

**NINTH
ANNUAL REPORT
AND
ACCOUNTS
1998-99**

Report  junction.com

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)

SMT. POONAM SANGHI

AUDITORS

S. S. KHANDELWAL & CO.
MUMBAI

BANKERS

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

REGISTERED OFFICE

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

SANGHI CORPORATE SERVICES LTD

NOTICE OF MEETING

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of **SANGHI CORPORATE SERVICES LTD.** will be held at 1-C Nanabhai Lane, Fountain Chambers, 4th Floor, Fort, Mumbai-400 023, on Wednesday, 29th day of Sept., 1999 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 year ended 31st March, 1999 together with the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Poonam Sanghi, who retires by rotation and, being eligible, offers herself for re-appointment.
3. 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

A K Sanghi
(Mg. Director)

Date : 31st August, 1999

NOTES:

- a) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself 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) The Register of Members and Share Transfer Books of the Company will remain closed from 27th Sept., 99 to 29th Sept., 99 (both days inclusive)
- c) Members desiring any information with respect to the accounts for the year ended 31st March, 1999 are requested to write to the company at its Registered Office at least seven days before the date of the General Meeting so as to enable the Management to keep information ready.
- d) Members are requested to notify to the company immediately about change in their address, if any.
- e) Members are requested to bring their copy of Annual Report to the meeting.

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Ninth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 1999

FINANCIAL RESULTS

1. The financial results of the Company for the year ended 31st March, 1999 are as follows :-

	31st March, 1999 (Rs.)	31st March, 1998 (Rs.)
Turnover	28,64,433	14,064,022
Profit /(Loss)	(23,44,230)	(1,841,758)
Less /Add: Balance brought forward	(84,40,678)	(6,593,545)
Add: Short Provision for Income Tax for earlier years	-	(5,376)
Balance carried to the Balance Sheet	(1,07,84,908)	(8,440,678)

DIVIDEND :

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

OPERATIONS & FUTURE PROSPECTS:

3. The year under review had been eventless for your Company. As mentioned in the last year's Directors' Report, Our Odd Lots Shares Business was severely hampered due to the introduction of Odd Lot Shares Trading on BOLT System. Also, in view of the uneconomical level of income from Brokerage, Company had surrendered the membership of National Stock Exchange.

Your Directors are trying to identify alternative areas of business including those unrelated to shares and stocks business.

PROSPECTUS AND PERFORMANCE :

4. As explained above the Company could not achieve projected performance as per the prospectus dated 25.10.1994.

FIXED DEPOSITS :

5. The Company is not having any deposit.

PARTICULARS OF EMPLOYEES :

6. There are no employees in respect of whom particulars as required under Section 217 (2-A) of the Companies Act, 1956 need to be disclosed in the Directors' Report.

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

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

DIRECTORS :

8. In accordance with the Companies Act, 1956 and the Articles of Association, Smt. Poonam Sanghi retires by rotation and being eligible offers for re-appointment.

AUDITORS REPORT :

9. The company is not having any documents/papers pertaining to fraudulent transactions carried out by unauthorised persons, through unauthorised bank accounts and hence no details could be given to auditors. The accounts now submitted gives a complete and true picture of the actual business carried out under authorisation from the company management. However, having come to know of such activities in the name of company, directors have initiated necessary legal steps in this regard.

As regards to mention of note 2 & 3 on accounts in the Auditors Report, the same is self-explanatory.

As regards to note 4 of Auditor's Report, Company had a full time Secretary till he resigned and left in June, 1997. Management is making efforts to find a suitable candidate for the post.

As regards to note 7 regarding confirmation of Balance from National Stock Exchange of India Ltd., we state that company has been receiving statement of accounts from NSE and the books are in agreement with them. No confirmation certificate of balance is given by NSE as per their normal practice.

AUDITORS :

10. 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.

For and on behalf of Board

S L SANGHI, (CHAIRMAN)

Mumbai : 31st August, 1999

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, 1999

and also the Profit and Loss Account of the Company for the year ended on that date and report that:-

1. As required by the Manufacturing and other Companies (Auditor's 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. The Income Tax authorities conducted search and seizure operations at the premises of the Company on 18th June 1998 and the Management confirmed that certain documents were furnished to the Income Tax Department. We were further informed that certain persons without Management's knowledge and proper authority opened and operated upon certain Bank Accounts in the name of the Company, under forged signatures and unauthorised resolutions to cover up certain unauthorised and illegal business transactions through false and forged invoices. The Management further informed us that the Income Tax Authorities are in the process of making inquiries and still not completed the investigations. We further learned that certain inquiries by other Government Agencies has also been initiated. The company has taken further action by filing complaints with the concerned Authorities.

Pending completion of enquiries and investigations, the extent of impact on the Company of the aforesaid alleged fraudulent transactions could not be ascertained in absolute terms.

The Books of account, records and other relevant documents/papers pertaining to the aforesaid transactions routed through the said unauthorised bank accounts have not been produced to us and hence not examined by us.

In view of the above, we are not in a position to comment on the Balance Sheet as giving true and fair view of the state of affairs of the Company as at 31st March 1999 and the 'loss/profit' of the Company for the year ended on that date, in respect of the transactions effected fraudulently and unauthorisedly and which have not been examined by us.

3. Further to our comments as referred to 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, Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in Sub-Section 3(c) of Section 211 of the Companies Act, 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with the following notes as referred to in Schedule 17 of the Notes on Accounts:-

Note 2: Regarding dues from one of the debtors;

Note 3: Regarding Inventories

Note 4: Regarding Company Secretary

Note 6: Regarding Confirmation of Balances

Note 7: Regarding Confirmation of Balance with National Stock Exchange of India Ltd. and other Notes thereon as referred to in Part "B" being notes on accounts in Schedule 17 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:-

- i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 1999, and
- ii) In the case of Profit and Loss Account of the Loss of the Company for the year ended on that date.

FOR S.S. KHANDELWAL & CO.
Chartered Accountants

(S.S. KHANDELWAL)
(Proprietor)

MUMBAI : 31st August, 1999

Report  junction.com

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 YEAR ENDED 31ST MARCH, 1999.

- 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 discrepancy was noticed on such verifications.
- 2) The fixed assets have not been revalued during the period.
- 3) Physical verification of stock of shares and securities was conducted during the period at reasonable intervals by the Management except the shares in process of transfer or the shares lost/misplaced in respect of which Company has preferred applications for duplicate in lieu of original shares.
- 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) Subject to note No:3 as referred to in Schedule 17 of Notes on Accounts 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 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 & 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) In our opinion and according to the information and explanations given to us, the Company has not complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, in respect of deposits accepted from the public and due for payment at the commencement of financial year, which have since been paid.
- 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, 1999 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 : 31st August, 1999