



**EIGHTH**

**ANNUAL**

**REPORT**

**1998-99**

**SANCHAY FINVEST LIMITED**

**(Formerly D.S. Sancheti Securities & Financial Services Limited)**

# **SANCHAY FINVEST LIMITED**

(Formerly D.S. Sancheti Securities & Financial Services Limited)

- BOARD OF DIRECTORS** : D.S. SANCHETI (Managing Director)  
NIRMAL SANCHETI (Executive Director)  
M.S. BIRANI  
I.S. MEHTA
- BANKERS** : BANK OF INDIA, PALASIA, INDORE  
CANARA BANK, NSE BRANCH FORT, MUMBAI  
CANARA BANK, SIYAGANJ, INDORE  
CORPORATION BANK, INDORE
- AUDITORS** : PRAKASH WOHRRA & CO.  
CHARTERED ACCOUNTANTS  
94, SIR HUKAMCHAND MARG, INDORE
- 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

# **SANCHAY FINVEST LIMITED**

(FORMERLY : 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 Eighth Annual General Meeting of SANCHAY FINVEST LIMITED (formerly D.S. Sancheti Securities & Financial Services Ltd.), will be held at 11.00 a.m. on Wednesday the 22nd September, 1999 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, 1999 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 I.S. Mehta, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

PLACE : INDORE

DATE : 28/07/99

By Order of the Board

(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 20th September, 1999 to Wednesday, the 22nd September, 1999-(both days inclusive).
4. Members are requested to bring their copy of the Annual Report with them for the meeting.

## AUDITORS REPORT

We have audited the attached Balance-Sheet of **SANCHAY FINVEST LIMITED (Formerly D.S. Saucheti Securities & Financial Services Limited)** Indore (M.P.) as at 31st March, 1999 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 paragraph 1 above :-
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 the Balance Sheet and the Profit & Loss Account complies with the mandatory Accounting Standards referred in section 211(3C) of the Companies Act 1956.
  - (e) 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, 1999 and
    - (ii) in the case of the Profit and loss account, of the Loss for the year ended on that date.

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

PLACE : INDORE (M.P.)  
DATED : 28.07.1999

(**PRAKASH WOHRRA**)  
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 : 28.07.99

(PRAKASH WOHR & CO.)  
Partner.

## SANCHAY FINVEST LIMITED

(Formerly D.S. Sancheti Securities & Financial Services Ltd.)

### DIRECTORS' REPORT TO THE SHARE HOLDERS

**DEAR MEMBERS,**

Your Directors have pleasure in presenting the Eighth Annual Report and audited Accounts of the Company for the financial year ended 31st March 1999.

**FINANCIAL RESULTS**

	31.3.99	31.3.98
		[Rs. in lacs]
Net Loss for the year	25.00	23.45
Add : Balance brought forward	68.37	35.92
Add : Taxation relating to earlier year	0.01	9.00
Balance carried to Balance Sheet	<u>93.38</u>	<u>68.37</u>

**DIVIDEND**

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

**OPERATIONS:**

During the year under report, the company suffered net loss of Rs.25.00 lacs, which includes Rs.7.43 lacs on account of depreciation & other preliminary/pre-operative expenses etc. and Rs. 1.87 lacs being loss on sale of investments. The losses are due to adverse capital market condition.

**REGISTRATION AS NBFC:**

The company has been granted certificate of Registration U/s.45IA of The Reserve Bank of India Act 1934.

**SUBSIDIARY COMPANY:**

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.

**DIRECTORS:**

Shri I.S. Mehta retire by rotation and being eligible, offers himself for re-appointment.

During the year under review, Shri S.M. Vora resigned from the office of Director. The Board places on record its appreciation for services rendered by him.

**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)(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 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.

**Y2K COMPLIANCE:**

NSE operations are Y2K compliant and the work relating to share department is computerised which is entrusted to an approved share transfer agency and they are also fully Y2K compliant. Hence the company does not foresee any risk on this account.

**PERSONNEL:**

The relations with the employees continues to be cordial. Your Directors wish to place on record their appreciation of the dedicated services rendered by the employees at all levels.

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 : 28.07.99

**(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	Sanchay Fincom Limited (Formerly D.S. Sancheti Finance Corporation Limited)
1. The financial year of the Subsidiary Company ended on	31st March, 1999
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 1999.	Rs. 9,14,657.90
ii) For the previous financial years of the subsidiary Company, since it became the holding Company's subsidiary.	Rs. 16,55,557.89
(b) Dealt with the holding company's accounts :	
i) For the financial year ended 31st March, 1999	Nil
ii) For the previous financial years of the subsidiary Company since it became the holding Company's subsidiary	Nil

For and on behalf of the Board

As per our report of even date annexed

**FOR PRAKASH WOHLA & CO.,**  
Chartered Accountants

**D.S. Sancheti**  
*Managing Director*  
**M.S. Birani**  
*Director*

**Nirmal Sancheti**  
*Executive Director*  
**I.S. Mehta**  
*Director*

**(PRAKASH WOHLA)**  
Partner

Place : INDORE (M.P.)  
DATED : 28.07.99

# SANCHAY FINVEST LIMITED

(FORMERLY : D.S. SANCHETI SECURITIES & FINANCIAL SERVICES LIMITED)  
BALANCE SHEET AS ON 31st MARCH, 1999

PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
<b>SOURCES OF FUNDS:</b>			
<b>(A) SHARE HOLDERS FUND:</b>			
Share Capital	1	31,500,000.00	31,500,000.00
Reserves & Surplus	2	7,462,090.85	9,963,203.53
<b>(B) LOAN FUNDS:</b>	3	8,511.08	10,074.29
<b>TOTAL Rs. :</b>		<u>38,970,601.93</u>	<u>41,473,277.82</u>
<b>APPLICATION OF FUNDS:</b>			
<b>(C) FIXED ASSETS:</b>			
Gross Block	4	4,058,546.44	4,046,042.44
Less : Depreciation to date		917,699.44	756,738.44
<b>NET BLOCK</b>		<u>3,140,847.00</u>	<u>3,289,304.00</u>
<b>(D) INVESTMENTS: (At Cost)</b>	5	19,113,884.75	20,610,954.25
<b>(E) CURRENT ASSETS, LOANS &amp; ADVANCES:</b>			
1. Accrued Interest on FDRS		118,270.00	16,370.00
2. Inventories (Shares, Debentures etc.) (Lower of Cost or market price)	6	5,752,337.45	3,641,224.55
3. Sundry Debtors	7	1,238,833.97	1,342,064.69
4. Cash & Bank Balances	8	1,333,741.15	2,646,022.62
<b>(F) LOANS &amp; ADVANCES:</b>			
1. Loans		0.00	206,135.00
2. Advances recoverable in Cash or in kind or for value to be received		144,398.91	486,049.16
3. Security Deposits		6,825,823.00	6,974,304.00
4. Prepaid Expenses		8,271.00	7,133.00
		<u>15,421,675.48</u>	<u>15,319,303.02</u>
Less : Current Liabilities & Provisions	10	<u>1,788,730.30</u>	<u>1,411,016.45</u>
<b>Net Current Assets</b>		<u>13,632,945.18</u>	<u>13,908,286.57</u>
<b>(G) MISCELLANEOUS EXPENDITURE:</b>			
(To the extent, not written off or adjusted)	11	3,082,925.00	3,664,733.00
<b>TOTAL Rs. :</b>		<u>38,970,601.93</u>	<u>41,473,277.82</u>

## NOTES ON ACCOUNTS:

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

**M.S. Birani**  
Director

Place : INDORE (M.P.)  
DATED : 28.07.99

**Nirmal Sancheti**  
Executive Director

**I.S. Mehta**  
Director

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

**(PRAKASH WOHRRA)**  
Partner

# SANCHAY FINVEST LIMITED

(FORMERLY : D.S. SANCHETI SECURITIES & FINANCIAL SERVICES LIMITED)

## TRADING & PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1999

PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
<b>TRADING ACCOUNT : (Shares/Debentures/Securities etc.)</b>			
<b>(A) CREDITS:</b>			
Sales		20,670,734.50	64,364,365.31
Closing Stocks		5,752,337.45	3,641,224.55
<b>Sub Total (A)</b>		<u>26,423,071.95</u>	<u>68,005,589.86</u>
<b>(B) DEBITS:</b>			
Opening Stocks		3,641,224.55	4,787,452.40
Purchases		23,318,888.64	63,402,355.63
<b>Sub Total (B)</b>		<u>26,960,113.19</u>	<u>68,189,808.03</u>
Gross Profit (A - B)		<u>(537,041.24)</u>	<u>(184,218.17)</u>
<b>PROFIT &amp; LOSS ACCOUNT:</b>			
<b>(A) INCOME:</b>			
1. Gross Profit (Trf. from Trading A/c.)		(537,041.24)	(184,218.17)
2. Gross Receipts	12	429,269.44	967,999.82
3. Interest:			
From Bank		108,452.00	265,286.00
From Others		55,562.00	221,622.00
4. Dividend Income		14,203.50	16,943.64
6. Other Incomes	13	105,551.99	1,890.00
<b>Total (A)</b>		<u>175,997.69</u>	<u>1,289,523.29</u>
<b>(B) EXPENSES:</b>			
1. Operational Expenses	14	548,907.28	812,092.03
2. Office & Establishment Expenses	15	911,715.90	1,160,050.03
3. Directors Remuneration		264,000.00	264,000.00
4. Directors Meeting Fees		4,500.00	7,000.00
5. Interest:			
To Bank		3,183.42	51,895.16
6. Auditors Remuneration:			
For Statutory Audit		5,250.00	5,000.00
For Tax Audit		2,100.00	2,000.00
7. Depreciation		160,961.00	191,774.00
8. Miscellaneous Expenditures written off	16	581,808.00	581,808.00
9. Bad Debts Written off		5,667.27	132,994.00
10. Loss on Sale of Investments		187,239.50	0.00
11. Provisions under NBFC norms	17	0.00	424,958.00
<b>Total (B)</b>		<u>2,675,332.37</u>	<u>3,633,571.22</u>
NET PROFIT (A-B)		(2,499,334.68)	(2,344,047.93)
Less : Provision for Interest Tax		418.00	1,259.00
<b>(C) NET PROFIT BEFORE TAX:</b>		<u>(2,499,752.68)</u>	<u>(2,345,306.93)</u>
Less : Provision for Income Tax		00.00	0.00
<b>PROFIT AFTER TAX</b>		<u>(2,499,752.68)</u>	<u>(2,345,306.93)</u>
Add: Balance brought forward from Previous year		<u>(6,836,796.47)</u>	<u>(3,591,627.34)</u>
		(9,336,549.15)	(5,936,934.27)
Less : Taxes Pertaining to Prior years		1,360.00	899,862.20
<b>Balance carried to Balance Sheet</b>		<u>(9,337,909.15)</u>	<u>(6,836,796.47)</u>

**NOTES ON ACCOUNTS:**

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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  
**M.S. Birani**  
Director

**Nirmal Sancheti**  
Executive Director  
**I.S. Mehta**  
Director

PLACE : INDORE  
DATED : 28.07.99

As per our report of even date annexed

**FOR PRAKASH WOHR & CO.,**  
Chartered Accountants  
**(PRAKASH WOHR)**  
Partner



# SANCHAY FINVEST LIMITED

(FORMERLY : D.S. SANCHETI SECURITIES & FINANCIAL SERVICES LIMITED)

SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 1999

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR									
<b>SCHEDULE:- 1</b>											
<b>SHARE CAPITAL:</b>											
<b>AUTHORISED:</b>											
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									
<b>ISSUED, SUBSCRIBED, CALLED &amp; PAIDUP:</b>											
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									
<b>SCHEDULE:- 2</b>											
<b>RESERVES &amp; SURPLUS:</b>											
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:	(9,337,909.15)	(6,836,796.47)									
TOTAL RUPEES :	7,462,090.85	9,963,203.53									
<b>SCHEDULE:- 3</b>											
<b>LOAN FUNDS:</b>											
Bank of India Palasia Branch, Indore (OD Limit)	0.00	10,074.29									
Canara Bank Bombay (Temporary O/D)(Unsecured)	8,511.08	0.00									
TOTAL RUPEES :	8,511.08	10,074.29									
<b>SCHEDULE:- 4</b>											
<b>FIXED ASSETS:</b>											
S.No.	Particulars	Gross Block			Depreciation				Net Block		
		As on 1.4.98	Additions during the year	Sales/ Transfer 31.3.99	Total 31.3.99	Up to 31.3.98	Provided for the year	Sales/ Transfer 31.3.99	Total 31.3.99	As on 31.3.99	As on 31.3.98
01.	Furniture & Fixtures	283901	4,204	---	2,88,105	149869	24,702	---	174,571	113,534	134,032
02.	Office Equipments	334126	---	---	334126	154109	31,734	---	185,843	148,283	180,017
03.	Vehicles	234666	---	---	234666	142432	23,826	---	166,258	68,408	92,234
04.	Audio visual Equipments	4791	---	---	4791	2918	261	---	3,179	1,612	1,873
05.	Silver Coins	8262	---	---	8262	---	---	---	---	8,262	8,262
06.	Computer Equipments	880296	8,300	---	8,88,596	307410	80,438	---	387,848	500,748	572,886
07.	M.P. Stock Exch. Card	2300000	---	---	2300000	---	---	---	---	23,00000	23,00000
Total Rupees :		4046042	12,504	---	40,58,546	756738	1,60,961	---	917,699	3,140,847	3,289,304
Previous year		4016142	29,900	---	40,46,042	564964	1,91,774	---	756,7383,289,3043,451,178		

**SCHEDULE:- 5**  
**INVESTMENTS: (AT COST)**

Sr. No.	Name of the Company	Opening Stock 1.4.98		Purchases		Sales		Closing Stock 31.3.99		Profit/ (Loss)
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	
<b>(A) QUOTED:</b>										
1	Bank of India	700	31,500.00	0	0.00	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	10700	193,170.00	5000	96,194.00	(12686.00)
5	Reliance Petroleum Ltd. (TOCDS)	10900	691,213.50	0	0.00	10900	516660.00	0	0.00	(174,553.50)
	Reliance-Petroleum Ltd. (Tradable Warrant)	21,800	0.00	0	0.00	21800	0.00	0	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
<b>SUB TOTAL (A)</b>			<b>1,960,854.25</b>		<b>0.00</b>		<b>709,830.00</b>		<b>1,063,784.75</b>	<b>(187,239.50)</b>

**(B) UNQUOTED:**

1	Goodman Investors Relation Services(P) Ltd.	2000	200,000.00	0	0.00	2000	200,000.00	0	0.00	0.00
2	ICICI Unsecured Bonds	400	400,000.00	0	0.00	400	400,000.00	0	0.00	0.00
<b>SUB TOTAL (B)</b>			<b>600,000.00</b>		<b>0.00</b>		<b>600,000.00</b>		<b>0.00</b>	<b>0.00</b>

**(C) INVESTMENT IN WHOLLY OWNED SUBSIDIARY:**

1	Sanchay Fincom Ltd. (Formerly D.S. Sancheti Finance Corporation Limited)	1805010	18050100.00	0.00	0.00	0.00	0.00	1805010	18050100.00	0.00
<b>TOTAL (A)+(B)+(C)</b>			<b>20,610,954.25</b>		<b>0.00</b>		<b>1,309,830.00</b>		<b>19,113,884.75</b>	<b>(187,239.50)</b>

(Market value of Quoted Shares Rs. 7,68,425/-) (Previous year 16,08,845/-)

**SCHEDULE:- 6**

**INVENTORIES: (At Cost or Market price whichever is less)**

Shares, Debentures etc.	5,752,337.45	3,641,224.55
<b>TOTAL RUPEES :</b>	<b>5,752,337.45</b>	<b>3,641,224.55</b>

**SCHEDULE:- 7****SUNDRY DEBTORS:**

Due over six months	729,492.03	738,099.61
Others	509,341.94	603,965.08
<b>TOTAL RUPEES :</b>	<b>1,238,833.97</b>	<b>1,342,064.69</b>

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

(a) Cash-in-Hand: (As certified by a director)	20,579.02	4,216.32
(b) Balance with Banks:		
1. On Fixed Deposit with:		
Bank of India Palasia Branch, Indore (Pledged with Bank for Overdraft Limit)	0.00	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	0.00	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	799,169.00
(c) On Current Accounts:	463,993.13	292,637.30
<b>TOTAL RUPEES :</b>	<b>1,333,741.15</b>	<b>2,646,022.62</b>

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

I. LOANS: (Unsecured considered good)	0.00	206,135.00
II. ADVANCES RECOVERABLE IN CASH OR IN KIND FOR VALUE TO BE RECEIVED:		
Share Application Money	29,300.00	0.00
Advance payment of Income Tax & T.D.S.	100,925.00	69,819.00
Others	14,173.91	416,230.16
<b>Sub Total</b>	<b>144,398.91</b>	<b>486,049.16</b>
III. SECURITY DEPOSITS:	6,825,823.00	6,974,304.00
IV. PREPAID EXPENSES:	8,271.00	7,133.00
<b>TOTAL RUPEES :</b>	<b>6,978,492.91</b>	<b>7,467,486.16</b>

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

A. CURRENT LIABILITIES:		
Sundry Creditors	1,276,493.53	428,914.76
Unpaid Dividend	97,829.00	100,287.00
Share Application Money Refundable	14,475.00	14,475.00
Security Deposits from NSE Customers	0.00	370,000.00
<b>Sub Total (A)</b>	<b>1,388,797.53</b>	<b>913,676.76</b>
B. PROVISIONS:		
Outstanding Liabilities	31,205.77	71,122.69
Provision for Interest Tax	418.00	1,259.00
Provisions under NBFC norms	368,309.00	424,958.00
<b>Sub Total (B)</b>	<b>399,932.77</b>	<b>497,339.69</b>
<b>TOTAL RUPEES :</b>	<b>1,788,730.30</b>	<b>1,411,016.45</b>

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

(To the extent, not written off or adjusted)

**I. PRELIMINARY EXPENSES:**

Balance as per last Balance Sheet	130,591.00	156,709.00
Less : Written off during the year 1/10th	26,118.00	26,118.00
<b>Sub Total</b>	<u>104,473.00</u>	<u>130,591.00</u>

**II. PRE-OPERATIVE EXPENSES:**

Balance as per last Balance Sheet	27,681.00	32,295.00
Less : Written off during the year 1/10th	4,614.00	4,614.00
<b>Sub Total</b>	<u>23,067.00</u>	<u>27,681.00</u>

**III. PUBLIC ISSUE EXPENSES:**

Balance as per last Balance Sheet	2,106,461.00	2,457,537.00
Less : Written off during the year 1/10th	351,076.00	351,076.00
<b>Sub Total</b>	<u>1,755,385.00</u>	<u>2,106,461.00</u>

**IV. DEFERRED REVENUE EXPENDITURES:**

OTCEI Membership Fees	1,400,000.00	1,600,000.00
Less : Written off during the year 1/10th	200,000.00	2,00,000.00
<b>Sub Total</b>	<u>1,200,000.00</u>	<u>1,400,000.00</u>
<b>TOTAL RUPEES :</b>	<u>3,082,925.00</u>	<u>3,664,733.00</u>

**SCHEDULE:- 12****PROFIT & LOSS ACCOUNT:****GROSS RECEIPTS:**

(a) Brokerage from NSE operations	428,616.44	962,359.85
(b) Underwriting Commission	0.00	5,000.00
(c) New Public Issue Brokerage	653.00	639.97
<b>TOTAL RUPEES :</b>	<u>429,269.44</u>	<u>967,999.82</u>

**SCHEDULE:- 13****OTHER INCOME:**

Others	<u>105,551.99</u>	<u>1,890.00</u>
<b>TOTAL RUPEES :</b>	<u>105,551.99</u>	<u>1,890.00</u>

**SCHEDULE:- 14****OPERATIONAL EXPENSES:**

Mailing & Marketing Service Exps.	211,000.00	1,954.05
Sub Brokerage & Procurement Commission	2,480.00	5,770.00
SEBI, Stock Exchanges & Other Annual Fees	113,000.00	197,000.00
Service Tax	1,462.57	1,777.25
Turnover tax	5,888.46	25,303.48
Other Levies	1,019.25	372,756.25
Share transfer stamps	0.00	2,282.00
NSE Operations Consultancy Fees	64,500.00	44,500.00
NSE Equipment's Maintenance Charges	148,481.00	153,937.00
Investors Compensation Fund (NSE A/c.)	1,076.00	6,812.00
<b>TOTAL RUPEES :</b>	<u>548,907.28</u>	<u>812,092.03</u>

**SCHEDULE - 15****OFFICE AND ESTABLISHMENT EXPENSES :**

Employees Remuneration & Benefits	296,233.75	384,782.20
Rent (Including payment to directors Rs.72000/- Previous year Rs. 144000/-)	72,000.00	144,000.00
Legal & Professional charges :		
Share Transfer Agency Fees	57,807.50	71,429.50
Other Consultancy Services	65,765.00	48,676.00
Registration & Filing fees	1,360.00	600.00
Stationery & Printing	40,245.05	60,243.39
Advertisement	8,180.00	13,601.00
Books & Periodicals	3,306.00	3,173.50
Telephone, Telex & Fax charges	52,416.15	55,506.20
Bank Commission	57,098.00	53,545.57
Insurance charges	33,776.00	38,465.72
Travelling Expenses (Including directors Travelling Rs.3692/-, Previous year Rs.61198/-)	3,692.00	73,347.00
Postage	28,920.50	38,940.25
Water & Electricity	43,569.00	43,692.00
Staff Welfare	8,145.75	30,418.50
Local Conveyance	9,649.00	12,058.00
Professional Tax	2,500.00	2,500.00
Repairs & Maintenance	39,406.00	23,944.00
Vehicle Running & Maintenance	21,816.95	31,290.70
Miscellaneous Expenses	22,641.25	4,086.50
Listing Fees	39,550.00	22,750.00
Rates & Taxes	3,638.00	0.00
Others	0.00	3,000.00
<b>TOTAL RUPEES :</b>	<b>911,715.90</b>	<b>1,160,050.03</b>

**SCHEDULE - 16****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
<b>TOTAL RUPEES :</b>	<b>581,808.00</b>	<b>581,808.00</b>

**SCHEDULE - 17****PROVISIONS UNDER NBFC NORMS:**

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

**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 provision of Rs.72,949/- on substandard assets i.e. over due debtors and Rs.2,95,360/- for diminution in value of investments is adequate.

**7. MANAGERIAL REMUNERATIONS PAID TO DIRECTORS:**

To Managing Director:	
Salary	1,44,000/-
To Whole Time Director:	
Salary	1,20,000/-

**8. CONTINGENT LIABILITIES:**

(Not provided for)

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)

**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 INFORMATION 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 31.3.99		

**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	40759	Total Assets	40759
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**Sources of Funds :-**

Paid Up Capital	31500	Reserves & Surplus	16800
Secured Loans	9	Unsecured Loans	Nil

**Application of Funds :**

Net Fixed Assets	3141	Investments	19114
Net Current Assets	13633	Misc. Expenditure	3083

Accumulated Losses 9338

**IV Performance of Company (Amount in Rs. Thousands)**

Turnover/Income	21384	Total Expenditure	23884
Profit/(Loss) before tax	(2500)	Profit/(Loss) after tax	(2500)

Earning per Share

(in Rs.)	Rs.	Nil	Dividend	Nil
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**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 : Share Broking/Underwriting.

For and on behalf of the Board

**D.S. Sancheti**  
Managing Director

**M.S. Birani**  
Director

Place : INDORE (M.P.)

DATED : 28.07.99

**Nirmal Sancheti**  
Executive Director

**I.S. Mehta**  
Director

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

**(PRAKASH WOHRRA)**  
Partner

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE FINANCIAL YEAR 1998-99**

	[Rs. in lacs]	
	1998-99	1997-98
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax as per P & L A/c.	(25.00)	(23.44)
Adjustment for:		
Depreciation	1.61	1.92
Foreign Exchange	0.00	0.00
Profit on sale of Investments	1.87	0.00
Interest paid	0.03	0.52
Preliminary/Pre.Operative Exps. written off	5.82	5.82
Dividend Income	(0.14)	(0.17)
Interest on I.T. refund	0.00	(1.16)
Provisions under NBFC norms	(0.57)	4.25
Profit on Sale of Vehicles	0.00	0.00
	<u>8.62</u>	<u>0.00</u>
Operating profit before working capital changes	(16.38)	(12.26)
Adjustment for:		
Trade and other receivables	5.50	15.75
Inventories	(21.11)	11.46
Trade payables	4.35	(5.14)
Movement in Loans	2.04	(1.50)
	<u>(9.22)</u>	<u>(1.50)</u>
Cash generated from operations	(25.60)	8.31
Interest paid	(0.03)	(0.52)
Direct Taxes paid	(0.31)	(0.01)
Cash flow before extra-ordinary items	(25.94)	7.78
Extraordinary items:		
Prior Year Tax Payments	(0.01)	(9.00)
Pre.Operative/Public Issue Expenses	0.00	0.00
	<u>(0.01)</u>	<u>0.00</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>(25.95)</u>	<u>(1.22)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(0.12)	(0.30)
Sales of Fixed Assets	0.00	0.00
Acquisition of Companies :		
Investment in Wholly owned subsidiary Co., by way of Capital contribution in Equity Shares	0.00	0.00
Purchase of Investments	0.00	(0.32)
Sales of Investments	13.10	0.00
Interest on I.T.Refund	0.00	1.16
Dividend Received	0.14	0.17
Share Application Money	(0.29)	0.00
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>12.83</u>	<u>0.71</u>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES:</b>		
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	0.00
NET CASH USED IN FINANCING ACTIVITIES	<u>0.00</u>	<u>0.00</u>
NET INCREASE IN CASH AND CASH EQUIVALENT (A+B+C)	(13.12)	(0.51)
Opening Balance of Cash and Cash equivalents	26.46	26.97
Closing Balance of Cash and Cash equivalents	13.34	26.46

Note : Figures in brackets represent cash outflows.

PLACE : INDORE (M.P.)  
DATED : 28.07.99

On behalf of the Board of Directors  
For **SANCHAY FINVEST LIMITED**  
(Formerly D.S. SANCHETI SECURITIES & FINANCIAL SERVICES LIMITED)

(D.S. Sancheti)  
Managing Director

#### Auditor's Report

We have verified attached Cash Flow Statement of M/s. Sanchay Finvest Limited (Formerly 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, 1999 and 31st March, 1998 and found the same in agreement therewith.

PLACE : INDORE (M.P.)

DATED : 28.07.99

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

(PRAKASH WOHRRA)  
Partner

### SANCHAY FINCOM LIMITED

(Formerly D.S. Sancheti Finance Corporation Limited), Indore (M.P.)

#### AUDITORS REPORT

We have audited the attached Balance-Sheet of M/S. SANCHAY FINCOM LIMITED (Formerly D.S. Sancheti Finance Corporation Limited), Indore (M.P.) as at 31st March, 1999 and also the annexed profit and loss account for the year ended on that date and report that :-

- 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.
- Further to our comments in the annexure referred to in paragraph 1 above :-
  - 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.
  - 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.
  - The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
  - In our opinion, the Balance Sheet and the Profit & Loss Account complies with the mandatory Accounting Standards referred in section 211(3C) of the Companies Act 1956.
  - 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 :-
    - in the case of the balance-sheet, of the state of affairs of the Company as at 31st March, 1999 and
    - in the case of the profit and loss account, of the Profit for the year ended on that date.

FOR **PRAKASH WOHRRA & CO.,**  
Chartered Accountants

(PRAKASH WOHRRA)  
Partner

PLACE : INDORE (M.P.)  
DATED : 21.07.99



**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 : 21.07.99

(PRAKASH WOHRRA)  
Partner

**DIRECTORS' REPORT**

Dear Members,

Your Directors are pleased to present their Fourth Annual Report together with the audited accounts of the Company for the year ended on 31st March 1999 and the Balance-Sheet as on that date.

**FINANCIAL RESULTS:**

	(Rs. in lacs)	
	<u>31.03.99</u>	<u>31.03.98</u>
Net Profit before tax	14.07	17.36
Less : Provision for taxes	<u>4.92</u>	<u>6.08</u>
Net Profit after tax	9.15	11.28
Add : Balance brought forward	<u>16.55</u>	<u>5.27</u>
Balance Carried to Balance Sheet	<u>25.70</u>	<u>16.55</u>

The holding company M/s. Sanchay Finvest Limited (Formerly 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, 1999.

**REGISTRATION AS N.B.F.C.:**

The company has been granted certificate of Registration U/s.45I(A) of The Reserve Bank of India Act 1934.

**DIRECTORS**

Shri D.S. Sancheti retires by rotation and being eligible offers himself for re-appointment.

**AUDITORS:**

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

**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 : 21.07.99

**NIRMAL SANCHETI**  
(Chairman)

**SANCHAY FINCOM LIMITED : INDORE**

(FORMALY D.S. SANCHETI FINANCE CORPORATION LIMITED)

**BALANCE SHEET AS ON 31st MARCH, 1999**

PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
<b>SOURCES OF FUNDS:</b>			
(A) <b>Share holders Funds:</b>			
Share Capital	1	18050700.00	18050700.00
Reserves & Surplus	2	2570215.79	1655557.89
(B) <b>Loan Funds:</b>		0.00	0.00
	<b>TOTAL RUPEES :</b>	<u>20620915.79</u>	<u>19706257.89</u>
<b>APPLICATION OF FUNDS:</b>			
(C) <b>Fixed Assets:</b>		0.00	0.00
(D) <b>Investments:</b>		0.00	0.00
(E) <b>Current Assets ,Loans &amp; Advances:</b>			
Inventories (At costs or market price, whichever is less)		0.00	282500.00
Sundry Debtors	3	0.00	20793.33
Cash & Bank Balances	4	741987.79	2127965.56
Loans & Advances	5	<u>21126250.00</u>	<u>17818516.00</u>
		21868237.79	20249774.89
Less : Current Liabilities & Provisions	6	<u>1356946.00</u>	<u>671412.00</u>
Net Current Assets		<u>20511291.79</u>	<u>19578362.89</u>
(F) <b>MISC. EXPENDITURE:</b>			
(To the extent not written off or adjusted)			
- Preliminary Expenses	7	<u>109624.00</u>	<u>127895.00</u>
	<b>TOTAL RUPEES :</b>	<u>20620915.79</u>	<u>19706257.89</u>
<b>NOTES ON ACCOUNTS</b>	9		

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

For and on behalf of the Board

AS PER OUR REPORT OF EVEN DATE ANNEXED

**D.S. Sancheti**  
(DIRECTOR)

**Nirmal Sancheti**  
(DIRECTOR)

**Usha Sancheti**  
(DIRECTOR)

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

PLACE : INDORE (M.P.)  
DATED : 21.07.99

**(PRAKASH WOHRRA)**  
Partner.

## SANCHAY FINCOM LIMITED : INDORE

(FORMALY D.S. SANCHETI FINANCE CORPORATION LIMITED)

### TRADING & PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1999

PARTICULARS	SCHEDULE	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
<b>TRADING ACCOUNT:</b>			
(Shares/Debentures/Securities etc.)			
<b>(A) DEBITS:</b>			
Opening Stocks		282500.00	985825.00
Purchases		2394990.00	30066375.87
	Sub Total (A)	2677490.00	31052200.87
<b>(B) CREDITS:</b>			
Sales		1466350.00	30717065.50
Closing Stocks		0.00	282500.00
	Sub Total (B)	1466350.00	30999565.50
	GROSS LOSS (A - B)	1211140.00	52635.37
<b>PROFIT &amp; LOSS ACCOUNT:</b>			
<b>(A) INCOME:</b>			
1. Interest		2960881.00	2159699.00
2. Previous Year Adjustments		0.00	246.00
	Total (A)	2960881.00	2159945.00
<b>(B) EXPENSES:</b>			
1. Gross Loss (As per Trading A/c.)		1211140.00	52635.37
2. Service Tax & Other Levies		59.10	13762.76
3. Office & Establishment Expenses	8	225743.00	221044.50
4. Directors Remuneration		36000.00	72000.00
5. Auditors Remuneration:			
For Statutory Audit		2100.00	2000.00
For Tax Audit		1050.00	1000.00
6. Miscellaneous Expenditures written off		18271.00	18271.00
	Total (B)	1494363.10	380713.63
	NET PROFIT (A-B)	1466517.90	1779231.37
	Less : Provision for Interest Tax	59218.00	43112.00
<b>(C) NET PROFIT BEFORE TAX:</b>			
		1407299.90	1736119.37
	Less : Provision for Income Tax	492555.00	607642.00
	Taxes pertaining to earlier year(Net)	87.00	23.00
	PROFIT AFTER TAX	914657.90	1128454.37
	Add : Balance brought forward from Previous year	1655557.89	527103.52
	Balance carried to Balance Sheet	2570215.79	1655557.89

**NOTES ON ACCOUNTS:**

9

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

For and on behalf of the Board

AS PER OUR REPORT OF EVEN DATE ANNEXED

FOR **PRAKASH WOHRRA & CO.,**

CHARTERED ACCOUNTANTS

**D.S. Sancheti**  
(DIRECTOR)

**Nirmal Sancheti**  
(DIRECTOR)

**Usha Sancheti**  
(DIRECTOR)

PLACE : INDORE (M.P.)  
DATED : 21.07.99

**(PRAKASH WOHRRA)**  
Partner.

**SANCHAY FINCOM LIMITED : INDORE**  
(FORMALY D.S. SANCHETI FINANCE CORPORATION LIMITED)  
**SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT & LOSS**  
**ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 1999**

P A R T I C U L A R S	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
<b>SCHEDULE:- 1</b>			
<b>SHARE CAPITAL:</b>			
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
	<b>TOTAL RUPEES :</b>	<u>18050700.00</u>	<u>18050700.00</u>
<b>SCHEDULE:- 2</b>			
<b>RESERVES &amp; SURPLUS:</b>			
<b>PROFIT &amp; LOSS ACCOUNT:</b>			
Balance as per Last Balance Sheet		1655557.89	527103.52
Add : Net Profit for the year after tax		914657.90	1128454.37
	<b>TOTAL RUPEES :</b>	<u>2570215.79</u>	<u>1655557.89</u>
<b>SCHEDULE:- 3</b>			
<b>SUNDRY DEBTORS: (Below six months)</b>			
Others		0.00	20793.33
	<b>TOTAL RUPEES :</b>	<u>0.00</u>	<u>20793.33</u>
<b>SCHEDULE:- 4</b>			
<b>CASH &amp; BANK BALANCES:</b>			
Cash in hand (As certified)		8997.00	14213.00
Bank of India Palasia Br., Indore		5838.79	2113752.56
Bank of India D.N. Road, Mumbai		727152.00	0.00
	<b>TOTAL RUPEES :</b>	<u>741987.79</u>	<u>2127965.56</u>
<b>SCHEDULE - 5</b>			
<b>LOANS &amp; ADVANCES:</b>			
(A) LOANS: (Unsecured, considered good)		17770086.00	16000000.00
	<b>Sub Total :</b>	<u>17770086.00</u>	<u>16000000.00</u>
(B) ADVANCES: (Recoverable in Cash or in kind or for value to be received)			
Advance recoverable in Cash or in kind or for value to be received		700000.00	0.00
Advance Income Tax		654363.00	773054.00
Advance Interest Tax		1801.00	45462.00
	<b>Sub Total :</b>	<u>1356164.00</u>	<u>818516.00</u>
(C) SECURITY DEPOSITS:			
For Office Premises at 304 City Centre, M.G. Road, Indore		1000000.00	1000000.00
For Office Premises at Mumbai		1000000.00	0.00
	<b>Sub Total :</b>	<u>2000000.00</u>	<u>1000000.00</u>
	<b>TOTAL RUPESS :</b>	<u>21126250.00</u>	<u>17818516.00</u>

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

Outstanding liabilities	5650.00	11408.00
Provison for Income Tax	492555.00	607642.00
Provision for Interest Tax	59218.00	43112.00
Akash Enterprises Mumbai	770223.00	0.00
Others	29300.00	9250.00
<b>TOTAL RUPEES :</b>	<b>1356946.00</b>	<b>671412.00</b>

**SCHEDULE:-7****MISCELLANEOUS EXPENDITURE:**

(To the extent, not written off or adjusted)

Preliminary Expenses	127895.00	146166.00
Less : Written off during the year(1/10th)	18271.00	18271.00
<b>TOTAL RUPEES :</b>	<b>109624.00</b>	<b>127895.00</b>

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

Registration & Filing Fees	1360.00	240.00
Legal & Professional Charges	53905.00	62700.00
Stationery & Printing	1221.00	483.00
Salary & Wages	84790.00	28899.00
Office Rent	36000.00	72000.00
Electricity Charges	20200.00	18980.00
Bank Charges	14630.00	6356.50
Repairs & Maintanance	7416.00	28756.00
Professional Tax	2500.00	2500.00
Rates & Taxex	3721.00	0.00
Miscellaneous Expenses	0.00	130.00
<b>TOTAL RUPEES :</b>	<b>225743.00</b>	<b>221044.50</b>

**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.45I(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 31.3.99

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

Public Issue	Nil	Rights Issue	Nil
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Bonus Issue	Nil	Private Placement	Nil
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**III Position of Mobilisation and Deployment of Funds**

(Amount in Rs. Thousands)

<b>Total Liabilities</b>	21978	<b>Total Assets</b>	21978
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**Sources of Funds :-**

Paid Up Capital	18051	Reserves & Surplus	2570
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Secured Loans	Nil	Unsecured Loans	Nil
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**Application of Funds :**

Net Fixed Assets	Nil	Investments	Nil
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Net Current Assets	20511	Misc. Expenditure	110
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Accumulated Losses	Nil		
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**IV Performance of Company (Amount in Rs. Thousands)**

Turnover/Income	4427	Total Expenditure	3020
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Profit/Loss before tax	1407	Profit/Loss After tax	915
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Earning per Share	0.51	Dividend	Nil
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(in Rs.)

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

(as per monetary terms)

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

**(PRAKASH WOHRRA)**  
Partner

**D.S. Sancheti**  
(DIRECTOR)

**Nirmal Sancheti**  
(DIRECTOR)

**Usha Sancheti**  
(DIRECTOR)

PLACE : INDORE (M.P.)  
DATED : 21.07.99

**SANCHAY FINVEST LIMITED**

(FORMERLY : D.S. SANCHETI SECURITIES & FINANCIAL SERVICES LIMITED)

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

**ATTENDANCE SLIP**

I hereby record my presence at the Eighth Annual General Meeting on 22nd September 1999 at the Regd. Office 20/11 Y.N.Road, Indore 452 003

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

Folio No..... 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.

-----X-----X-----X-----X-----

**SANCHAY FINVEST LIMITED**

(FORMERLY : D.S. SANCHETI SECURITIES & FINANCIAL SERVICES LIMITED)

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

**PROXY FORM**

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

I/WE .....

of .....

being a member /members of SANCHAY FINVEST LIMITED (Formerly : D.S. Sancheti Securities & Financial Services Limited)

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 General Meeting of the Company to be held on 22nd September 1999 at 11 A.M. at 20/11 Y.N.; Road, Indore 452 003

Signed this.....day of.....1999

Signature



**Note :** This Proxy Form is 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 regard 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.