

**TWENTY FIFTH  
ANNUAL REPORT  
AND  
ACCOUNTS**

**2014-15**

**SANGHI CORPORATE SERVICES LTD.**

Regd. Off: Bal Moral Apartment, Plot No.12, Amritvan, Yashodham, Opp. Dindoshi Depot,  
Goregaon (E), Mumbai - 400 063. Tel: 28429501 / 28422703



**SANGHI CORPORATE SERVICES LTD.**

Regd. Off: Bal Moral Apartment, Plot No.12, Amritvan, Yashodham, Opp. Dindoshi Depot,  
Goregaon (E), Mumbai - 400 063.

Tel: 28429501 / 28422703

Website : www.sanghicorp.com

Email ID: sanghi\_mumbai@yahoo.com

CIN: L67190MH1989PLC054086

**CORPORATE INFORMATION:**

BOARD OF DIRECTORS:

Shri A.K.Sanghi  
Smt. Poonam Sanghi  
Shri M.K.Saboo  
Shri K. Udaykumar

DIRECTOR INCHARGE:

Shri A.K. Sanghi

AUDITORS:

Vivek R. Agarwal & Co.,  
Chartered Accountants  
Mumbai

REGISTERED OFFICE:

12 Balmoral CHS Ltd., Ground Floor,  
Amritvan, Yashodham,  
Goregaon (E) , Mumbai: - 400063

REGISTRAR & SHARE:  
TRANSFER AGENT

Sharex Dynamic (India) Pvt. Ltd  
Unit-1, Luthra Industrial Premises,  
Andheri Kurla Road, Safed Pool,  
Andheri (E), Mumbai-400072

**NOTICE OF MEETING**

(Pursuant to Section 101 of Companies Act, 2013)

**NOTICE IS HEREBY GIVEN** THAT the Twenty Fifth Annual General Meeting of the Members of **SANGHI CORPORATE SERVICES LTD.** will be held at G-30, Shagun Arcade Premises Co op Soc. Ltd., Gen A.K. Vaidya Marg, Dindoshi, Malad (E), Mumbai 400 097 on 29<sup>th</sup> August, 2015 at 4:00 p.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Directors' Report, the Audited Financial Statements including the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2015 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To appoint a Director in place of Shri Ashok Kumar Sanghi (holding DIN: 00002587), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, M/s. Vivek R. Agarwal, Chartered Accountants, Mumbai (Registration No. 129058W), appointed as Auditors of the Company, by resolution passed at the 24<sup>th</sup> Annual General Meeting of the Company, to hold office from the conclusion of 24<sup>th</sup> Annual General Meeting to the conclusion of the Annual General Meeting to be held in the year 2017 be and is hereby ratified for the balance term, at such remuneration, expenses, etc. as may be mutually decided by the Board of Directors and Auditors from time to time.”

For and on behalf of the Board,

Place: Mumbai  
Date: 18/07/2015

**(A.K Sanghi)**  
Director

## SANGHI CORPORATE SERVICES LTD.

### NOTES:

- a) A member entitled to attend and vote is entitled to appoint a proxy to attend and, on poll, to vote instead of himself/herself and the proxy need not be a member. The instrument of proxy duly completed in all respects should however be submitted 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 22<sup>nd</sup> August, 2015 to 29<sup>th</sup> August, 2015 (both days inclusive).
- c) Details under Clause 49 of the Listing Agreement with Stock Exchange in respect of the Director seeking reappointment at the Annual General Meeting, forms integral part of the Notice. The Director has furnished requisite declaration for his reappointment.
- d) In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, e-voting facility is being provided to the Members. The business may be transacted by Central Depository Services Limited (CDSL).
- e) The instructions for shareholders voting electronically are as under:
- The voting period begins on 26<sup>th</sup> August, 2015 at 9:00 a.m. and ends on 28<sup>th</sup> August, 2015 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22<sup>nd</sup> August, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - Click on Shareholders.
  - Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - Next enter the Image Verification as displayed and Click on Login.
  - If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
  - If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
<b>DOB</b>	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
<b>Dividend Bank Details</b>	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"><li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)</li></ul>

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also

used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Sanghi Corporate Services Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians:
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help Section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- f) Members desiring any information with respect to the accounts for the year ended 31<sup>st</sup> March, 2015 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 the information ready.
- g) Members are requested to notify the Company immediately about change in their address, if any.
- h) Members are requested to bring their copy of Annual Report to the meeting.

# SANGHI CORPORATE SERVICES LTD.

## DIRECTORS' REPORT

To,  
The Members,  
SANGHI CORPORATE SERVICES LIMITED

Your Directors are pleased to present the Twenty Fifth Annual Report together with the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2015.

### 1. FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31<sup>st</sup> March, 2015 are as follows:-

	<b>31<sup>st</sup> March, 2015 (Rs.)</b>	<b>31<sup>st</sup> March, 2014 (Rs.)</b>
<b>Turnover</b>	25,844,000	34,582,298
<b>Profit /(Loss) After Tax</b>	(13,304,000)	46,233
<b>Less/Add: Balance brought forward</b>	(25,036,679)	(25,082,912)
<b>Balance carried to the Balance Sheet</b>	(38,340,679)	(25,036,679)

### 2. DIVIDEND

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

### 3. OPERATIONS AND FUTURE PROSPECTS

As mentioned under Note No. 18-B-1 of Notes on Accounts-, your Company is facing substantial Income Tax Liabilities which are being contested at ITAT level. Management thought it prudent to undertake fresh substantial business activities once the Income Tax matter is settled.

### 4. SUBSIDIARIES AND JOINT VENTURES

There are no Subsidiaries and Joint ventures of the Company.

### 5. REPORTS ON MANAGEMENT DISCUSSION, ANALYSIS AND CORPORATE GOVERNANCE

As required under the Listing Agreement with Bombay Stock Exchange ("Listing Agreement"), Management Discussion, Analysis and Corporate Governance Report are annexed as **Annexure 1** and **Annexure 2** respectively to this Report.

### 6. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Provisions of Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

### 7. DIRECTORATE

Pursuant to the provisions of the Act, Shri Ashok Kumar Sanghi retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment. Further, the Company has not appointed any whole-time key managerial personnel as per the provisions of Section 203 of Companies Act, 2013 during the financial year under review.

### 8. EXTRACT OF THE ANNUAL RETURN

Extract of the annual return for the Financial Year ended on 31<sup>st</sup> March, 2015 as required by Section 92(3) of the Act is annexed as **Annexure 3** to this report.

### 9. NUMBER OF BOARD MEETINGS

During the year four Board Meetings were held. The details of the Board meetings are provided in the Corporate Governance report. The intervening gap between the meetings was within the period prescribed under Companies Act, 2013.

### 10. DIRECTORS RESPONSIBILITY STATEMENT

As required under the provisions of Section 134 of the Act, your Directors report that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

- (c) the directors had taken proper and sufficient care for the maintenance of Adequate accounting records in accordance with the provisions of this Act for Safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, have laid down internal financial Controls to be followed by the Company and that such internal financial controls are Adequate and are operating effectively.
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **11. DECLARATION BY INDEPENDENT DIRECTORS**

The following Directors are independent in terms of Section 149 (6) of the Act and Clause 49 of the Listing Agreement:

- i. Shri M.K.Saboo
- ii. Shri K. Udaykumar

The Company has received declarations/ confirmations from both the Directors confirming their independence.

#### **12. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION**

The requisite details as required by Section 134 (3)(e), Section 178(3) & (4) and Clause 49 of the Listing Agreement are annexed as Annexure 4 to this Report.

#### **13. RESERVES AND SURPLUS**

In view of heavy losses and non-availability of surplus, no amount has been allocated to reserves.

#### **14. STATUTORY AUDITORS AND AUDIT REPORT**

There are Qualifications made by the Auditors in their report in point no. 2-g-ii on the Financial Statement of the Company for the Financial Year ended 31<sup>st</sup> March, 2015. In that regards Directors would like to state the activities in Future market was mostly pertaining to shares in the Company's stock and it was more like hedging activity.

#### **15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186 OF THE ACT**

Particulars of loan given and of the investments made by the Company as at 31<sup>st</sup> March, 2015 are given in the Notes forming part of the Financial Statements. During Financial Year under review the Company has not made any investments.

#### **16. SECRETARIAL AUDIT**

Pursuant to Section 204 of the Act, the Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2015 given by Shri R. K. Agrawal & Associates, Practising Company Secretary is annexed as Annexure 5 to the Report.

As regards the observation made in the said Secretarial Audit Report, Directors would like to explain as below:

- i. Regarding non appointment of whole-time key managerial personnel it is hereby stressed that the Company's financial position do not permit the same as it is virtually out of business due to prolonged Income tax matter. As soon as the same is resolved, Directors would make all out efforts to generate the resources & bring the Company on its feet and with proper managerial personnel.

#### **17. RELATED PARTY TRANSACTIONS**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and as such provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in Form AOC-2 is not required. Further there are no material related party transactions during the year under review with the Promoters or Directors.

#### **18. STATE OF COMPANY'S AFFAIRS**

The state of the Company's affairs is given under the heading "Operations and Future Prospects" and various other headings in the Report and in Management Discussion and Analysis Report which is annexed to the Directors' report.

## **SANGHI CORPORATE SERVICES LTD.**

### **19. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which the financial statements relate and the date of this Directors' Report.

### **20. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required, to be disclosed in terms of Section 134 of the Act, read with The Companies (Accounts) Rules, 2014 is annexed as Annexure 6 to this Report.

### **21. RISK MANAGEMENT POLICY**

The Company has a structured risk management policy. The Risk management process is designed to safeguard the organization from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risk in order to minimize its impact on the business. It is dealt with in greater details in the management discussion and analysis Section.

### **22. ANNUAL PERFORMANCE EVALUATION**

In compliance with the provisions of the Act and Clause 49 of the Listing Agreement, the performance evaluation was carried out as under:

#### **Board:**

In accordance with the criteria suggested by the Nomination and Remuneration Committee, the Board of Directors evaluated the performance of the Board, having regard to various criteria such as Board composition, Board processes, Board dynamics etc. The Independent Directors, at their separate meetings, also evaluated the performance of the Board as a whole based on various criteria. The Board and the Independent Directors were of the unanimous view that performance of the Board of Directors as a whole was satisfactory.

#### **Committees of the Board:**

The performance of the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee was evaluated by the Board having regard to various criteria such as committee composition, committee dynamics, etc. The Board was of the unanimous view that all the committees were performing their functions satisfactorily and according to the mandate prescribed by the Board under the regulatory requirements including the provision of the Act, the Rules framed there under and the Listing Agreement.

#### **Individual Directors:**

- a) Independent Directors: In accordance with the criteria suggested by the Nomination and Remuneration Committee, the performance of each independent director was evaluated by the entire Board of directors (excluding the director being evaluated) on various parameters like engagement, leadership, analysis, decision making, communication, governance and interest of stakeholders. The Board was of the unanimous view that each independent director was a reputed professional and brought his/her rich experience to the deliberations of the Board. The Board also appreciated the contribution made by all the independent directors in guiding the management in achieving higher growth and concluded that continuance of each independent director in the Board will be in the interest of the Company.
- b) Non-Independent Directors: The performance of each of the non-independent directors (including the chair person) was evaluated by the Independent Directors at their separate meeting. Further, their performance was also evaluated by the Board of Directors. The various criteria considered for the purpose of evaluation included leadership, engagement, transparency, analysis, decision making, functional knowledge, governance and interest of stakeholders. The Independent Directors and the Board were of the unanimous view that each of the non-independent directors was providing good business and people leadership.

### **23. DEPOSITS**

The Company has not accepted or continued any public deposits as contemplated under Chapter V of the Act.

### **24. DISCLOSURE UNDER SECTION 197(12) AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The requisite details relating to ratio of remuneration etc. as stipulated under the above Rules are annexed as Annexure 7 to this Report.

**25. DISCLOSURE UNDER RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The requisite details relating to the remuneration of the specified employees covered under the above Rules are annexed as Annexure 8 to this Report.

**26. ORDERS BY REGULATORS, COURTS OR TRIBUNALS**

No significant and material orders were passed by any regulator or court or tribunal impacting the going concern status and the Company's operations in future.

**27. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The existing internal financial controls are commensurate with the nature, size, complexity and the business processes followed the Company. They have been reviewed and found generally satisfactory by an independent expert on the following key control matrices:

1. Entity level controls
2. Financial controls and
3. Operational controls

Which included authority and organization matrix, standard operating procedures, risk management practices, compliance framework within the organization, ethics and fraud risk management, management information system, self-assessment of control point, business continuity and disaster recovery planning, budgeting system, etc.

**28. AUDITORS**

At the 24<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> August, 2014, the members approved appointment of M/S Vivek Agrawal & Co., Chartered Accountants, Mumbai (Registration No. 129058W) to hold office from the conclusion of the 24<sup>th</sup> Annual General Meeting until the conclusion of the Annual General Meeting to be held in the year 2017, (subject to ratification of the appointment by the Members, at every Annual General Meeting held after the 24<sup>th</sup> Annual General Meeting) on such remuneration as may be fixed by the Board, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit.

**29. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

Since there is no employee in the Company the above disclosure stands not applicable.

For and on behalf of the Board,

Place: Mumbai  
Date: 18/07/2015

**(A.K Sanghi)**  
Director

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management of Sanghi Corporate Services Limited is pleased to present its analysis report covering business outlook. The report contains expectations of the Company's business based on the current environment. Many unforeseen and uncontrollable external factors could alter these expectations.

**BUSINESS ORGANISATION**

The Company is mainly engaged in the business of investments & trading in Stocks, Mutual Funds and other NBFC related activities. The Company is facing substantial Income-Tax Liabilities which are being contested at ITAT Level. Management thought it prudent to undertake fresh substantial business once the Income Tax Matter is settled.

**FUTURE OUTLOOK**

The performance of the Company shall be reviewed in coming year once the business is undertaken.

**RISKS AND CONCERNS**

Since the future of the Company is largely dependent on the outcome of ITAT decision regarding pending Income Tax issues and therefore the management thought it prudent to have a total control on the expenses and keep them at their minimum level. The present risk to the Company lies in prolonged Income Tax legal hurdles.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has well-established internal control systems at all levels. Board takes major decisions in all aspects of business. There is an elaborate internal audit system. The management is reasonably satisfied about the adequacy of these internal control systems.

The Board of Directors has an Audit Committee, whose Chairman is an Independent Director. The Committee meets periodically to review internal controls. Results and recommendations of the Auditors are analyzed by the Board from time to time.

**OPERATIONAL AND FINANCIAL PERFORMANCE**

Since there are no substantial activities due to Income tax issues there is not much to report and analyze.

**SEGMENT WISE REPORTING**

The Company's main business is dealing in shares and stock as trading activity. Further to hedge the stock of shares management decided to take up Future and Option activity to safeguard the investment at any point of time. Since both activities are inter-related with each other management has decided not to treat it as a separate segment.

**CONCLUSION**

Management is hopeful that pending matters with ITAT should get resolved shortly and business strategy to revive the fortunes of the Company would be arrived at.

For and on behalf of the Board,

Place: Mumbai  
Date: 18/07/2015

**(A.K Sanghi)**  
Director