

**SANCHAY FINVEST LIMITED**

**SANCHAY FINVEST LIMITED  
ANNUAL REPORT  
2008-2009**

<b>CONTENTS</b>	<b>PAGE NO.</b>
Notice of Meeting	2-3
Director's Report	4-5
Management Discussion and Analysis	6-7
Corporate Governance	8-15
Company's Secretaries Report	16
CEO/CFO Certificate	17
Auditor's Report	18-20
Balance Sheet	21
Profit and Loss Account	22
Schedules to Balance Sheet and Profit and Loss	23-26
Notes to Accounts	27-29
Cash Flow Statement	30
Attendance Slip and Proxy Form	31
<b>DIRECTORS</b>	
Shri Gulabchand Sharma	
Shri Naresh Kumar Sharma	
Shri Sanjay Dangi	
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 , the 30<sup>th</sup> September, 2009 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, 2009 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 Suresh Nandal 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 Naresh Kumar Sharma 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:** 09<sup>th</sup> September 2009

**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 21<sup>st</sup> September, 2009 to 25<sup>th</sup> September, 2009 (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>	<b>Shri Suresh Nandlal Sharma</b>
Date of Birth	01.10.1965
Qualification	MCOM
Experience	More than 15 years of experience in finance market.
Other Directorship	Sanchay Fincom Limited

<b>Particulars</b>	<b>Shri Naresh kumar Sharma</b>
Date of Birth	21.05.1957
Qualification	Bachelor of Commerce
Experience	More than 30 years of experience in finance market and Capital Market.
Other Directorship	None

**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, 2009.

**Summarized Financial Results:.**

<b>PARTCULARS</b>	<b>YEAR ENDED 31-03-2009 (Rupees in Lacs)</b>	<b>YEAR ENDED 31-03-2008 (Rupees in Lacs)</b>
<b>Turnover</b>	118.18	226.27
<b>Profit Before Tax</b>	(26.05)	10.73
<b>Profit After Tax</b>	(26.75)	8.00
<b>Balance of profit B/f</b>	39.15	31.29

**The Year Under Review**

The company has incurred a loss Rs 26.05 lakhs as compared to the previous year's profit before tax of Rs 10.73 lakhs due to adverse market conditions during the year under review and the directors are hopeful of achieving better results in future

**Dividend**

The Board of Directors of your company are of the view that financial resources of the Company be conserved and judiciously utilized for further growth of your Company. The Board therefore decided not to recommend any dividend for the year 2008-2009.

**Fixed Deposit**

During the year 2008 - 2009, the Company has not accepted any deposits in terms of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975. 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;

- 1) That in the preparation of the accounts for the financial year ended 31st March, 2009, the applicable accounting standards have been followed along with the proper explanation relating to material departures.
- 2) 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.
- 3) 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.
- 4) That the directors have prepared the accounts for the financial year ended 31st March 2009 on a going concern basis

**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, offer themselves for re-appointment for a period of one year till the next Annual General Meeting is recommended. The Company has received a certificate from them under section 224(1B) of Companies Act, 1956

**AUDITORS REPORT**

The Auditors have not made any qualification to the financial statement, in their reports or relevant notes on accounts, which are self explanatory and do not call for any comments under section 217(3) of the companies Act, 1956.

**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.

**PERSONNEL AND INDUSTRIAL RELATIONS**

The company has not paid any remuneration attracting the provisions of Companies (particular of employees) rules, 1975 read with section 217 ( 2A ) of the companies act, 1956. No information is therefore, required to be appended to this report in this regard.

**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 :** Indore

**Date :** 09<sup>th</sup> September 2009

**For and on behalf of the Board**

<b>Sd/-</b>	<b>Sd/-</b>
<b>Naresh Sharma</b>	<b>Narottam Sharma</b>
<b>Managing Director</b>	<b>Director</b>

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The fiscal 2008-09 has been a better year for the Indian economy with a significant slowdown in the growth rate in the second half of fiscal 2009. The GDP growth rate in 2008-09 was 6.7% with the growth rate in the last two quarters hovering around 6%. The general apprehension was that this trend would persist for some time as the full impact of the economic slowdown in the developed world affected the system, with policymakers taking a calculated risk in providing substantial fiscal stimuli to counter the negative fallout of the global meltdown.

However, over the span of the year, the economy posted a remarkable recovery, not only in terms of overall growth figures but more importantly, in terms of certain key fundamentals, which justify optimism for the Indian economy in the medium to long run.

**(a) Industry Structure & Developments:**

The Non-Banking Financial Companies (NBFC's) as a whole account for 8.9% of the assets of the total financial system. In the wake of the recent global financial crisis and its fallout for Financial Institutions, the Reserve Bank of India undertook measures to preserve financial stability and arrest the moderation in the growth momentum. As a measure aimed at expanding rupee liquidity, the RBI provided a special repo window under its Liquidity Adjustment Facility (LAF) for NBFC's. In addition, an existing Special Purpose Vehicle was used as a platform to provide liquidity support to NBFC's.

**(b) Opportunities & Threats:**

With GDP growth forecasts of 8% over the next few years, the Indian economy will continue to provide several growth opportunities. The increased thrust on the infrastructure sector including power, road, ports, telecom and other urban infrastructure projects will continue to provide excellent investment opportunities in the future. In addition, the services sector which is growing at rapid pace and contributes substantially to GDP will provide many new opportunities for the financial services industry in India. The NBFC Sector continues to face competitive pressures from the Banking sector and financial institutions, due to their increased penetration in the consumer financing market, with comparatively low cost of funds at their disposal. The spreads in the lending business have also narrowed considerably, bringing risk-adjusted margins to generally unviable levels.

**(c) 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.

**(d) Outlook:**

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

**(e) 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.

**(f) 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.

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

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

**(h) 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.

**(i) 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 six Directors comprising of three 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, 2009 is as under:

Director	Category	Number of other		
		Director-ships*	Committee Memberships	Committee Chairmanships
Gulabchand Sharma	Chairman, Independent Director	1	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
Sanjay Dangi	Non Executive			

\* Other Directorships exclude directorships held in Private Limited companies.



**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 2009, the Board meetings were held Four times.

Table hereunder gives the attendance record of the Directors at the Board Meetings held during 2008-09 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
Sanjay Dangi *	4	0	No
Narottam Kumar Sharma	4	3	Yes
Suresh Nandlal Sharma	4	3	Yes
Nikhil Mathur	4	4	Yes

**Each and every time he use to ask for leave of absence.**

**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 2009:**

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 2009:**

During the financial year ended 31<sup>st</sup> March 2009, Four (4) Audit Committee Meetings were held. The table hereunder gives the attendance record of the Audit Committee Members:

Name of Members	No. of meetings held	No. of meetings attended
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:**

Name of the Non-Executive Director	Equity Shares held (No.)
Shri Narottam Sharma	300000
Shri Suresh Sharma	300000
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 2009.

**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, 2009.

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

Name of the Shareholders/Investors grievance Committee members	No of meetings held	No of meeting attended
Shri Gulabchand Sharma (Chairman)	4	4
Shri Nikhil Mathur	4	3
Shri Narottam Sharma	4	3

**Details of Shareholders' complaints received, not solved and pending during the Financial Year ended 31st March, 2009:**

There are no pending/unattended complaints as on 31<sup>st</sup> March, 2009

**D. General Body Meetings:**

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

Year	Date	Venue/Details of Special Resolution passed	Time
2008	30/09/2006	209, Rajani Bhavan, 569, M.G. Road, Indore(M.P.) – 452 001	11.00 A.M.
2007	29/09/2007	209, Rajani Bhavan, 569, M.G. Road, Indore(M.P.) – 452 001	11.00 A.M.
2006	30/09/2006	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, 2009

**Compliance by the Company:**

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

**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 | 30 <sup>th</sup> September 2009 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   | 21 <sup>st</sup> September, 2009 25 <sup>th</sup> September, 2009<br>both days inclusive)   |
| 3. | Financial Calendar<br>(tentative and subject to change)        | <b>Financial Reporting for quarter ended:</b><br>June 30, 2009 : By July end<br>September 30, 2009 : By September end<br>December 31, 2009 : By January end<br>March 31, 2010: By April end |
| 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. Disclosures regarding appointment or re-appointment of Directors:**

Pursuant to the provisions of Sections 255 & 256 of the Companies Act, 1956, Shri Suresh Nandlal Sharma & Shri Naresh Kumar Sharma 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 2009:***

\* 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, 2009:**

Category	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
Promoters	09	59.68%	1879863	59.68%
Nationalized Banks	02	0.01%	400	0.01%
Private Corporate Bodies	39	2.32%	73029	2.32%
Indian Public	6252	37.99%	1196708	37.99%
Total	6303	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, 2009

**For and on behalf of the Board**

**Place:** Indore  
**Date:** 09<sup>th</sup> September, 2009

**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:** 09<sup>th</sup> September, 2009

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

**PRACTICING COMPANY SECRETARIES 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, 2009, 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.

For and on behalf of

**RAMESH MISHRA**  
**F.C.S. No: 5477**

**Place: Mumbai**  
**Date: 09<sup>th</sup> September, 2009**



**CEO/CFO CERTIFICATION TO THE BOARD**

I Certify that I have reviewed the financial statements and the cash flow statement for the year 2008 - 09 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 2008 - 09 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 2008 - 09;
- Significant changes in accounting policies during the year 2008 - 09 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:** 09<sup>th</sup> September, 2009

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

**AUDITORS REPORT****TO THE MEMBERS OF SANCHAY FINVEST LIMITED**

We have audited the attached Balance sheet of **M/s SANCHAY FINVEST LIMITED** as at 31<sup>st</sup> March, 2009 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 Companies (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 31.03.2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31.03.2009 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, 2009 and
    - 2 ) in the case of the profit and loss account , of the profit/ loss for the year ended on that date.

PLACE : MUMBAI  
DATE : 09<sup>th</sup> September,2009

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

**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.
1. (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, 2009 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 principals and is on the same basis as in the preceding year.
2. (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 (1B) 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.
3. 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.
4. 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.
5. The Company has not accepted any deposit from the public.
6. In our opinion, the internal control procedure involves reasonable internal checking of its financial records with is considered by us to be adequate under the circumstances.
7. (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 months from the date they became payable.

8. 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. In our opinion, term loan of Rs. 1.34 **Lacs** for motor car was availed by the company. In our opinion, and according to the information and explanation given to us the company has not defaulted in repayment of dues.
17. 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.
18. 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.
19. As the Company has not issued any debenture during the year , so the question of creating charges does not arise.
20. The company has not raised any money by public issue during the year.
21. 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 : 09<sup>th</sup> September, 2009**

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

**BALANCE SHEET AS AT 31ST MARCH 2009**

	<b>Schedules</b>	<b>AS AT 31.03.2009 Amount (Rs)</b>	<b>AS AT 31.03.2008 Amount (Rs)</b>
<b>SOURCES OF FUNDS</b>			
1. SHAREHOLDERS' FUNDS			
a. Share Capital	A	31500000	31500000
b. Reserves & Surplus	B	18021654	20696299
2. LOAN FUNDS			
Secured Loan	C	20185308	20337813
3. Net Deffered Tax Liability		39892	-
		<u>69746854</u>	<u>72534113</u>
<b>TOTAL</b>			
<b>APPLICATION OF FUNDS</b>			
1. FIXED ASSETS			
Gross Block	D	10299958	10299958
Less : Depreciation		<u>5292573</u>	<u>4611694</u>
<b>Net Block</b>		5007385	5688264
2. Net Deferred Tax Asset		-	13999
3. INVESTMENTS			
4. CURRENT ASSETS, LOANS & ADVANCES	E	13073965	13073965
a. Inventories	F	6979915	7162883
b. Sundry Debtors	G	89790741	117885740
c. Cash & Bank Balances	H	3975960	4043510
d. Loans & Advances	I	<u>14878578</u>	<u>20312871</u>
		115625194	149405005
Less: CURRENT LIABILITIES & PROVISIONS			
a. Current Liabilities	J	61880190	93583412
b. Provisions	K	<u>2079500</u>	<u>2063706</u>
		63959690	95647118
NetCurrent Assets		<u>51665504</u>	<u>53757886</u>
		<u>69746854</u>	<u>72534113</u>
<b>TOTAL</b>			

NOTES TO ACCOUNT

N

The Schedules referred to above & Notes to Account form an integral part of the Balance Sheet

As per our report of even date attached  
**FOR V.R.BHABHRA & Co.**

**Chartered Accountants**

sd/-

**(V. R. BHABHRA )**

**PROPRIETOR**

**Place : Mumbai**

**Dated : 9th September, 2009**

**For and Behalf of Board**

sd/-

**(Naresh N Sharma)**

**Managing Director**

sd/-

**(Narottam N Sharma)**

**Director**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009**

		<b><u>FOR THE YEAR ENDED 31.03.2009</u></b>	<b><u>FOR THE YEAR ENDED 31.03.2008</u></b>
	<b>Schedules</b>	<b><u>AMOUNT(Rs.)</u></b>	<b><u>AMOUNT (Rs.)</u></b>
<b><u>INCOME</u></b>			
Sales		1030738	26882
Brokerage Income		2855982	14620047
Other Income	L	951654	817013
Closing Stock		6979915	7162884
		<u>11818289</u>	<u>22626825</u>
<b><u>EXPENDITURE</u></b>			
Opening Stock		7162884	6751375
Purchases		925978	895815
Profit / Loss in Trading of Derivatives		377170	9378197
Administrative & Other Expenses	M	2134279	2373840
Depreciation		680879	833840
Interest & Finance Charges		3142059	1320605
		<u>14423249</u>	<u>21553673</u>
Profit / (Loss) Before Tax		(2604960)	1073152
<b>Less: Provision for Tax</b>			
Current Tax		-	193714
Deferred Tax		53891	34825
Fringe Benefit Tax		15794	44613
		<u>                    </u>	<u>                    </u>
Profit / (Loss) After Tax		<b>(2674645)</b>	<b>800001</b>
Add/(Less): Excess Provision FBT A.Y.2007-08			104
Add/(Less): Short Provision for Tax A.Y.07-08			-14125
Add: Balance B/F from previous year		<b>3915187</b>	<b>3129208</b>
		<u>1240542</u>	<u>3915187</u>
Balance Carried to Balance Sheet			
Basic and Diluted Earning Per Share (Rs)		(0.85)	0.27
Nominal Value Per Share		10.00	10.00

**NOTES TO ACCOUNT**

N

The Schedules referred to above & Notes to Account

form an integral part of the Profit & Loss Account

As per our report of even date attached

**FOR V.R.BHABHRA & Co.**

**Chartered Accountants**

sd/-

**(V. R. BHABHRA )**

**PROPRIETOR**

**Place : Mumbai**

**Dated : 9th September, 2009**

**For and Behalf of Board**

sd/-

**(Naresh N Sharma)**

**Managing Director**

sd/-

**(Narottam N Sharma)**

**Director**

**SANCHAY FINVEST LIMITED**

**SCHEDULE D: FIXED ASSETS**

DESCRIPTION	GROSS BLOCK				DEPRICIATION				NET BLOCK	
	AS AT 01.04.08	ADDITIONS DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31.03.2009	UPTO 01.04.08	FOR THE YEAR	DEDUCTIONS	AS AT 31.03.2009	AS AT 31.03.2009	AS AT 31.03.2008
FURNITURE & FIXTURE	2,283,656	-	-	2,283,656	774,294	273,195	-	1,047,489	1,236,167	<b>1,509,362</b>
EPABX	156,571	-	-	156,571	79,960	10,657	-	90,617	65,954	<b>76,611</b>
OFFICE EQUIPMENT	200,912	-	-	200,912	145,195	7,750	-	152,945	47,967	<b>55,717</b>
PHOTOCOPIER	75,100	-	-	75,100	65,258	1,369	-	66,627	8,473	<b>9,842</b>
ELECTRICAL TYPEWRITER	33,070	-	-	33,070	31,501	218	-	31,719	1,351	<b>1,569</b>
MARUTI CAR	195,450	-	-	195,450	191,586	1,000	-	192,586	2,864	<b>3,864</b>
AUDIO VISUAL EQUIPMENT	4,791	-	-	4,791	4,372	58	-	4,430	361	<b>419</b>
COMPUTERS	1,993,528	-	-	1,993,528	1,559,843	173,474	-	1,733,317	260,211	433,685
M.P. STOCK EXCHANGE CARD	2,300,000	-	-	2,300,000	-	-	-	-	2,300,000	<b>2,300,000</b>
OFFICE PREMISES	436,000	-	-	436,000	-	-	-	-	436,000	<b>436,000</b>
AIR CONDITIONER	105,400	-	-	105,400	23,554	11,385	-	34,939	70,461	<b>81,846</b>
MOTOR CAR	2,515,480	-	-	2,515,480	1,736,131	201,773	-	1,937,904	577,576	<b>779,349</b>
<b>TOTAL</b>	<b>10,299,958</b>	<b>-</b>	<b>-</b>	<b>10,299,958</b>	<b>4,611,694</b>	<b>680,879</b>	<b>-</b>	<b>5,292,573</b>	<b>5,007,385</b>	<b>5,688,264</b>
PREVIOUS YEAR	<b>9,901,894</b>	<b>398,064</b>	<b>-</b>	<b>10,299,958</b>	<b>3,777,854</b>	<b>833,840</b>	<b>-</b>	<b>4,611,694</b>	<b>5,688,264</b>	<b>-</b>

**SANCHAY FINVEST LIMITED**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNT**

	<u>AS AT</u> <u>31.03.2009</u> <u>AMOUNT</u> <u>(Rs.)</u>	<u>AS AT</u> <u>31.03.2008</u> <u>AMOUNT</u> <u>(Rs.)</u>
<b><u>SCHEDULE 'A'</u></b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
80,00,000 Equity Shares of Rs.10/- each	80000000	80000000
<b>Issued &amp; Subscribed Capital &amp; Paid-up Capital</b>		
31,50,000 Eq Shares of Rs.10 each fully paid up	31500000	31500000
	<b>31500000</b>	<b>31500000</b>
<b><u>SCHEDULE 'B'</u></b>		
<b>RESERVES &amp; SURPLUS</b>		
Share Premium	12000000	12000000
General Reserve	4781112	4781112
Profit & Loss Account	1240542	3915187
	<b>18021654</b>	<b>20696299</b>
<b><u>SCHEDULE 'C'</u></b>		
<b>SECURED LOANS</b>		
Bank Over Draft with Axis Bank Ltd (Secured against Pledge of Shares)	20185308	20203010
HDFC Bank Car Loan Account (Secured against Hypothecation of Motor Car)	-	134804
	<b>20185308</b>	<b>20337813</b>
<b><u>SCHEDULE 'E'</u></b>		
<b>INVESTMENTS (Other Than Trade)</b>		
<b>Long Term</b>		
<b><u>Quoted</u></b>	<b><u>No.ofShares</u></b>	<b><u>No.ofShares</u></b>
Bank Of India	700	700
Hansu Control Limited	20700	20700
Ovel Foods Limited	18200	18200
Reliance Industries Limited	41	41
Reshco Computer Prints Ltd	37900	37900
Shardul Securities & Finance Ltd	300	300
Sneha Dhara Industrise Ltd	7200	7200
Vippy Spinpro Limited	300	300
Bharat Forge Limited	18	18
	<b>1072965</b>	<b>1072965</b>
<b><u>Unquoted</u></b>		
Sanchay Fincom Limited (Formerly D.S.Sanchaeti Finance Corp. Ltd)	1200100	1200100
	<b>13073965</b>	<b>13073965</b>
<b>(Market Value of Quoted Investment as on 31.03.2009 is Rs.11,61,653 /- (P.Y. Rs.12,09,221/-)</b>		



**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNT**

	<u>AS AT</u> <u>31.03.2009</u> <u>AMOUNT</u> <u>(Rs.)</u>	<u>AS AT</u> <u>31.03.2008</u> <u>AMOUNT</u> <u>(Rs.)</u>
<b><u>SCHEDULE 'F'</u></b>		
<b>INVENTORIES</b>		
(As taken, valued & certified by the management)		
Stock in Trade	6979915	7162883
	<b>6979915</b>	<b>7162883</b>
<b><u>SCHEDULE 'G'</u></b>		
<b>SUNDRY DEBTORS (Unsecured, Considered Good)</b>		
Outstanding for more than six month	46110842	49805074
Other Debts	43679899	68080666
	<b>89790741</b>	<b>117885740</b>
<b><u>SCHEDULE 'H'</u></b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash on Hand	190936	138891
Balance with Scheduled Banks		
In Current A/c	372710	452280
In Fixed Deposit A/c	3412314	3452339
	<b>3975960</b>	<b>4043510</b>
<b><u>SCHEDULE 'I'</u></b>		
<b>LOANS AND ADVANCES</b>		
<b>Loans:</b>		
Unsecured, Considered Good	192078	215790
<b>Advances recoverable in cash or in kind or for value to be received:</b>		
Unsecured, Considered Good	1881219	7353207
Deposits	12437000	12437000
Tax Deducted at Source	322461	261054
Prepaid Expenses	45820	45820
	<b>14878578</b>	<b>20312871</b>
<b><u>SCHEDULE 'J'</u></b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	60471299	85373969
Other Liabilities	1408891	8209443
	<b>61880190</b>	<b>93583412</b>
<b><u>SCHEDULE 'K'</u></b>		
<b>PROVISIONS</b>		
Provision for Tax (A.Y.2008-09)	193714	193714
Fringe Benefit Tax (A.Y.2008-09)	44613	44613
Provision under NBFC Norms	1825379	1825379
Fringe Benefit Tax (A.Y.2009-10)	15794	
	<b>2079500</b>	<b>2063706</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNT**

	<b>For The Year ended <u>31.03.2009</u> <u>AMOUNT (</u> <u>Rs.)</u></b>	<b>For The Year ended <u>31.03.2008</u> <u>AMOUNT (</u> <u>Rs.)</u></b>
<b><u>SCHEDULE : 'L'</u></b>		
<b>OTHER INCOME</b>		
Interest (Gross) [TDS Rs.61407 /-P.Y. TDS Rs.80371 /-]	298292	390115
Dividend (Gross) [TDS Rs.NIL , P.Y. RsNIL ]	653361	426898
	<b><u>951654</u></b>	<b><u>817013</u></b>
<b><u>SCHEDULE : 'M'</u></b>		
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Salary & Allowances	273933	290287
Staff Welfare Expenses	18593	12581
<b>Auditors' Remuneration</b>		
- For Audit	15000	15000
- For Tax Audit	5000	20000
	<u>20000</u>	<u>5000</u>
Computer Expenses	84520	-
Conveyance & Travelling Expenses	23349	13346
Donations	50000	50800
Demat Charges	211133	236289
Electricity Charges	138470	257452
General Charges	107943	68230
Insurance Charges (Brokers Indemnity)	36475	58193
Legal & Professional Charges	266393	135358
Listing Fees	-	21600
V-SAT Maintenance & Lease Line Charges	244976	221110
Membership & Subscription (NSE)	100000	100000
Motor Car Expenses	1000	22500
Office Maintenance Expenses	56800	205940
Postage & Telegram & Registration charges	413	6286
Printing & Stationery	40812	73226
Rates & Taxes	-	11600
Society Maintenance Charges	238033	209155
Telephone Expenses	221437	359887
	<b><u>2134279</u></b>	<b><u>2373840</u></b>

**Schedule – N**  
**Notes to Account**

**1. Significant Accounting Policies:**

**1.1 Basis of Accounting**

The financial statements are prepared under the historical cost convention and accrual basis.

**1.2 Fixed Assets.**

Fixed Assets are stated at cost less accumulated depreciation. Fixed assets are capitalised at acquisition cost including directly attributable cost of bringing the assets to its working conditions for intended use.

**1.3 Depreciation**

Depreciation on fixed assets, which are put to use, is provided on pro-rata basis on reducing balance method at the rates and on the basis as specified in Schedule XIV to the Companies Act, 1956.

**1.4 Investments**

Long Term Investments are stated at cost. Provision for diminution in the value of Long Term Investments is made only if such decline is other than temporary, in the opinion of the management.

**1.5 Inventories**

Stock in trade in the case of Quoted Scrips/Units of Mutual Fund are valued at lower of cost or market value and in case of unquoted scrips the same are taken at cost .

**1.6 Sales and Purchases**

Sales and Purchases are recorded on the basis of contract note.

**1.7 Deferred Taxation**

The tax expense for the year comprising of the Current Tax & Deferred Tax is included in determining the net profit for the year. Provision for the Current Tax is based on tax liability computed in accordance with the relevant tax rates & tax laws. Provision for Deferred Tax is made for all timing differences arising between taxable income & accounting income at rates that have been enacted or substantively enacted as of the Balance Sheet Date. Deferred Tax Assets are recognised only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**1.8 Accounting for Derivatives**

Profit/Loss on final settlement of Equity Stock Future Contracts is recognised in the Profit & Loss Account. Provision for loss on outstanding Equity Stock Future Contract as on balance sheet date, whether long or short, is made in the account.

**1.9 Retirement Benefits**

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

**2 Contingent liabilities on account of non compliance of certain fiscal statutes, if any :-**

- a. amount unascertainable and the Guarantee given by Axis Bank Ltd, Mumbai in favour of The National Stock Exchange of India Limited on behalf of the Company for Rs.50 Lacs (P.Y. Rs.50 Lacs) is not provided for.
- b. Contingent Liability on account of penalty imposed by SEBI for Rs.12 Lacs in terms of Rule 5 of SEBI (Procedure for holding enquiry and imposing penalties by the Adjudicating Officer), Rules 1995. The Company has filed an appeal with Hon.SAT (Securities and Appellant Tribunal) against the said order and the management is confident that the decision will be in the favour of the company and therefore the said amount is not provided for.

**3 Related Party Disclosures :**

**Associates** :- Sanchay Fincom Limited  
 Director Naresh Sharma  
 Narottam Sharma  
 Directors Relative Naresh Sharma HUF  
 Narbada Sharma  
 Namita Sharma

Transactions with related parties during the year :-

<u>Nature of Transactions</u>	<b>Associates</b>		<b>Directors &amp; their relative</b>	
	<b>31.03.2009 Amt (Rs.)</b>	<b>31.03.2008 Amt (Rs.)</b>	<b>31.03.2009 Amt (Rs.)</b>	<b>31.03.2008 Amt (Rs.)</b>
Purchase of Shares	-	-	-	-
Sale of Shares	-	-	-	-
Profit/(Loss) in Derivative Trading	-	-	60145	214780

- 4 The entire operation of the Company relates to only one segment vis. income from Stock Broking & Investment activities. Company's business activities are confined only in India.Hence no additional disclosure are made as required under Accounting Standard 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.
- 5 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
- 6 The Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.
- 7 Expenditure/ Earnings in foreign currency is -NIL-
- 8 Break-up of Net Deferred Tax Assets in major components of respective balances is as follows

	<b>As at 31.03.09</b>	<b>As at 31.03.08</b>
Deferred Tax Liability on account of -Difference between book depreciation & depreciation as per Income Tax Act, 1961	<u>173899</u>	<u>102456</u>
<b>Net Deferred TaxLiability/( Assets)</b>	<b>53891</b>	<b>34825</b>

- 9 Information required under Para 3 & 4 of Part II of the Schedule VI to the Companies Act,1956 is as under:

a) Quantitive Details of items traded during trhe year

**Shares / Debentures / Unit**

	Qty in Nos	Amt (Rs)
Opening Stock	169056 (151456)	7162883 (6751374)
Purchases (inclusive bonus& Stock Split)	6835 (20310)	925978 (895815)
Sales	10185 (2710)	1030738 (26882)
Closing Stock	165706 (169056)	6979915 (7162883)

Note: 1. Figures in bracket pertain to previous year.

2. Statement pursuant to Part I of Schedule VI to the Companies Act, 1956 is given as per annexure 'A'

- 10 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.
- 11 Some of the debit and credit balances are taken at book figures & are subject to confirmation.
- 12 The company is in appeal before CIT (Appeals) against the addition made by the Assessing officer for the Assessment year 2005-06 of Rs.32,25,088/-.In the opinion of the board, they will get substantial relief from CIT (Appeal).
- 13 Balance Sheet Abstract and Company's General Business Profile as required under Part IV of Schedule VI to the Companies Act,1956 is given as per Annexure I.
- 14 Other information required under Part I and Part II of Schedule VI to the Companies Act,1956 is either Nil or Not Applicable.

Signatures to Schedules A to N

**FOR V.R.BHABHRA & Co.**  
**Chartered Accountants**  
sd/-  
**(V. R. BHABHRA )**  
**PROPRIETOR**  
**Place : Mumbai**  
**Dated : 9th September, 2009**

**For and Behalf of**  
**Board**  
sd/-  
**(Naresh N Sharma)**  
**Managing Director**  
  
sd/-  
**(Narottam N Sharma)**  
**Director**

**CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH 2009**

	For the year ended 31.03.2009 <u>Amount</u> <u>(Rs)</u>	For the year ended 31.03.2008 <u>Amount (Rs)</u>
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>NET PROFIT / (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS</b>	<b>(2604960)</b>	<b>1073152</b>
<b>ADJUSTMENTS FOR:</b>		
DEPRECIATION	680879	833840
MISCELLANEOUS EXPENDITURE W/OFF	-	-
INTEREST RECEIVED	(298292)	(390115)
INTEREST PAID	3142059	1320605
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>919686</b>	<b>2837482</b>
<b>ADJUSTMENTS FOR (INCREASE) / DECREASE IN :</b>		
TRADE & OTHER RECEIVABLE	28094999	(64956973)
INVENTORIES	182968	(411509)
LOANS & ADVANCES	5434293	(2004384)
TRADE PAYABLES	(31687430)	55108130
SECURED LOAN	(152505)	9452229
PRIOR PERIOD TAX ADJUSTMENT	-	(14,022)
PROVISION FOR TAX	-	(193714)
FRINGE BENEFIT TAX	(15794)	(44613)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>2776217</b>	<b>(227374)</b>
<b>NET CASH FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>2776217</b>	<b>(227374)</b>
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES :</b>		
PURCHASE OF FIXED ASSETS	-	(398064)
PURCHASE OF INVESTMENT	-	-
INTEREST RECEIVED	298292	390115
<b>NET CASH FROM / (USED) IN INVESTING ACTIVITIES</b>	<b>298292</b>	<b>(7949)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
INTEREST PAID	(3142059)	(1320605)
PAYMENT OF SECURED LOAN	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(3142059)</b>	<b>(1320605)</b>
<b>(A+B+C)</b>	<b>(67550)</b>	<b>(1555928)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(67550)</b>	<b>(1555928)</b>
CASH AND CASH EQUIVALENTS (OPENING BALANCE AS AT 01.04.2008)	4043510	5599438
CASH AND CASH EQUIVALENTS (CLOSING BALANCE AS AT 31.03.2009)	3975960	4043510

As per our report of even date attached

**FOR V.R.BHABHRA & Co.**

**Chartered Accountants**

sd/-

**(V. R. BHABHRA )**

**PROPRIETOR**

**Place : Mumbai**

**Dated : 9th September, 2009**

**For and Behalf of  
Board**

sd/-

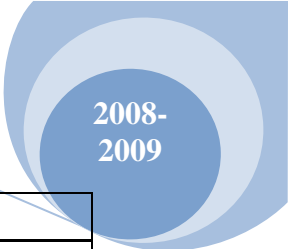
**(Naresh N Sharma)**

**Managing Director**

sd/-

**(Narottam N Sharma)**

**Director**



**Sanchay Finvest Limited**

Regd Office : 209, Rajani Bhawan, 569, M.G. Road, Indore, Madhya Pradesh – 452 001

**ATTENDANCE SLIP**

Please complete this attendance slip and hand over at the entrance of the meeting hall.

Member/Proxy \_\_\_\_\_

*I hereby record my presence at the Annual General Meeting of the Company held on 30<sup>th</sup> September 2009 at 11A.M. at 209, Rajani Bhawan, 569, M.G. Road, Indore, Madhya Pradesh – 452 001*

Regd Folio No. \_\_\_\_\_ No. of shares held \_\_\_\_\_

**FORM OF PROXY**

**SANCHAY FINVEST LIMITED**

**Regd Office:** 209, Rajani Bhawan, 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 30th September 2009 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009

One Rupees Revenue Stamp