4 Outstanding Balances		
Rental Deposits		
Savani Transport Private Limited	2,500,000	8,500,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

NOTE 12: OTHER ADDITIONAL NOTES / INFORMATION (Contd.)

No amount has been provided as doubtful debts or advances / written off or written back in the year in respect of debts due from / to above related party

- E The Central Government vide notification SO. 447 (E) dated February 28, 2011, has revised the Schedule VI under the Companies Act, 1956 and the same has become applicable for the Financial Statements to be prepared for the financial year commencing on or after April 1, 2011. Accordingly, the Company has reclassified the previous year figures to conform to this year's classification. The adoption of the revised Schedule VI does not impact the recognition and measurement principles followed for the presentation of the Financial Statements.

Signatures to the Notes to the Financial Statements which form an integral part of the Financial Statements.

As per our attached Report of even date

For P. P. BHANDARI AND CO.

Chartered Accountants

(SAMIR GAGLANI)

Partner

Deepa Tracy

Director

Manish Chaudhari

Director

Mumbai, Dated 29th May, 2012

Mumbai, Dated 29th May, 2012

**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**

Rs. in Lakhs

Particulars	Amount Outstanding	Amount Overdue
LIABILITIES SIDE:		
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 [#]	-	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Public Deposits*	-	-
(g) Other Loans (specify nature) Security Deposits Against Lease/Hire Purchase Agreements	-	-
* please see Note 1 below		
2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(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		

ASSETS SIDE :

	Amount Outstanding
3) Break-up of Loans and Advances including bill receivables (other than those included in (4) below):	
(a) Secured	-
(b) UnSecured	25.00

**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**

	Amount Outstanding
4) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities	
(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 where assets have been repossessed	-
(b) Loans other than (a) above	-
5) Break-up of Investments :	
<i>Current Investments :</i>	
(i) Quoted :	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government securities	-
(v) Others (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)	-

**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**

	Amount Outstanding
<i>Long Term Investments :</i>	
(i) Quoted :	
(i) Shares : (a) Equity	—
(b) Preference	—
(ii) Debentures and Bonds	—
(iii) Units of mutual funds	—
(iv) Government securities	—
(v) Others (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)	—

6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :
Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	—	—	—
(b) Companies in the same group	—	—	—
(c) other related parties	—	25.00	25.00
2. Other than Related Parties	—	—	—
Total	—	25.00	25.00

**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**

- 7) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted):

Please see Note 3 below

Category	Market value/Break-up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) other related parties	-	-
2. Other than Related Parties		
Total	-	-

8) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	-
(a) Related Parties	-
(b) Other than related Parties	-
(ii) Net Non-Performing Assets	-
(a) Related Parties	-
(b) Other than related Parties	-
(iii) Asset acquired in satisfaction of debt	-

Notes:

- As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

For and on behalf of the Board of Directors

Director

Director

Mumbai, Dated 29th May, 2012