

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

SEVENTH

ANNUAL

REPORT

1997-98

D. S. SANCHETI

SECURITIES & FINANCIAL SERVICES LIMITED

D.S. SANCHETI SECURITIES & FINANCIAL SERVICES LIMITED

- BOARD OF DIRECTORS** : D.S. SANCHETI (Managing Director)
NIRMAL SANCHETI (Executive Director)
S.M. VORA
M.S. BIRANI
I.S. MEHTA
- BANKER** : BANK OF INDIA, PALASIA, INDORE
STATE BANK OF MYSORE, DALAL STREET, MUMBAI
CANARA BANK, NSE BRANCH FORT, MUMBAI
CANARA BANK, SIYAGANJ, INDORE
CORPORATION BANK, INDORE
- AUDITORS** : PRAKASH WOHRA & CO.
CHARTERED ACCOUNTANTS
94, SIR HUKAMCHAND MARG, INDORE
- REGISTRAR & SHARE
TRANSFER AGENT** : KARVY CONSULTANTS LTD.
KARVY HOUSE 46, ROAD NO. 4, STREET NO. 1
BANJARA HILLS, HYDERABAD 500034
- REGISTERED OFFICE** : "SANCHETI BUILDING"
20/11, YESHWANT NIWAS ROAD
INDORE- 452 003
- CORPORATE OFFICE** : 304/305, CITY CENTRE, 3RD FLOOR
570, M.G. ROAD, INDORE- 452 001

D.S. SANCHETI SECURITIES & FINANCIAL SERVICES LIMITED

Regd. Office : "Sancheti Building", 20/11, Yeshwant Niwas Road, Indore- 452 003

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Seventh Annual General meeting of D.S. Sancheti Securities & Financial Services Ltd., will be held at 11.00 a.m. on Saturday the 26th September, 1998 at the Registered office of the Company at "Sancheti Building", 20/11 Yeshwant Niwas Road, Indore- 452003 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1998 and Profit and Loss Account for the year ended on that date and Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri M.S. Birani, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution
"RESOLVED that, if and when permitted by the law and subject to all applicable provisions of the law including modifications, re-enactments or promulgation of an ordinance and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as "the Board") or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board to purchase such number of Equity Shares specified by the Government, of the Company, as may be thought fit, from the holders of the Equity Shares of the Company in such proportion and manner as may be permitted by law, not exceeding such percentage of the capital of the Company as may be permitted by the law, from such funds of the Company as are permitted to be used for this purpose or out of the proceeds of any issue made by the Company, on such terms and subject to such conditions as may be prescribed by the law.

"RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the said purchase of Equity Shares.

"RESOLVED FURTHER that nothing hereinabove contained shall confer any right on any shareholder to offer or any obligation on the Company or the Board to buy-back any Equity Shares."

5. To consider and, if thought fit, to pass with or without modifications(s), the following resolution as a Special Resolution:
RESOLVED that subject to the approval of the Central Government under Section 21 and other applicable provisions, if any, of the Companies Act, 1956, the name of the Company be changed from "D.S. Sancheti Securities & Financial Services Limited" to "Sanchay Finvest Limited" and accordingly the name "D.S. Sancheti Securities & Financial Services Limited" wherever it appears in the Memorandum and Articles of Association and in all other records of the Company be substituted by the name "Sanchay Finvest Limited".

"RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be deemed expedient or necessary in this regard.

PLACE : INDORE

By Order of the Board

DATE : 25/07/98

(D.S. SANCHETI)

Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Proxies, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, the 14th September, 1998 to Saturday, the 26th September, 1998 (both days inclusive).
4. Members are requested to bring their copy of the Annual Report with them for the meeting.

EXPLANATORY STATEMENT -: (As required by Section 173 of the Companies Act, 1956)

ITEM No. 4

The Companies Act, 1956 presently prohibits a Company from purchasing its own shares and securities. However, it is anticipated that the law may, in future, permit a Company to buy back its own securities.

Subject to the buy-back of securities being legally permissible, it is proposed to enable the Company to buy-back its Equity shares, upto such extent as may be permitted by law of the paid-up capital of the Company, from the members of the Company either from the open market or from the holders of odd lots or from the holders of the Equity Shares that may be issued under the Employee's Stock Option Scheme or as permitted by the law. The buy-back of shares or securities would be in the terms and conditions and from the funds permitted by law as set out in the Resolution.

The Directors recommend the Resolution for approval of the members.

None of the Directors is in any way concerned or interested in the Resolution.

Item No. 5

The Company was incorporated on 6-9-91 under the name of the D.S. Sancheti Shares & Stock Brokers Ltd. The name of the Company was changed to "D.S. Sancheti Securities & Financial Services Limited" on 10-11-93.

The Company is member of National Stock Exchange and M.P. Stock Exchange. The present name does not reflect the line of activities undertaken by the Company.

The Registrar of Companies, Madhya Pradesh, has confirmed that the new name is available for registration under Section 20 of the Companies Act, 1956. An application will be made to the Central Government for the change of name under Section 21 of the Act.

If the change of name is approved, share certificates already issued will not be called in for the purpose of exchange into certificates bearing the new name. The existing certificates will continue to be accepted for all purposes, as indicating entitlement to shares of the Company.

The Directors recommend the Resolution for the approval of the members.

None of the Directors is in any way concerned or interested in the Resolution.

AUDITORS REPORT

We have audited the attached Balance-Sheet of M/S. D.S. Sancheti Securities & Financial Services Limited, Indore(M.P.) as at 31st March, 1998 and also the annexed profit and loss account 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(4)(A) of the Companies Act 1956, we enclose in the annexure, a statement on the matters specified in paragraphs 4 & 5 of the said order to the extent applicable to the Company.
2. Further to our comments in the annexure referred to in paragraphs 1 above :-
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts, as required by law, have been kept by the Company so far as appears from the examination of those books.
 - (c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
 - (d) In our opinion and to the best of our information and according to the explanation given to us, the accounts subject to and read with the notes thereon, give the information required by Companies Act, 1956 in the manner as 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, 1998 and
 - (ii) in the case of the Profit and loss account, of the Loss for the year ended on that date.

**For PRAKASH WOHR & CO.,
CHARTERED ACCOUNTANTS**

PLACE : INDORE (M.P.)
DATED : 25.07.98

(PRAKASH WOHR)
Partner

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph (1) of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets have been physically verified by the management during the year. There is a regular programme of such verification. No material discrepancies were noticed during such verification.
2. None of the fixed assets have been revalued during the year.
3. The company has not taken any loan from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956 or from the Company under the same management.
4. The Company has not granted any loans, secured or unsecured to companies, firms, or other parties listed in the register maintained under section 301 of the Companies Act, 1956, or to Companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956.
5. On the basis of our checking and according to the information and explanations given to us during the course of our audit, the parties to whom loans or advances in the nature of loans have been given by the Company, are repaying the principal as stipulated and are also regular in payment of interest.
6. In our opinion and according to the information and explanation given to us, there is an adequate internal control procedure commensurate with the size of the Company and nature of its business.
7. The Company has not accepted any deposit from the public.
8. In our opinion, the internal control procedure involves reasonable internal checking of its financial records which is considered by us to be adequate under the circumstances.
9. The Company is generally regular in depositing Provident Fund and Employees' State Insurance dues with the appropriate authorities.
10. In our opinion and according to the information and explanations given to us, there is no undisputed and outstanding amount payable in respect of Income-tax, Wealth-tax or any other taxes, duties etc. as at the last day of financial year concerned for a period of more than six months from the date they became payable.
11. In our opinion and according to the information and explanation given to us, no personal expenses have been charged/debited to revenue account.
12. The provisions of any special statute applicable to chit fund, nidhi or mutual benefit society are not applicable to the Company.
13. As the company is not a manufacturing company, there is no consumption of stores and materials and there is no system for allocation of man-hours on job basis.
14. In our opinion, the Company has kept proper records of the transactions and contracts for dealing or trading in Shares, debentures, securities and other investments and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name.
15. The Company has maintained proper records of transactions and contracts for purchase and sale of shares held as stock-in-trade upon allotment on devolvement during the course of carrying on under-writing business activities.

For PRAKASH WOHR & CO.,
CHARTERED ACCOUNTANTS

PLACE : INDORE (M.P.)
DATED : 25.07.98

(PRAKASH WOHR)
Partner.

D.S. SANCHETI SECURITIES & FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT TO THE SHARE HOLDERS

DEAR MEMBERS,

Your Directors have pleasure in presenting the Seventh Annual Report and audited Accounts of the Company for the financial year ended 31st March 1998.

FINANCIAL RESULTS

	[Rs. in lacs]	
Net Loss for the year	<u>31.3.98</u>	<u>31.3.97</u>
Add : Balance brought forward	23.45	38.50
Add : Taxation relating to earlier year	35.92	(2.61)
Balance carried to Balance Sheet	8.99	0.03
	<u>68.36</u>	<u>35.92</u>

DIVIDEND

In view of losses, the Directors regret their inability to recommend any dividend for the year.

OPERATIONS:

Due to adverse market conditions, the company suffered net loss of Rs.23.45 lacs, which includes Rs.4.25 lacs towards provisions required to be made under Non Banking Financial Companies Directions 1998 and Rs 9.06 lacs on account of depreciation & other preliminary/pre-operative expenses etc. Diminution in value of inventories has further resulted in losses of Rs.3.69 lacs. As such cash loss is Rs.6.45 lacs only.

The future prospects of capital market is still not encouraging but the management is hopeful to cover the deficiencies to some extent.

REGISTRATION AS NBFC:

The company has been granted certificate of Registration U/s.451A of The Reserve Bank of India Act 1934.

SUBSIDIARY COMPANY:

During the year under review also, the subsidiary company D.S. Sancheti Finance Corporation Limited has performed well. The company has been granted certificate of registration by Reserve Bank of India U/s.451(A) of RBI Act, 1934.

A statement pursuant to section 212 of the Companies Act, 1956 in respect of the subsidiary of the company is attached to the accounts of the company.

DIRECTOR:

Shri M.S. Birani retires by rotation and being eligible, offers himself for re-appointment.

AUDITORS:

M/s. Prakash Wohra & Co., Chartered Accountants and Statutory Auditors of the Company, retire at the forthcoming annual general meeting and are eligible for re-appointment.

CONSERVATION OF ENERGY AND TECHNICAL ABSORPTION:

The provisions of section 217(1)(c) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the Report of the Board of Director) Rules, 1988 do not apply to the Company, since it is not a manufacturing Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company has not incurred any expenditure or earned any income in foreign exchange during the year.

PUBLIC DEPOSITS:

During the year, the company did not accept public deposits within the meaning of section 58-A of the Companies Act, 1956 and the rules made thereunder.

PERSONNEL:

Relations between the management and the employees were cordial. Your Directors wish to place on record their appreciation of the dedicated services rendered by the executives and staff members of the company.

None of the employees of the Company is covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 and amendments thereto from time to time.

ACKNOWLEDGEMENT:

The Directors wish to place on record their appreciation of the sincere co-operation, the company has received from Bankers and Shareholders.

For and on behalf of the Board of Directors

Place : Indore

Dated : 25.07.98

(D.S. SANCHETI)

chairman

ANNEXURE TO DIRECTORS REPORT

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Company's interest in subsidiary Companies:

Name of Subsidiary Company	D.S. Sancheti Finance Corporation Limited
1. The financial year of the Subsidiary Company ended on	31st March, 1998
2. Date from which it became subsidiary company	20th June, 1995
3. (a) Number of shares held in the subsidiary Company at the end of the financial year of the subsidiary Company.	1805010 Equity Shares of the face value of Rs. 10 each fully paid up
(b) Extent of interest of holding company at the end of the financial year of the subsidiary Company.	99.99 %
4. The net aggregate amount of the subsidiary company Profit/(Loss) so far as it concerns the members of the holding Company.	
(a) Not dealt with in the holding Company's accounts.	
i) For the financial year ended 31st March 1998.	Rs. 11,28,454.37
ii) For the previous financial year of the subsidiary Company, since it became the holding Company's subsidiary.	Rs. 5,27,103.52
(b) Dealt with in holding company's accounts:	
i) For the financial year ended 31st March 1997	Nil
ii) For the previous financial year of the subsidiary Company, became the holding Company's subsidiary	Nil

For and on behalf of the Board

D.S. Sancheti
Managing Director
S.M. Vora
Director

Place : INDORE (M.P.)
DATED : 25.07.98

Nirmal Sancheti
Executive Director
I.S. Mehta
Director
M.S. Birani
Director

As per our report of even date annexed

FOR PRAKASH WOHR & CO.,
Chartered Accountants

(PRAKASH WOHR)
Partner

D.S. SANCHETI SECURITIES & FINANCIAL SERVICES LIMITED : INDORE

BALANCE SHEET AS ON 31st MARCH, 1998

PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
<u>SOURCES OF FUNDS:</u>			
(A) SHARE HOLDERS FUND:			
Share Capital	1	31,500,000.00	31,500,000.00
Reserves & Surplus	2	9,963,203.53	13,208,372.66
(B) LOAN FUNDS:			
	3	10,074.29	160,198.68
	TOTAL Rs. :	<u>41,473,277.82</u>	<u>44,868,571.34</u>
<u>APPLICATION OF FUNDS:</u>			
(C) FIXED ASSETS:			
Gross Block	4	4,046,042.44	4,016,142.44
Less : Depreciation to date		756,738.44	564,964.44
NET BLOCK		<u>3,289,304.00</u>	<u>3,451,178.00</u>
(D) INVESTMENTS: (At Cost)			
	5	20,610,954.25	20,579,454.25
(E) CURRENT ASSETS, LOANS & ADVANCES:			
1. Accrued Interest on FDRS		16,370.00	115,040.00
2. Inventories (Shares, Debentures etc.) (Lower of Cost or market price)	6	3,641,224.55	4,787,452.40
3. Sundry Debtors	7	1,342,064.69	1,242,750.52
4. Cash & Bank Balances	8	2,646,022.62	2,696,836.00
(F) LOANS & ADVANCES:			
1. Loans	9	206,135.00	200,921.00
2. Advances recoverable in Cash or in kind or for value to be received		486,049.16	1,830,317.80
3. Security Deposits		6,974,304.00	7,128,241.00
4. Prepaid Expenses		7,133.00	90,043.50
		15,319,303.02	18,091,602.22
Less : Current Liabilities & Provisions	10	<u>1,411,016.45</u>	<u>1,500,204.13</u>
Net Current Assets		<u>13,908,286.57</u>	<u>16,591,398.09</u>
(G) MISCELLANEOUS EXPENDITURE:			
(To the extent, not written off or adjusted)	11	3,664,733.00	4,246,541.00
	TOTAL Rs. :	<u>41,473,277.82</u>	<u>44,868,571.34</u>
<u>NOTES ON ACCOUNTS:</u>			
The Schedules referred to herein above form an integral part of Balance Sheet	17		

For and on behalf of the Board

D.S. Sancheti
Managing Director

Nirmal Sancheti
Executive Director

S.M. Vora
Director

I.S. Mehta
Director

Place : INDORE (M.P.)
DATED : 25.07.98

M.S. Birani
Director

As per our report of even date annexed
FOR PRAKASH WOHRRA & CO.,
Chartered Accountants

(PRAKASH WOHRRA)
Partner

D.S. SANCHETI SECURITIES & FINANCIAL SERVICES LIMITED : INDORE
TRADING & PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1998

PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
TRADING ACCOUNT : (Shares/Debentures/Securities etc.)			
(A) CREDITS:			
Sales		64,364,365.31	147,220,539.00
Closing Stocks		3,641,224.55	4,787,452.40
Sub Total (A)		<u>68,005,589.86</u>	<u>152,007,991.40</u>
(B) DEBITS:			
Opening Stocks		4,787,452.40	6,004,817.75
Purchases		63,402,355.63	148,681,591.28
Sub Total (B)		<u>68,189,808.03</u>	<u>154,686,409.03</u>
Gross Profit (A - B)		<u>(184,218.17)</u>	<u>(2,678,417.63)</u>
PROFIT & LOSS ACCOUNT:			
(A) INCOME:			
1. Gross Profit (Trf. from Trading A/c.)		(184,218.17)	(2,678,417.63)
2. Gross Receipts	12	967,999.82	1,648,647.75
3. Interest:			
From Bank		265,286.00	340,201.00
From Others		105,964.00	159,512.50
On Income Tax Refund		115,658.00	0.00
4. Dividend Income		16,943.64	918,162.50
6. Other Incomes		1,890.00	29,606.00
Total (A)		<u>1,289,523.29</u>	<u>417,712.12</u>
(B) EXPENSES:			
1. Operational Expenses	13	812,092.03	1,059,510.40
2. Office & Establishment Expenses	14	1,160,050.03	1,962,186.88
3. Directors Remuneration		264,000.00	264,000.00
4. Directors Meeting Fees		7,000.00	7,500.00
5. Interest:			
To Bank		51,895.16	60,688.00
Others		0.00	3,333.00
6. Auditors Remuneration:			
For Statutory Audit		5,000.00	5,000.00
For Tax Audit		2,000.00	2,000.00
7. Depreciation		191,774.00	221,220.00
8. Miscellaneous Expenditures written off	15	581,808.00	581,808.00
9. Bad Debts Written off		132,994.00	0.00
10. Provisions under NBFC norms	16	424,958.00	0.00
11. Others		0.00	98,181.00
Total (B)		<u>3,633,571.22</u>	<u>4,265,427.28</u>
NET PROFIT (A-B)		<u>(2,344,047.93)</u>	<u>(3,847,715.16)</u>
Less : Provision for Interest Tax		1,259.00	2,865.00
(C) NET PROFIT BEFORE TAX:		<u>(2,345,306.93)</u>	<u>(3,850,580.16)</u>
Less : Provision for Income Tax		00.00	0.00
PROFIT AFTER TAX		<u>(2,345,306.93)</u>	<u>(3,850,580.16)</u>
Add:Balance brought forward from Previous year		<u>(3,591,627.34)</u>	<u>261,568.82</u>
		<u>(5,936,934.27)</u>	<u>(3,589,011.34)</u>
Less : Taxes Pertaining to Prior years		899,862.20	2,616.00
Balance carried to Balance Sheet		<u>(6,836,796.47)</u>	<u>(3,591,627.34)</u>

NOTES ON ACCOUNTS:

17

The Schedules referred to herein above form an integral part of Balance Sheet

For and on behalf of the Board

D.S. Sancheti
Managing Director
S.M. Vora
Director
 PLACE : INDORE
 DATED : 25.07.98

Nirmal Sancheti
Executive Director
I.S. Mehta
Director
M.S. Birani
Director

As per our report of even date annexed

FOR PRAKASH WOHRRA & CO.,
 Chartered Accountants
(PRAKASH WOHRRA)
 Partner

D.S. SANGHETI SECURITIES & FINANCIAL SERVICES LIMITED : INDORE

SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 1998

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR									
SCHEDULE:- 1											
SHARE CAPITAL:											
AUTHORISED:											
80,00,000 Equity shares of Rs. 10/- each (Previous year 80,00,000 Equity shares of of Rs. 10/- each)	80,000,000.00	80,000,000.00									
ISSUED SUBSCRIBED CALLED & PAIDUP:											
31,50,000 Equity shares of Rs. 10/- each fully paid-up (Previous year 31,50,000 Equity shares)	31,500,000.00	31,500,000.00									
TOTAL RUPEES :	31,500,000.00	31,500,000.00									
SCHEDULE:- 2											
RESERVES & SURPLUS:											
1. SHARE PREMIUM ACCOUNT:	12,000,000.00	12,000,000.00									
2. GENERAL RESERVE: Balance as per last Balance Sheet	4,800,000.00	4,800,000.00									
3. PROFIT & LOSS ACCOUNT:	(6,836,796.47)	(3,591,627.34)									
TOTAL RUPEES :	9,963,203.53	13,208,372.66									
SCHEDULE:- 3											
LOAN FUNDS:											
Bank of India Palasia Branch, Indore (OD Limit)	10,074.29	147,479.89									
Canara Bank Bombay (Temporary O/D)(Unsecured)	0.00	12,718.79									
TOTAL RUPEES :	10,074.29	160,198.68									
SCHEDULE:- 4											
FIXED ASSETS:											
S.No.	Particulars	Gross Block			Depreciation				Net Block		
		As on 1.4.97	Additions during the year	Sales/ Transfer 31.3.98	Total 31.3.98	Up to 31.3.97	Provided for the Year	Sales/ Transfer 31.3.98	Total 31.3.98	As on 31.3.-98	As on 31.3.97
01.	Furniture & Fixture	283901	---	---	283901	120248	29621	---	149869	134032	163653
02.	Office Equipments	304226	29900	---	334126	116953	37156	---	154109	180017	187273
03.	Vehicles	234666	---	---	234666	110302	32130	---	142432	92234	124364
04.	Audio visual Equipments	4791	---	---	4791	2615	303	---	2918	1873	2176
05.	Silver Coins	8262	---	---	8262	---	---	---	---	8262	8262
06.	Computer Equipments	880296	---	---	880296	214846	92564	---	307410	572886	665450
07.	M.P. Stock Exch. Card	2300000	---	---	2300000	---	---	---	---	2300000	2300000
Total Rupees :		4016142	29900	---	4046042	564964	191774	---	756738	3289304	3451178
Previous year		4141042	74763	199663	4016142	401094	221220	57350	564964	3451178	3739948

SCHEDULE:- 5
INVESTMENTS: (AT COST)

Sr. No.	Name of the Company	Opening Stock 1.4.97		Purchases		Sales		Closing Stock 31.3.98		Profit/ (Loss)
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	
(A) QUOTED:										
1	Bank of India	0	0.00	700	31,500.00	0	0.00	700	31,500.00	0.00
2	Hansu Controls Ltd.	20700	207,000.00	0	0.00	0	0.00	20700	207,000.00	0.00
3	Ovobel Foods Ltd.	18200	182,000.00	0	0.00	0	0.00	18200	182,000.00	0.00
4	Reliance Petroleum Ltd. (Shares)	15700	302,050.00	0	0.00	0	0.00	15700	302,050.00	0.00
5	Reliance Petroleum Ltd. (TOCDS)	10900	691,213.50	0	0.00	0	0.00	10900	691,213.50	0.00
	Reliance Petroleum Ltd. (Tradable Warrant)	0	0.00	21800	0.00	0	0.00	21800	0.00	0.00
6	Reshco Compute Prints Ltd.	37900	379,000.00	0	0.00	0	0.00	37900	379,000.00	0.00
7	Shriyam Securities & Finance Ltd.	300	9,000.00	0	0.00	0	0.00	300	9,000.00	0.00
8	Snehadhara Industries Ltd.	7200	152,712.00	0	0.00	0	0.00	7200	152,712.00	0.00
9	Vippy Spinpro Ltd.	300	6,378.75	0	0.00	0	0.00	300	6,378.75	0.00
SUB TOTAL (A)			1,929,354.25		31,500.00				1,960,854.25	0.00
(B) UNQUOTED:										
1	Goodman Investors Relation Services(P) Ltd.	2000	200,000.00	0	0.00	0	0.00	2000	200,000.00	0.00
2	ICICI Unsecured Bonds	400	400,000.00	0	0.00	0	0.00	400	400,000.00	0.00
SUB TOTAL (B)			600,000.00		0.00		0.00		600,000.00	0.00
(C) INVESTMENT IN WHOLLY OWNED SUBSIDIARY:										
1	D.S. Sancheti Finance Corporation Limited	1805010	1,80,50,100.00	0.00	0.00	0.00	0.00	1805010	1,80,50,100.00	0.00
TOTAL (A)+(B)+(C)			20,579,454.25		31,500.00		0.00		20,610,954.25	0.00

(Market value of Quoted Shares Rs. 16,08,845/-) (Previous year 11,91,075/-)

SCHEDULE:- 6

INVENTORIES: (At Cost)

Shares, Debentures etc.

3,641,224.55

4,787,452.40

TOTAL RUPEES :

3,641,224.55

4,787,452.40

SCHEDULE:- 7**SUNDRY DEBTORS:**

Due over six months	738,099.61	959,663.93
Others	603,965.08	283,086.59
TOTAL RUPEES :	<u>1,342,064.69</u>	<u>1,242,750.52</u>

SCHEDULE:- 8**CASH & BANK BALANCES:**

(a) Cash-in-Hand: (As certified by a director)	4,216.32	34,205.72
(b) Balance with Banks:		
1. On Fixed Deposit with:		
Bank of India Palasia Branch, Indore (Pledged with Bank for Overdraft Limit)	1,000,000.00	1,000,000.00
Bank of India, Palasia Branch, Indore (In the joint name with M.P. Stock Exchange Indore)	50,000.00	50,000.00
Bank of India, Palasia Branch, Indore	500,000.00	500,000.00
Canara Bank, NSE Branch, Bombay (Pledged with Bank towards margin money for Bank guarantee of Rs.25.00 lacs)	799,169.00	625,000.00
(c) On Current Accounts:	292,637.30	487,630.28
TOTAL RUPEES :	<u>2,646,022.62</u>	<u>2,696,836.00</u>

SCHEDULE:- 9**LOANS & ADVANCES:**

I. LOANS: (Unsecured considered good)		
Mr. Rajesh K. Agrawal	206,135.00	200,921.00
II. ADVANCES RECOVERABLE IN CASH OR IN KIND FOR VALUE TO BE RECEIVED:		
Advance payment of Income Tax & Ad.-tax	69,819.00	1,567,748.20
Others	416,230.16	262,569.60
Sub Total	<u>486,049.16</u>	<u>1,830,317.80</u>
III. SECURITY DEPOSITS:	6,974,304.00	7,128,241.00
IV. PREPAID EXPENSES:	7,133.00	90,043.50
TOTAL RUPEES :	<u>7,467,486.16</u>	<u>9,048,602.30</u>

SCHEDULE:- 10**CURRENT LIABILITIES & PROVISIONS:**

A. CURRENT LIABILITIES:		
Sundry Creditors	428,914.76	1,328,407.09
Unpaid Dividend	100,287.00	104,999.00
Share Application Money Refundable	14,475.00	17,475.00
Security Deposits from NSE Customers	370,000.00	5,000.00
Sub Total (A)	<u>913,676.76</u>	<u>1,455,881.09</u>
B. PROVISIONS:		
Outstanding Liabilities	71,122.69	41,458.04
Provision for Interest Tax	1,259.00	2,865.00
Provisions under NBFC norms	424,958.00	0.00
Sub Total (B)	<u>497,339.69</u>	<u>44,323.04</u>
TOTAL RUPEES :	<u>1,411,016.45</u>	<u>1,500,204.13</u>

SCHEDULE:- 11**MISCELLANEOUS EXPENDITURE & LOSSES:**

(To the extent, not written off or adjusted)

I. PRELIMINARY EXPENSES:

Balance as per last Balance Sheet	156,709.00	182,827.00
Less : Written off during the year 1/10th	26,118.00	26,118.00

Sub Total	130,591.00	156,709.00
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II. PRE-OPERATIVE EXPENSES:

Balance as per last Balance Sheet	32,295.00	36,909.00
Less : Written off during the year 1/10th	4,614.00	4,614.00

Sub Total	27,681.00	32,295.00
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III. PUBLIC ISSUE EXPENSES:

Balance as per last Balance Sheet	2,457,537.00	2,808,613.00
Less : Written off during the year 1/10th	351,076.00	351,076.00

Sub Total	2,106,461.00	2,457,537.00
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IV. DEFERRED REVENUE EXPENDITURES:

OTCEI Membership Fees	1,600,000.00	1,800,000.00
Less : Written off during the year 1/10th	2,00,000.00	2,00,000.00

Sub Total	1,400,000.00	1,600,000.00
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TOTAL RUPEES :	3,664,733.00	4,246,541.00
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SCHEDULE:- 12**PROFIT & LOSS ACCOUNT:****GROSS RECEIPTS:**

(a) Brokerage from NSE operations	962,359.85	795,396.45
(b) Underwriting Commission	5,000.00	15,025.00
(d) New Public Issue Brokerage	639.97	432,046.30
(e) Consultancy & Merchant Banking etc.	0.00	406,180.00

TOTAL RUPEES :	967,999.82	1,648,647.75
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SCHEDULE:- 13**OPERATIONAL EXPENSES:**

Mailing & Marketing Service Exps.	1,954.05	3,988.48
Sub Brokerage & Procurement Commission	5,770.00	267,457.00
SEBI, Stock Exchanges & Other Annual Fees	197,000.00	390,071.00
Service Tax	1,777.25	4,341.96
Turnover tax	25,303.48	39,594.96
Other Levies	372,756.25	0.00
Share transfer stamps	2,282.00	0.00
NSE Operations Consultancy Fees	44,500.00	92,500.00
NSE Equipment's Maintenance Charges	153,937.00	246,759.00
Investors Compensation Fund (NSE A/c.)	6,812.00	14,798.00

TOTAL RUPEES :	812,092.03	1,059,510.40
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SCHEDULE - 14**OFFICE AND ESTABLISHMENT EXPENSES:**

Employees Remuneration & Benefits	384,782.20	456,758.05
Rent (Including payment to directors Rs.144000/- Previous year Rs. 181260/-)	144,000.00	553,880.00
Legal & Professional charges:		
Share Transfer Agency Fees	71,429.50	70,879.00
Other Consultancy Services	48,676.00	168,436.00

Registration & Filing fees	600.00	240.00
Stationery & Printing	60,243.39	81,244.07
Advertisement	13,601.00	38,112.50
Books & Periodicals	3,173.50	5,082.75
Telephone, Telex & Fax charges	55,506.20	69,068.60
Bank Commission	53,545.57	111,072.50
Insurance charges	38,465.72	66,221.50
Travelling Expenses (Including directors Travelling Rs.61198/-, Previous year Rs.90718/-)	73,347.00	112,798.50
Postage	38,940.25	17,746.36
Water & Electricity	43,692.00	45,518.00
Staff Welfare	30,418.50	31,344.50
Local Conveyance	12,058.00	21,919.00
Professional Tax	2,500.00	2,500.00
Repairs & Maintenance	23,944.00	21,941.00
Vehicle Running & Maintenance	31,290.70	30,192.20
Miscellaneous Expenses	4,086.50	24,582.35
Listing Fees	22,750.00	31,150.00
OTCEI Charges	3,000.00	1,500.00
TOTAL RUPEES :	1,160,050.03	1,962,186.88

SCHEDULE - 15

MISCELLANEOUS EXPENDITURES WRITTEN OFF:

Preliminary Expenses	26,118.00	26,118.00
Pre-Operative Expenses	4,614.00	4,614.00
Public Issue Expenses	351,076.00	351,076.00
Deferred Revenue Expenditure	200,000.00	200,000.00
TOTAL RUPEES :	581,808.00	581,808.00

SCHEDULE - 16

PROVISIONS UNDER NBFC NORMS:

For Sub- Standard Assets	72,949.00	0.00
For diminution in value of investments	352,009.00	0.00
TOTAL RUPEES :	424,958.00	0.00

SCHEDULE:- 18

NOTES ON ACCOUNTS:

- As the Company is not a manufacturing Company, information required under paragraphs 3 and 4 of Schedule VI of the Companies Act, 1956 is not given.
- Expenditures/Earnings in Foreign Currency - NIL -
- None of the employees of the Company is covered under Section 217(2A) of the Companies Act, 1956 read with Companies (particulars of employees) Rule 1975 and amendments thereto from time to time.
- In the opinion of the Board, the Current Assets, Loans & Advances, have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet & that the provision for known liability is adequate and not in excess of the amount reasonably necessary.
- The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.
- The Company has been granted certificate of registration under section 451A of The Reserve Bank of India Act 1934 vide registration no. 03-00036 dated 3.3.98. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts. Accordingly it has made a provision of Rs.72,949/- on substandard assets i.e. over due debtors and Rs.3,52,009/- for diminution in value of investments.
- MANAGERIAL REMUNERATIONS PAID TO DIRECTORS:
To Managing Director:
Salary 1,44,000/-
To Whole Time Director:
Salary 1,20,000/-
- CONTINGENT LIABILITIES:
(Not provided for)
1. Guarantee given by Canara Bank NSE Branch, Bombay in favour of National Stock Exchange, Bombay on behalf of

- the Company Rs.25.00 lacs. (Previous year Rs. 25.00 lacs)
 2. Claims against the company not acknowledged as debt Rs.2.11 lacs (Previous year Rs.2.11 lacs).

ACCOUNTING POLICIES:

1. SYSTEM OF ACCOUNTING:

The Company adopt the accrual concept in the preparation of accounts.

2. INFLATION:

Assets and Liabilities are recorded at historical cost of the Company.

3. FIXED ASSETS:

These are capitalised at cost inclusive of taxes and/or installation expenses.

4. DEPRECIATION:

Depreciation on fixed assets is provided on pro-rata basis. Rates of depreciation have been taken as prescribed in Schedule XIV of Companies Act, 1956 and amended by Companies Act (Amendment Act) 1988 on reducing balance method.

5. METHOD OF STOCK VALUATION:

These have been valued at Cost or Market Price whichever is less. Dividend and/or interest are accounted for as and when they are received and deposited into bank.

6. INVESTMENTS:

These are valued at Cost. Dividend and/or interest are accounted for as and when they are received and deposited into bank.

7. REVENUE RECOGNITION:

Revenue from sales and service transactions have been taken on accrual basis.

8. BENEFITS TO EMPLOYEES:

No provision is made for the future liabilities arising out of Gratuity and Leave encashment which are accounted on cash basis.

Additional Informations as required vide notification no. GSR388(E) dated 15.05.95.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details :

Registration No. 6650 of 1991 State Code 10

Balance Sheet Date 31.3.98

II. Capital raised during the year (Amount Rs. in Thousands)

Public Issue Nil Rights Issue Nil

Bonus Issue Nil Private Placement Nil

III Position of Mobilisation and Deployment of Funds

(Amount in Rs. Thousands)

Total Liabilities 42884 Total Assets 42884

Sources of Funds :-

Paid Up Capital 31500 Reserves & Surplus 9963

Secured Loans 10 Unsecured Loans Nil

Application of Funds :

Net Fixed Assets 3289 Investments 20611

Net Current Assets 13908 Misc. Expenditure 3665

Accumulated Losses Nil

IV Performance of Company (Amount in Rs. Thousands)

Turnover/Income 65969 Total Expenditure 68314

Profit/(Loss) before tax (2345) Profit/(Loss) after tax (3245)

Earning per Share

(in Rs.) Rs. Nil Dividend Nil

V. Generic Names of Three Principal Products/Services of Company

(as per monetary terms)

Item Code No. (ITC Code) : Not Applicable.

TRADING : Shares/Debentures, and Other Securities etc.

SERVICES : (1) Share Broking/Underwriting (2) Merchant Banking.

For and on behalf of the Board

As per our report of even date annexed

D.S. Sancheti
Managing Director

S.M. Vora

Director

PLACE : INDORE

DATED : 25.07.98

Nirmal Sancheti
Executive Director

I.S. Mehta

Director

M.S. Birani

Director

FOR PRAKASH WOHRRA & CO.,

Chartered Accountants

(PRAKASH WOHRRA)

Partner

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE FINANCIAL YEAR 1997-98

	[Rs. in lacs]		
	1997-98		1996-97
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit before Tax as per P & L A/c.	(23.44)		(38.47)
Adjustment for:			
Depreciation	1.92		2.21
Foreign Exchange	0.00		0.00
Profit on sale of Investments	0.00		0.59
Interest paid	0.52		0.64
Preliminary/Pre. Operative Exps. written off	5.82		5.82
Dividend Income	(0.17)		(9.18)
Interest on I.T. refund	(1.16)		0.00
Provisions under NBFC norms	4.25		0.00
Profit on Sale of Vehicles	0.00	<u>11.18</u>	<u>(0.26)</u>
Operating profit before working capital changes	(12.26)		(38.65)
Adjustment for:			
Trade and other receivables	15.75		2.43
Inventories	11.46		12.17
Trade payables	(5.14)		10.46
Movement in Loans	(1.50)	<u>20.57</u>	<u>26.66</u>
Cash generated from operations	8.31		(11.99)
Interest paid	(0.52)		(0.64)
Direct Taxes paid	(0.01)		(0.02)
Cash flow before extra-ordinary items	7.78		(12.65)
Extraordinary items:			
Prior Year Tax Payments	(9.00)		(0.02)
Pre. Operative/Public Issue Expenses	0.00	<u>(9.00)</u>	<u>0.00</u>
NET CASH FROM OPERATING ACTIVITIES	<u>(1.22)</u>		<u>(12.67)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets	(0.30)		(0.75)
Sales of Fixed Assets	0.00		1.68
Acquisition of Companies :			
Investment in Wholly owned subsidiary Co., by way of Capital contribution in Equity Shares	0.00		0.00
Purchase of Investments	(0.32)		(9.52)
Sales of Investments	0.00		2.31
Interest on I.T. Refund	1.16		0.00
Dividend Received	0.17		9.18
Share Application Money	0.00		(0.50)
NET CASH USED IN INVESTING ACTIVITIES	<u>0.71</u>		<u>2.40</u>
C. CASH FLOW FROM FINANCIAL ACTIVITIES:			
Proceeds from issue of share capital	0.00		0.00
Proceeds from long term borrowings	0.00		0.00
Repayment of finance lease liabilities	0.00		0.00
Dividend paid	0.00		(18.90)
NET CASH USED IN FINANCING ACTIVITIES	<u>0.00</u>		<u>(18.90)</u>
NET INCREASE IN CASH AND CASH EQUIVALENT(A+B+C)	<u>(0.51)</u>		<u>(29.17)</u>
Opening Balance of Cash and Cash equivalents	26.97		56.14
Closing Balance of Cash and Cash equivalents	26.46		26.97

Note : Figures in brackets represent cash outflows.

PLACE : INDORE (M.P.)
DATED : 25.07.98

On behalf of the Board of Directors
For **D.S. SANCHETI SECURITIES &
FINANCIAL SERVICES LIMITED**

(D.S. Sancheti)
Managing Director

Auditor's Report

We have verified attached Cash Flow Statement of D.S. Sancheti Securities & Financial Services Limited derived from the audited financial statements and the books and records maintained by the Company for the year ended 31st March, 1998 and 31st March, 1997 and found the same in agreement therewith.

PLACE : INDORE (M.P.)
DATED : 25.07.98

For **PRAKASH WOHR & CO.,**
Chartered Accountants

(PRAKASH WOHR)
Partner

D.S. SANCHETI FINANCE CORPORATION LIMITED : INDORE

AUDITORS REPORT

We have audited the attached Balance-Sheet of **M/S. D.S. Sancheti Finance Corporation Limited , Indore(M.P.)** as at 31st March, 1998 and also the annexed profit and loss account 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(4)(A) of the Companies Act 1956, we enclose in the annexure, a statement on the matters specified in paragraphs 4 & 5 of the said order to the extent applicable to the Company.
2. Further to our comments in the annexure referred to in paragraphs 1 above :-
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts, as required by law, have been kept by the Company so far as appears from the examination of those books.
 - (c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
 - (d) In our opinion and to the best of our information and according to the explanation given to us, the accounts subject to and read with the notes thereon, give the information required by Companies Act, 1956 in the manner as 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, 1998 and
 - (ii) in the case of the profit and loss account, of the Profit for the year ended on that date.

For **PRAKASH WOHR & CO.,**
CHARTERED ACCOUNTANTS

PLACE : INDORE (M.P.)
DATED : 09.07.98

(PRAKASH WOHR)
Partner.

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph (1) of our report of even date)

1. The company has not taken any loan from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956 or from the Company under the same management.
2. The Company has not granted any loans, secured or unsecured to companies, firms, or other parties listed in the register maintained under section 301 of the Companies Act, 1956, or to Companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956.
3. The Company has not given any advance in the nature of loans.

4. In our opinion and according to the information and explanation given to us, there is an adequate internal control procedure commensurate with the size of the Company and nature of its business.
5. The Company has not accepted any deposit from the public.
6. In our opinion, the internal control procedure involves reasonable internal checking of its financial records which is considered by us to be adequate under the circumstances.
7. Provisions of Provident Fund Act 1925 and Employees state Insurance Act are presently not applicable to the Company.
8. In our opinion and according to the information and explanation given to us, there is no undisputed and outstanding amount payable in respect of Income-tax, Wealth-tax or any other taxes, duties etc. as at the last day of financial year concerned for a period of more than six months from the date they became payable.
9. In our opinion and according to the information and explanation given to us no personal expenses have been charged/ debited to revenue account.
10. The provisions of any special statute applicable to chit fund, nidhi or mutual benefit society are not applicable to the Company.
11. In our opinion the Company has kept proper records of the transactions and contracts for dealing or trading in shares, debentures, securities and other investments and timely entries have been made therein.

For **PRAKASH WOHRRA & CO.,**
CHARTERED ACCOUNTANTS

PLACE : INDORE (M.P.)
DATED : 09.07.98

(PRAKASH WOHRRA)
Partner.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their Third Annual Report together with the audited accounts of the Company for the year ended on 31st March 1998 and the Balance-Sheet as on that date.

ACCOUNTS:

The Company has earned the Profit of Rs. 11,28,454.37 during the year under report as under :-

Net Profit before tax	17,36,119.37
Less : Provision for taxes	6,07,642.00
Taxes pertaining to Pre. years	23.00
Net Profit after tax	11,28,454.37
Add : Balance brought forward	5,27,103.52
Balance Carried to Balance Sheet	16,55,557.89

The holding company M/s. D.S. Sancheti Securities & Financial Services Limited continues to hold 99.99% of issued, subscribed & fully paid up shares of subsidiary company as at financial year ended on 31st March, 1998.

REGISTRATION AS N.B.F.C.:

The company has been granted certificate of Registration U/s.451(A) of The Reserve Bank of India Act 1934.

DIRECTORS

Smt. Usha Sancheti retires by rotation and being eligible offers himself for re. appointment.

CONSERVATION OF ENERGY AND TECHNICAL ABSORPTION

The provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the Report of the Board of Directors) Rules, 1988 do not apply to the company, since it is a Finance and Investment Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The company has not incurred any expenditure or earned any income in foreign exchange during the year.

PUBLIC DEPOSITS

During the year, the company did not accept public deposits within the meaning of section 58-A of the Companies Act, 1956 and the rules made thereunder.

AUDITORS:

The Auditors M/s. Prakash Wohra & Company, Chartered Accountants Indore, retire and being eligible offer themselves for re-appointment.

PERSONNEL:

None of the employee is covered U/s. 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975. Hence required particulars have not been given.

ACKNOWLEDGEMENT:

The Directors wish to place on record their appreciation of the sincere co-operation the Company has received from the shareholders.

For and on behalf of the Board
of Directors

Place : Indore

Dated : 09.07.98

NIRMAL SANCHETI
(Chairman)

D.S. SANCHETI FINANCE CORPORATION LIMITED : INDORE
BALANCE SHEET AS ON 31st MARCH, 1998

PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
SOURCES OF FUNDS:			
(A) Share holders Funds:			
Share Capital	1	18050700.00	18050700.00
Reserves & Surplus	2	1655557.89	527103.52
(B) Loan Funds:-		0.00	0.00
TOTAL RUPEES :		<u>19706257.89</u>	<u>18577803.52</u>
APPLICATION OF FUNDS:			
(C) Fixed Assets:		0.00	0.00
(D) Investments:		0.00	0.00
(E) Current Assets ,Loans & Advances:			
Inventories (At costs or market price, whichever is less)		282500.00	985825.00
Sundry Debtors	3	20793.33	0.00
Cash & Bank Balances	4	2127965.56	1762196.21
Loans & Advances	5	17818516.00	16975436.00
		<u>20249774.89</u>	<u>19723457.21</u>
Less : Current Liabilities & Provisions	6	671412.00	1291819.69
Net Current Assets		<u>19578362.89</u>	<u>18431637.52</u>
(F) MISC. EXPENDITURE:			
(To the extent not written off or adjusted)			
- Preliminary Expenses	7	127895.00	146166.00
TOTAL RUPEES :		<u>19706257.89</u>	<u>18577803.52</u>
NOTES ON ACCOUNTS	9		

The Schedules referred to herein above form an integral part of Balance Sheet

AS PER OUR REPORT OF EVEN DATE ANNEXED

D.S. Sancheti
(DIRECTOR)

Nirmal Sancheti
(DIRECTOR)

Usha Sancheti
(DIRECTOR)

FOR **PRAKASH WOHR & CO.,**
CHARTERED ACCOUNTANTS

(PRAKASH WOHR)
Partner.

PLACE : INDORE (M.P.)
DATED : 09.07.98

D.S. SANCHETI FINANCE CORPORATION LIMITED : INDORE
TRADING & PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1998

PARTICULARS	SCHEDULE	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
TRADING ACCOUNT:			
(Shares/Debentures/Securities etc.)			
(A) DEBITS:			
Opening Stocks		985825.00	17315.00
Purchases		30066375.87	31326950.50
	Sub Total (A)	<u>31052200.87</u>	<u>31344265.50</u>
(B) CREDITS:			
Sales		30717065.50	30167108.00
Closing Stocks		282500.00	985825.00
	Sub Total (B)	<u>30999565.50</u>	<u>31152933.00</u>
	GROSS LOSS (A - B)	<u>52635.37</u>	<u>191332.50</u>
PROFIT & LOSS ACCOUNT:			
(A) INCOME:			
1. Interest(Including Bank Interest Rs. 4109/-)		2159699.00	2735479.00
2. Previous Year Adjustments		246.00	0.00
	Total (A)	<u>2159945.00</u>	<u>2735479.00</u>
(B) EXPENSES:			
1. Gross Loss (As per Trading A/c.)		52635.37	191332.50
2. Service Tax & Other Levies		13762.76	13813.61
3. Office & Establishment Expenses	8	221044.50	163458.00
4. Directors Remuneration		72000.00	54000.00
5. Auditors Remuneration:			
For Statutory Audit		2000.00	2000.00
For Tax Audit		1000.00	2000.00
6. Miscellaneous Expenditures written off		18271.00	18271.00
	Total (B)	<u>380713.63</u>	<u>444875.11</u>
	NET PROFIT (A-B)	<u>1779231.37</u>	<u>2290603.89</u>
Less : Provision for Interest Tax		43112.00	82064.00
(C) NET PROFIT BEFORE TAX:		<u>1736119.37</u>	<u>2208539.89</u>
Less : Provision for Income Tax		607642.00	966300.00
Taxes pertaining to earlier year(Net)		23.00	9535.00
		<u>1128454.37</u>	<u>1232704.89</u>
PROFIT AFTER TAX		<u>1128454.37</u>	<u>1232704.89</u>
Less : Interim Dividend Paid		0.00	902535.00
		<u>1128454.37</u>	<u>330169.89</u>
PROFIT AFTER TAX & DIVIDEND		<u>1128454.37</u>	<u>330169.89</u>
Add : Balance brought forward from Previous year		527103.52	196933.63
		<u>1655557.89</u>	<u>527103.52</u>
Balance carried to Balance Sheet		<u>1655557.89</u>	<u>527103.52</u>

NOTES ON ACCOUNTS:

The Schedules referred to herein above form an integral part of Balance Sheet

AS PER OUR REPORT OF EVEN DATE ANNEXED
FOR PRAKASH WOHRHA & CO.,

CHARTERED ACCOUNTANTS

D.S. Sancheti
(DIRECTOR)
PLACE : INDORE (M.P.)
DATED : 09.07.98

Nirmal Sancheti
(DIRECTOR)

Usha Sancheti
(DIRECTOR)

(PRAKASH WOHRHA)

Partner.

D.S. SANCHETI FINANCE CORPORATION LIMITED : INDORE
SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT & LOSS
ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 1998

PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
SCHEDULE:- 1			
SHARE CAPITAL:			
Authorised:			
5000000 equity shares of Rs. 10/- each (Previous year 5000000 equity shares of Rs.10/- each)		50000000.00	50000000.00
Issued, Subscribed & Paidup:			
18,05,070 equity shares of Rs. 10/- each (Previous year 18,05,070 equity shares of Rs.10/- each)		18050700.00	18050700.00
TOTAL RUPEES :		<u>18050700.00</u>	<u>18050700.00</u>
SCHEDULE:- 2			
RESERVES & SURPLUS:			
PROFIT & LOSS ACCOUNT:			
Balance as per Last Balance Sheet		527103.52	196933.63
Add : Net Profit for the year after Tax & Dividend		1128454.37	330169.89
TOTAL RUPEES :		<u>1655557.89</u>	<u>527103.52</u>
SCHEDULE:- 3			
SUNDRY DEBTORS: (Below six months)			
M/s. D.S. Sancheti Securities & Financial Services Limited (NSE A/c.)		20793.33	0.00
TOTAL RUPEES :		<u>20793.33</u>	<u>0.00</u>
SCHEDULE:- 4			
CASH & BANK BALANCES:			
Cash in hand (As certified)		14213.00	9564.00
Bank of India Palasia Br., Indore		2113752.56	1752632.21
TOTAL RUPEES :		<u>2127965.56</u>	<u>1762196.21</u>
SCHEDULE - 5			
LOANS & ADVANCES:			
(A) LOANS: (Unsecured, considered good)		16000000.00	12671838.00
Sub Total :		<u>16000000.00</u>	<u>12671838.00</u>
(B) ADVANCES: (Recoverable in Cash or in kind or for value to be received)			
Advance Income Tax		773054.00	1073136.00
Advance Interest Tax		45462.00	80462.00
Others		0.00	2150000.00
Sub Total :		<u>818516.00</u>	<u>3303598.00</u>
(C) SECURITY DEPOSITS:			
For Office Premises at 30 City Centre, M.G. Road, Indore		1000000.00	1000000.00
Sub Total :		<u>1000000.00</u>	<u>1000000.00</u>
TOTAL RUPEES :		<u>17818516.00</u>	<u>16975436.00</u>

SCHEDULE:-6**CURRENT LIABILITIES & PROVISIONS:**

Nirmal & Co.	9250.00	0.00
Outstanding liabilities	11408.00	5500.00
Provison for Income Tax	607642.00	966300.00
Provision for Interest Tax	43112.00	82064.00
Others	0.00	237955.69
TOTAL RUPEES :	671412.00	1291819.69

SCHEDULE:-7**MISCELLANEOUS EXPENDITURE:**

(To the extent, not written off or adjusted)

Preliminary Expenses	146166.00	164437.00
Less : Written off during the year(1/10th)	18271.00	18271.00
TOTAL RUPEES :	127895.00	146166.00

SCHEDULE:-8**OFFICE & ESTABLISHMENT EXPENSES:**

Registration & Filing Fees	240.00	1080.00
Legal & Professional Charges	62700.00	48025.00
Stationery & Printing	483.00	1318.00
Salary & Wages	28899.00	11300.00
Office Rent	72000.00	72000.00
Electricity Charges	18980.00	26265.00
Miscellaneous Expenses	130.00	150.00
Bank Charges	6356.50	820.00
Repairs & Maintanance	28756.00	0.00
Professional Tax	2500.00	2500.00
TOTAL RUPEES :	221044.50	163458.00

SCHEDULE:- 9**NOTES ON ACCOUNTS:**

1. In the opinion of the Board, the Current Assets, Loans & Advances, have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet & that the provision for known liability is adequate and not in excess of the amount reasonably necessary.
2. Previous year figures have been regrouped wherever necessary.
3. As the Company is not a manufacturing Company, information required under paragraphs 3 and 4 of Schedule VI of the Companies Act, 1956 is not given.
4. There are no contingent liabilities.
5. Expenditures/Earnings in Foreign Currency - NIL -
6. None of the employee is covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.
7. The company has been granted certificate of Registration U/s.451(A) of The Reserve Bank of India Act 1934 vide Regn. No. 03-00023 dated 21.2.98. The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts. According to the norms prescribed by Reserve Bank of India, all the assets stated in the Balance Sheet are performing one and no provision for NPA assets is required.

ACCOUNTING POLICIES:

1. SYSTEM OF ACCOUNTING:

The Company adopt the accrual concept in the preparation of accounts.

2. INFLATION:

Assets and Liabilities are recorded at historical cost of the Company.

3. FIXED ASSETS:

At present the company has not acquired any fixed assets.

4. DEPRECIATION: -N.A.-

5. METHOD OF STOCK VALUATION:

These have been valued at Cost or Market Price whichever is less. Dividend and/or interest are accounted for as and when they are received and deposited into bank.

6. INVESTMENTS: -N.A.-

Additional Informations as required vide notification no. GSR388(E) dated 15.05.95.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details :

Registration No. 9193 of 1995 State Code 10

Balance Sheet Date 31.3.98

II. Capital raised during the year (Amount Rs. in Thousands)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III Position of Mobilisation and Deployment of Funds

(Amount in Rs. Thousands)

Total Liabilities	20378	Total Assets	20378
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Sources of Funds :-

Paid Up Capital	18051	Reserves & Surplus	1655
Secured Loans	Nil	Unsecured Loans	Nil

Application of Funds :

Net Fixed Assets	Nil	Investments	Nil
Net Current Assets	19578	Misc. Expenditure	128
Accumulated Losses	Nil		

IV Performance of Company (Amount in Rs. Thousands)

Turnover/Income	32877	Total Expenditure	31098
Profit/Loss before tax	1779	Profit/Loss After Tax	1128
Earning per Share (in Rs.)	0.63	Dividend	Nil

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	-N.A.-	Product Discription	Finance Company
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FOR PRAKASH WOHRRA & CO.,
Chartered Accountants

D.S. Sancheti

Nirmal Sancheti

Usha Sancheti

(PRAKASH WOHRRA)

Partner

DIRECTOR)

(DIRECTOR)

(DIRECTOR)

PLACE : INDORE (M.P.)

DATED : 09.07.98

D.S. SANCHETI SECURITIES & FINANCIAL SERVICES LTD.

Regd. Office : Sancheti Building 20/11 Yeshwant Niwas Road, Indore

ATTENDANCE SLIP

I hereby record my presence at the Seventh General Meeting on 26th September 1998 at the Regd. Office 20/11 Y.N. Road, Indore 452 003

Full Name of the Shareholder.....
(in block letters)

Folio..... No. of shares held.....

Name of Proxy :.....
(if the Proxy attends, instead of Shareholders)

Signature of the Shareholder/Proxy

1. Members attending the Meeting must fill in their Attendance slip and hand it over at the entrance of the Meeting Hall.
2. Members are requested to bring copy of the Annual Report at the Meeting.

D.S. SANCHETI SECURITIES & FINANCIAL SERVICES LTD.

Regd. Office : Sancheti Building, 20/11 Yeshwant Niwas Road, Indore 452 003

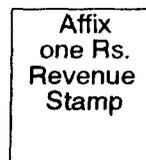
PROXY FORM

Folio No..... No. of the shares held.....

I/We.....
of.....
being a member/ members of D.S. SANCHETI SECURITIES & FINANCIAL SERVICES LTD.

hereby appoint Mr./Ms..... of.....
or failing him/her Mr./Ms..... of.....
as my/our proxy to vote for me/ us on my/our behalf at the Annual Meeting of the Company to be held on 26th September 1998 at 11.00 A.M. At 20/11 Y.N. Road, Indore 452 003

Signed this.....day of1997



Signature

Note : This Proxy form in order to be effective should be duly stamped, completed, and signed and must be deposited with the Company's Registered Office not less than 48 hours before the Meeting-

-----X-----x-----x-----X-----

REQUEST TO THE MEMBERS

Members are requested to bring their copies of Annual Report to the meeting.

Members desiring any information as regards account are requested to write so as to reach the registered Office of the Company atleast 7 days before the meeting so as to enable the management to keep the information ready.

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