

**TWELFTH
ANNUAL REPORT
AND
ACCOUNTS
2001 - 2002**



**SANGHI CORPORATE SERVICES LTD.
FOUNTAIN CHAMBERS, NANABHAI LANE, FORT, MUMBAI - 400 023**

SANGHI CORPORATE SERVICES LTD.

BOARD OF DIRECTORS

(A.K. SANGHI)
(Managing Director)

SMT. POONAM SANGHI

AUDITORS

S.S. KHANDELWAL & CO.
MUMBAI

BANKERS

THE SHAMRAO VITHAL CO.OP BANK LTD.
CANARA BANK LTD.

REGISTERED OFFICE

1-C, FOUNTAIN CHAMBERS,
4TH FLOOR, NANABHAI LANE,
FORT, MUMBAI - 400 023

SANGHI CORPORATE SERVICES LTD

NOTICE OF MEETING

NOTICE is hereby given that the Twelfth 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 Saturday, 28th day of September, 2002 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, 2002 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.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modification(s), if any, the following Resolution as an Ordinary Resolution :

"RESOLVED THAT Smt. Nishma Gupta, who was appointed as an Additional Director and holds the office upto the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member under the provisions of section 257 of the Companies Act, 1956 proposing her candidature for the office of a Director, be and is hereby appointed as a Director".

By Order of the Board

(A.K. SANGHI)
Mg. Director

Date : 14th August, 2002

NOTES:

- a) An explanatory statement, pursuant Section 173(2) of the Companies Act, 1956, relating to the special business is annexed to the notice.
- b) 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.
- c) The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2002 to 28th September, 2002 (both days inclusive).
- d) Members desiring any information with respect to the accounts for the year ended 31st March, 2002 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.
- e) Members are requested to notify to the company immediately about change in their address, if any.
- f) Members are requested to bring their copy of Annual Report to the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The Board of Directors of the Company at its meeting held on 30th April, 2002 appointed Smt. Nishma Gupta as an Additional Director.

Pursuant to section 260 of the Companies Act 1956, she holds office upto date of this Annual General Meeting. The Company has received a notice in writing, alongwith a deposit of Rs.500/-, from a member proposing the candidature of Smt. Nishma Gupta for the office of a Director under the provision of Section 257 of the Companies Act, 1956. Your Directors recommend her appointment as a Director of the Company.

Smt. Nishma Gupta, Shri A.K. Sanghi & Smt. Poonam Sanghi are interested in the resolution.

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the Twelfth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2002.

FINANCIAL RESULTS

The financial results of the Company for the year ended 31st March, 2002 are as follows :-

| | 31st March, 2002 (Rs.) | 31st March, 2001 (Rs.) |
|--------------------------------------|---------------------------|---------------------------|
| Turnover | 10,56,953 | 87,68,321 |
| Profit/(Loss) | (3,81,728) | (70,47,263) |
| Deferred Tax | 94,131 | - |
| Less/Add: Balance brought forward | (1,88,73,672) | (1,18,26,409) |
| Balance carried to the Balance Sheet | (1,91,61,269) | (1,88,73,672) |

DIVIDEND :

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

OPERATIONS & FUTURE PROSPECTS:

As mentioned under Notes on Accounts, your company is facing substantial Income Tax liabilities which are being contested at appeal level. Management thought it prudent to undertake fresh business activities once the Income Tax matter is settled and required working capital organised.

FIXED DEPOSITS :

The Company is not having any deposit.

PARTICULARS OF EMPLOYEES :

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.

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 RESPONSIBILITY

Yours Directors confirm the following Directors' Responsibility statements pursuant to provisions of Section 217(2AA) of the Companies Act, 1956 :

- a) In the preparation of Annual Accounts for the year ended 31st March, 2002 the Company has followed the applicable accounting standards with proper explanations relating to material departures, if any:
- b) Appropriate accounting policies have been selected and applied consistently and judgement and estimates are made prudently and reasonably so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2002 and of the profit of the Company for that year:
- c) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with applicable provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Annual accounts have been prepared on a going concern basis:

DIRECTORS :

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.

During the year Shri S.L. Sanghi resigned from the Board. Shri S.L. Sanghi has been associated with the Company from its very beginning and has made very valuable contribution. The Board appreciate his service and contribution made towards the progress of the Company.

Smt. Nishma Gupta was appointed as Additional Director by the Board of Directors at their meeting held on 30th April, 2002. The Company had received a notice along with prescribed deposit in terms of section 257 of the Companies Act, 1956, from a shareholder signifying his intention to propose Smt. Nishma Gupta as candidate for the Directorship of the Company.

AUDITORS REPORT :

The Auditors in their Report have referred to notes forming part of accounts. The said notes are self explanatory.

AUDITORS :

M/s. S.S. Khandelwal & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

CORPORATE GOVERNANCE :

As provided in clause 49 of the listing agreement with stock exchanges, corporate governance is to be implemented by your company during the financial year 2002-2003.

For and on behalf of Board

Place : Mumbai

Date : 14th August, 2002

A K SANGHI
(MG. DIRECTOR)

AUDITORS' REPORT

TO

THE MEMBERS OF

SANGHI CORPORATE SERVICES LIMITED

1. We have audited the attached Balance Sheet of SANGHI CORPORATE SERVICES LIMITED as at 31st March, 2002 and the relative Profit and Loss Account for the year ended on that date, both of which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have 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 amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of Section 227(4A) of "The Companies Act, 1956" of India (the Act) and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. 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. 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.