

**SANCHAY FINVEST LIMITED****SANCHAY FINVEST LIMITED****ANNUAL REPORT****2011-2012**

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| <b>DIRECTORS</b>                               |                 |
| Shri Gulabchand Sharma                         |                 |
| Shri Naresh Kumar Sharma                       |                 |
| Shri Narottam Kumar Sharma                     |                 |
| Shri Suresh Nandlal Sharma                     |                 |
| Shri Nikhil Mathur                             |                 |
| <b>BANKER</b>                                  |                 |
| ABN Ambro Bank                                 |                 |
| Axis Bank                                      |                 |
| <b>AUDITOR</b>                                 |                 |
| V.R. BHABHRA & CO (Chartered Accountants)      |                 |
| C/115,Jumbo Darshan,                           |                 |
| Andheri (East).                                |                 |
| Mumbai – 400069                                |                 |

**SANCHAY FINVEST LIMITED**

**NOTICE**

**NOTICE** is be and hereby given that the Annual General Meeting of the Members of **Sanchay Finvest Limited** will be held at the Registered Office of the Company at 209, Rajani Bhawan, 569 M.G. Road, Indore, Madhya Pradesh 452001 on 29<sup>th</sup> September, 2012 at 11.00 A.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2012 and Profit and Loss Account for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Gulabchand Sharma who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Nikhil Mathur who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

**For and on behalf of the Board**

**Place:** Indore  
**Date:** 27<sup>th</sup> August, 2012

**Sd/-**  
**Naresh Sharma**  
**Director**

**Registered Office:**  
209, Rajani Bhawan,  
569 M.G. Road, Indore,  
Madhya Pradesh

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 (forty-eight) hours before the time fixed for holding the meeting.
3. The Register of Members and Share Transfer Books will remain closed from 25<sup>th</sup> September, 2012 to 29<sup>th</sup> September, 2012 (both days inclusive).
4. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries so as to reach the Registered Office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
5. Members are requested to notify immediately any change in their address to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Transfer Agent at Ankit Consultancy Private Limited at 2<sup>nd</sup> Floor, Alankar Point, Geeta Bhawan Chouraha, A.B. Road, Indore M.P. 452001 in respect of their physical share folios.
6. Members are requested to bring their copy of Annual Report to the Meeting.
7. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
8. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, of persons, seeking re-appointment as Directors under Item No. 2 above, are annexed.

**Profile of the Director liable to retire by rotation:**

|                    |   |
|--------------------|---|
| <b>Particulars</b> | Shri Gulabchand Sharma                              |
| Date of Birth      | 01.10.1944  |
| Qualification      | Bachelor of Commerce                                |
| Experience         | More than 15 years of experience in finance market. |
| Other Directorship | None  |

|                    |  |
|--------------------|--|
| <b>Particulars</b> | Shri Nikhil Mathur   |
| Date of Birth      | 26.11.1957   |
| Qualification      | M.Com  |
| Experience         | More than 20 years of experience in finance market and Capital Market. |
| Other Directorship | Harward Enterprises Limited  |

**DIRECTORS REPORT.**

Dear shareholders,

Your directors have pleasure in submitting the Annual report and Audited accounts of the company for the financial year ended 31st march, 2012.

**Financial Performance.**

The company has incurred a Loss of Rs 16.18 lakhs as compared to the previous year's Profit of Rs 11.51 lakhs due to adverse market conditions and other unavoidable extreme situations which prevented your company from doing its normal broking business due to SEBI order and other legal litigations, during the year under review but the directors are hopeful of achieving much better results and performance in future.

| PARTICULARS   | YEAR ENDED 31-03-2012<br>(Rupees in Lacs) | YEAR ENDED 31-03-2011<br>(Rupees in Lacs) |
|---|---|---|
| Turnover  | 13.30                                     | 262.73                                    |
| Profit after Interest but before Depreciation & Tax | (11.89)                                   | 17.01                                     |
| Depreciation  | 4.29                                      | 5.50                                      |
| Profit Before Tax                                   | (16.18)                                   | 11.51                                     |
| Provision for Current Tax                           | NIL                                       | NIL                                       |
| Provision for Deferred Tax                          | (0.21)                                    | (0.38)                                    |
| Profit After Tax                                    | (15.97)                                   | 11.89                                     |
| Prior year tax adjustment                           | NIL                                       | NIL                                       |
| Balance of profit B/f                               | (16.05)                                   | (27.94)                                   |
| Balance Carried Forward to Balance Sheet            | (32.02)                                   | (16.05)                                   |

**Personnel and industrial relations.**

The company has not paid any remuneration attracting the provisions of Companies (particular of employees) rules, 1075 read with section 217 (2A) of the companies act, 1956. No information is therefore, required to be appended to this report in this regard.

**Dividend.**

The directors have decided to conserve the reserves and hence, and hence no dividend is declared for the year in view of loss.

**Fixed Deposit**

The company has not accepted deposits from the public during the year under review. There are no overdue deposits for repayment on the date of this report.

**Directors Responsibility Statement**

Pursuant to requirement under section 217(2A) of the companies act, 1956 with respect to the directors responsibility statement, it is hereby confirmed ;

That in the preparation of the accounts for the financial year ended 31st march, 2012, the applicable accounting standards have been followed along with the proper explanation relating to material departures.

That the directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review.

That the directors have taken proper and sufficient care for maintenance of the adequate accounting records in accordance with the companies act, 1956 for safeguarding assets of the company for preventing and detecting fraud and other irregularities.

That the directors have prepared the accounts for the financial year ended 31st March 2012 on a going concern basis

Your management is feeling immense pleasure in informing you that SEBI vide its order dated 16th March, 2012 have revoked their earlier interim ex-parte order dated 02nd December, 2010 against your company and have given clean chit in all allegations made by them after the investigation of the matter. Your management is expecting the normal business scenario and is trying its level best to bring the normalcy in its core business of broking as early as possible.

**Auditors**

M/S. V. R. Bhabhara and Co. Chartered accountants, the auditors of the company hold office till conclusion of the ensuing Annual General Meeting and being eligible their re-appointment for a period of one year till the next Annual General Meeting is recommended.

**Conservation Of Energy, Technology Absorption and Foreign Exchange**

There is no information to be disclosed in accordance with 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 regarding conservation of energy, technology absorption and foreign exchange and outgo.

**Corporate Governance Code**

A report as per the requirement of clause 49 of the listing agreement on the Corporate Governance Practices followed by the company and the Auditors Certificate on Compliance of mandatory requirements along with Management Discussions and Analysis is given as an annexure to this report.

**Acknowledgement**

Your Directors take this opportunity to place their appreciation of the Company's Clients, Vendors, bankers and investors for their continued support during the year. The Directors also take this opportunity to record their deep sense of gratitude to the Financial Institutions, Banks Central state Government Authorities for their guidance and support. The Directors also appreciate the perseverance and contribution made by the employees at all levels who through their proficiency hard work and support have enabled to realize better performance and look forward to their prolonged support in the future as well. Your Directors are deeply grateful for the confidence and faith shown by all shareholders of the company.

Place : Mumbai

For and on behalf of the Board  
Naresh Sharma  
Director

Date : 27th August, 2012

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Business of the Company from the past one year has been temporarily being stopped because of SEBI and Depositories putting restrictions on trade hence the Company failed to generate adequate business.

The capital market as such not doing well because of inflation and Foreign Institution Investors (FII) withdrawing their investments from the capital market. The foreign exchange fluctuation also a major reason.

**Industry Structure & Developments:**

The Company is mainly into broking activities and cash and derivatives segment at BSE. The related income is mainly from brokerage.

During the year under review the income of the company has substantially reduced.

**Opportunities & Threats:**

The company anticipated growth because of the friendly economic policies of the government to give boost to the capital market. In the years to come the capital market will see a growth. RBI and the financial commission already hinted positive growth rate for the company.

**Segment-wise Performance:**

The Company's main business is Investment in shares and Investment in Equity / Debt Mutual Funds and all the activities of the Company are related to its main business. As such there are no separate reportable segments.

**(a) Outlook:**

The Company continues to explore the possibilities of expansion and will make the necessary investments when attractive opportunities arise.

**(b) Risks and Concerns:**

The Company is exposed to specific risks that are particular to its businesses and the environment within which it operates, including interest rate volatility, economic cycle, market risk and credit risk. The Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk management policies.

**(c) Internal Control Systems & their Adequacy:**

The Company's operating and business control procedures have been framed in order that they ensure efficient use of resources and comply with the procedures and regulatory requirements. The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly. The Audit

Committee reviews the quarterly and annual financial statements, adequacy of disclosures treatment of various items involving accounting judgments.

**(d) Discussions on Financial Performance with respect to Operational Performance:**

The turnover of the company during the year has decreased compared to last year.

**(e) Human Resource Development:**

The Company believes that the human resources are vital in giving the Company a Competitive edge in the current business environment. The Company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition/ dissemination, creativity and responsibility. As in the past, the Company has enjoyed cordial relations with the employees at all levels.

**(f) Cautionary Statement:**

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

**For and on behalf of the Board**

**Sd/-**

**Naresh Sharma  
Managing Director**

**REPORT ON CORPORATE GOVERNANCE****Company's Philosophy on Code of Corporate Governance:**

Sanchay Finvest Limited is committed to the adoption of the best governance practices and its adherence in the true spirit, at all times. The Company emphasizes on maintaining highest respect for the laws of the land and the rights of its stakeholders – both of which are the fundamental platforms on which the decision making powers of the Board of Directors are based.

**A. Board of Directors:****Size and Composition of the Board:**

The Composition of the Board is in conformity with the requirements of the Corporate Governance Code of the Listing Agreement with the Stock Exchange. The Board of Directors of the Company consists of optimal combination of Executive, Non-executive and Independent Directors.

The present strength of the Board is five Directors comprising of four non executive directors, two Independent Directors and one Executive director

The Chairman of the Board is an Independent Director.

The constitution of the Board as on 31<sup>st</sup> March, 2012 is as under:

| Director              | Category                          | Number of other |                       |                         |
|-----------------------|-----------------------------------|-----------------|-----------------------|-------------------------|
|                       |                                   | Director-ships* | Committee Memberships | Committee Chairmanships |
| Gulabchand Sharma     | Chairman, Independent Director    | 0               | 1                     | 0                       |
| Naresh Kumar Sharma   | Managing Director, promoter       | 1               | 1                     | 1                       |
| Narottam Kumar Sharma | Non Executive , Promoter Director | 1               | 1                     | 1                       |
| Suresh Nandlal Sharma | Non Executive , Promoter Director | 1               | 2                     | 0                       |
| Nikhil Mathur         | Independent Director              | 1               | 1                     | 0                       |

- Pvt Companies directorship excluded in calculating the above directorship.



**B. Board Meetings and Attendance of Directors:**

The Board meets at least once in a quarter to consider amongst other business the performance of the Company and quarterly financial results. When necessary, additional meetings are held. Agenda for each meeting along with explanatory notes are drafted and distributed well in advance to the Directors. Every Board Member is free to suggest the inclusion of items on the agenda.

During the year ended 31<sup>st</sup> March 2012, the Board meetings were held four times. Table hereunder gives the attendance record of the Directors at the Board Meetings held during 2011-12 and the last AGM:

| <b>Name of the Directors</b> | <b>Number of Board Meetings held</b> | <b>Number of Board Meetings attended</b> | <b>Whether attended last AGM</b> |
|------------------------------|--------------------------------------|--|----------------------------------|
| Gulabchand Sharma            | 4                                    | 3  | Yes                              |
| Naresh Kumar Sharma          | 4                                    | 4  | Yes                              |
| Narottam Kumar Sharma        | 4                                    | 3  | Yes                              |
| Suresh Nandlal Sharma        | 4                                    | 3  | Yes                              |
| Nikhil Mathur                | 4                                    | 4  | Yes                              |

**C. Board Committees:**

To enable better and more focused attention on the affairs of the Corporation, the Board delegates particular matters to Committees of the Board set up for the purpose. The Committees prepare the groundwork for decision making and report at the subsequent Board meeting.

The Board is responsible for the constitution, co-opting and fixing the terms of reference for Committee members of the said Committees.

**1. Audit Committee:**

**Terms of reference**

**(a) Primary Objectives of the Audit Committee:**

The Primary objective of the Audit Committee (the “committee”) is to monitor and provide effective supervision of the management’s financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out in the financial reporting process – by the management, including the independent auditor – and notes the process and safeguards employed by each.

**(b) Scope of the Audit Committee:**

1. Provide an open avenue of communication between the Independent Auditor and the Board of Directors (“BOD”);
2. Recommending the appointment and removal of statutory auditors, fixation of audit fees and also to approve the payment for other services;
3. Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
4. Meet four times a year or more frequently as circumstances require. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary;
5. Confirm and assure the independence of the external Auditor;
6. Review with independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources;
7. Consider and review with the Independent Auditor, the adequacy of internal controls including the computerized information system controls and security;
8. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
9. Reviewing with the management, performance of statutory auditors and adequacy of the internal control systems.
10. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
  - a. Any changes in the accounting policies and practices
  - b. Disclosure of related party transactions
  - c. The going concern assumption
  - d. Compliance with accounting standards
  - e. Compliance with stock exchange and legal requirements concerning financial statements
  - f. Significant adjustment arising out of audit findings
  - g. Qualifications, if any, in the draft audit report
  - h. Matters required to be included in the Directors’ Responsibility Statement to be included in the Board of Directors’ Report.
11. Consider and review with the management and the independent auditor:
  - a. Significant findings during the year, including the status of previous audit recommendations,

- b. Any difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to required information.

12. Review of the following information:

- a. Management discussion and analysis of financial condition and results of operations
- b. Statement of significant related party transactions submitted by the management
- c. Management letters/letters of internal control weaknesses issued by the Statutory Auditors

**(c) Composition of the Audit Committee as on 31<sup>st</sup> March 2012:**

The Audit Committee is constituted in accordance with the Corporate Governance Code of the Listing Agreement and the provision of the Companies Act, 1956. The Statutory Auditors are invited to the Audit Committee Meetings whenever required. The quorum for the Audit Committee Meeting is two members.

The Committee comprises of the following Members:

- 1. Shri Nikhil Mathur (Chairman)
- 2. Shri Gulabchand Sharma
- 3. Shri Naresh Sharma

**(d) Audit Committee Meetings and Attendance for the financial year ended 31<sup>st</sup> March 2012:**

During the financial year ended 31<sup>st</sup> March 2012, Four (4) Audit Committee Meetings were held

The table hereunder gives the attendance record of the Audit Committee Members:

| <b>Name of Members</b>   | <b>No. of meetings held</b> | <b>No. of meetings attended</b> |
|--------------------------|-----------------------------|---------------------------------|
| Nikhil Mathur (Chairman) | 4                           | 4                               |
| Gulabchand Sharma        | 4                           | 3                               |
| Naresh Sharma            | 4                           | 4                               |

**2. Remuneration Committee:**

- (a) The broad terms of reference of the Remuneration Committee is to ensure that the remuneration practices of the Company in respect of the Senior Executives including the Executive Directors are competitive keeping in view prevalent compensation packages so as to recruit and retain suitable individual(s) in such capacity.

- (b) The Remuneration Committee comprises of following Directors:

- 1. Shri Gulabchand Sharna (Chairman)
- 2. Shri Nikhil Mathur
- 3. Shri Suresh Sharma

**(c) Remuneration Policy:**

Some of the Non-Executive Directors are paid sitting fees for each meeting of the Board attended by them. The appointment and remuneration of the Managing Director is governed by resolutions passed by the Board of Directors and shareholders of the Company, which covers terms of such appointment, read with the service rules of the Company. Remuneration paid to the Managing Director is recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at the General Meetings.

Presently, the Company does not have any stock option plan or performance linked incentives for its Directors.

**Shares held by Non-Executive Directors as on 31<sup>st</sup> March ,2012:**

| <b>Name of the Non-Executive Director</b> | <b>Equity Shares held (No.)</b> |
|---|---------------------------------|
| Shri Narottam Sharma                      | 3,00,000                        |
| Shri Suresh Sharma                        | 4,93,700                        |
| Shri Gulabchand Sharma(Independent)       | Nil                             |
| Shri Nikhil Mathur(Independent)           | Nil                             |

**(d) Meetings and Attendance:**

Meeting of the Remuneration Committee was not held during the financial year ended on 31<sup>st</sup> March 2012.

**3. Shareholders/Investors Grievance Committee:**

The Shareholders / Investor Grievance Committee looks into the redressal of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. and recommends measures to improve the level of investor services.

The Company has set up a Shareholders / Investors Grievance Committee consisting of Two Non-Executive Directors, both of them being Independent Directors and One Executive director. The Chairman of the said Committee is a Non-Executive, Independent Director.

The Shareholders / Investor Grievance Committee comprises of the following Directors

1. Shri Gulabchand Sharma (Chairman)
2. Shri Nikhil Mathur
3. Shri Narottam Sharma

**Meetings and Attendance:**

Four Shareholder’s/Investor’s Grievance Committee were held during the year ended 31<sup>st</sup> March, 2012.

The attendance record of the members is given in the table hereunder.

| <b>Name of the Shareholders/Investors grievance Committee members</b> | <b>No of meetings held</b> | <b>No of meeting attended</b> |
|---|----------------------------|-------------------------------|
| Shri Gulabchand Sharma  | 4                          | 4                             |

|                      |   |   |
|----------------------|---|---|
| (Chairman)           |   |   |
| Shri Nikhil Mathur   | 4 | 3 |
| Shri Narottam Sharma | 4 | 3 |

**D. General Body Meetings:**

The Details of last **three** Annual General Meetings are given hereunder:

| Year | Date       | Venue/Details of Special Resolution passed                 | Time       |
|------|------------|--|------------|
| 2011 | 30/09/2011 | 209, Rajani Bhavan, 569, M.G. Road, Indore(M.P.) – 452 001 | 11.00 A.M. |
| 2010 | 30/09/2010 | 209, Rajani Bhavan, 569, M.G. Road, Indore(M.P.) – 452 001 | 11.00 A.M. |
| 2009 | 30/09/2009 | 209, Rajani Bhavan, 569, M.G. Road, Indore(M.P.) – 452 001 | 11.00 A.M. |

**Special Resolution:**

No Special resolution was passed in the last Annual General Meeting.

**Postal Ballot:**

No Special/Ordinary resolution requiring postal ballot was placed before the last Annual General Meeting.

**E. DISCLOSURES:**

**Related Party Transactions:**

There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the Company at large except the transactions mentioned under the Section of Notes to Accounts which forms a part of the Auditors' Report for the year ended 31<sup>st</sup> March, 2012

**Compliance by the Company:**

There is no non-compliance by the Company or any, strictures imposed by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets, during the last three years to the company. The company is liable to pay the following adjudicating penalties:

| Complainant                 | Amount       | Payable to |
|-----------------------------|--------------|------------|
| TODAYS WRITING PRODUCTS LTD | Rs. 1,00,000 | SEBI       |
| RAJESH EXPORTS LTD.         | Rs. 2,00,000 | SEBI       |

**Whistle Blower Policy and Access of personnel to the Audit Committee:**

The Company has not established the non-mandatory requirement of Whistle Blower Policy. However, the Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behavior, frauds and other grievances. No personnel of the Company have been denied access to the Audit Committee.

#### **Compliance with the Mandatory requirements and Implementation of the Non-mandatory requirements:**

The Company has complied with the mandatory requirements of the Corporate Governance Clause of Listing Agreement. The Company has not implemented the non-mandatory requirements, except the constitution of Remuneration Committee, enlisted by way of annexure to Clause 49 of the listing agreement.

#### **F. CEO CERTIFICATION:**

As required by Clause 49 of the Listing Agreement, the CEO i.e. the Managing Director's declaration on compliance of the Company's Code of Conduct is provided as an annexure to this Report.

#### **G. GENERAL SHAREHOLDERS' INFORMATION:**

- |    |  |  |
|----|--|--|
| 1. | Date, time and venue of Annual General Meeting of Shareholders           | 29 <sup>th</sup> September 2012 at 11.00 A.M.<br>209, Rajani Bhavan,<br>569, M.G. Road,<br>Indore(M.P.) – 452 001  |
| 2. | Dates of book closures   | 25 <sup>th</sup> September, 2012 to 29 <sup>th</sup> September, 2012 (both days inclusive)   |
| 3. | Financial Calendar<br>(tentative and subject to change)                  | <b>Financial Reporting for quarter ended:</b><br>June 30, 2012 : By July end<br>September 30, 2012 : By 15 <sup>th</sup> November<br>December 31, 2012: By 15 <sup>th</sup> February<br>March 31, 2013 By 15 <sup>th</sup> May |
| 4. | Listing on Stock Exchanges   | Bombay Stock Exchange Limited<br>Hyderabad Stock Exchange Limited<br>Madhya Pradesh Stock Exchange Limited   |
| 5. | Stock Exchange Code  | 511563   |
| 6. | Demat ISIN No. in NSDL & CDSL  | INE654D01010   |
| 7. | <b>Disclosures regarding appointment or re-appointment of Directors:</b> |  |

Pursuant to the provisions of Sections 255 & 256 of the Companies Act, 1956, Shri Gulabchand Sharma & Shri Nikhil Mathur will retire by rotation in the forthcoming Annual General Meeting. The Board has recommended the re-appointments of the said Directors to the shareholders. The detailed resume of Directors proposed to be re-appointed is provided in the notice of the Annual general Meeting.

#### **8 Stock Market Price Data:**

**Monthly High and Low at the Bombay Stock Exchange Limited for the financial year ended 31<sup>st</sup> March 2012:**

\* The trading of Company has been suspended since year 2006 and hence no data is available.

**9 Registrar and Share Transfer Agents:**

Ankit Consultancy Private Limited  
2<sup>nd</sup> Floor, Alankar Point,  
Geeta Bhawan Chouraha,  
A.B. Road, Indore, M.P. 452001.  
TelNo. 0731 – 2491298

**10 Share Transfer System:**

Shares sent for physical transfer are generally registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The Shareholders/ Investors Grievance Committee of the Company meets as and when required.

**13. Categories of Shareholding as on March 31, 2012:**

| Category                 | Shareholders |                         | Shares  |                    |
|--------------------------|--------------|-------------------------|---------|--------------------|
|                          | Number       | % to total Shareholders | Number  | % to total Capital |
| Promoters                | 08           | 0.13%                   | 1879863 | 59.68%             |
| Nationalized Banks       | 01           | 0.01%                   | 200     | 0.01%              |
| Private Corporate Bodies | 36           | 0.57%                   | 69625   | 2.21%              |
| Indian Public            | 6242         | 99.29%                  | 1200312 | 38.1%              |
| Total                    | 6287         | 100                     | 3150000 | 100                |

**14. Dematerialization of Shares and liquidity:**

The Company has established required connectivity with Central Depository Services (India) Limited and National Securities Depository Limited and the same are available in electronic segment under ISIN No. INE654D01010.

**15. Outstanding GDR's /ADR's /Warrants or any Convertible Instruments, conversion date and likely impact on Equity:**

There are no GDR's / ADR's / Warrants or any convertible instruments pending conversion or any other instrument likely to impact the Equity Share Capital of the Company.

**Address for Correspondence with Registrar & Share Transfer Agent:**

Ankit Consultancy Private Limited

2<sup>nd</sup> Floor, Alankar Point,  
Geeta Bhawan Chouraha,  
A.B. Road, Indore, M.P. 452001.  
TelNo. 0731 - 2491298

## **CODE OF CONDUCT DECLARATION**

Pursuant to Clause 49I(D) of the Listing Agreement entered into with the Stock Exchange, I hereby declare that all the board members and senior management personnel of the Company have affirmed compliances with the Code of Conduct for the year ended on 31<sup>st</sup> March, 2011

**For and on behalf of the Board**

**Place:** Indore  
**Date:** 27<sup>th</sup> August, 2012

**Sd/-**  
**Naresh Sharma**  
**Managing Director**

## **MANAGEMENT RESPONSIBILITY STATEMENT**

The financial statements are in full conformity with the requirements of the Companies Act, 1956 and the Accounting Standards issued by the Central Government. The Management of Company accepts responsibility for the integrity and objectivity of these financial statements, as well as, for estimates and judgments relating to matters not concluded by the year-end. The management believes that the financial statements reflect fairly the form and substance of transactions and reasonably presents the company's financial condition, and results of operations. To ensure this, the Company has installed a system of internal controls, which is reviewed, evaluated and updated on the ongoing basis. Our internal auditors have conducted periodic audits to provide reasonable assurance that the company's established policy and procedures have been followed. However, there are inherent limitations that should be recognized in weighing the assurances provide by any system of internal controls. These financial statements have been audited by M/S. V. R. Bhabhara and Co. Chartered accountants, and Statutory Auditors of the Company.

**For and on behalf of the Board**

**Place:** Indore  
**Date:** 27<sup>th</sup> August, 2012

**Sd/-**  
**Naresh Sharma**  
**Managing Director**



**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
Sanchay Finvest Limited

We have examined the compliance of conditions of Corporate Governance by Sanchay Finvest Limited ("the Company") for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As per the records of the Company, there were no investor grievances remaining unattended for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

PLACE : MUMBAI

**For. V. R. BHABHRA & CO.  
(CHARTERED ACCOUNTANTS)**

DATE : 27<sup>th</sup> August, 2012

SD/-  
**(V. R. BHABHRA )  
PROPRIETOR.  
FRN : 112861W  
Mem. No. 46043**

**CEO/CFO CERTIFICATION TO THE BOARD**

I Certify that I have reviewed the financial statements and the cash flow statement for the year 2011 - 12 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present a true and fair view of the companies affairs and are in compliance with existing accounting standards, applicable laws and regulations;

b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year 2011 - 12 which are fraudulent, illegal or violative of the companies code of conduct;

c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee –

- Significant changes in internal control over the financial reporting during the year 2011 - 12;
- Significant changes in accounting policies during the year 2011 - 12 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over the financial reporting.

**For and on behalf of the Board**

**Place:** Indore  
**Date:** 27<sup>th</sup> August, 2012

**Sd/-**  
**Naresh Sharma**  
**Managing Director**

**SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH 2012 IN RESPECT OF SANCHAY FINVEST LIMITED.**

CIN No. of the Company: L67120MP1991PLC006650

Nominal Capital: Rs. 80,000,000/-

Paid up Capital: Rs. 31,500,000/-

To,  
The Members,  
**Sanchay Finvest Limited**  
Mumbai.

We have examined the registers, records, books and papers of SANCHAY FINVEST LIMITED as required to be maintained under the Companies Act, 1956 and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a public limited company, comments are not required.
4. The Board of Directors duly met Four times during the year on 24<sup>th</sup> May, 2011, 31<sup>st</sup> July, 2011, 14<sup>th</sup> November, 2011, 13<sup>th</sup> February, 2012 and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 26<sup>th</sup> September, 2011 to 30<sup>th</sup> September, 2011 (both days inclusive) and necessary compliance of section 154 of the Companies Act, 1956 has been made.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2011 was held on 30<sup>th</sup> September, 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting were held during the financial year after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.

8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
10. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from Board of Directors, members or Central Government.
11. The Company has not issued any duplicate share certificates during the financial year.
12.
  - (i) The Company was not required to deliver any securities as there was no allotment/transfer/transmission of securities during the financial year.
  - (ii) The Company was not required to deposit any amount in a separate Bank Account as no dividend was declared during the financial year.
  - (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
  - (iv) The Company was not required to transfer any amount to the Investor Education and Protection Fund.
  - (v) The Company has duly complied with the requirements of Section 217 of the Act.
13. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
14. The Company has not appointed any Managing Director/Whole Time Director/Manager during the financial year.
15. The Company has not appointed any sole selling agents during the financial year.
16. The Company was not required to obtain approval of the Regional Director as there were no transactions falling within the purview of the provisions of Section 297 of the Companies Act, 1956 for contracts in which the directors of the Company interested.
17. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
18. The Company has not issued any shares, debentures or other securities during the financial year.
19. The Company has not bought back any shares during the financial year.
20. There was no redemption of preference shares/debentures during the financial year.
21. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
22. The Company has not invited/accepted any deposits including any unsecured loans from public falling within the purview of Section 58A and Rules framed there under during the financial year.
23. The Company has not made any borrowings during the financial year ended 31st March, 2012

24. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
25. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
26. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
27. The Company has not altered the provisions of Memorandum with respect to name of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
29. The Company has not altered its Articles of Association during the financial year.
30. There was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial year, for offences under the Act.
31. The Company has not received any money as security from its employees during the financial year.
32. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

RAMESH MISHRA  
F.C.S. No: 5477  
CP:3987

Place: Mumbai  
Date: 27<sup>th</sup> August, 2012

## SANCHAY FINVEST LIMITED

## "Annexure A"

Statutory Registers as maintained by the Company

1. Register of Members u/s.150
2. Register of Directors, Managing Director, Manager and Secretary u/s.303
3. Register of Directors Shareholdings u/s.307
4. Register of Disclosures of Interest by Directors u/s. 301(3)
5. Register of Application and Allotment
6. Register of Contracts u/s 301
7. Register of Charges u/s 143

Other Registers

1. Register of Transfers

## SANCHAY FINVEST LIMITED

## "Annexure B"

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2012.

| Sr. No. | Form No./ Return         | Date of Filing | Whether filed within prescribed time<br>Yes/No | If delay in filing whether requisite additional fee paid<br>Yes/No |
|---------|--------------------------|----------------|--|--|
| 1.      | Form 23 AC, ACA for 2011 | 17/02/2012     | No   | Yes  |
| 2.      | Form 20B for 2011        | 20/03/2012     | No   | Yes  |
| 3.      | Form 66 for 2011         | 16/02/2012     | No   | Yes  |

***AUDITORS REPORT***

***TO THE MEMERS OF SANCHAY FINVEST LIMITED***

We have audited the attached Balance sheet of **M/s SANCHAY FINVEST LIMITED** as at 31<sup>st</sup> March, 2012 and also the annexed Profit & Loss Account and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion:

-

1. As required by the Comapnies (Auditor's Report) order, 2003 Issued by the Central Government of India in terms of section 227 (4) (A) of the Companies Act 1956, and on the basis of checks of the books & records as we considered necessary and appropriate, and according to the information and explanations given to us during the course of audit, we enclose in the annexure a statement on the matters specified in paragraph 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 and report that :-
  - 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(except stock record), as required by law, have been kept by the Company so far as appears from our examination of those books.
  - C ) The Balance Sheet, Profit & Loss Account and cash flow Statement dealt with by this report are in agreement with the books of account.

D ) In our opinion the Balance Sheet, Profit & Loss Account and Cash-Flow Statement complies with the mandatory Accounting Standards referred in section 211 ( 3C ) of the Companies Act 1956.

E ) On the basis of the written representation received from the directors as on 31.03.2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31.03.2012 from being appointed as a director in terms of clause ( g ) of sub-section (1) of section 274 of the Companies Act, 1956.

F ) In our opinion and to the best of our information and according to the explanation given to us, the said 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 Conformity with the accounting principles generally accepted in India : -

1) in the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2012 and

2 ) in the case of the profit and loss account , of the profit/ loss for the year ended on that date.

PLACE : MUMBAI

**For. V. R. BHABHRA & CO.**  
**(CHARTERED ACCOUNTANTS)**

DATE : 27<sup>th</sup> August, 2012

**(V. R. BHABHRA )**  
**PROPRIETOR.**  
**FRN : 112861W**  
**Mem. No. 46043**



**ANNEXURE TO THE AUDITOR'S REPORT**  
(Referred to in paragraph (1) of our report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and location 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.  
  
(b) None of the fixed assets have been revalued during the year.
2. (a) The stocks of shares & securities were reported to have been physically verified during the year by the management at regular intervals and at the close of the accounting year.  
  
(b) In our opinion, the procedures of physical verification of stocks followed by the management are not reasonable and adequate in relation to the size of the company and the nature of its business.  
  
(c) As per the information and explanations given to us, the management is reported to us that discrepancies on physical verification of stocks as compared to book records are reconciled and balance as on 31<sup>st</sup> March, 2012 are in line with the book records.  
  
(d) In our opinion, the valuation of stocks is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
3. (a) 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.  
  
(b) 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 (IB) of the Companies Act, 1956.  
  
(c) 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.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedure commensurate with the size of the company and nature of its business.

5. As far as we have been able to ascertain and according to the information and explanations given to us, purchases made during the year, of shares & securities and services as applicable aggregating during the year to Rs. 50, 000 /- or more in respect of each party made in pursuance of contracts or arrangement entered in the Register maintained under section 301 of the companies Act, 1956 are not prejudicial to the interest of the Company.
6. The Company has not accepted any deposit from the public.
7. In our opinion, the internal control procedure involves reasonable internal checking of its financial records with is considered by us to be adequate under the circumstances.
8. (a) The Company is generally regular in depositing provident fund and Employee State Insurance dues with the appropriate authorities.  
  
(b) 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 or any other taxes, duties etc. as at the last day of financial year concerned for a period of more than six month from the date they became payable.
9. Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
10. In our opinion, the company has no accumulated losses at the end of the financial year but has incurred cash losses during the current financial year under report .
11. In our opinion, and according to the information and explanation given to us the company has not defaulted in repayment of dues.
12. The clause of the order is not applicable as the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The clause of the order is not applicable as the company is not nidhi / mutual benefit fund/societies.
14. In our opinion, the Company has kept proper records of the transaction and contracts for dealing or trading in shares, debentures, securities and other investment 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. In our opinion and according to explanations given to us, the company has not given any guarantee for loans taken by others from bank or other financial institutions during the year.

16. According to the information and explanations given to us and on an overall examination of the balance sheet, we report that no funds raised on short-term basis have been used for long term investment and vice versa.
17. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
18. As the Company has not issued any debenture during the year , so the question of creating charges does not arrive.
19. The company has not raised any money by public issue during the year.
20. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

**PLACE : MUMBAI**

**For. V. R. BHABHRA & CO.  
(CHARTERED ACCOUNTANTS)**

**DATE : 27<sup>th</sup> August, 2012**

**(V. R. BHABHRA )  
PROPRIETOR.**

**FRN : 112861W  
Mem. No. 46043**

**SANCHAY FINVEST LIMITED**  
**Balance Sheet as at 31st March, 2012**

| PARTICULARS                           | Note<br>No | As at<br>31st March,2012 | As at<br>31st March,2011 |
|---------------------------------------|------------|--------------------------|--------------------------|
|                                       |            | Amount (Rs)              | Amount (Rs)              |
| <b>I. EQUITY AND LIABILITIES</b>      |            |                          |                          |
| <b><u>Shareholders' Funds</u></b>     |            |                          |                          |
| Share Capital                         | 2          | 31,500,000               | 31,500,000               |
| Reserves and Surplus                  | 3          | 13,579,268               | 15,176,517               |
| <b><u>Non current liabilities</u></b> |            |                          |                          |
| other non current Liabilities         | 4          | 21,644,845               | 21,654,255               |
| Long Term Provisions                  | 5          | 2,079,500                | 2,079,500                |
| <b><u>Current Liabilities</u></b>     |            |                          |                          |
| Trade Payables                        | 6          | 43,066,332               | 60,497,810               |
| Other Current liabilities             | 7          | 1,157,149                | 547,399                  |
| Total                                 |            | 113,027,094              | 131,455,480              |
| <b>II.Assets</b>                      |            |                          |                          |
| <b><u>Non-Current Assets</u></b>      |            |                          |                          |
| Fixed Assets                          |            |                          |                          |
| Tangible Assets                       | 8          | 4,409,551                | 4,838,199                |
| Non current investments               | 9          | 13,073,965               | 13,073,965               |
| Long term loans & advances            | 10         | 12,175,000               | 12,175,000               |
| Deferred tax Assets                   |            | 55,197                   | 34,306                   |
| <b><u>Current assets</u></b>          |            |                          |                          |
| Inventories                           | 11         | 4,711,597                | 4,957,931                |
| Trade Receivables                     | 12         | 66,497,207               | 85,387,317               |
| Cash and Cash equivalents             | 13         | 9,285,083                | 7,126,172                |
| Short Term loans and advances         | 14         | 2,819,496                | 3,862,591                |
| Total                                 |            | 113,027,094              | 131,455,480              |

**SANCHAY FINVEST LIMITED**

2011-  
2012

Summary of significant accounting policies  
The accompanying notes 1 to 31 are an integral part  
of the financial statements

1

As per our report of even date  
**For V.R.BHABHRA & Co.**  
Firm Registration No : 112861W  
(Chartered Accountants)

sd/-  
**Mr. V.R.BHABHRA**  
(Proprietor)  
**Membership No : 46043**

**Place: Mumbai**  
**Dated: 27th August, 2012**

For and on behalf of Board of Directors  
of

**SANCHAY FINVEST LIMITED**

sd/-

**Director : Mr. Naresh N. Sharma**

sd/-

**Director : Mr. Narottam N Sharma**

**SANCHAY FINVEST LIMITED**  
**Statement of Profit and Loss for the year ended 31st March, 2012**

|      | Particulars  | Note No | For the year ended | For the year ended |
|------|--|---------|--------------------|--------------------|
|      |  |         | 31st March,2012    | 31st March,2011    |
|      |  |         | Amount (Rs)        | Amount (Rs)        |
| I.   | <b><u>INCOME</u></b>   |         |                    |                    |
|      | Revenue from operations  | 15      | 47,030             | 25,322,069         |
|      | Other Income   | 16      | 1,282,994          | 950,958            |
|      | <b>Total Revenue</b>   |         | 1,330,024          | 26,273,027         |
| II.  | <b><u>EXPENSES</u></b>   |         |                    |                    |
|      | Purchase of Shares & Securities                                      | 17      | -                  | 2,987,219          |
|      | Changes in Inventories   | 18      | 246,334            | 2,063,732          |
|      | Employee Benefits Expense  | 19      | 148,788            | 202,328            |
|      | Finance Cost   | 20      | 9,538              | 3,037,031          |
|      | Depreciation & Amortisation Expenses                                 | 8       | 428,647            | 550,082            |
|      | Other Expenses   | 21      | 2,114,856          | 16,281,475         |
|      | <b>Total Expenses</b>  |         | 2,948,164          | 25,121,865         |
| III. | <b>Profit before Exceptional &amp; Extraordinary items &amp; tax</b> |         | (1,618,140)        | 1,151,162          |
|      | Exceptional Items  |         | -                  | -                  |
|      | Extraordinary Items  |         | -                  | -                  |
| IV.  | <b>Profit before tax</b>   |         | (1,618,140)        | 1,151,162          |
|      | Tax Expenses   |         |                    |                    |
|      | Current Tax  |         | -                  | -                  |

**SANCHAY FINVEST LIMITED**

2011-2012

|   |   |  |                    |                  |
|---|---|--|--------------------|------------------|
| V.  | Deferred tax  |  | (20,891)           | (37,999)         |
|   | <b>Profit for the year from the continuing operations</b> |  | <b>(1,597,249)</b> | <b>1,189,161</b> |
| VI.   | Face Value per Equity Share                               |  | 10.00              | 10.00            |
|   | Earning per equity share:                                 |  |                    |                  |
|   | Basic   |  | (0.51)             | 0.38             |
| Summary of significant accounting policies<br>The accompanying notes 1 to 31 are an integral part of the financial statements   |   | 1  |                    |                  |
| <p>As per our report of even date<br/> <b>For V.R.BHABHRA &amp; Co.</b><br/> <b>Firm Registration No : 112861W</b><br/>                     (Chartered Accountants)</p> <p>Sd/-<br/> <b>Mr V.R.BHABHRA</b><br/>                     (Proprietor)<br/> <b>Membership No : 46043</b></p> <p><b>Place: Mumbai</b><br/> <b>Dated: 27th August, 2012</b></p> |   | <p>For and on behalf of Board of Directors of<br/> <b>SANCHAY FINVEST LIMITED</b></p> <p>Sd/-<br/> <b>Director : Mr. Naresh N. Sharma</b></p> <p>Sd/-<br/> <b>Director : Mr Narottam N. Sharma</b></p> |                    |                  |

**SANCHAY FINVEST LIMITED****NOTE 1:****SIGNIFICANT ACCOUNTING POLICIES****1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The accompanying financial statements are consistently prepared under the historical cost convention, on the accrual basis of accounting and comply with the accounting standards issued by the Institute of Chartered Accountants of India (to the extent applicable) and in accordance with the generally accepted accounting principles, the provisions of the Companies Act, 1956 .

**1.2 USE OF ESTIMATES**

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known / materialized.

**1.3 FIXED ASSETS & DEPRECIATION**

Fixed Assets are stated at cost less accumulated depreciation thereon. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The Company provides pro-rata depreciation from the date on which asset is acquired / put to use. In respect of assets sold, pro-rata depreciation is provided upto the date on which the asset is sold. On all assets, except as mentioned below, depreciation has been provided using the Written Down Value method at the rates specified in Schedule XIV to the Companies Act, 1956.

**1.4 INVESTMENTS**

Investments are classified into long-term investments and current investments. Investments that are intended to be held for one year or more are classified as long-term investments and investments that are intended to be held for less than one year are classified as current investments. Long term investments are valued at cost.

**1.5 REVENUE RECOGNITION**

- a) Interest Income is recognized on accrual basis on fixed deposits.
- b) Dividend income is recognized when the right to receive payment is established.
- c) Sales are recorded on the basis of actual contract notes.

**1.6 STOCK IN TRADE**

Shares are valued at cost or market value, whichever is lower. The comparison of Cost and Market value is done separately for each category of Shares. Cost is considered on Weighted Average Basis.

**1.7 FOREIGN CURRENCY TRANSACTIONS**

There are no foreign currency transactions undertaken by the company during the financial year under reporting.



**1.8 EMPLOYEE BENEFITS**

No provision is made for the future liabilities arising out of provident fund, gratuity and leave encashment, which are accounted on cash basis.

**1.9 TAXATION**

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period) and fringe benefit tax. Current Tax: Provision for current tax is made on the basis of estimated taxable income for the accounting year in accordance with the Income Tax Act, 1961.

Deferred taxation: The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable / virtually certain (as the case may be) to be realized.

**1.10 PROVISIONS AND CONTINGENCIES**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

**1.11 IMPAIRMENT OF ASSETS**

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

**SANCHAY FINVEST LIMITED**

**Notes to the financial statements for the year ended 31st March 2012**

|   | <u>31.03.2012</u> | <u>31.03.2011</u> |
|---|-------------------|-------------------|
| <b>2 Share Capital :</b>                            |                   |                   |
| <b>Authorised Share capital</b>                     |                   |                   |
| <b>Equity Share Capital</b>                         |                   |                   |
| 80,00,000 Equity Shares of Rs 10 each               | 80,000,000        | 80,000,000        |
|   | <b>80,000,000</b> | <b>80,000,000</b> |
| <b>Issued, Subscribed &amp; Paid-up Capital</b>     |                   |                   |
| <b>Equity Share Capital</b>                         |                   |                   |
| 31,50,000 Equity Shares of Rs 10 each fully paid up | 31,500,000        | 31,500,000        |
|   | <b>31,500,000</b> | <b>31,500,000</b> |

**Reconciliation of the shares outstanding at beginning & at the**

**of the reporting period**

Equity Shares:

|   | <u>No. of Shares</u> | <u>No. of Shares</u> |
|---|----------------------|----------------------|
| Balance as at the beginning of the year | 3,150,000            | 3,150,000            |
| Add: Addition during the year           | -                    | -                    |
| Balance as at the end of the year       | <b>3,150,000</b>     | <b>3,150,000</b>     |

Terms/rights attached to equity shares

Equity Shares carry voting rights at the General Meeting of the Company and are entitled to dividend and to participate in surplus, if any, in the event of winding up.

| Details of shareholders holding more than | Current Year     |              | Previous Year    |              |
|---|------------------|--------------|------------------|--------------|
|   | No of shares     | Percentage   | No of shares     | Percentage   |
| <b>5 % equity shares in the company</b>   |                  |              |                  |              |
| Sujala Industrial Supplying Pvt Ltd       | 880,150          | 27.94        | 880,150          | 27.94        |
| Suresh Kumar Sharma                       | 493,700          | 15.67        | 493,700          | 15.67        |
| Narottam Kumar Sharma                     | 300,000          | 9.52         | 300,000          | 9.52         |
|   | <b>1,673,850</b> | <b>53.14</b> | <b>1,673,850</b> | <b>53.14</b> |

**3 Reserves and Surplus :**

**Securities premium account**

|  |                   |                   |
|--|-------------------|-------------------|
| Balance as per last financial statement                  | 12,000,000        | 12,000,000        |
| Add / (less) : Additions / (Utilisation) during the year | -                 | -                 |
| Closing balance  | <u>12,000,000</u> | <u>12,000,000</u> |

**General Reserve Account**

|  |                  |                  |
|--|------------------|------------------|
| Balance as per last financial statement                  | 4,781,112        | 4,781,112        |
| Add / (less) : Additions / (Utilisation) during the year | -                | -                |
| Closing balance  | <u>4,781,112</u> | <u>4,781,112</u> |

**Surplus in the Statement of Profit & Loss**

|   |                          |                          |
|---|--------------------------|--------------------------|
| Balance as per last financial statements      | (1,604,595)              | (2,793,755)              |
| Profit for the year                           | <u>(1,597,249)</u>       | <u>1,189,161</u>         |
| Net surplus in the Statement of Profit & Loss | <u>(3,201,844)</u>       | <u>(1,604,594)</u>       |
| <b>GRAND TOTAL</b>                            | <b><u>13,579,268</u></b> | <b><u>15,176,518</u></b> |

**4 Other non current liabilities**

|                                      |                   |                   |
|--------------------------------------|-------------------|-------------------|
| Outstanding Liabilities for expenses | 518,047           | 527,457           |
| Other Liabilities                    | 21,126,798        | 21,126,798        |
|                                      | <u>21,644,845</u> | <u>21,654,255</u> |

**5 Long Term Provisions**

|                          |                         |                         |
|--------------------------|-------------------------|-------------------------|
| Miscellaneous Provisions | 2,079,500               | 2,079,500               |
| <b>Total</b>             | <b><u>2,079,500</u></b> | <b><u>2,079,500</u></b> |

**6 Trade Payables**

|                         |            |            |
|-------------------------|------------|------------|
| For Shares & Securities | 43,066,332 | 60,497,810 |
|-------------------------|------------|------------|

|   |                           |                          |                   |                   |
|---|---------------------------|--------------------------|-------------------|-------------------|
| <b>Total</b>  |                           |                          | <b>43,066,332</b> | <b>60,497,810</b> |
| <b>7 <u>For Other Liabilities</u></b>                                 |                           |                          |                   |                   |
| Bank Over Draft (Due to Reconciliation)                               |                           |                          | 466,019           | 1,152             |
| Liability for Expenses  |                           |                          | 644,897           | 503,047           |
| Statutory Liabilities   |                           |                          | 46,233            | 43,200            |
| <b>Total</b>  |                           |                          | <b>1,157,149</b>  | <b>547,399</b>    |
| <b>9 <u>Non-current investments</u></b>                               |                           |                          |                   |                   |
| <b>Non-trade investments (valued at cost unless otherwise stated)</b> |                           |                          |                   |                   |
| <b><u>Quoted fully paid equity shares in companies</u></b>            |                           |                          |                   |                   |
|   | <b><u>No.ofShares</u></b> | <b><u>Face Value</u></b> |                   |                   |
| Bank Of India   | 700                       | 10                       | 31500             | 31500             |
| Hansu Control Limited   | 20700                     | 10                       | 207000            | 207000            |
| Ovel Foods Limited  | 18200                     | 10                       | 182000            | 182000            |
| Reliance Industries Limited   | 41                        | 10                       | 96194             | 96194             |
| Reshco Computer Prints Ltd  | 37900                     | 10                       | 379000            | 379000            |
| Shardul Securities & Finance Ltd                                      | 300                       | 10                       | 900               | 900               |
| Sneha Dhara Industrise Ltd  | 7200                      | 10                       | 159912            | 159912            |
| Vippy Spinpro Limited   | 300                       | 10                       | 6379              | 6379              |
| Bharat Forge Limited  | 18                        | 10                       | 10080             | 10080             |
|   |                           |                          | <b>1072965</b>    | <b>1072965</b>    |
| <b><u>Unquoted</u></b>  |                           |                          |                   |                   |
| Sanchay Fincom Limited  | 1200100                   | 10                       | 12001000          | 12001000          |
| <b>GRAND TOTAL</b>  |                           |                          | <b>13,073,965</b> | <b>13,073,965</b> |
| Aggregate book value of total investments                             |                           |                          | 13,073,965        | 13,073,965        |
| <b>Market Value of Quoted Investments</b>                             |                           |                          | <b>1,235,683</b>  | <b>1,311,979</b>  |
| <b>10 <u>Long term loans &amp; advances</u></b>                       |                           |                          |                   |                   |
| Security Deposits   |                           |                          |                   |                   |

**SANCHAY FINVEST LIMITED**2011-  
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12,175,000 12,175,000

(Rs.1,09,00,000/-National Stock Exchange of India Ltd)

|  |                   |                   |
|--|-------------------|-------------------|
| <b>Total</b>   | <b>12,175,000</b> | <b>12,175,000</b> |
| <b>11 Inventories</b><br>(As taken, valued & certified by the management)    |                   |                   |
| Stock in Trade<br>(At cost or market value whichever is lower)               | 4,711,597         | 4,957,931         |
| <b>Total</b>   | <b>4,711,597</b>  | <b>4,957,931</b>  |
| <b>12 Trades Receivables</b><br>(Unsecured and Considered Good)              |                   |                   |
| Outstanding for more than six month  | 66,497,207        | 72,826,204        |
| Other Debts  | -                 | 12,561,113        |
| <b>Total</b>   | <b>66,497,207</b> | <b>85,387,317</b> |
| <b>13 Cash &amp; Cash Equivalentents :</b>                                   |                   |                   |
| Balance with Banks in- Current Accounts                                      | 2,065,256         | 360,595           |
| In Fixed Deposit Accounts  | 6,849,201         | 6,393,146         |
| Cash on Hand   | 370,626           | 372,431           |
| <b>Total</b>   | <b>9,285,083</b>  | <b>7,126,172</b>  |
| <b>14 Short Term Loans and Advances :</b><br>(Unsecured and Considered Good) |                   |                   |
| Loans & Advances to Employees  | 221,000           | 196,000           |
| Advance payment of Income Tax  | 1,534,533         | 1,387,400         |
| Advance BSE (Revocation Fees)<br>Tax Deducted at Source                      | 220,600           | -                 |

**SANCHAY FINVEST LIMITED**2011-  
2012

|  |                  |                   |
|--|------------------|-------------------|
|  | 433,060          | 375,888           |
| Arbitrage Account  | 410,303          | 410,303           |
| ABC Margin (F&O)   | -                | 1,493,000         |
| <b>Total</b>   | <b>2,819,496</b> | <b>3,862,591</b>  |
| <b>15 Revenue from Operations :</b>                          |                  |                   |
| Commission or Brokerage                                      | 47,030           | 3,221,441         |
| Sale of Shares (Delivery)                                    | -                | 20,993,853        |
| Profit / Loss in Derivative Trading                          | -                | 699,630           |
| Arbitrage Share trading profit                               | -                | 596,447           |
| Speculation Loss   | -                | (189,302)         |
| <b>Total</b>   | <b>47,030</b>    | <b>25,322,069</b> |
| <b>16 Other Income</b>                                       |                  |                   |
| Interest Income (Gross) [ TDS Rs.57,172 /- P.Y. Rs.26,068/-] | 571,711          | 260,672           |
| Share Dividend   | 707,454          | 690,286           |
| Miscellaneous Income   | 3,829            | -                 |
| <b>Total</b>   | <b>1,282,994</b> | <b>950,958</b>    |
| <b>17 Purchases of Shares &amp; Securities</b>               |                  |                   |
| Purchase of Shares   | -                | 2,987,219         |
|  | -                | 2,987,219         |
| <b>18 Change in Inventories</b>                              |                  |                   |
| Opening Stock of Shares & Securities                         | 4,957,931        | 7,021,663         |
| <b>Less :</b>  |                  |                   |
| Closing Stock of Shares & Securities                         |                  |                   |

|           |           |
|-----------|-----------|
| 4,711,597 | 4,957,931 |
| 246,334   | 2,063,732 |

**19 Employment Benefit Expenses :**

|                        |                |                |
|------------------------|----------------|----------------|
| Salaries and bonus     | 126,000        | 181,602        |
| Staff welfare expenses | 22,788         | 20,726         |
| <b>Total</b>           | <b>148,788</b> | <b>202,328</b> |

**20 Finance costs**

|                            |              |                  |
|----------------------------|--------------|------------------|
| Interest on Bank Overdraft | -            | 2,989,482        |
| Interest-other             | -            | 13,418           |
| Bank Guarantee Commission  | -            | 24,818           |
| Bank Charges               | 9,538        | 9,313            |
| <b>Total</b>               | <b>9,538</b> | <b>3,037,031</b> |

**21 Other Expenses :**

|   |         |            |
|---|---------|------------|
| Arbitration (Litigation) Expenses (NSE) | -       | 120,000    |
| Computer & Software Expenses            | -       | 35,847     |
| Demat Charges                           | 689,537 | 504,999    |
| Legal & Professional Charges            | 128,833 | 93,948     |
| V-SAT & Leaseline Maintenance Charges   | 516,940 | 607,798    |
| Annual Membership fees (NSE)            | -       | 220,616    |
| Office Maintenance Expenses             | 43,301  | 23,577     |
| Irrecoverable Bad Debts                 | -       | 12,262,650 |
| Society Maintenance Charges             | 343,524 | 60,558     |
| Commission on Arbitrage                 | 15,000  | 1,275,720  |

**SANCHAY FINVEST LIMITED**2011-  
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|   |                  |                   |
|---|------------------|-------------------|
| ROC Filing Fess                           | 31,000           | 7,500             |
| Rates & Taxes                             | 5,000            | 1,400             |
| Electricity Expenses                      | 78,758           | 202,601           |
| General Charges                           | 138,005          | 247,640           |
| Business & Sales Promotion                | -                | 56,838            |
| Registrar & Transfer Agent (RTA) Expenses | -                | 282,712           |
| Travelling & Conveyance                   | 37,032           | 2,452             |
| Communication Cost                        | -                | 250               |
| Printing & Stationery                     | 7,446            | 41,130            |
| Insurance                                 | 23,112           | 58,386            |
| Telephone Expenses                        | 37,368           | 154,853           |
| <b>Payment to Auditors</b>                |                  |                   |
| Statutory Audit Fee                       | 15,000           | 15,000            |
| Tax Audit Fee                             | 5,000            | 5,000             |
| <b>Total</b>                              | <b>2,114,856</b> | <b>16,281,475</b> |

As per our report of even date  
**For V.R.BHABHRA & Co.**  
 Firm Registration No : 112861W  
 (Chartered Accountants)  
 sd/-  
**Mr. V.R.BHABHRA**  
 (Proprietor)  
**Membership No : 46043**  
  
**Place: Mumbai**  
**Dated: 27th August, 2012**

For and on behalf of Board of Directors of  
**SANCHAY FINVEST LIMITED**

sd/-  
**Director : Mr. Naresh N. Sharma**

sd/-  
**Director : Mr. Narottam N Sharma**



**SANCHAY FINVEST LIMITED**

2011-  
2012

**NOTE 8: FIXED ASSETS**

| DESCRIPTION              | GROSS BLOCK       |                                 |                                 |                     | DEPRICIATION     |                 |            |                     | NET BLOCK           |                     | Dep. Rate |
|--------------------------|-------------------|---------------------------------|---------------------------------|---------------------|------------------|-----------------|------------|---------------------|---------------------|---------------------|-----------|
|                          | AS AT<br>01.04.11 | ADDITIONS<br>DURING<br>THE YEAR | DELETIONS<br>DURING<br>THE YEAR | AS AT<br>31.03.2012 | UPTO<br>01.04.11 | FOR<br>THE YEAR | DEDUCTIONS | AS AT<br>31.03.2012 | AS AT<br>31.03.2012 | AS AT<br>31.03.2011 |           |
| FURNITURE & FIXTURE      | 3,195,011         | -                               | -                               | 3,195,011           | 1,689,871        | 272,430         | -          | 1,962,301           | 1,232,710           | 1,505,140           | 18.10%    |
| EPABX                    | 156,571           | -                               | -                               | 156,571             | 107,689          | 6,799           | -          | 114,488             | 42,083              | 48,882              | 13.91%    |
| OFFICE EQUIPMENT         | 200,912           | -                               | -                               | 200,912             | 165,361          | 4,945           | -          | 170,306             | 30,606              | 35,551              | 13.91%    |
| PHOTOCOPIER              | 75,100            | -                               | -                               | 75,100              | 68,821           | 873             | -          | 69,694              | 5,406               | 6,279               | 13.91%    |
| ELECTRICAL TYPEWRITER    | 33,070            | -                               | -                               | 33,070              | 32,069           | 139             | -          | 32,208              | 862                 | 1,001               | 13.91%    |
| MARUTI CAR               | 195,450           | -                               | -                               | 195,450             | 193,877          | 407             | -          | 194,284             | 1,166               | 1,573               | 25.89%    |
| AUDIO VISUAL EQUIPMENT   | 4,791             | -                               | -                               | 4,791               | 4,523            | 37              | -          | 4,560               | 231                 | 268                 | 13.91%    |
| COMPUTERS                | 2,064,903         | -                               | -                               | 2,064,903           | 1,930,843        | 53,624          | -          | 1,984,467           | 80,436              | 134,060             | 40%       |
| M.P. STOCK EXCHANGE CARD | 2,300,000         | -                               | -                               | 2,300,000           | -                | -               | -          | -                   | 2,300,000           | 2,300,000           |           |
| OFFICE PREMISES          | 436,000           | -                               | -                               | 436,000             | -                | -               | -          | -                   | 436,000             | 436,000             |           |
| AIR CONDITIONER          | 105,400           | -                               | -                               | 105,400             | 53,178           | 7,264           | -          | 60,442              | 44,958              | 52,222              | 13.91%    |
| MOTOR CAR                | 2,515,480         | -                               | -                               | 2,515,480           | 2,198,258        | 82,129          | -          | 2,280,387           | 235,093             | 317,222             | 25.89%    |
| <b>TOTAL</b>             | <b>11,282,688</b> | <b>-</b>                        | <b>-</b>                        | <b>11,282,688</b>   | <b>6,444,489</b> | <b>428,647</b>  | <b>-</b>   | <b>6,873,137</b>    | <b>4,409,551</b>    | <b>4,838,199</b>    |           |
| <b>PREVIOUS YEAR</b>     | <b>11,262,813</b> | <b>19,872</b>                   | <b>-</b>                        | <b>11,282,688</b>   | <b>5,894,407</b> | <b>550,082</b>  | <b>-</b>   | <b>6,444,490</b>    | <b>-</b>            | <b>-</b>            |           |

**SANCHAY FINVEST LIMITED**

**22 Payment to Auditors**

| <u>Particulars</u>  | <u>31.3.2012</u> | <u>31.3.2011</u> |
|---------------------|------------------|------------------|
| Statutory Audit Fee | 15,000           | 15,000           |
| Tax Audit Fee       | 5,000            | 5,000            |

**23 Related Party Disclosures :**

|                           |    |  |
|---------------------------|----|--|
| <b>Associates</b>         | :- | Sanchay Finvest Limited                        |
| <b>Directors</b>          |    | Naresh Sharma<br>Narottam Sharma<br>G C Sharma |
| <b>Directors Relative</b> |    | Naresh Sharma HUF<br>Narbada Sharma            |

**Transactions with related parties during the year :-**

**Nature of Transactions**

|                    | <u>Associates</u>                     |                                       | <u>Directors &amp; their relative</u> |                                       |
|--------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|                    | <u>31.03.2012</u><br><u>Amt (Rs.)</u> | <u>31.03.2011</u><br><u>Amt (Rs.)</u> | <u>31.03.2012</u><br><u>Amt (Rs.)</u> | <u>31.03.2011</u><br><u>Amt (Rs.)</u> |
| Purchase of Shares | -                                     | -                                     | -                                     | -                                     |
| Sale of Shares     | -                                     | -                                     | -                                     | -                                     |

**Balances as on 31.03.2012**

|           | <u>Associates</u>                     |                                       | <u>Directors &amp; their relative</u> |                                       |
|-----------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|           | <u>31.03.2012</u><br><u>Amt (Rs.)</u> | <u>31.03.2011</u><br><u>Amt (Rs.)</u> | <u>31.03.2012</u><br><u>Amt (Rs.)</u> | <u>31.03.2011</u><br><u>Amt (Rs.)</u> |
| Debtors   | -                                     | -                                     | -                                     | -                                     |
| Creditors | 30,736,245                            | 18,926,467                            | -                                     | -                                     |

|                               |                   |                   |
|-------------------------------|-------------------|-------------------|
|                               | <u>31.03.2012</u> | <u>31.03.2011</u> |
| <b>Directors Remuneration</b> | NIL               | NIL               |

**24** The entire operation of the Company relates to one segment vis. income from Stock Broking, Dealing in shares and securities and Arbitrage / Jobbing transactions with associates. Companies Business activities are confined only in india hence no additional disclosures are made as required under Accounting Standard 17 on Segment Reporting issued by the Institute of Chartred Accounts of India.

**25** In view of Accounting Standard - 22 "Accounting for tax on income" issued by the Institute of Chartered Accountants of India, the Company has started accounting for deferred taxes with effect from 1st April 2002

**26** Expenditure/ Earnings in foreign currency is -NIL-

**27** Break-up of Net Deferred Tax Assets in major components of respective balances is as follows

|   | <u>As at</u> | <u>31.03.12</u> | <u>As at</u> | <u>31.03.11</u> |
|---|--------------|-----------------|--------------|-----------------|
| Deferred Tax Liability on account of    |              |                 |              |                 |
| -Difference between book depreciation & |              |                 |              |                 |

## SANCHAY FINVEST LIMITED

2011-  
2012

depreciation as per Income Tax Act, 1961  
**Net Deferred Tax Assets**

20891  

---

20891

37999  

---

37999

### SANCHAY FINVEST LIMITED

- 28** In the opinion of the Board of Directors the Current Assets, Loans & Advances are approximately of the value stated, if realised in the ordinary course of business. the provision of all known liabilities is adequate and not in excess of the amount reasonably required
- 29** Some of the debit and credit balances are taken at book figures & are subject to confirmation.
- 30** In the opinion of the board there is no Income Tax payable during the current financial year and hence no provision for tax is made.
- 31** The Revised Schedule VI has become effective from 1st April 2011 for the preparation of financial statements. this has significantly impacted the disclosure and presentation made in the financial statements. previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/dislosure.

**For V.R.BHABHRA & CO.**  
**Chartered Accountants**

SD/-  
**V.R.BHABHRA**  
**(Proprietor)**

**FRN : 112861W**  
**Membership No.46043**  
**Place : Mumbai**  
**Dated : 27th August, 2012**

**D**  
**I**  
**R** SD/-  
**E** **(Naresh Sharma)**  
**C**  
**T** SD/-  
**O** **(Narottam**  
**R** **Sharma)**  
**S**

**SANCHAY FINVEST LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH 2012**

|   | For the year<br>ended<br>31.03.2012<br><u>Amount (Rs)</u> | For the year<br>ended<br>31.03.2011<br><u>Amount (Rs)</u> |
|---|---|---|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>                      |   |   |
| NET PROFIT / (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS              | (1618140)   | 1151162   |
| <u>ADJUSTMENTS FOR:</u>   |   |   |
| DEPRECIATION  | 428647  | 550082  |
| INTEREST RECEIVED   | (571711)  | (260672)  |
| DIVIDEND RECEIVED   | (711283)  | (690286)  |
| INTEREST PAID   | 9538  | 3037031   |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>              | <b>(2462949)</b>  | <b>3787317</b>  |
| <br><u>ADJUSTMENTS FOR (INCREASE) / DECREASE IN :</u>               |   |   |
| TRADE & OTHER RECEIVABLE  | 18890110  | 2842251   |
| INVENTORIES   | 246334  | 2063732   |
| LOANS & ADVANCES  | 1043095   | (735418)  |
| TRADE PAYABLES  | (16831138)  | 14205158  |
| <b>CASH GENERATED FROM OPERATIONS</b>                               | <b>885452</b>   | <b>22163040</b>   |
| <br><b>NET CASH FROM / (USED IN) OPERATING ACTIVITIES</b>           | <b>885452</b>   | <b>22163040</b>   |
| <br><b>B CASH FLOW FROM INVESTMENT ACTIVITIES :</b>                 |   |   |
| PURCHASE OF FIXED ASSETS  | -   | (19,875)  |
| INTEREST RECEIVED   | 571711  | 260672  |
| DIVIDEND RECEIVED   | 711283  | 690286  |
| <br><b>NET CASH FROM / (USED) IN INVESTING ACTIVITIES</b>           | <b>1282994</b>  | <b>931083</b>   |
| <br><b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>                  |   |   |
| INTEREST PAID   | (9538)  | (3037031)   |
| PAYMENT OF SECURED LOAN   | -   | (20314279)  |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                        | <b>(9538)</b>   | <b>(23351310)</b>   |
| <br><b>(A+B+C)</b>  | <b>2158910</b>  | <b>(257187)</b>   |
| <br><b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>   | <b>2158910</b>  | <b>(257187)</b>   |
| <br>CASH AND CASH EQUIVALENTS<br>(OPENING BALANCE AS AT 01.04.2011) | 7126173   | 7383360   |
| CASH AND CASH EQUIVALENTS<br>(CLOSING BALANCE AS AT 31.03.2012)     | 9285083   | 7126173   |

For V.R.BHABHRA & CO.  
Chartered Accountants

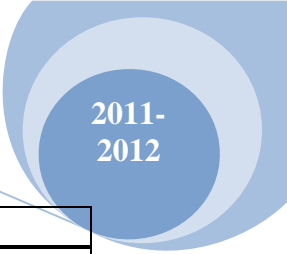
SD/-  
V.R.BHABHRA  
Proprietor  
FRN : 112861W  
Membership No.46043

Place  
: Mumbai  
Dated : 27th August, 2012

FOR AND ON BEHALF OF THE  
BOARD

SD/-  
(Naresh Sharma)  
Director

SD/-  
Narottam Sharma  
Director



|  |                         |
|--|-------------------------|
| <b>SANCHAY FINVEST LIMITED</b>   |                         |
| Regd Office : 209, Rajani Bhawan, 569, M.G. Road, Indore, Madhya Pradesh – 452 001   |                         |
| <b>ATTENDANCE SLIP</b>   |                         |
| Please complete this attendance slip and hand over at the entrance of the meeting hall.  |                         |
| Member/Proxy_____  |                         |
| <i>I hereby record my presence at the Annual General Meeting of the Company scheduled to be held on 29<sup>th</sup> September 2012 at 11A.M. at 209, Rajani Bhawan, 569, M.G. Road, Indore, Madhya Pradesh – 452 001</i> |                         |
| Regd Folio No._____  | No. of shares held_____ |
| <b>FORM OF PROXY</b>   |                         |
| <b>SANCHAY FINVEST LIMITED</b>   |                         |
| <b>Regd Office:</b> 209, Rajani Bhwan, 569, M.G. Road, Madhya Pradesh – 452 001  |                         |
| I/We_____ of   |                         |
| _____ in the district of _____   |                         |
| being a member(s) of the above-named Company hereby  |                         |
| appoint_____ of _____ in the   |                         |
| district _____ of _____ or   |                         |
| failing him _____ of _____ in the district 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 29th September 2012 and at any adjournment thereof.  |                         |
| Signed this _____ day of _____ 2012  |                         |

One Rupees Revenue Stamp