

SEVENTH ANNUAL REPORT AND ACCOUNTS 1995-97

MD	✓	BKC	✓
CS	✓	DPY	✓
RO	✓	DIV	✓
TRA	✓	AC	✓
AGM	✓	SHI	✓
YE	✓		✓

Report

CERTIFIED TRUE COPY
For Sanghi Corporate Services Ltd.

Asst.
Director.

SANGHI CORPORATE SERVICES LTD.

FOUNTAIN CHAMBERS, NANABHAI LANE, MUMBAI - 400 023.



SANGHI CORPORATE SERVICES LTD.

BOARD OF DIRECTORS

S. L. SANGHI
(Chairman)

A. K. SANGHI
(Managing Director)

H. S. PUNAMIA

N. C. JAIN

J. G. VERMA

COMPANY SECRETARY

K. L. SETHIA

AUDITORS

S. S. KHANDELWAL & CO.
MUMBAI

BANKERS

THE SHAMRAO VITHAL CO-OP. BANK LTD.
THE BANK OF RAJASTHAN LTD.
BANK OF MADURA LTD.
CANARA BANK

REGISTERED OFFICE

1-C, FOUNTAIN CHAMBERS,
NANABHAI LANE,
FORT, MUMBAI - 400 023.

At 1



SANGHI CORPORATE SERVICES LTD.**NOTICE OF MEETING**

NOTICE is hereby given that the Seventh Annual General Meeting of the Members of **SANGHI CORPORATE SERVICES LTD.** will be held at 1C, Nanabhai Lane, Fountain Chambers, Mumbai - 400 023, on Friday 27th day of June, 1997 at 4.00 p.m. to transact the following business ;

ORDINARY BUSINESS :

- 1 To receive, consider and adopt the Audited Balance Sheet and the Profit and Loss Account for the 18 month period ended on 31st March, 1997.
- 2 To appoint a Director in place of Shri. S. L. Sanghi, who retires by rotation and, being eligible, offers himself for re-appointment.
- 3 To appoint a Director in place of Shri. N. C. Jain, who retires by rotation and, being eligible, offers himself for re-appointment.
- 4 To appoint Auditors and to fix their remuneration.

Registered Office :
Fountain Chambers,
4th Floor,
Nanabhai Lane, Fort,
Mumbai - 400 023.

By Order of the Board

K. L. Sethia
(Company Secretary)

Date 19th May, 1997.

Notes :

- a) 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 of proxy should however be deposited at the registered office of the company not less than Forty-eight hours before the commencement of the meeting.
- b) Record date for Annual General Meeting will be 24th June, 1997.
- c) Members are requested to notify change in address and PAN/GIR Number with I. T. Ward/Range/District to the Company at its Registered Office quoting their Folio Numbers.
- d) Shareholders desiring any information as regards the Accounts are requested to write to the Company Secretary at least seven days before the date of the meeting, so that the information required by the Members may be made available at the meeting.
- e) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.

Asst

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the Seventh Annual Report together with the Audited Statement of Accounts of the Company for the eighteen months ended 31st March, 1997.

FINANCIAL RESULTS

1:- The financial results of the Company for the period ended 31st March, 1997 are as follows :-

	31st March, 1997 (18 months) (Rs.)	30th Sept., 1995 (12 months) (Rs.)
Turnover	169,803,122	145,013,957
Profit /(Loss) before taxation	(7,374,684)	3,353,806
Less: Provision for taxation	--	1,020,000
Profit /(Loss) after tax	(7,374,684)	2,333,806
Less / Add : Balance brought forward	231,179	321,373
Less : Transfer from General Reserve	631,250	--
Add : Short Provision for Income Tax for earlier year	(81,290)	--
Amount available for appropriation	(6,593,545)	2,655,179
Which the Directors have appropriated to :		
Proposed Dividend	--	2,424,000
Balance carried to the Balance Sheet	(6,593,545)	231,179
	(6,593,545)	2,655,179

DIVIDEND :

2. In view of the losses, no dividend is recommended for the period under review.

OPERATIONS :

3. The eighteen months period under review has been crises ridden for your Company. The Odd Lot Shares business had been the source of major income for the Company in the past. However, with Bombay Stock Exchange having introduced Odd Lot Shares trading on their BOLT system, major share of our profitable business has been lost.

We started our NSE Trading terminal at Pune office in September 1995. However in view of the very low brokerage level, as decided by competition, and low turnover due to dull stock market conditions, the brokerage income had been insufficient to take care of expenses and generate surplus.

After a thorough review of influencing factors, it was decided to shift the NSE Trading station to our Mumbai office. Trading operations at Mumbai started on 15-11-1996.

The above scenario resulted in heavy losses to the Company for the period under review.

FUTURE PROSPECTS:

4. The NSE Trading business has got a good start at Mumbai office. Trading Volumes at NSE have also picked up over the last 3 to 4 months time. Your management is putting in concerned efforts to optimise the brokerage income and looks forward to a profitable year.

PROSPECTUS AND PERFORMANCE :

5. As explained above the Company could not achieve projected performance as per the prospectus dated 25-10-1994.

FIXED DEPOSIT :

6. During the period under report the Company accepted Fixed Deposits. There are no unclaimed / overdue deposits.

PARTICULARS OF EMPLOYEES :

7. Information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rule 1975 is not applicable to the Company.

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

8. Particulars required to be disclosed in accordance with the Companies (Disclosure of in the Report of the Board of Directors) Rules, 1988 are not applicable to the Company.

DIRECTORS :

9. In accordance with the Companies Act, 1956 and the Articles of Association, Shri S.L. Sanghi and Shri N. C. Jain retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

AUDITORS :

10. (a) Note 2 to the Accounts as referred to in the Auditors' Report are self-explanatory and therefore, do not call for further comments or explanations.
- (b) M/s S.S. Khandelwal & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

ACKNOWLEDGEMENT :

11. Your Directors place on record their appreciation to all the staff members for their contribution to the performance of the Company and to the customers and bankers for their confidence and support reposed in the Company.

Registered Office :

Fountain Chambers, 4th Floor,
Nanabhai Lane, Fort, Mumbai - 400 023.

For and on behalf of the Board

Date: 19th May, 1997

S. L. SANGHI
(CHAIRMAN)

As

AUDITORS' REPORT

TO
THE MEMBERS OF

SANGHI CORPORATE SERVICES LIMITED

We have audited the attached Balance Sheet of **SANGHI CORPORATE SERVICES LIMITED** as at 31st March, 1997 and also the Profit and Loss Account of the Company for the period from 1st October, 1995 upto 31st March, 1997 annexed thereto and report that :-

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) 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 the books;
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d) In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with :

Note 2 : On the notes on accounts regarding dues from the debtors ;

and other Notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :-

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1997 and,
- b) In the case of Profit and Loss Account, of the loss of the Company for the period ended on that date.

FOR S.S. KHANDELWAL & CO.
Chartered Accountants

(S.S. KHANDELWAL)
Proprietor

MUMBAI : 19th May, 1997.

ANNEXURE REFERRED TO IN PARAGRAPH (1) OF AUDITORS' REPORT OF EVEN DATE TO THE SHAREHOLDERS OF SANGHI CORPORATE SERVICES LIMITED ON THE ACCOUNTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 31ST MARCH 1997.

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets were physically verified by the management during the period and no discrepancies were noticed on such verifications.
- 2) The fixed assets have not been revalued during the period.
- 3) Physical verification of stock of shares and securities were conducted during the period at reasonable intervals by the Management.
- 4) The procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- 5) No discrepancies were noticed on physical verification of stocks as compared to book records.
- 6) Valuation of the stocks is fair and proper in accordance with the normally accepted accounting principles.
- 7) The Company has taken unsecured Loans from parties listed in the register maintained under Section 301 of the Companies Act, 1956 and from a company under the same management as defined under Sub - Section (1B) of Section 370 of the Companies Act, 1956. The terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.
- 8) The Company has granted unsecured Loans, not bearing interest to persons listed in the register maintained under Section 301 of the Companies Act, 1956. The other terms and conditions of such loans have not been stipulated.
- 9) The Company has not granted loans and advances in the nature of loans, not bearing interest, to other parties.
- 10) There are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchase and sale of shares and securities.
- 11) There are no transaction of purchase and sale of shares and securities made in pursuance of Contracts or arrangements listed in the register maintained under Section 301 of the Companies Act, 1956 and aggregating to Rs. 50,000/- or more during the period.
- 12) The Company has accepted short term advances and deposits, from parties/firms in which the Directors and their relatives are interested, subject to this the company has not contravened the provisions of Section 58A of the Companies Act, 1956 and the rules framed thereunder.
- 13) The Company does not have an internal audit system.
- 14) No undisputed amounts payable in respect of income tax were outstanding as at 31st March, 1997 for a period of more than six months from the date they became payable.
- 15) According to the information and explanations given to us and based on generally accepted audit procedures, no personal expenses of employees and Directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practices.
- 16) The Company has not given loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- 17) The Company is dealing in shares and securities and proper records have been maintained and timely entries have been made therein of the transactions and contracts entered into during the year.
- 18) Paragraphs 4(A), (xii), (xiv) (xvi), (xx), 4(B), 4(C), and 4(D)(iii) are not applicable as it is an investment Company and paragraphs 4A(ix) and (xvii) are not applicable as is apparent from the accounts of the Company.

FOR S.S. KHANDELWAL & CO.
Chartered Accountants

(S.S. KHANDELWAL)
Proprietor

MUMBAI : 19th May, 1997.

SANGHI CORPORATE SERVICES LIMITED**BALANCE SHEET AS AT 31ST MARCH, 1997**

	SCHEDULE	31STMARCH, 1997 Rs.	30TH SEPT., 1995 Rs.
SOURCES OF FUNDS:			
A) SHAREHOLDERS' FUNDS:			
a) Share Capital	1	30,000,000	30,000,000
b) Reserves & Surplus	2	--	862,429
B) LOAN FUNDS			
Secured Loans	3	258,856	--
Unsecured Loans	4	582,000	4,993,446
TOTAL		<u>30,840,856</u>	<u>35,855,875</u>
APPLICATION OF FUNDS:			
A) FIXED ASSETS:			
a) Gross Block	5	1,184,892	532,557
b) Less : Depreciation		376,285	166,162
c) Net Block		<u>808,607</u>	<u>366,395</u>
B) INVESTMENTS:			
	6	178,755	178,755
C) CURRENT ASSETS, LOANS AND ADVANCES			
a) Inventories	7	5,949,884	18,529,602
b) Sundry Debtors	8	15,226,308	18,234,610
c) Cash and Bank Balances	9	1,917,379	710,294
d) Loans and Advances	10	9,285,645	11,161,039
		<u>32,379,216</u>	<u>48,635,545</u>
Less : CURRENT LIABILITIES AND PROVISIONS			
a) Current Liabilities	11	8,077,463	9,454,582
b) Provisions	12	1,937,750	4,971,750
		<u>10,015,213</u>	<u>14,426,332</u>
NET CURRENT ASSETS		<u>22,364,003</u>	<u>34,209,213</u>
D) MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	13	895,946	1,101,512
E) PROFIT AND LOSS ACCOUNT			
Balance as per accounts annexed		6,593,545	
TOTAL		<u>30,840,856</u>	<u>35,855,875</u>
NOTES ON ACCOUNTS	18		

AS PER OUR REPORT OF EVEN DATE

For **S.S. KHANDELWAL & CO.,**

Chartered Accountants

(S.S. KHANDELWAL)

Proprietor

MUMBAI : 19th May, 1997

S. L. SANGHI
(CHAIRMAN)**A. K. SANGHI**
(MG. DIRECTOR)**K. L. SETHIA**
(SECRETARY)**J. G. VERMA**
(DIRECTOR)**N. C. JAIN**
(DIRECTOR)