

**SANCHAY FINVEST LIMITED**

**SANCHAY FINVEST LIMITED  
ANNUAL REPORT  
2010-2011**

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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 30<sup>th</sup> September, 2011 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, 2011 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 Nandlal 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 Narottam 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:** 1<sup>st</sup> September 2011

**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 26<sup>th</sup> September, 2011 to 30<sup>th</sup> September, 2011 (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 Suresh Nandlal Sharma
Date of Birth	01.10.1965
Qualification	M.Com.
Experience	More than 15 years of experience in finance market.
Other Directorship	Sanchay Fincom Limited

<b>Particulars</b>	Shri Narottam Kumar Sharma
Date of Birth	01.03.1954
Qualification	Bachelor of Commerce
Experience	More than 20 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, 2011.

**Summarized Financial Results:.**

<b>PARTCULARS</b>	<b>YEAR ENDED 31-03-2011 (Rupees in Lacs)</b>	<b>YEAR ENDED 31-03-2010 (Rupees in Lacs)</b>
<b>Income for the year</b>	314.20	101.40
<b>Expenditure</b>	302.69	142.11
<b>Profit Before Tax</b>	11.51	(40.70)
<b>Balance of profit B/f</b>	16.05	27.94

**The Year Under Review**

There has been an improvement in the performance of the company during the year under review and compared to the loss incurred in the previous year the company has earned a profit of 11.51 lakhs compared to the previous year.

**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 2010-2011.

**Fixed Deposit**

During the year 2010 - 2011, 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, 2011; 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 31<sup>st</sup> March 2011 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 :** 1st September 2011

**For and on behalf of the Board**

**Sd/-  
Naresh Sharma  
Managing Director**

**Sd/-  
Narottam Sharma  
Director**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The fiscal 2010-11 has been a better year for the Indian. 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**

**SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH 2011 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 (the Company) as required to be maintained under the Companies Act, 1956 (the Act) 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, 2011 (financial year). 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 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 20<sup>th</sup> September, 2010 to 24<sup>th</sup> September, 2010 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 31st March, 2010 was held on 30<sup>th</sup> September, 2010 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, 2011
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: 1st September 2011

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 2011.

Sr. No.	Form No./ Return	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	Form 23 AC, ACA for 2007	02/07/2010	No	Yes
2.	Form 23 AC, ACA for 2008	02/07/2010	No	Yes
3.	Form 20B for 2007	03/07/2010	No	Yes
4.	Form 20B for 2008	03/07/2010	No	Yes
5.	Form 20B for 2009	21/07/2010	No	Yes
6.	Form 23 AC, ACA for 2009	21/07/2010	No	Yes

**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, 2011 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

\* Shri Sanjay Dangi resigned as the director of the company w.e.f. 14<sup>th</sup> February, 2011. 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 2011, the Board meetings were held four times. Table hereunder gives the attendance record of the Directors at the Board Meetings held during 2010-11 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

Shri Sanjay Dangi resigned as the director of the company w.e.f. 14<sup>th</sup> February, 2011. Other Directorships exclude directorships held in Private Limited companies.

**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 2011:**

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 2011:**

During the financial year ended 31<sup>st</sup> March 2011, 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 as on 31<sup>st</sup> March ,2011:**

Name of the Non-Executive Director	Equity Shares held (No.)
Shri Narottam Sharma	300,000
Shri Suresh Sharma	493,700
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 2011.

**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, 2011.

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

**D. General Body Meetings:**

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

Year	Date	Venue/Details of Special Resolution passed	Time
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.
2008	30/09/2008	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, 2011

**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 2011 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   | 26 <sup>th</sup> September, 2011 30 <sup>th</sup> September, 2011<br>both days inclusive)   |
| 3. | Financial Calendar<br>(tentative and subject to change)        | <b>Financial Reporting for quarter ended:</b><br>June 30, 2011 : By July end<br>September 30, 2011 : By 15 <sup>th</sup> November<br>December 31, 2010: By 15 <sup>th</sup> February<br>March 31, 2011: 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. 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 Narottam 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 2011:***

\* 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, 2011:**

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	35	0.56%	69525	2.21%
Indian Public	6245	99.30%	1200412	38.1%
Total	6289	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

Sd/-  
Naresh Sharma  
Managing Director

Place: Indore  
Date: 01<sup>st</sup> September 2011

**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:** 1<sup>st</sup> September 2011

**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, 2011, 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 : 1<sup>st</sup> September, 2011

**(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 2010 - 11 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 2010 - 11 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 2010 - 11;
- Significant changes in accounting policies during the year 2010 - 11 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:** 1<sup>st</sup> September 2011

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

***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, 2011 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 31.03.2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31.03.2011 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, 2011 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 : 1<sup>st</sup> September, 2011

**(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, 2011 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.
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 : 1<sup>st</sup> September, 2011**

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

<b>BALANCE SHEET AS AT 31ST MARCH 2011</b>				
			<b>AS AT 31.03.2011 <u>Amount (Rs)</u></b>	<b>AS AT 31.03.2010 <u>Amount (Rs)</u></b>
	<b>Schedules</b>			
<b>SOURCES OF FUNDS</b>				
1. SHAREHOLDERS' FUNDS				
a. Share Capital	A		31500000	31500000
b. Reserves & Surplus	B		15176517	13987357
2. LOAN FUNDS				
Secured Loan	C		-	20314279
3. Net Deffered Tax Liability			-	3692
<b>TOTAL</b>			<b><u>46676517</u></b>	<b><u>65805329</u></b>
<b>APPLICATION OF FUNDS</b>				
1. FIXED ASSETS				
Gross Block	D	11282688	11262813	
Less : Depreciation		<u>6444489</u>	<u>5894407</u>	
<b>Net Block</b>			4838199	5368406
2. Net Deferred Tax Asset			34306	-
3. INVESTMENTS	E		13073965	13073965
4. CURRENT ASSETS, LOANS & ADVANCES				
a. Inventories	F	4957931	7021663	
b. Sundry Debtors	G	85387318	88229569	
c. Cash & Bank Balances	H	7126173	7383360	
d. Loans & Advances	I	<u>16037591</u>	<u>15302173</u>	
Less: CURRENT LIABILITIES & PROVISIONS				
a. Current Liabilities	J	82699465	68494307	
b. Provisions	K	<u>2079500</u>	<u>2079500</u>	
NetCurrent Assets			<u>28730047</u>	<u>47362958</u>
<b>TOTAL</b>			<b><u>46676517</u></b>	<b><u>65805329</u></b>
NOTES TO ACCOUNT	N	The Schedules referred to above & Notes to Account		
As per our report of even date attached				
<b>FOR V.R.BHABHRA &amp; Co.</b>				
<b>(Chartered Accountants)</b>				
<b>V.R.Bhabhra</b>			<b>(Naresh N Sharma)</b>	
<b>Prpoprietor</b>			<b>Director</b>	
<b>FRN : 112861W</b>			<b>(Narottam N Sharma)</b>	
<b>Membership No. 46043</b>			<b>Director</b>	
<b>Place : Mumbai</b>				
<b>Dated : 1<sup>st</sup> September , 2011</b>				

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

		<u>FOR THE YEAR ENDED 31.03.2011</u>	<u>FOR THE YEAR ENDED 31.03.2010</u>
	Schedules	<u>AMOUNT(Rs.)</u>	<u>AMOUNT (Rs.)</u>
<b><u>INCOME</u></b>			
Sales		20993853	639788
Brokerage Income		3221441	1587877
Speculation Profit		-	11528
Profit from purchase / sale pf shares (Arbitrage)		596447	98187
Profit / Loss in Trading of Derivatives		699630	-
Other Income	L	950958	781008
Closing Stock		4957931	7021663
		<u>31420260</u>	<u>10140050</u>
<b><u>EXPENDITURE</u></b>			
Opening Stock		7021663	6979915
Purchases		2987219	553367
Speculation Loss		189302	-
Profit / Loss in Trading of Derivatives		-	832681
Administrative & Other Expenses	M	16483802	2512460
Depreciation		550082	601834
Interest & Finance Charges		3037031	2730290
		<u>30269099</u>	<u>14210547</u>
Profit / (Loss) Before Tax		1151162	(4070497)
<b>Less: Provision for Tax</b>			
Current Tax		-	-
Deferred Tax		(37999)	(36,200)
Fringe Benefit Tax		-	-
Profit / (Loss) After Tax		<u>1189161</u>	<u>(4034297)</u>
Add: Balance B/F from previous year		<u>(2793755)</u>	<u>1240542</u>
Balance Carried to Balance Sheet		<u>(1604595)</u>	<u>(2793755)</u>
Basic and Diluted Earning Per Share (Rs)		0.38	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			
<b>FOR V.R.BHABHRA &amp; Co.</b>			
<b>(Chartered Accountants)</b>			
		(Naresh N Sharma)	
		Director	
<b>V.R.Bhabhra</b>			
<b>Prpoprietor</b>			
<b>FRN : 112861W</b>			
<b>Membership No. 46043</b>		(Narottam N Sharma)	
		Director	
<b>Place : Mumbai</b>			
<b>Dated : 1<sup>st</sup> September, 2011</b>			

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNT				
	<u>AS</u>		<u>AT</u>	
	<u>31.03.2011</u>		<u>31.03.2010</u>	
	<u>AMOUNT ( Rs.)</u>		<u>AMOUNT ( Rs.)</u>	
<b>SCHEDULE 'A'</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>SCHEDULE 'B'</b>				
<b>RESERVES &amp; SURPLUS</b>				
Share Premium	12000000		12000000	
General Reserve	4781112		4781112	
Profit & Loss Account	(1604595)		(2793755)	
	<b>15176517</b>		<b>13987357</b>	
<b>SCHEDULE 'C'</b>				
<b>SECURED LOANS</b>				
Bank Over Draft with Axis Bank Ltd (Secured against Pledge of Shares)			-	20314279
			-	<b>20314279</b>
<b>SCHEDULE 'E'</b>				
<b>INVESTMENTS (Other Than Trade)</b>				
<b>Long Term</b>				
<b>Quoted</b>				
	<b>No.ofShares</b>		<b>No.ofShares</b>	
Bank Of India	700	31500	700	31500
Hansu Control Limited	20700	207000	20700	207000
Ovel Foods Limited	18200	182000	18200	182000
Reliance Industries Limited	41	96194	41	96194
Reshco Computer Prints Ltd	37900	379000	37900	379000
Shardul Securities & Finance Ltd	300	900	300	900
Sneha Dhara Industrise Ltd	7200	159912	7200	159912
Vippy Spinpro Limited	300	6379	300	6379
Bharat Forge Limited	18	10080	18	10080
	<b>1072965</b>		<b>1072965</b>	
<b>Unquoted</b>				
Sanchay Fincom Limited	1200100	12001000	1200100	12001000
	<b>13073965</b>		<b>13073965</b>	
<b>(Market Value of Quoted Investment as on 31.03.2011 is Rs.13,11,979/- (P.Y. Rs.12,22,341/-)</b>				

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

	<u>AS AT 31.03.2011</u> <u>AMOUNT ( Rs.)</u>	<u>AS AT</u> <u>31.03.2010</u> <u>AMOUNT ( Rs.)</u>
<b><u>SCHEDULE 'F'</u></b>		
<b>INVENTORIES</b>		
(As taken, valued & certified by the management)		
Stock in Trade	4957931	7021663
	<u>4957931</u>	<u>7021663</u>
<b><u>SCHEDULE 'G'</u></b>		
<b>SUNDRY DEBTORS</b> (Unsecured, Considered Good)		
Outstanding for more than six month	72826204	43345438
Other Debts	12561113	44884131
	<u>85387318</u>	<u>88229569</u>
<b><u>SCHEDULE 'H'</u></b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash on Hand	372431	336410
Balance with Scheduled Banks		
In Current A/c	360595	3388408
In Fixed Deposit A/c	6393146	3658542
	<u>7126173</u>	<u>7383360</u>
<b><u>SCHEDULE 'I'</u></b>		
<b>LOANS AND ADVANCES</b>		
<b>Loans:</b>		
Unsecured, Considered Good	196000	209578
<b>Advances recoverable in cash or in kind or for value to be received:</b>		
Unsecured, Considered Good	2880400	2305775
Deposits	12175000	12437000
Tax Deducted at Source	375888	349820
Stock of Arbitrage Account	410303	
	<u>16037591</u>	<u>15302173</u>
<b><u>SCHEDULE 'J'</u></b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	60497810	67794585
Other Liabilities	22201655	699722
	<u>82699465</u>	<u>68494307</u>
<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	15794
	<u>2079500</u>	<u>2079500</u>

<b>SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNT</b>	<b>For The Year ended</b>		<b>For The Year ended</b>
	<b><u>31.03.2011</u></b>		<b><u>31.03.2010</u></b>
	<b><u>AMOUNT ( Rs.)</u></b>		<b><u>AMOUNT ( Rs.)</u></b>
<b>SCHEDULE : 'L'</b>			
<b>OTHER INCOME</b>			
Interest (Gross) [TDS Rs.26068/-P.Y. TDS Rs.27359 /-]	260672		275625
Dividend (Gross) [TDS Rs.NIL , P.Y. RsNIL ]	690286		505383
	<b><u>950958</u></b>		<b><u>781008</u></b>
<b>SCHEDULE : 'M'</b>			
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>			
NSE Arbitration Charges	120000		-
Business Promotion Expenses	56838		-
Bad Debts	12262650		-
Salary & Allowances	181602		278035
Staff Welfare Expenses	20726		15032
Arbitrage Commission	1275720		-
<b>Auditors' Remuneration</b>			
- For Audit	15000		15000
- For Tax Audit	<u>5000</u>	20000	<u>5000</u> 20000
Computer Expenses	35847		24772
Conveyance & Travelling Expenses	2452		21048
Demat Charges	504999		188003
Electricity Charges	202601		193780
General Charges	247640		436101
Insurance Charges (Brokers Indemnity)	58386		75322
Legal & Professional Charges	93948		141459
V-SAT Maintenance & Lease Line Charges	607798		531200
Membership & Subscription (NSE)	220,616		110308
Office Maintenance Expenses	23577		15029
Postage & Telegram & Registration charges	250		80
Printing & Stationery	41130		40678
Rates & Taxes	1400		-
Registrar & Share Transfer Agent (RTA) Expenses	282712		-
ROC Filing Fees	7500		-
Society Maintenance Charges	60558		240932
Telephone Expenses	<u>154853</u>		<u>180681</u>
	<b><u>16483802</u></b>		<b><u>2512460</u></b>

**SCHEDULE  
D: FIXED ASSETS**

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.10	ADDITION DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31.03.2011	UPTO 01.04.10	FOR THE YEAR	DEDU CTIONS	AS AT 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
FURNITURE & FIXTURE	3,195,011	-	-	3,195,011	1,357,233	332,638	-	1,689,871	1,505,140	1,837,778
EPABX	156,571	-	-	156,571	99,791	7,898	-	107,689	48,882	56,780
OFFICE EQUIPMENT	200,912	-	-	200,912	159,617	5,744	-	165,361	35,551	41,295
PHOTOCOPIER	75,100	-	-	75,100	67,806	1,015	-	68,821	6,279	7,294
ELECTRICAL TYPEWRITER	33,070	-	-	33,070	31,907	162	-	32,069	1,001	1,163
MARUTI CAR	195,450	-	-	195,450	193,327	550	-	193,877	1,573	2,123
AUDIO VISUAL EQUIPMENT	4,791	-	-	4,791	4,480	43	-	4,523	268	311
COMPUTERS	2,045,028	19,875	-	2,064,903	1,848,068	82,775	-	1,930,843	134,060	196,960
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	44,740	8,438	-	53,178	52,222	60,660
MOTOR CAR	2,515,480	-	-	2,515,480	2,087,438	110,820	-	2,198,258	317,222	428,042
<b>TOTAL</b>	<b>11,262,813</b>	<b>19,875</b>	<b>-</b>	<b>11,282,688</b>	<b>5,894,407</b>	<b>550,082</b>	<b>-</b>	<b>6,444,489</b>	<b>4,838,199</b>	<b>5,368,406</b>
<b>PREVIOUS YEAR</b>	<b>10,299,958</b>	<b>962,855</b>	<b>-</b>	<b>11,262,813</b>	<b>5,292,573</b>	<b>601,834</b>	<b>-</b>	<b>5,894,407</b>	<b>-</b>	<b>-</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 :-  
The company has surrendered the bank guarantee given by the Axis Bank Limited in favour of The Stock Exchange, Mumbai on behalf of the Company for Rs.50 Lacs (P.Y. Rs.50 Lacs) and there is no other contingent liability ascertainable as on date.

**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 :-

**Nature of Transactions**

	<b>Associates</b>		<b>Directors &amp; their relative</b>	
	<b>31.03.2011 Amt (Rs.)</b>	<b>31.03.2010 Amt (Rs.)</b>	<b>31.03.2011 Amt (Rs.)</b>	<b>31.03.2010 Amt (Rs.)</b>
Purchase of Shares	-	-	-	-
Sale of Shares	-	-	-	-
Profit/(Loss) in Derivative Trading	-	-	-	-

**Balances as on 31.03.2011**

	<b>Associates</b>		<b>Directors &amp; their relative</b>	
	<b>31.03.2011 Amt (Rs.)</b>	<b>31.03.2010 Amt (Rs.)</b>	<b>31.03.2011 Amt (Rs.)</b>	<b>31.03.2010 Amt (Rs.)</b>
<b>Debtors</b>	-	-	-	-
<b>Creditors</b>	1,89,26,467	-	-	-

- 4** The Securities and Exchange Board of India (SEBI) vide its interim ex-parte order dated 02nd December, 2010 have issued directions against the company for not to buy, sell or deal in securities in their own / proprietary account and also not to take / deal with fresh/new clients until further direction in this regard. As represented by the management the company have filed their detailed reply and submissions before the SEBI against the said interim ex-parte order.
- 5** 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 Chartered Accounts of India.
- 6** 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.
- 7** 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

- 8 The Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.
- 9 Expenditure/ Earnings in foreign currency is -NIL-
- 10 Break-up of Net Deferred Tax Assets in major components of respective balances is as follows

	<b>As at 31.03.11</b>	<b>As at 31.03.10</b>
Deferred Tax Liability on account of -Difference between book depreciation & depreciation as per Income Tax Act, 1961	122972	117153
<b>Net Deferred Tax Liability/( Assets)</b>	<b>37999</b>	<b>36200</b>

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

a) Quantitative Details of items traded during the year

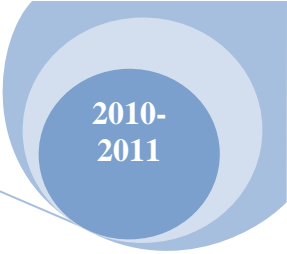
**Shares / Debentures / Unit**

	Qty in Nos	Amt (Rs)
Opening Stock	166909 (165706)	7021663 (67979915)
Purchases (inclusive bonus & Stock Split)	22618 (3813)	2987219 (553367)
Sales	91536 (2610)	20993853 (639788)
Closing Stock	97991 (166909)	4957931 (7021663)

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'

<b>CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH 2011</b>		
	For the year ended 31.03.2011 <u>Amount (Rs)</u>	For the year ended 31.03.2010 <u>Amount (Rs)</u>
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>	
	<b>NET PROFIT / (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS</b>	<b>1151162</b>
	<b>ADJUSTMENTS FOR:</b>	<b>(4070497)</b>
	DEPRECIATION	601834
	INTEREST RECEIVED	(275625)
	INTEREST PAID	2730290
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(1013998)</b>
	<b>ADJUSTMENTS FOR (INCREASE) / DECREASE IN :</b>	
	TRADE & OTHER RECEIVABLE	1561172
	INVENTORIES	(41748)
	LOANS & ADVANCES	(423595)
	TRADE PAYABLES	6614117
	SECURED LOAN	128971
	PRIOR PERIOD TAX ADJUSTMENT	(5,352)
	EXCESS CASH BAL LAST YEAR RECTIFIED	-
	FRINGE BENEFIT TAX	-
	<b>CASH GENERATED FROM OPERATIONS</b>	<b>6819567</b>
	<b>NET CASH FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>6819567</b>
<b>B</b>	<b>CASH FLOW FROM INVESTMENT ACTIVITIES :</b>	
	PURCHASE OF FIXED ASSETS	(962,885)
	INTEREST RECEIVED	275625
	DIVIDEND RECEIVED	505383
	<b>NET CASH FROM / (USED) IN INVESTING ACTIVITIES</b>	<b>(181877)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>	
	INTEREST PAID	(2730290)
	PAYMENT OF SECURED LOAN	-
	<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(2730290)</b>
	<b>(A+B+C)</b>	<b>3907400</b>
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3907400</b>
	CASH AND CASH EQUIVALENTS (OPENING BALANCE AS AT 01.04.2010)	3975960
	CASH AND CASH EQUIVALENTS (CLOSING BALANCE AS AT 31.03.2011)	7883360
For V.R.BHABHRA & CO. Chartered Accountants		FOR AND ON BEHALF OF THE BOARD
V.R.BHABHRA Proprietor FRN : 112861W Membership No. 46043		(Naresh Sharma) Director
Place Mumbai Dated 1 <sup>st</sup> September, 2011		Narottam Sharma Director



**As required under Part IV, Schedule VI to the Companies Act, 1956**  
**Balance Sheet Abstract and Company's General Business Profile**

I Registration Details  
 Registration No.

		6	6	5	0
--	--	---	---	---	---

State Code

1	0
---	---

Balance Sheet Date

3	1	0	3	2	0	1	1
---	---	---	---	---	---	---	---

II Capital Raised during the year ( Amount in Rs )

Public Issue

		N	I	L			
--	--	---	---	---	--	--	--

Bonus Issue

		N	I	L			
--	--	---	---	---	--	--	--

Rights Issue

		N	I	L			
--	--	---	---	---	--	--	--

Private Placement

		N	I	L			
--	--	---	---	---	--	--	--

III Position of Mobilisation and Deployment of Funds

( Amount in Rs )

Total Liabilities

		4	6	6	7	6	5	1	7
--	--	---	---	---	---	---	---	---	---

Paid Up Capital

		3	1	5	0	0	0	0	0
--	--	---	---	---	---	---	---	---	---

Secured Loans

		N	I	L			
--	--	---	---	---	--	--	--

Deferred Tax Asset / Liability

					3	4	3	0	6
--	--	--	--	--	---	---	---	---	---

Investments

		1	3	0	7	3	9	6	5
--	--	---	---	---	---	---	---	---	---

Miscellaneous Expenditure

		N	I	L			
--	--	---	---	---	--	--	--

Total Assets

		4	6	6	7	6	5	1	7
--	--	---	---	---	---	---	---	---	---

Reserves & Surplus

		1	5	1	7	6	5	1	7
--	--	---	---	---	---	---	---	---	---

Unsecured Loans

		N	I	L			
--	--	---	---	---	--	--	--

Net Fixed Assets

		4	8	3	8	1	9	9
--	--	---	---	---	---	---	---	---

Net Current Assets

		2	8	7	3	0	0	4	7
--	--	---	---	---	---	---	---	---	---

Accumulated Loss

		N	I	L			
--	--	---	---	---	--	--	--

IV Performance of the Company ( Amount in Rs )

Turnover

		3	1	4	2	0	2	6	0
--	--	---	---	---	---	---	---	---	---

Profit / Loss Before Tax

		1	1	5	1	1	6	2
--	--	---	---	---	---	---	---	---

( Please tick Appropriate box + for Profit - for Loss )

Earning per Share

					0	.	3	8
--	--	--	--	--	---	---	---	---

Total Expenditure

		3	0	2	6	9	0	9	9
--	--	---	---	---	---	---	---	---	---

Profit / Loss After Tax

		1	1	8	9	1	6	1
--	--	---	---	---	---	---	---	---

Dividend Rate %

		N	I	L
--	--	---	---	---

V Generic Name of the Three Principal / Services of Company ( As per monetary terms )

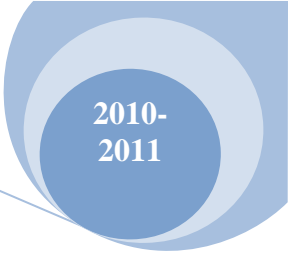
Item Code No.

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( ITC Code ) A

Product Description

						N				A									



<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 30<sup>th</sup> September 2011 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 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 _____ 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 2011 and at any adjournment thereof.
Signed this _____ day of _____ 2011

One Rupees Revenue Stamp