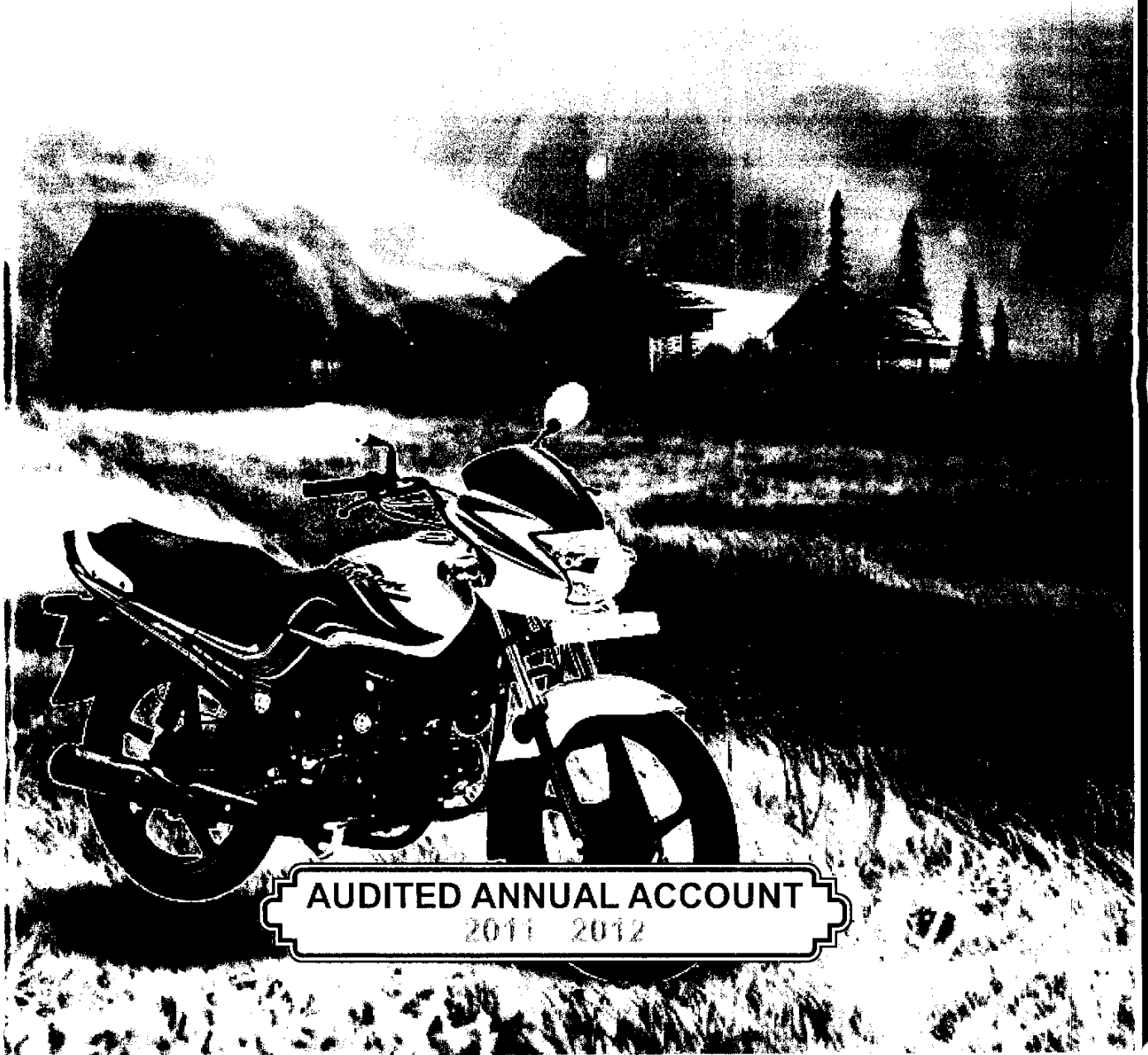




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FINANCE LIMITED



AUDITED ANNUAL ACCOUNT
2011 2012



SHALIBHADRA

FINANCE LIMITED

AUDITED ANNUAL ACCOUNTS

2011 - 2012

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BOARD OF DIRECTORS

SHRI MUKUND H DOSHI Chairman
SHRI MINESH M DOSHI Managing Director
SHRI GOVIND L KESWANI Director
SHRI NAROTANMAL RAMPURIA Director

REGISTERED OFFICE

3, Kamat Industrial Estate,
396 Veer Savarkar Marg.,
Prabhadevi,
Mumbai: 400 025.

BRANCHES

Anand	Nadiad	Navsari
Ahmedabad	Mehsana	Nandurbar
Bardoli	Surat	Nasik
Bharuch	Valsad	Vadodara
Boisar	Vapi	
Dabhoi	Rajpipla	
Himmatnagar		

CONTENTS	PAGE NO.
Notice	4
Directors Report	6
Auditors Report	19
Balance Sheet	24
Profit & Loss Account	25
Notes	26
Accounting Policies	32
Cash Flow Statement	39
Proxy Form & Attendance	43

BANKERS

Bank of Maharashtra
Indian Overseas Bank

AUDITORS

M/s. K.S.Sanghvi & Co.
Chartered Accountants

21st Annual General Meeting on Thursday,
27th September, 2012 at 3.30 p.m. at 3, Kamat
Industrial Estate, 396, Veer Savarkar Marg,
Opp. Siddhi Vinayak Temple, Prabhadevi,
Mumbai: 400 025.

Shareholders are requested to bring their copies
of the Annual Report along with the Annual
General Meeting.

SHARE TRANSFER SERVICE

3, Kamat Industrial Estate,
396, Veer Savarkar Marg,
Prabhadevi, Mumbai: 400 025. INDIA

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FINANCE LIMITED

NOTICE

NOTICE is hereby given that the 2st ANNUAL GENERAL MEETING of the members of SHALIBHADRA FINANCE LIMITED will be held on Thursday 27th September, 2012 at 3.30 p.m., at Registered Office at 3, Kamat Industrial Estate, Ground Floor, Opp. Siddhi Vinayak Temple, Prabhadevi, Mumbai – 400 025 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 or Loss for the year ended on that date and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Mukund H.Doshi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider & declare dividend.
4. To appoint the Auditors and fix their remuneration.

Registered Office:

3, Kamat Industrial Estate,
396, V.S. Marg,
Opp. Siddhi Vinayak Temple,
Prabhadevi,
Mumbai – 400 025.
Tel: 24 322 993/ 24 322 994.

For and on behalf of Board of Directors

DIRECTORS

Place: MUMBAI

Date: 28th June, 2012.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER .The instrument appointing a proxy must be deposited with the Company at its Registered Office no less than 48 hours before the time for holding meeting.
2. The share transfer Book and the Register of Members of the Company has remain closed from 22.09.2012 to 26.09.2012.
3. All members are requested to:
 - (i) Intimate any change of address, if any, to the Company quoting reference to their Registered Folio number.
 - (ii) Write to the Company for any information about accounts 10 days in advance of the Annual General Meeting

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- (iii) Members/Proxies are requested to bring the copy of their Annual Report alongwith them and to produce the attendance slip at the entrance of the meeting hall.
 - (iv) Convert their shares in Demat form for easy liquidity or sale through Stock Exchange and safety.
4. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all working days, Saturdays and Holidays, between 11.00 a.m. and 1.00 p.m. upto date of the Annual General Meeting.
5. In all correspondence with the Company, the members are requested to quote their members folio numbers and in case their shares are held in dematerialized form, quote their client ID Number and their DPID Number.
6. Information required to be furnished under the Listing Agreement.
As required under the Listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be appointed/ re-appointed are given below:-
- (A) Name : Shri Mukund H.Doshi
Date of Birth : 6th August, 1938.
Qualification : S.S.C.
Experience : Wide experience in the line of trading. He is a member of Audit Committee, Remuneration Committee & Shareholders Committee.

For and on behalf of Board of Directors

Place: MUMBAI
Date: 28th June, 2012.

DIRECTORS

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FINANCE LIMITED

SHALIBHADRA FINANCE LIMITED

DIRECTORS REPORT

Your directors present here with the 21st Annual Report of the company with the Audited Statements of the Accounts for the year ended March 31, 2012.

FINANCIAL RESULTS:

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

<u>Particulars</u>	Current Year 2011 – 2012 (Rs.in '000)	Previous Year 2010 – 2011 (Rs.in '000)
Business Income	82270	61629
Profit before Interest, Depreciation & Tax	59786	43199
Less:		
a. Interest	24976	17054
b. Depreciation	558	501
c. Exceptional Item	150	1738
Profit before tax	34102	23906
Provision for Income Tax	12500	9325
Provision for Deferred Tax	46	(13)
Profit after tax	21556	14594
Proposed Dividend	4002	4002
Distribution Tax	649	680
Transfer to/(from) General Reserve	2500	1500
Transfer to Special Reserve	5000	3300
Balance brought forward from Previous Year	9629	4518
Balance carried to Balance Sheet	19033	9629

DIVIDEND:

The Directors recommend dividend of 3% i.e. Rs 0.80 per equity share.

FINANCE:

The company has been recently sanctioned of Rs. 2 corers of additional cash credit facility which will further help in expanding branch network.

CORPORATE GOVERNANCE & COMPLIANCE CERTIFICATE

A separate section on Corporate Governance is included in the Annual Report and the certificate from the Company's Auditors confirming the Compliance of the conditions on the Corporate Governance as stipulated in the Clause 49 of the Listing Agreement with the Stock Exchange is annexed hereto.

OUTLOOK AND PROSPECTS:

Outlook & Prospect look very encouraging due to increase sale of new two wheelers.

B. Clause 32: Cash flow statement pursuant to clause 32 listing agreement is provided along with Notes to Accounts.

PUBLIC FIXED DEPOSITS:

The Company has no public deposit as of date and will not accept any deposit without prior approval of the statutory authorities concerned.

RBI GUIDELINES:

The company is consistently complying with all the guidelines issued by the Reserve Bank of India for NBFC's (AFC's) with respect to capital adequacy, asset classification, provisioning and income recognition on non-performing assets.

The capital adequacy of the Company as on 31st March, 2012 is much higher than the minimum norms stipulated by the RBI for NBFC (AFC's).

ACCOUNTS & ACCOUNTING STANDARDS:

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

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

DIRECTORS:

In accordance with the Articles of Association Shri Mukund H.Doshi who retires by rotation is eligible for the reappointment. Members are requested to reappoint him.

The Board of Directors shall be broad based by inclusion of independent Directors from various fields in due course.

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DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- 1) That in the preparation of the annual accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed;
- 2) 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 on 31st March, 2012 and the profit of the Company for that period.
- 3) 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;
- 4) That the annual accounts for the financial year ended 31st March, 2012 are prepared on a 'going concern' basis.

MATERIAL CHANGES AFTER THE DATE OF BALANCE SHEET:

Pursuant to provisions of Section 217(1)(d) of the Companies Act, 1956, there has been no material change and commitment affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.

PARTICULARS OF EMPLOYEES:

The company has not paid remuneration attracting the Provisions of Sec. 217 (2A) of the Companies Act, 1956.

PARTICULARS UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956:

Additional information required under the provisions of the above section read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, regarding conservation of Energy, Technology Absorption are not applicable as the company is not carrying out any manufacturing operation.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review, the company has neither earned any foreign exchange nor incurred any expenses.

AUDITORS:

M/s K.S.Sanghvi & Co. Chartered Accountants retiring Auditors of the Company, retires at the ensuing Annual General Meeting of the Company and are eligible for re-appointment. Members are requested to appoint the auditors and fix their remuneration.

ACKNOWLEDGMENTS:

Your Directors wishes to place on record their appreciation to all the employees for their hard work, dedication, commitment and rendering impeccable service to every constituent of the company's customer and shareholders.

Place: Mumbai
DATED: 28th June, 2012.

For And On Behalf Of the Board of Directors .

MUKUND H. DOSHI
Chairman.

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FINANCE LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS:

INDUSTRY STRUCTURE & DEVELOPMENTS:

The Company is asset finance company focusing on rural, semi-urban & other under banked geographies of Gujarat & Maharashtra.

Company has conceptualised simple & speedy, small cap, asset financing products

Why Simple & Speedy:

1. The company operates in rural areas & its procedures have to be simple to be understood by the local people.
2. It is difficult to give unsecured finance on large scale swiftly unlike secured finance.

Why Small Cap:

1. The Bank's / Big NBFC's have exited or reduced exposure to small deals as cost of administration for them is too high & smallness does not attract them.
2. We want to reach to the bottom of pyramid people with annual family income of less than Rs. 1,00,000/-pas.
3. The risk is spread over a very large number of customers.
4. Market is not rate sensitive. Execution is key to success.

Why Rural:

1. There will be saturation in urban markets in near future.
2. Successive government is targeting growth of rural infrastructure with fiscal support measures
3. With rising income levels there is shift in pattern of consumption from food to non-food item where vehicle has top priority.
4. Rural market is yet to be penetrated fully.
5. The bankers & big NBFC are averse to financing in rural areas.
6. Due to invasion of television & communication rural people are aspiring for new products including vehicles.

Why asset finance – especially vehicles:

1. There is & will be huge demand for vehicle specially two wheelers & old four-wheelers.
2. Company intends to give only secured finance to have very low level of delinquency.
3. Company feels that financing for white goods & personal finance will take a long time to succeed in rural areas.
4. RBI & courts have taken an adverse view for tough recovery system which is must for unsecured finance.
5. Unsecured finance requires lot of energy towards loan processing.

THREATS & RISKS:

There may be drastic slowdown in demand for the two wheelers. However, company is confident to growing business due to withdrawa. of NBFC's /Bank from this sector.

There is always a greater difficulty of seizing NPA assets from rural than urban area due to non-co-operation of customers and local community pressure. Shalibhadra Finance Limited has mitigated this risk to a great degree by keeping the average loan size small and financing a maximum of 75% of the vehicle, along with a robust hypothecation policy, besides building relationships with locals with human face. However, a major slowdown in economy, fluctuation in interest rates, liquidity availability, extra-ordinary increase in fuel prices or vehicle taxes, floods or such calamities can drastically affect Shalibhadra Finance Limited business growth and asset portfolio in non-urban segments.

OPERATIONS & CONTROL SYSTEMS:

Shalibhadra Finance Limited has a very good presence in Gujarat, being "*the dominant player*" in its segment of financing 2 wheelers in rural, semi rural and under banked areas. Shalibhadra Finance Limited operates in small towns, villages and city outskirts where the customer is not very literate and highly unorganized. Shalibhadra Finance Limited has its grip on the right pulse of the market segment in question, and has mastered the art of keeping excellent relations with its clients without compromising on growth and bottom-line, resulting in return business and word of mouth publicity.

Shalibhadra Finance Limited has tie up's with various dealers, brokers and service station spread across around 50km, range of each branch from where regular business is generated.

Our company believes that normal collection through post dated cheques will not work in rural areas due to poor banking habit & poor banking penetration. The company has tied up with various Co-operative banks to collect on behalf of company which has received good response from customers.

Company dose not operate on franchise or DSA model but put up its own branches in owned premises. The company thinks that this small loan business is highly service oriented & requires physical presence & can not be done from a long distance. We have to be physically present & be face-to-face to give service to rural borrower. Company cover up to 50km. of area from each branch to keep its high standard of service & be in touch with customers directly.

Company employs local rural people who know local market well, know local language properly & can easily establish good relationship with local customers. This also helps in keeping employee cost down.

Shalibhadra Finance Limited have a reasonably de-centralized decision making system with the first contact employee empowered to initiate sanction of loans under supervision of branch heads upto certain amounts. All disbursements of loan are done from head office. All branches are fully computerized and efforts to link the same on-line with head office are underway.

Once loan is sanctioned there is strong MIS system which is centralized at head office. Monthly reporting system of all overdues and follow-ups with customers are in place. All documents pertaining to hypothecation are kept at branches. NOC are sent from Head office.

The company has also got all its documents digitized by an outside agency. This has improved efficiency drastically.

People having extremely low income are served by Microfinance institutions. The company does not target them as they usually do not have means/ income to buy any vehicles. The company wants to finance people who are in slightly higher income bracket.

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The share of money lenders in funding business is continuously increasing due to averseness of bank to finance speedily. Hence we want to play a bigger role by giving instant finance on pre-owned vehicles. We have recently launched a scheme called "SARAL" to service this sector which has received good response.

The company is consciously moving towards small loans. It is gradually moving out of old 3/4 wheeler loans. It is slowly increased share of Saral (old two wheeler loan) where yields are better. This will improve overall yield on total portfolio.

During the year company could not increase the number of branches due to two main reasons of non-availability of funds & absence of comprehensive software which can handle large number of branches & large amount of portfolio.

But now company is developing new comprehensive software from outside agency. Company will start operating this software within 6 months. This will increase the efficiency of the company to handle large number of branches with very large portfolio.

Banks are reluctant to fund NBFC/AFC as RBI has withdrawn state of priority sector lending on finance to NBFC/AFC. Company is in the process of getting rated from a credit rating agency. Good rating will open new avenues of funding & will take company to new growth trajectory.

FUTURE OUTLOOK:

Due to withdrawal by Banks /NBFC from Two wheelers financing business we have great opportunity to tap this market

The Indian rural landscape is rapidly changing, presenting various growth opportunities. The rural customer (>75% of the population) is becoming more market savvy, and aspires for a higher life quality. Shalibhadra Finance Limited objective is to grow its customer base to over 45,000 customers, 24 branches and a vehicle finance portfolio of Rs 450 million by March 2013.

Shalibhadra Finance Limited plans to concentrate further on smaller but upcoming towns to avoid margin competition. Shalibhadra Finance Limited customers are generally salaried class, agriculturist and self employed. This industry is growing in double figure rates and competition from other NBFC's and banks is practically non-existent due to relatively small & wide market and high service oriented business.

B. Clause 32: Cash flow statement pursuant to clause 32 listing agreement is provided along with Notes to Accounts.

CAUTIONARY STATEMENT:

As stated in the beginning, this report Shareholders is in compliance with the corporate Governance Standard incorporated in the listing Agreement with the stock Exchanges and as such cannot be constructed as holding out of any forecasts, projections, expectations, invitations, offers etc, within the meaning of applicable securities, laws and regulations. This report basically seeks to furnish information, as laid down with in the different headings provided under the sub-head Management Discussion and Analysis to meet the Listing Agreement requirements.

FINANCIAL PERFORMANCE

During the year the operations have been satisfactory and profitable insofar as the Company has generated revenue of Rs822.70Lacs (Previous year Rs. 616.29 Lacs) and a profit after tax of Rs. 215.56 Lacs (Previous Year Rs 145.94Lacs).

CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in clause 49 of Listing Agreement as applicable to the company is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The company is committed to good corporate governance and has started implementing corporate governance norms as prescribed by SEBI. The Company respects the rights of not only of its Shareholders but also of general public to the information on the performance of the Company and considers it self a trustee of its Shareholders.

2. BOARD OF DIRECTORS:

The Company is fully compliant with the Corporate Governance Norms in terms of constitution of the Board with a good combination of Executive and Non – Executive Directors. The board has complete access to any information within the Company and to any employee of the Company.

In accordance with the provisions of Clause 49 of the Listing Agreement, the Board meets at least once every quarter to review the quarterly results and other items of the Agenda and, if necessary, additional meetings are held. The Board meets at least 4 times in a year and the gap between two Board Meetings is not more than 4 months as per the revised Clause 49 of the Listing Agreement. The Board is apprised and informed of all the important information relating to the business of the Company including those listed in Annexure 1A of the revised Clause 49 of the Listing Agreement.

COMPOSITION AND CATEGORY

Present strength of the Board of Directors is five whose composition is given below:

- 1 Managing Director
- 2 Promoter Director
- 3 Non-Executive Directors.

ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING

During the financial year ended March 31, 2012 Twelve Board Meetings were held on 29th April 2011, 27th May 2011, 24th June 2011, 29th July 2011, 4th August 2011, 8th September 2011, 28th October 2011, 25th November 2011, 30th December 2011, 27th January 2012, 24th February 2012, 31st March 2012.

Name of the Director	No. of Board Meetings attended	Attendance at last AGM held on 30 th September 2011.
Shri Minesh M.Doshi	12	Present
Shri Mukund H.Doshi	12	Present
Shri Govind L.Keswani	11	Present
Shri Narotan mal Rampuria	11	Present

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FINANCE LIMITED

3. DISCLOSURE REGARDING APPOINTMENT OR REAPPOINTMENT OF DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, and Articles of Association of the Company, Shri Mukund H.Doshi, Director of the Company, retire by rotation at the forthcoming Annual General Meeting and are eligible for reappointment. Shri Mukund H.Doshi offers himself for reappointment. The required details of Shri Mukund H.Doshi are provided in the Notice of the Annual General Meeting.

4. AUDIT COMMITTEE :

Company has formed Audit Committee comprising 3 Directors of the Company.

Five Meetings were held during the year on 29.04.2011, 24.06.2011, 24.07.2011, 28.10.2011 and 27.01.2011 to consider the periodical financial statements and discussion on internal control system of the Company.

Composition and the name of the members as on 31st March 2012:

Name of the Directors	Meetings attended
Shri Minesh M.Doshi	5
Shri Mukund H.Doshi	5
Shri Noratan Mal Rampuria	4

Terms of reference

The terms of reference of the Audit Committee broadly are as under:

- (a) To hold periodic discussions with the Statutory Auditors of the Company concerning the financial reports of the Company, internal control systems, scope of audit and observations of the Auditors/ Internal Auditors;
- (b) To review compliance with internal control systems;
- (c) To review the quarterly, half yearly and annual financial results of the Company before submission to the Board;
- (d) To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report;
- (e) Recommending the appointment/reappointment of statutory auditors and fixation of their remuneration.

The powers and terms of reference of the committee are as specified in Clause 49 of the Listing Agreements with Stock Exchanges and Section 292A of the Companies Act, 1956. Recommendations of the Audit Committee, if any are considered and implemented by the Board.

5. REMUNERATION COMMITTEE :

The Company has formed Remuneration Committee. The remuneration committee comprises of three Directors.

Composition and the name of the members as on 31st March 2012:

Name of the Directors	Meetings attended
Shri Mukund H.Doshi	1
Shri Minesh M.Doshi	1
Shri Govind Keswani	1

The Committee has met on July 28, 2011 during financial year ended March 31, 2012.

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6. SHAREHOLDERS COMMITTEE/ INVESTORS GRIVENCES COMMITTEE:

The committee reviews all matters connected with the securities transfer. The committee also looks into redressal of shareholders complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, issue of share certificates on account of bonus, split or any other matter related to securities of the Company. The committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services. The committee meets as and when required, depending upon grievances and /or request for physical transfer of securities received by the Company. Details of shares transfers / transmission approved by the Committee and Shareholders/Investors grievances are placed at the Board Meetings from time to time.

Five Meetings were held during the year on 29.04.2011, 29.07.2011, 26.08.2011, 28.10.2011 and 27.01.2012. Members of the Committee are:

Name of the Directors	Meetings attended
Shri Mukund H.Doshi	6
Shri Govind L.Keswani	6

Company has attended the Investors Grievances / Correspondence promptly. There is no pending complaint as on 31st March 2012. There is no outstanding request for Share Transfer and dematerialization as on 31st March 2012.

7. GENERAL BODY MEETINGS:

The last three Annual General Meeting of the Company were held as under:

Financial Year	Date	Time	Venue
2008– 2009	30 th September 2009	3.30 p.m.	Registered Office
2009– 2010	30 th September 2010	3.30 p.m.	Registered Office
2010– 2011	30 th September 2011	3.30 p.m.	Registered Office

During the period under report the Company has not called any Extra Ordinary General Meeting.

8. DISCLOSURES:

SEBI has initiated penalty proceedings against the company for late filing of certain documents. Matter is still under consideration by SEBI.

Other than above Stock Exchange or SEBI has not imposed any fine, penalty or restriction for non- compliance of any matters relating to capital market during last three years.

9. MEANS OF COMMUNICATION:

The quarterly and half-yearly results are forthwith communicated to Mumbai Stock Exchange after they are approved and taken on record by Board of the Directors of the Company.

Company's Management Discussion and Analysis for the year ended March 31st 2012 forms a part of and this Annual Report and is given under the section so captioned.

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10. INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

ISIN is unique identification number of traded scrip. This number has to be quoted in each transaction relating to the dematerialized equity shares of the company. The Company's ISIN No.: **INE861D01011**.

11. GENERAL SHAREHOLDER INFORMATION:

- a. **Annual General Meeting** : Date and Time: 27th September 2012, 3.30 p.m
Venue: Registered office of the Company.
- b. **Date of Book Closure** : 22nd September 2012 to 26th September 2012.
- c. **Listing on Stock Exchange** : Shares of the Company are listed on Mumbai Stock Exchange. Annual Listing fees as prescribed are been paid for the calendar year 2011 & 2012.

d. Financial Calendar :

Financial Reporting for the Year ended

March 31, 2012 : By End of April 2012 (Un audited)

Quarter ending June 30, 2011 : By End of July 2011

Quarter ending September 30, 2011 : By End of October 2011

Quarter ending December 31, 2011 : By End of January 2012

Annual General Meeting for the year

Ended March 31, 2012 : September 27, 2012

- e. **Stock Code** : BSE, Mumbai (Physical) – 11754
BSE, Mumbai (Demat Segment) – 511754

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f. Stock Market Data

Period: Apr 2011 to Sep 2012

All Prices in

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Volume
Apr 11	43.75	67.85	42.00	57.65	16,50,047	10,424	9,50,17,259
May 11	58.00	59.50	37.05	48.95	11,19,758	7,734	5,68,11,913
Jun 11	51.50	56.10	40.20	47.20	8,12,305	3,674	3,99,18,897
Jul 11	48.00	59.50	45.25	50.15	10,68,204	6,495	5,69,67,813
Aug 11	45.20	57.00	40.10	44.45	10,07,363	5,309	5,10,65,786
Sep 11	44.10	51.60	42.40	48.50	5,86,475	2,109	2,76,92,135
Oct 11	44.10	55.40	44.10	54.70	5,33,699	1,624	2,72,59,894
Nov 11	53.15	56.00	46.25	49.30	4,09,473	1,142	2,08,98,041
Dec 11	50.95	55.55	40.15	44.55	7,99,718	2,547	3,72,83,272
Jan 12	45.85	45.90	36.10	43.70	7,16,588	4,096	3,04,77,715
Feb 12	44.25	72.50	42.40	65.20	14,45,201	7,167	8,52,85,666
Mar 12	65.00	79.00	58.20	65.60	18,04,233	7,536	12,09,15,005
Total					1,19,53,064	59857	64,95,93,446

Spread
H/L: High/Low
C/O: Close/Open

g. Share Transfer System:

Share transfer application received in physical form and Demat requests found in order are normally confirmed within reasonable time and posted /informed to the agencies within the requisite time.

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h. Share Holding Pattern.

	Category	No. of Shares held	% age of Shareholding
1.	Indian Promoters	1778681	35.55
2.	Persons acting in concern	567510	11.34
3.	Private Corporate Bodies	599908	11.99
4.	Indian Public	2057001	41.11
	GRAND TOTAL.....	5003100	100

i. Dematerialization of shares:

86.68 of the Company's paid up equity share capital has been Dematerialized up to March 31, 2012. Trading in the equity shares of the Company at Bombay Stock Exchange is permitted only in dematerialized form.

The details of Demat shares.

Depository	No. of Shareholders	No. of Shares	% of Capital
NSDL	639	2190866	43.79
CDSL	447	2146334	42.90
TOTAL	1086	4337200	86.69

Request for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days. Shares of the Company are regularly traded on BSE.

12. Shares under lock-in:-

There are no shares under lock in as on 31.03.2012.

13. Address for Correspondence for Shareholders

Shalibhadra Finance Limited,
3, Kamat Industrial Estate,
396, V.S.Marg,
Opp. Siddivinayak Temple,
Prabhadevi,
Mumbai – 400 025.
Email: shalibhadra_mum@yahoo.co.in

Registered Office:

Shalibhadra Finance Limited,
3, Kamat Industrial Estate,
396, V.S.Marg,
Opp. Siddivinayak Temple,
Prabhadevi,
Mumbai – 400 025.
Email : shalibhadra_mum@yahoo.co.in

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AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

**The Members,
SHALIBHADRA FINANCE LIMITED.**

We have examined the compliance of conditions of Corporate Governance by Shalibhadra Finance Limited, for the year ended 31st March 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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 and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that generally no Investors grievance are pending for a period extending 30 days against the Company as per the records maintained by the Company.

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

K S Sanghvi & Co
Chartered Accountants
Firm Registration Number: 116714W

(Hitendra Doshi)
Partner
(Membership No.:40201)

Place: Mumbai
Dated: 28th June, 2012

ShaliBhadra

FINANCE LIMITED

Auditors' Report

To,
The Members Of
Shalibhadra Finance Limited.

1. We have audited the attached Balance Sheet of Shalibhadra Finance Limited as at 31st March, 2012 and Statement of Profit or Loss account for the year ended on that date and the Cash Flow statement for the year ended on that date. 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those 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 amount and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by Management, as well as evaluating the overall presentation of financial statement. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure, a statement on the matter specified in Para 4 mid 5 of the said order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above:
 - a. We have obtained all the information and explanations necessary for the purpose of our audit *except (i) information about the amount of liability in respect of provision for gratuity, leave encashment and other retirement benefits as prescribed by AS 15 "Employee Benefits" issued by the Institute of Chartered Accountants of India, and (ii) the information on Bank Reconciliation Statement of few bank accounts.*
 - b. In our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of the books.
 - c. *The Company has not made provision for gratuity, leave encashment and other retirement benefits as prescribed by AS 15 "Employee Benefits" issued by the Institute of Chartered Accountants of India. In the absence of the information as regard the amount of the liability, the impact of non-provision on the he profit of the Company for the year ended 31 March 2012 is unascertainable and overstated to the extent of the non provision and the provisions of the Company are understated to the extent of the non provision.*
 - d. *Subject to our comment in point (a) and (c) above, in our opinion the Balance Sheet and Statement of Profit or Loss complies with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.*
 - e. On the basis of written representation received from Directors as on 31st March, 2012 and taken on record by the Board of Directors, We report that none of the Directors are 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.

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FINANCE LIMITED

f. *Subject to paragraphs 4(a) and 4(c) above*, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act 1956, in the manner as required give a true and fair view in conformity with the accounting principles generally accepted in India

- i. In the case of the Balance Sheet of the State of Affairs of the Company as at March 31st, 2012.
- ii. In the case of the Statement of Profit or Loss, of the profit of the Company for the year ended on that date.
- iii. In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

K S Sanghvi & Co
Chartered Accountants
Firm Registration Number: 116714W

(Hitendra Doshi)
Partner
(Membership No.:40201)

Place: Mumbai
Dated: 28th June, 2012.

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FINANCE LIMITED

Annexure to the Auditor's Report

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, physical verification of fixed assets as at March 31, 2012 was conducted by the management of the company during the year. In our opinion the frequency of physical verification is reasonable. Having regards to the size of the operations of the company and on the basis of explanations received, in our opinion, there were no differences found on physical verification.
- (ii) (a) Except for the stocks on hire, the legal ownership of which is to be transferred to the hirers on receipt of the last installment from them, the Company does not have any stocks of inventory. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii)(a) The company has not granted any unsecured loans to companies, firms and other parties as covered in the register maintained under section 301 of the Companies Act, 1956. As a result, this clause along with sub clauses (b), (c) and (d) are not applicable.
- (e) There are 24 (Twenty-four) parties covered in the register maintained under section 301 of the Companies Act, 1956 from whom the loans have been taken. The year end balance was Rs 7.91 crores.
- (f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions as stipulated on which the company has taken the loans from firms and other parties required to be listed in the register maintained under section 301 of the Companies Act, 1956, are *prima facie* not prejudicial to the interest of the company.
- (g) The Company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest stipulated to the firms and companies or other related parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the company and nature of its business for purchase of inventories and fixed assets and for sale of services. During the course of our audit no major weakness has been observed in the internal control procedures.

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FINANCE LIMITED

- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and having regard to our comments in paragraph (iii) above, and according to the information and explanations given to us, particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section and the transactions exceeding the value of Rupees Five Lacs in respect of any party during the year have been made at price which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.
- (vi) The Company has not accepted any deposits from the public within the meaning of Section 58A and Section 58AA of the Companies Act 1956 and the rules framed there under.
- (vii) *The Company does not have an internal audit system.*
- (viii) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, in respect of activities carried on by the Company.
- (ix) (a) According to the information and explanation given to us, the company is generally regular in depositing with the appropriate authorities in India the undisputed statutory dues under income Tax act and other material statutory dues as applicable to it.
- (b) At the end of the financial year there were no undisputed amounts payable in respect of income tax and other statutory dues as applicable, for a period of more than six months from the date they become payable.
- (x) The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding Financial Year.
- (xi) In our opinion and according to the information and explanation given to us the company has not defaulted in repayment of its dues to any bank or financial institution during the year.
- (xii) In our opinion and according to the information and explanation given to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanation given to us the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanation given to us the, the company is not dealing in or trading in shares, securities, debentures and other investment. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

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FINANCE LIMITED

- (xv) In our opinion and according to the information and explanation given to us the Company has not given any guarantee for loans from bank and financial institutions on behalf of others.
- (xvi) In our opinion and according to the information and explanation given to us the term loans have been applied for the intended purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long – term investment. No long – term funds have been used to finance short-term assets except permanent working capital.
- (xviii) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act 1956.
- (xix) The Company has not raised any funds by the way of debenture issue. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xx) During the period covered by our audit report, the Company has not raised any money by public issues.
- (xxi) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the Company nor have we been informed by the management of any such instance being noticed or reported during the year.

K S Sanghvi & Co
Chartered Accountants
Firm Registration Number: 116714W

(Hitendra Doshi)
Partner
(Membership No.:40201)

PLACE: MUMBAI
DATED: 28th June, 2012.

Shalibhadra Finance Limited
Balance Sheet
Amounts in INR

ShaliBhadra

FINANCE LIMITED

Particulars	Note Number	As at 31 Mar 2012	As at 31 Mar 2011
Equity and Liabilities			
Shareholder's Funds			
Share capital	2	50,031,000	50,031,000
Reserves and surplus	3	58,038,083	40,984,348
Total shareholder's funds		108,069,083	91,015,348
Non - current liabilities			
Long term borrowings	4	184,888,920	146,435,862
Other long term liabilities	5	6,170,645	6,287,089
Long term provisions	6	-673,525	-1,610,146
Deferred tax liabilities (net)	7	1,036,000	990,000
Total non - current liabilities		191,422,041	152,102,805
Current liabilities			
Trade payables	8	3,183,269	1,672,019
Short term provisions	9	17,151,883	14,007,702
Other Current Liabilities	10	9,605,971	9,261,063
Total Current liabilities		29,941,123	24,940,784
Total of Equity and liabilities		329,432,247	268,058,937
Assets			
Non current assets			
Fixed Assets			
Tangible assets	11	8,539,857	8,342,156
Long term loans and advances	12	8,993,517	2,217,602
Total non current assets		17,533,374	10,559,757
Current assets			
Inventories	13	307,686,218	253,558,108
Cash and cash equivalents	14	4,212,655	3,941,071
Total current assets		311,898,873	257,499,179
Total assets		329,432,247	268,058,937

Significant accounting policies and notes on accounts

1

As per our report of even date
For K S Sanghvi and Co

Chartered Accountants

Firm Registration Number: 116714W

For and on behalf of Board of Directors of
Shalibhadra Finance Limited

Hitendra Doshi

Partner

Membership Number: 40201

Place: Mumbai

Date: 28th June, 2012

Mukund.H.Doshi

Chairman

Place: Mumbai

Date: 28th June, 2012

Minesh.M.Doshi

Managing Director

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FINANCE LIMITED

Shalibhadra Finance Limited

Statement of Profit and Loss

Amounts in INR

Particulars	Note Number	Figures for the current reporting period 31 Mar 2012	Figures for the previous reporting period 31 Mar 2011
Revenue from operations	15	81,788,028	61,390,482
Other income	16	482,188	238,947
Total Revenue		82,270,216	61,629,429
<i>Expenses</i>			
Employee benefits expense	17	4,276,015	3,407,901
Finance costs	18	24,975,693	17,054,041
Depreciation and amortization expenses	11	557,689	501,055
Other expenses	19	18,209,201	15,022,472
Total expenses		48,018,598	35,985,469
Profit before exceptional items, extraordinary items and tax		34,251,618	25,643,960
Exceptional items			
1. Contingent Provision for Standard Assets	150000		
2. Depreciation for previous years		150,000	1,738,438
Profit after exceptional items and tax		34,101,618	23,905,522
Profit before taxes		34,101,618	23,905,522
Tax expenses:			
1. Current tax		12,500,000	9,325,000
2. Deferred tax expense / (credit)		46,000	(13,000)
Profit for the year from continuing operations		21,555,618	14,593,522
Profit for the year from discontinuing operations		-	-
Profit for the year for the period		21,555,618	14,593,522
<i>Earnings per share:</i>			
1. Basic		4.31	2.92
2. Diluted		4.31	2.92
Significant accounting policies and notes on accounts	1		

As per our report of even date

For K S Sanghvi and Co
Chartered Accountants
Firm Registration Number: 116714W

For and on behalf of Board of Directors of
Shalibhadra Finance Limited

Hitendra Doshi
Partner
Membership Number: 40201
Place: Mumbai
Date: 28th June, 2012

Mukund.H.Doshi
Chairman
Place: Mumbai
Date: 28th June, 2012

Minesh.M.Doshi
Managing Director

ShaliBhadra FINANCE LIMITED

Shalibhadra Finance Limited

Notes to Balance Sheet

(Amounts in INR)

Note 2	As at 31 Mar 2012	As at 31 Mar 2011
Share capital		
Authorized:		
68,00,000 Equity shares of Rs 10 each	68,000,000	68,000,000
2,00,000 10% Preference Shares of Rs.10 each	2,000,000	2,000,000
(Redeemable after two years from date of issue at the option of the company by giving a notice of not less than 48 hours)		
Issued, subscribed and paid up:		
5003100 Equity shares (Previous year 5003100 Equity Shares) of Rs 10 each, fully paid.	50,031,000	50,031,000
Total share capital	50,031,000	50,031,000

Issued, subscribed and paid up share capital includes:

Equity shareholders holding more than 5% of the equity shares alongwith the number of equity shares held is given below:

As at	31 Mar 2012	31 Mar 2011
Sheetal Doshi (992172 Equity Shares as at 31 Mar 2011 and 31 Mar 2012)	19.83%	19.83%
Minesh Doshi (322300 Equity Shares as at 31 March 2011 and 31 March 2012)	6.44%	6.44%

Reconciliation of the number of shares at the beginning of the year and at the end of the year	31 Mar 2012	31 Mar 2011
Opening balance	50,031,000	50,031,000
Add: Share issued during the year	-	-
Less: Bonus issues / redemption / buyback of shares during the year	-	-
Closing balance	50,031,000	50,031,000

Note 3		
Reserves and surplus		
General Reserve		
Opening Balance		
Add: Transefered from Profit & Loss Account	16,900,000	14,400,000
Special Reserve		
(As per RBI (Ammendment) Act, 1997)		
Opening Balance		
Add: Transefered from Profit & Loss Account	21,305,000	16,305,000
Contingent Provision against Standard Assets		
(As per RBI Circular No.DBNS.PD.CC.No.207/03.(2.002/2010-11 17 January 2011)		
Opening Balance		
Add: Transefered from Profit & Loss Account	800,000	650,000
Profit and Loss Account		
Balance at the beginning	9,629,348	4,518,528
Add: Net profit / (loss) for the period	21,555,618	14,593,522
Less: Appropriations / adjustments		
Transfer to General Reserve	2,500,000	1,500,000
Transfer to Special Reserve	5,000,000	3,300,000
Equity Dividend(Proposed)	4,002,480	4,002,480
Distribution Tax thereon	649,403	680,222
Balance at the end	19,033,083	9,629,348
Total Reserves and Suplus	58,038,083	40,984,348

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FINANCE LIMITED

Note 4

Long term borrowings		
Secured		
Term loan from banks (Refer Point 1)	7,000,000	10,000,000
Cash Credit from Bank (Refer Point 2)	60,071,535	46,061,932
Unsecured		
Loans from Bodies Corporates (Refer Point 3)	62,274,728	43,172,861
Loans from Directors & Relatives (Refer Point 4)	55,542,657	47,201,069
Total long term borrowings	184,888,920	146,435,862

Points:

1. Term loan Repayable in 12 months.Repayable within one yearRs 6000000 P.Y.Rs.10000000
2. Secured by first charge on loan stock & equitable mortgage of immoveable properties & personal guarantee of two directors
(Total limit 8 crore(P.Y.6 Crore)
3. Repayable within 1 year Rs.6,22,74,728 PY Rs. 4,31,72,861
4. Repayable within one year Rs.5,55,42,657 PY. Rs.4,72,01,069

Note 5

	<i>As at</i>	<i>As at</i>
Other long term liabilities	31 Mar 2012	31 Mar 2011
Security Deposits	6,170,645	6,287,089
Total other long term liabilities	6,170,645	6,287,089

Note 6

Long term provisions		
Provision for taxes	-673,525	-1,610,146
Total Long term provisions	-673,525	-1,610,146

Note 7

Deferred tax liability (net)		
<i>Deferred tax liability</i>		
On depreciation	1,036,000	990,000
On depreciation pertaining to earlier years	46,000	-
	990,000	990,000
Total deferred tax liability	1,036,000	990,000

Note 8

Trade payables		
Trade payables	3,183,269	1,672,019
Total trade payables	3,183,269	1,672,019

Note 9

Short term provisions		
Provision for taxes	12,500,000	9,325,000
Proposed Dividend	4,002,480	4,002,480
Distribution tax on Proposed dividend	649,403	680,222
Total short term provisions	17,151,883	14,007,702

Note 10

Other current liabilities		
Bank Balance(Due to cheques overdrawn)	7,825,522	7,611,762
Other Liabilities	1,780,449	1,649,301
Total other current liabilities	9,605,971	9,261,063

Fixed Assets Schedule 2012

Shalibhadra Finance Limited
Schedules forming part of the balance sheet

Note 11
(All amounts in INR)

Fixed assets												
Sr No	Nature of asset	Gross Block				Depreciation				Net Block		
		Opening balance	Additions	Deletions	Closing balance	Opening balance	Additions	Deletions	Closing balance	31 Mar 2012	31 Mar 11	
1	Premises	7,852,842	674,370	-	8,527,212	495,998	137,841	-	633,839	7,893,373	7,356,844	
2	Computers	2,053,914	81,025	-	2,134,939	1,419,459	337,417	-	1,756,876	378,063	634,455	
3	Vehicles	867,665	-	-	867,665	516,813	82,431	-	599,244	268,421	350,852	
	Current Year	10,774,421	755,395	-	11,529,816	2,432,270	557,689	-	2,989,959	8,539,857	8,342,151	
	Previous Year	8,664,424	2,109,997	-	10,774,421	1,931,215	501,055	-	2,432,270	8,342,151	6,733,209	

Note:

- a) The addition to fixed assets have been classified in accordance with the classification normally adopted by the Management.

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Note 12	<i>As at</i>	<i>As at</i>
Long term loans and advances	31 Mar 2012	31 Mar 2011
<i>Unsecured, considered good:</i>		
Loans to employee	1,329,768	1,209,150
Advances recoverable in cash or kind or for value to be received	7,663,749	1,008,452
Total long term loans and advances	8,993,517	2,217,602

Note 13		
Inventories		
Loan Stock	307,686,218	253,558,108
Total inventories	307,686,218	253,558,108

Note 14		
Cash and cash equivalents		
Cash on hand	83,395	17,136
Fixed deposits maturing within 12 months	4,129,260	3,923,935
Total cash and cash equivalents	4,212,655	3,941,071

Point 1

The fixed deposits are placed with the bank as a margin money for availing the working capital facilities from the bank.

ShaliBhadra FINANCE LIMITED

Shalibhadra Finance Limited

Notes to Statement of Profit and Loss

(Amounts in INR)

	Figures for the current reporting period	Figures for the previous reporting period
Note 15		
Revenue from operations	31 Mar 2012	31 Mar 2011
Income from assets financing	81,788,028	61,390,482
Total revenue from operations	81,788,028	61,390,482

Note 16		
Other income		
Interest on Fixed Deposit with bank	411,309	124,753
Brokerage	-	112,911
Others	70,879	1,283
Total other income	482,188	238,947

Note 17		
Employees benefit expenses	31 Mar 2012	31 Mar 2011
Salary	3,917,773	3,187,610
Staff welfare expenses	358,242	220,291
Total employees benefits expenses	4,276,015	3,407,901

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FINANCE LIMITED

Note 18

Finance costs

Interest paid to Bank	10,376,468	4,622,030
Interest on other Loans	14,599,225	12,432,011
Total finance costs	24,975,693	17,054,041

Note 19

Other expenses

Advertisement & Brokerage Expenses	848,850	787,195
Audit fees	35,000	35,000
Bad debts written off	3,923,266	2,363,984
Books & Periodicals	361,765	324,160
Bank Charges	522,223	589,386
Conveyance	1,123,528	965,306
Filing Fees	2,808	4,000
Listing fees	15,000	10,000
Membership & subscriptions	72,652	65,810
Miscellaneous expenses	624,030	558,539
Office Expenses	1,553,158	1,314,536
Postage & Telegraph	1,570,789	1,369,867
Printing & Stationary	789,162	570,297
Professional & other legal charges	1,842,403	1,339,857
Rates & Taxes	20,377	134,540
Repairs & Maintainance	617,253	560,214
Service charges & Other Fees	336,000	336,000
Service Tax	297,545	316,922
Travelling expenses	1,213,194	1,166,913
Telephone Charges,Fax & Internet	528,557	555,656
Vehicle Expenses	1,246,498	1,102,671
Xerox & Copy Charges	665,143	551,619
Total other expenses	18,209,201	15,022,472

Note 'I'

Significant Accounting Policies and notes on Accounts

(I) **ACCOUNTING POLICIES**

a. **Interest on Vehicle Loans**

Income / Interest from vehicle loan is accounted for on an accrual basis and is recognized so as to produce a constant periodic return on the amount financed.

b **Other Income**

In respect of other heads of income the Company follows the practice of accounting for such income on accrual basis except for interest income on delayed payment charges which are accounted on the basis of the certainty of collection and /or receipt basis.

d. **Method of Depreciation**

The company provides depreciation on Straight Line Method at the rates and in the manner specified in the Schedule XIV of the Companies Act 1956.

e. **Expenses**

Expenditure is accounted for an accrual basis.

f **Fixed Assets**

The fixed assets have been valued at cost less Depreciation.

g. **Closing Stock**

Loan stock of vehicles are valued at cost less installment accrued and due.

(II) **PRUDENTIAL NORMS**

In terms of guidelines issued by Reserve Bank of India to Non Banking Financial Companies on prudential norms for income recognition, assets classification, provisioning for Bad Debts etc., the following additional information is given: No new provisions for non-performing assets are required in current year.

- (III) Exceptional item represents Contingent Provision against standard Assets at 0.25% of standard assets made as per RBI Circular No. DNBS. PD. CC. No. 207/03.02.002/2010-11 dated 17 January, 2011

- (IV) The company has not prepared bank reconciliation statement for a few bank accounts for the period under review. The company is finding it very difficult to reconcile for a few bank accounts in time due to similar installment cheques, non-computerization by bank etc. However, the company has taken suitable remedial measures and bank reconciliation statements for the balance accounts will be completed shortly.

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- (V) In the opinion of the Board of Directors the current assets, loans and advances have a value of realization in the ordinary course of business at least equal to the amount of which these are stated in the Balance Sheet.
- (VI) Managerial Remuneration u/s 198 of Companies Act 1956 is NIL (P.Y: NIL).
- (VII) Other information required by Part II Schedule VI of the Companies Act, 1956, relating to exports, imports and earning in foreign currency, remittance in foreign currency transaction are not applicable.
- (VIII) The company considers its financing business as single segment hence Accounting Standard 17 on segment reporting issued by The Institute of Chartered Accountants of India is not applicable to the company.
- (IX) Previous year's figures have been regrouped, recasted and rearranged wherever necessary.

**(X) RELATED PARTIES DISCLOSURES UNDER ACCOUNTING STANDARD 18 OF ICAI: **

(A) Particulars of Party where control exists/Relative of parties where control exists:

Name of the Related Party	Nature of Relationship
(i) M/s Shalibhadra Capital Market Ltd.	Party where control exists
(ii) M/s Financial Analysts And Investment Rating Limited	Party where control exists
(iii) Mr. Amit M.Doshi	Relative Party where control exist
(iv) Mr. Amit M.Doshi HUF	Relative Party where control exist
(v) Mrs.Heena A.Doshi	Relative Party where control exist
(vi) Mrs.Kala M.Doshi	Relative Party where control exist
(vii) Mr. Minesh M.Doshi HUF	Relative Party where control exist
(ix) Mr. Minesh M. Doshi	Relative Party where control exist
(x) Mr. Mukund H.Doshi	Relative Party where control exist
(xi) Mr. Mukund H .Doshi HUF	Relative Party where control exist
(xii) Mrs. Sheetal M Doshi	Relative Party where control exist
(xiii)Mr. Gunvati V Shah	Relative Party where control exist
(xiv) Mr. K A Keswani	Relative Party where control exist
(xv) Mr. Vinaychandra H.Doshi HUF	Relative Party where control exist
(xvi) Mr.Vipul V Doshi	Relative Party where control exist
(xvii)Mr.Bharat V Doshi HUF	Relative Party where control exist

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(B) Key Management Personnel:

Name of the Related Party	Nature of Relationship
(i) Mr. Minesh M.Doshi	Managing Director

(C) Transactions with Party where control exists/Relative of parties where control exists:

		31.03.2012	31.03.2011
	Particulars	Relative of Party where control Exists Rs.	Relative of Party where control Exists Rs.
(i)	Loans taken during the year		
	Balance at year end	62,274,728	4,31,72,861
(ii)	Interest	63,60,286	46,90,680
		Party where control Exists Rs.	Party where control Exists Rs.
(i)	Due to Related parties		
	Balance at year end	55,542,657	4,72,01,069
(ii)	Interest	82,38,939	77,41,331

(D) Details of Transaction relating to persons referred to in item (B) above:

Particulars	31.03.2012 Value of Transaction Rs.	31.03.2011 Value of Transaction Rs.
(i) Remuneration to Directors	NIL	NIL

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(E) EARNING PER SHARE UNER ACCOUNTING STANDARD 20 OF ICAI:

Earnings Per Share		
Particulars	31 Mar 2012	31 Mar 2011
Profit after tax	21,555,618	14,593,522
Less: Preference dividend, if any	-	-
Adjusted profit after tax	21,555,618	14,593,522
Weighted average number of equity shares outstanding	5,003,100	5,003,100
Earnings Per Share	4.31	2.92
Face Value Per Share	10	10

(F) Income Tax is computed in accordance with Accounting standard 22- n accounting for taxes on Income, notified by companies (Accounting Standards) Rules, 2006. Tax expenses are accounted in the same period to which the revenue and expenses relate.

(G) Deferred Tax, other than unabsorbed depreciation and brought forward losses, is recognized only if there is reasonable certainty that will be realized in future and are reviewed for their appropriateness

PLACE: MUMBAI

Dated: 28th June, 2012.

Signature to Notes '1' to '19'
FOR AND ON BEHALF OF THE BOARD

MUKUND H.DOSHI
MINESH M.DOSHI

Chairman
Managing Director

ShaliBhadra

FINANCE LIMITED

SCHEDULE XIX

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 Thousand				
	March 2012		March 2011	
	Amount Outstanding	Amount Overdue (unclaimed)	Amount Outstanding	Amount Overdue (unclaimed)
LIABILITIES SIDE				
(1) Loans and advance availed by the NBFC's inclusive of interest accrued thereon but not paid:				
(a) Debenture : Secured				
Unsecured	0	0	0	0
(other than falling within the meaning of public deposits)	0	0	0	0
(b) Deferred Credits	0	0	0	0
(c) Term Loan	67,072	0	56,062	0
(d) Inter-corporate loans and borrowing	0	0	0	0
(e) Commercial Paper/other loans				
(f) Public Deposits ****	1,17,817	0	90,374	0
(g) FCNR Loan	0	0	0	0
(h) Subordinated debt	0	0	0	0
	0	0	0	0
(2) Breakup 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 party secured debentures i.e. debentures where there is a shortfall in the value of security.	0	0	0	0
(c) Other public deposits***	0	0	0	0
	0	0	0	0
ASSET SIDE				
	Amount Outstanding		Amount Outstanding	
(3) Breakup of Loans and Advance including bills receivables [other than those included in (4) below]				
(a) Secured	0		0	
(b) Unsecured	8994		2218	

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FINANCE LIMITED

	March 2012	March 2011
(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	0	0
(ii) Stock on hire including hire changes Under sundry debtors:	0	0
(a) Assets on hire		
(b) Repossessed Assets	0	0
(iii) Hypothecation loans counting towards EL/HP activities	0	0
(a) Loans where assets have been repossessed	3,07,686	2,53,558
(b) Loans other than (a) above		
(5) Break-up of Investments:		
Current Investments:	0	0
1. Quoted:	0	0
(a) Shares: (i) Equity	0	
(ii) Preference		0
(b) Debentures and Bonds	0	
(c) Units of mutual funds		
(d) Government Securities	0	0
2. Unquoted:		
(a) Shares: (i) Equity		
(ii) Preference	0	0
(b) Debentures and Bonds	0	0
(c) Units of mutual funds	0	0
(d) Government Securities	0	0
Long Term Investments:		
1. Quoted:	0	0
(a) Shares: (i) Equity	0	0
(ii) Preference	0	0
(b) Debentures and Bonds	0	0
(c) Units of mutual funds	0	0
(d) Government Securities	0	0
2. Unquoted:	0	0
(a) Shares: (i) Equity	0	0
(ii) Preference	0	0
(b) Debentures and Bonds	0	0
(c) Units of mutual funds		
(d) Government Securities		
6) Borrower group-wise classification of all leased assets, stock-on-hire and loans & advances:		
Rs. in Thousand		

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FINANCE LIMITED

Category	31 st March 2012			31 st March 2011		
	Amount net of provisions Secured Unsecured Total			Amount net of provisions Secured Unsecured Total		
1. Related Parties						
(a) Subsidiaries	0	0	0	0	0	0
(b) Companies in the same group				0	0	0
(c) Other related parties	0	0	0			
2. Other than related parties	0	0	0	0	0	0
	3,07,686	8,994	3,16,680	2,53,558	2218	2,55,776
TOTAL	3,07,686	8,994	3,16,680	2,53,558	2218	2,55,776

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):						
Rs. in Lacs						
Category	March 2012		March 2011			
	Market Value/ Book Value Break up or fair (Net of value or NAV Provision)		Market Value/ up or fair value or NAV	Book Value Break (Net of Provision)		
1. Related Parties						
(a) Subsidiaries	0	0	00	0		
(b) Companies in the same group	0	0	0	0		
(c) Other related parties	0	0	0	0		
2. Other than related parties	0	0	0	0		
TOTAL	0	0	0	0		

(8) Other Information			Rs. in Lacs	
Particular	March 2012	March 2011		
	Amount	Amount		
1. Gross Non-Performing Assets				
(a) Related parties	NIL	NIL		
(b) Other than related parties	NIL	NIL		
2. Net Non-Performing Assets				
(a) Related parties	NIL	NIL		
(b) Other than related parties	NIL	NIL		
3. Assets acquired in satisfaction of debt.	NIL	NIL		

**** Represent unclaimed deposit & interest thereof in respect of which the company is yet to receive instruction for repayment/ renewal from the depositors.

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FINANCE LIMITED

SHALIBHADRA FINANCE LIMITED.

CASH FLOW STATEMENT AS PER CLAUSE 32 OF THE LISTING AGREEMENT

(A) CASH FLOW FROM OPERATING ACTIVITIES	2011-2012	2010-2011
Net Profit before tax and extraordinary items	29599734	24555522
Adjustment for:		
Depreciation	557689	501055
Extra Ordinary items	0	1088438
Interest paid	24975693	17054041
Dividend received	0	0
	25533382	18643534
Operating Profit before Working Capital Change	55133116	43199056
Adjustment for:		
Trade and other receivables	0	78353
Inventories	-54128110	-65579885
Trade Payables	5866516	4548214
CASH GENERATED FROM OPERATION		0
Interest paid	-24975693	-17054041
Direct Tax paid	-12546000	-9312000
Cash flow before extraordinary items	-85783287	-87319359
Extra-ordinary items	0	0
NET CASH FROM OPERATING ACTIVITIES	-30650171	-44120303
(B) CASH FLOW FROM INVESTED ACTIVITIES		
Purchase of fixed assets	-755386	-2110001
Sale of fixed assets (net of Depreciation)	0	0
Purchase of Investments	0	0
Sale of Investments	0	0
Movement in advances	-6775919	2398237
Dividend received	0	0
NET CASH USED IN INVESTING ACTIVITIES	-7531305	288236
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	38453058	33853231
Proceeds from short term borrowings	0	11186812

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FINANCE LIMITED

NET CASH USED IN FINANCING ACTIVITIES	38453058	45040043
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	271582	1207976
<u>CASH AND CASH EQUIVALENTS :</u>		
Opening Balance at the beginning of the year	3941071	2733095
Closing Balance at the end of the year	4212653	3941071
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	271582	1207976

Notes:

1. The Cash flow statement has been prepared under the "Indicate method" as the set out in Accounting Standard - 3 "Cash Flow Statement" issued by The Institute of Chartered Accounts of India.
2. Cash & Cash Equivalents includes Cash & Bank Balance.
3. Figures of Previous years have been regrouped and rearranged wherever necessary to confirm with Current Years classification.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: MUMBAI.

DATED: 28th June, 2012.

DIRECTORS

ShaliBhadra
FINANCE LIMITED

To,

The Board of Directors,

SHALIBHADRA FINANCE LIMITED.

We have examined the above Cash Flow Statement of Shalibhadra Finance, Limited for the year ended 31st March, 2012. The statement has been prepared by the company in accordance with the requirements of listing agreement (clause 32) with Bombay Stock Exchange and is based on and is in agreement with the corresponding Statement of Profit or Loss account and Balance Sheet of the company covered by our report dated 28th June, 2012 to the members of the Company.

FOR K. S. SANGHVI & CO. .
Chartered Accountants

(KIRIT S. SANGHVI)
Partner

PLACE: MUMBAI
DATED: 28th June, 2012.

ShaliBhadra

FINANCE LIMITED

SHALIBHADRA FINANCE LIMITED.

Regd. Office: 3, Kamat Industrial Estate, 396, Veer Savarkar Marg., Prabhadevi, Mumbai: 400 025 INDIA.

PROXY FORM

I/We.....
of
being a member / member of Shalibhadra Finance Limited hereby appoint
in the district of.....
or failing him
of in the district of
As my / our behalf at the Sixteenth Annual General Meeting of the Company to be held on 30th September,
2011 at 3, Kamat Industrial Estate, 396, Veer Savarkar Marg, Opp. Siddhi Vinayak Temple, Prabhadevi,
Mumbai: 400 025 and at any adjustment thereof.
Signed this..... day of 2010.

Signature of Share holder

Folio No.:

Note: This from duly completed should be deposited at the Registered Office of the Company before 48 hours of the meeting. A Proxy need not be a Member.

SHALIBHADRA FINANCE LIMITED

Regd. Office: 3, Kamat Industrial Estate, 396, Veer Savarkar Marg, Prabhadevi, Mumbai: 400 025 INDIA.

ATTENDANCE SLIP

(Shareholders attending the Meeting in person or by Proxy are requested to completed the attendance slip and hand over at the entrance of the Meeting Hall)

I hereby record my presence at the Sixteenth Annual General Meeting of the Company at, 3 Kamat Industrial Estate, 396, Veer Savarkar Marg, Opp. Siddhi Vinayak Temple, Prabhadevi, Mumbai: 400 025. on 30th September, 2011 at 3.30 p.m.

Folio No.:

Full name of the Shareholder /Proxy.....

(IN BLOCK LETTERS)

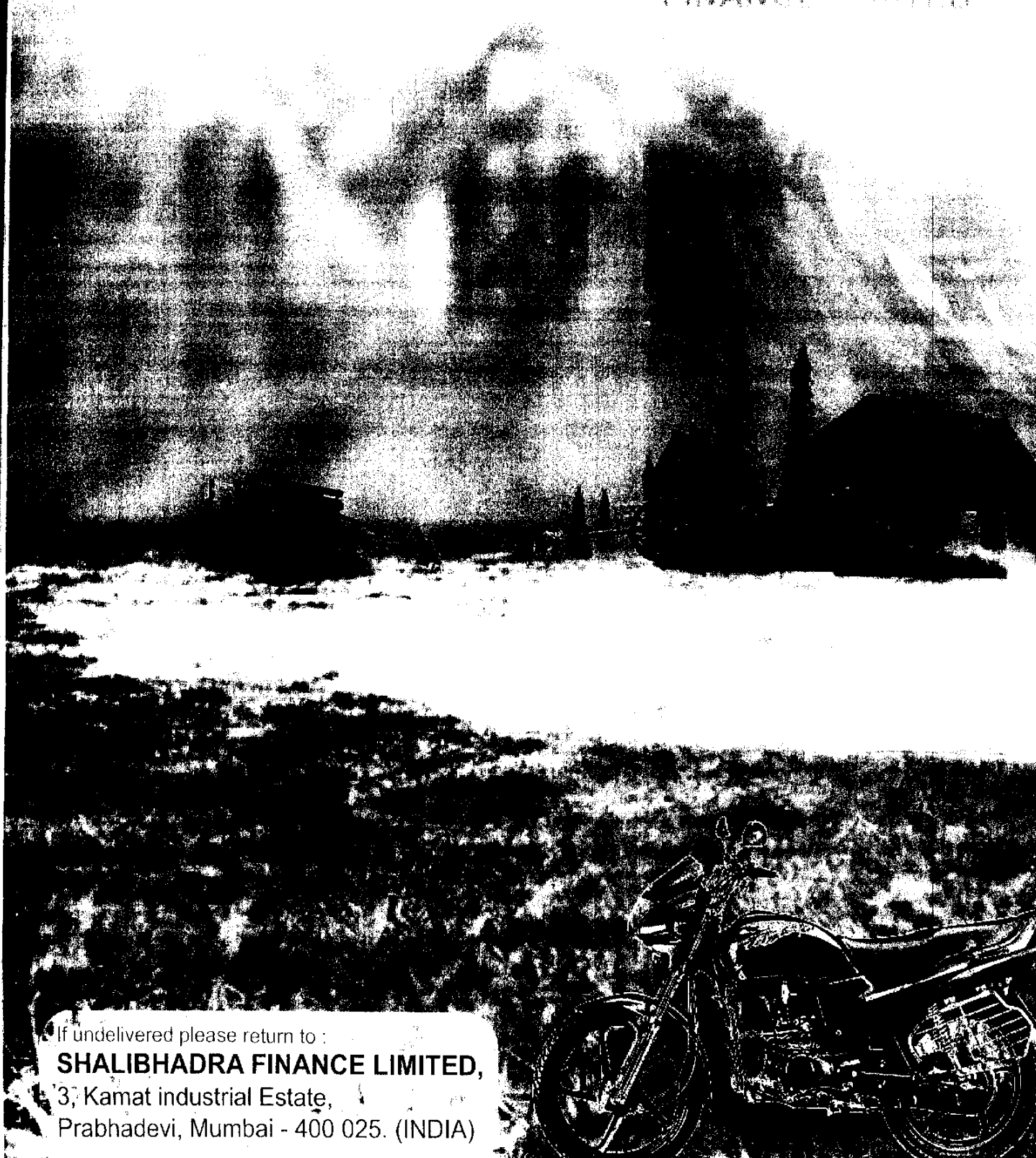
Signature

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING



ShaliBhadra

FINANCE LIMITED



If undelivered please return to :

SHALIBHADRA FINANCE LIMITED,

3, Kamat industrial Estate,

Prabhadevi, Mumbai - 400 025. (INDIA)