

ANNUAL REPORT
(FY 2011-2012)

SAHYOG CREDITS LIMITED

Regd Office: 5/5761, Gali No. 2, Dev Nagar Karol Bagh New Delhi-110005

NOTICE

Notice is hereby given that the **21st Annual General Meeting** of the shareholders of the Company will be held at the registered office of the Company at **5/5761 Dev Nagar Karol Bagh Dew Delhi -110005** on **29th day of September, 2012** at **02:30 P.M.** to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial results of the Company for the year ended 31st March 2012, together with the Directors and auditors Report thereon.
2. To appoint a Director in place of Mr. Manoj Kumar Bansal, Director of the Company, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shervon Chhajed, Director of the Company, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint the existing Auditors M/s R. K. Rathi & Co., Chartered Accountants and to fix their remuneration and for that purpose pass with or without modification (s) the following resolution as ordinary resolution:

"RESOLVED THAT M/s R. K. Rathi & Co., Chartered Accountants be and are hereby appointed as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company and the Board of Directors of the Company be and are hereby authorised to fix their remuneration for the said year."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT Mr. Mr. Naresh Kumar Singhal who was appointed as Additional director of the Company by the Board pursuant to Section 260 of the

For SAHYOG CREDITS LTD.

Auth. Sign./Director

Companies Act, 1956 and other applicable provisions of Companies Act, 1956 and Article 28 of Articles of Association on 25/07/2012 by the Board of Directors and who ceases to hold office under section 260 of the Companies Act 1956, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT Directors of the Company severally or jointly are authorized to do all the necessary formalities relating to filing of Form 32 with Registrar of Companies, Delhi & Haryana and matters incidental & ancillary thereto may be complied with by the Company."

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

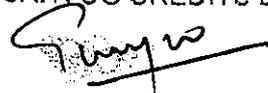
"RESOLVED THAT Mr. Sachin Dewan who was appointed as Additional director of the Company by the Board pursuant to Section 260 of the Companies Act, 1956 and other applicable provisions of Companies Act, 1956 and Article 28 of Articles of Association on 25/07/2012 by the Board of Directors and who ceases to hold office under section 260 of the Companies Act 1956, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT Directors of the Company severally or jointly are authorized to do all the necessary formalities relating to filing of Form 32 with Registrar of Companies, Delhi & Haryana and matters incidental & ancillary thereto may be complied with by the Company."

7. To consider and if thought fit, pass the following resolution, with or without modification as Ordinary Resolution:

"RESOLVED THAT M/s Grover Ahuja & Associates, Company Secretaries, New Delhi be and are hereby re-appointed for the purpose of issuing a Compliance Certificate as required under Section 383A of the Companies Act, 1956, on the terms of the remuneration to be decided mutually between the Directors and the said Company Secretary, and they shall hold their appointment till the conclusion of the next Annual General Meeting."

For and on behalf of the Board
For SAHYOG CREDITS LTD.



Director Auth. Sign./Director

Place: New Delhi

Dated: 31st August, 2012

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the Company.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2011 to 29th September, 2011 (both days inclusive).
3. The proxy form duly completed and signed should be deposited at the registered office of the Company not less than 48 hours before the meeting.
4. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.

Explanatory Statement pursuant of Section 173(2) of the Companies Act, 1956

ITEM NO. 5

Mr. Naresh Kumar Singhal was appointed as an Additional Director of the Company with effect from 25/07/2012 as per the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company. In terms of the provisions of the Companies Act, 1956, he is eligible to hold the office up to the conclusion of this Annual General Meeting. Therefore, Mr. Deepak Kumar being eligible, offers himself for appointment.

The Board of Directors therefore, recommended appointment of Mr. Naresh Kumar Singhal as Director.

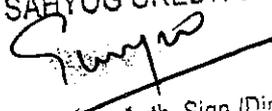
None of the Directors is interested in the said resolution

ITEM NO. 6

Mr. Sachin Dewan was appointed as an Additional Director of the Company with effect from 25/07/2012 as per the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company. In terms of the provisions of the Companies Act, 1956, he is eligible to hold the office up to the conclusion of this Annual General Meeting. Therefore, Mr. Deepak Kumar being eligible, offers himself for appointment.

The Board of Directors therefore, recommended appointment of Mr. Sachin Dewan as Director.

None of the Directors is interested in the said resolution

For SAHYOG CREDITS LTD.

Auth. Sign./Director

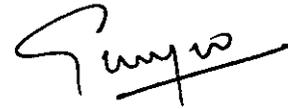
ITEM NO. 7

As per the provisions of Section 383A of the Companies Act, 1956, every Company having a paid up share capital of Rs. 10,00,000/- or more but not exceeding Rs. 5 Crores is required to obtain a Secretarial Compliance Certificate from a Company Secretary in practice regarding the compliance of various provisions of the Companies Act, 1956.

Accordingly the Company has obtained the Compliance Certificate for the year 2011- 2012 from **M/s Grover Ahuja & Associates, Company Secretaries, New Delhi**. The said Compliance Certificate forms a part of the Directors Report and has been placed before the members for their consideration.

The Directors recommend their re-appointment for the issuance of the Compliance Certificate for the year 2012 - 2013

For and on behalf of the Board



Director

Place: New Delhi

Dated: 31stAugust, 2012

SAHYOG CREDITS LIMITED

Regd Office: 5/5761, Gali No: 2, Dev Nagar Karol Bagh New Delhi-110005

DIRECTORS' REPORT

To
The Shareholders
SAHYOG CREDITS LIMITED

The Directors of your Company take pleasure in presenting before you the 21st Annual Report of the Company together with the Audited Financial Statements for the financial year ending 31st March, 2012

FINANCIAL RESULTS

| Description | Amount(Rs.) | Amount(Rs.) |
|--|--------------------------|--------------------------|
| | Year ended 31.03.2012 | Year ended 31.03.2011 |
| Profit/Loss Before Tax | 46,890 | 3,11,601 |
| Less: Provision for Income Tax | (14,500) | (98,000) |
| Less: Adjustment of Deferred Tax Liabilities | (26,010) | (2,69,950) |
| Add: Tax adjustment for earlier years | == | (,312,84) |
| Profit after Income Tax | 6,380 | (87,633) |
| Loss B/F from previous year | (3,31,603) | (2,43,970) |
| Balance Loss being carried forward to Balance Sheet | (3,25,223) | (3,31,603) |

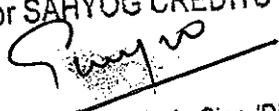
During the year under review the Company earned a profit of Rs. 46,890/- as compared to Rs. 3 11,601/- earned in the previous year. Your Directors are hopeful for better performance of Company in the coming years.

DIVIDEND

The directors do not recommend any dividend for the financial year ending 31st March, 2012 taking into consideration the future requirement of funds.

AUDITOR'S REPORT

The observation made by the Auditors in their report are self-explanatory and do not require any further clarification.

For SAHYOG CREDITS LTD.

Auth. Sign./Director

AUDITORS

The Statutory Auditors of the Company, **M/s R. K. Rathi & Co., Chartered Accountants**, retire at the conclusion of the ensuing Annual General Meeting. They being eligible offer themselves for re-appointment as the Auditors of the Company.

Your Directors recommend their re-appointment as the Statutory Auditors of the Company.

DIRECTORS

The Board of Directors of the Company is duly constituted. During the year Mr. Naresh Kumar Singhal and Mr. Sachin Dewan was appointed as Additional Director w.e.f. m25/07/2012. None of the Directors of the Company is disqualified under the provisions of section 274(1) (g) of the Companies Act, 1956.

As on the date of this report, Board consists of the following members:-

| S.No | Name of the Directors | DIN | Designation | Date of Appointment |
|-------------|------------------------------|------------|---------------------|----------------------------|
| 1. | Ghanshyam Prasad Gupta | 00287019 | Director | 12/11/2009 |
| 2. | Shervon Chhajed | 00509219 | Director | 29/08/2002 |
| 3. | Manoj Bansal | 02122060 | Director | 29/08/2002 |
| 4. | Atma Ram Bansal | 02312423 | Director | 29/08/2002 |
| 5. | Ramesh Kumar Dudani | 02313366 | Director | 29/08/2002 |
| 6. | Naresh Kumar Singhal | 02987526 | Additional Director | 25/07/2012 |
| 7. | Sachin Dewan | 03090690 | Additional Director | 25/07/2012 |

CORPORATE GOVERNANCE

As a listed Company, necessary measures are taken to comply with the listing agreement with the Stock Exchanges. A report on Corporate Governance, certificate of compliance from the Company Secretary in Practice and Management's Discussion & Analysis are attached with this Report.

For SAHYOG CREDITS LTD.~



Auth. Sign./Director

AUDIT COMMITTEE

The Audit Committee comprises three members i.e. Mr. Shervon Chhajer and Mr. Manoj Kumar Bansal as the members and Mr. Ghanshyam Prasad Gupta as the Chairman of the meeting. The composition of the Audit Committee meets the requirements of Section 292 A of the Companies Act, 1956 and Clause 49 of the listing agreement.

DEPOSITS

The Company did not accept any deposits within the meaning of Section 58A of the Companies Act, 1956 and Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 during the financial year under review.

INFORMATION AS REQUIRED UNDER PARAGRAPH 10 OF THE PART II OF NBFC (RB) DIRECTIONS 1977 OF RESERVE BANK OF INDIA

- a) The total number of depositors of the company whose deposits have not been claimed by the depositors or paid by the company after the date on which the deposit become due for repayment or renewal as the case may be according to the contract with the depositors or the provision of these directions whichever may be applicableNIL
- b) The total amount due to depositors and remaining unclaimed or unpaid beyond the date referred to in clause (a) as aforesaidNIL

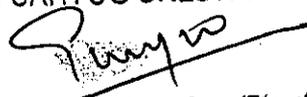
COMPLIANCE CERTIFICATE

As per the requirements of Section 383A of the Companies Act, 1956, the Compliance Certificate regarding compliance by the Company of various requirements of the Companies Act, 1956 and the rules made there under has been obtained from M/s Grover Ahuja & Associates, Company Secretaries for the year ending 31st March, 2012 and the same is attached herewith, forming part of this report.

INFORMATION PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956

The above section is not applicable to the Company as none of the employees of the Company is receiving the remuneration exceeding Rs. 5,00,000/- P.M. or Rs. 60,00,000/- p.a.

For SAHYOG CREDITS LTD.



Auth. Sign./Director

PARTICULARS REQUIRED TO BE FURNISHED IN TERMS OF COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. Conservation of Energy

The disclosure of particulars with respect to conservation of energy pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company. However the Company makes has made best efforts and adopted all relevant measures for conservation of the energy.

B. Technology Absorption

The Company has not carried out any specific research and development activities. Accordingly the information related to technology absorption, adaptation and innovation is reported to be NIL.

C. Foreign Exchange Earnings and Outgo

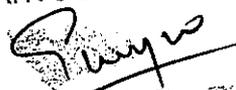
There was no transaction of foreign exchange during the period under review.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

Directors confirm: -

- (i). that in preparation of the Annual Accounts, the applicable Accounting Standards and provisions of revised schedule VI of the Companies Act, 1956, which has come into force w.e.f. April 2011 applicable on all Companies, had been followed along with proper explanation relating to material departures;
- (ii). that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 that period;
- (iii). that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

For SAHYOG CREDITS LTD.

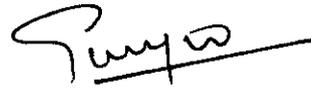

Auth. Sign. Director

- (iv). that the Directors had prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the co-operation patronage, assistance and guidance by their business associates, bankers and clients and other business constituents for their continued support throughout the year. Your directors also express their appreciation for the wholehearted support extended by the shareholders and employees of the Company.

For and on behalf of the Board



Chairman of the Meeting

Place: New Delhi

Dated: 31st August, 2012

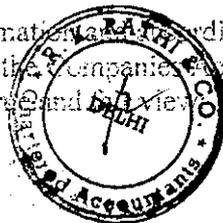
AUDITOR'S REPORT

TO
THE SHAREHOLDERS
Sahyog Credits Limited

We have audited the attached Balance Sheet of Sahyog Credits Limited as at 31st March 2012 and the Statement of Profit & Loss annexed therein for the year ended on that date annexed thereto. 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 have conducted our audit in accordance with Accounting Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles 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.

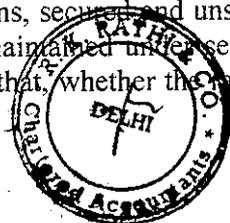
1. As required by the Companies (Auditor's Report) Order, 2003 notified by the Central Government of India, in the Department of Company Affairs (vide Notification No. G.S.R. 480(E) dated 12.06.2003) in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (1 of 1956), we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph (1) above, we report that:-
 1. 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;
 2. In our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of those books;
 3. The Balance Sheet and Statement of Profit & Loss dealt with by this report are in agreement with the books of accounts;
 4. In our opinion the said Balance Sheet and Statement of Profit & Loss comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 in so far as they apply to the Company;
 5. On the basis of written presentations received from the Directors as on 31st March 2012, we report that none of the directors are disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.
 6. In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and subject to notes appended thereto, give a true and fair view.



Annexure to the Auditors Report on the Accounts of Sahyog Credits Limited.

(Referred to in Paragraph 1 of our report of even date on the accounts for the year ended 31st March, 2012.)

1. (a) The company has maintained proper records of fixed Assets showing full particulars including quantitative details and situation thereof
 - (b) The Company has regular programmes of physical verification of its fixed assets which in our opinion is reasonable having regard to the size of the Company and nature of its fixed assets. In accordance with this programme, the management during the year physically verified certain assets and no discrepancies were noticed on such verification.
 - (c) During the year, all the fixed assets have been disposed off by the Company. However they do not affect the going concern assumption.
2. (a) As per information and explanation given to us, the management during the year at reasonable intervals has physically verified the stock of Securities & Shares.
 - (b) The procedure of physical verification of stock of shares followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) The Company is maintaining proper records of stock of shares and as explained to us, no discrepancy has been noticed on physical verification of shares as compared to book record.
3. (a) The Company has not granted any loans, secured and unsecured to /from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) Since the Company has not granted any loans, secured and unsecured to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 accordingly the provision requiring that, whether the rate of interest and other terms and conditions of loan given by the Company, secured and unsecured are prima facie prejudicial to the interest of the Company, is not applicable to the Company.
 - (c) The Company has not granted any loans, secured and unsecured to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 accordingly the provision requiring that, whether the payment of principal amount and interest are also regular, is not applicable to the Company.
 - (d) Since the Company has not granted any loans, secured and unsecured to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 accordingly the provision requiring that, if the overdue amount is more than Rs. 1 lac, whether reasonable steps have been taken by the Company for recovery of the principal and interest, is not applicable to the Company.
 - (e) The Company has not taken any loans, secured and unsecured to /from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (f) Since the Company has not taken any loans, secured and unsecured to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 accordingly the provision requiring that, whether the rate of interest and other terms and



12. The Provisions requiring that, whether adequate documents and records are maintained, in cases where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities, are not applicable to the Company.
13. The Provisions requiring that, whether the provisions of any special statute applicable to chit fund have been duly complied with, are not applicable to the Company.
14. The Company is dealing in shares and securities. The Company has maintained proper records of the transactions and contracts and also has made timely entries of the transactions. We also report that the Shares, Securities, Debenture and other Securities have been held by the Company in its own name.
15. The Company has not given any guarantee for loans taken by others from Banks or financial institutions, hence the provisions requiring whether the terms and conditions whereof are prejudicial to the interest of the Company, are not applicable to the Company.
16. The provisions requiring that, whether term loans were applied for the purpose for which the loans were obtained, are not applicable to the Company.
17. The Provisions requiring that, whether the funds on short-term basis have been used for long term investment and vice-versa, are not applicable to the Company.
18. The Company has not made any preferential allotment of shares to Companies, firm or other parties covered in the Register maintained under section 301 of the Act. Accordingly, the provisions requiring that, the price at which shares have been issued is prejudicial to the interest of the Company are not applicable to the Company.
19. The provisions requiring that, securities have been created in respect of debentures issued, are not applicable to the Company.
20. The provisions requiring that, whether the management has disclosed the end use of money raised by public issues and the same has been verified, are not applicable to the Company.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

FOR R.K. RATHI & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No. 10695N



Place: New Delhi
Date: 31st August, 2012

Ramesh Kumar Rathi
R.K. RATHI
PROPRIETOR
(M.No. 86189)

SAHYOG CREDITS LIMITED

Balance Sheet as at 31st March, 2012

(All amounts in Rupees, unless otherwise stated)

| EQUITY AND LIABILITIES | Note | As at 31.03.2012 Rs. | As at 31.03.2011 Rs. |
|---------------------------------|------|----------------------------|----------------------------|
| Shareholder Funds | | | |
| Share Capital | 3 | 30,600,000 | 30,600,000 |
| Reserve & Surplus | 4 | (325,223) | (331,603) |
| | | <u>30,274,777</u> | <u>30,268,397</u> |
| Current Liabilities | | | |
| Trade payable | 5 | - | 1,000,000 |
| Other Current Liabilities | 6 | 4,278,977 | 39,708 |
| | | <u>4,278,977</u> | <u>1,039,708</u> |
| Total | | <u><u>34,553,754</u></u> | <u><u>31,308,105</u></u> |
| ASSETS | | | |
| Non Current Assets | | | |
| Fixed Assets | | | |
| Tangible assets | 7 | - | 81,835 |
| Deferred tax assets | 8 | - | 26,010 |
| Long-term loans and advances | 9 | 252,577 | 270,740 |
| Current Assets | | | |
| Cash and bank balances | 10 | 612,964 | 466,153 |
| Short Term loans and advances | 11 | 33,688,213 | 30,463,367 |
| | | <u>34,301,177</u> | <u>30,929,520</u> |
| Total | | <u><u>34,553,754</u></u> | <u><u>31,308,105</u></u> |
| Significant accounting policies | 2 | | |

See accompanying notes 1 to 21 which form an Integral part of financial statements

As per our report attached even date

For **R.K.RATHI & CO.**

Chartered Accountants

Registration No.:10695N

Ram K. Rathi

R.K.Rathi

Proprietor

Membership No.: 86189

Place: New Delhi

Date :31st August 2012



For and on behalf of the Board of Directors

Sahyog Credits Limited

*Manoj Bansal*Manoj Bansal
Director

Place: New Delhi

Date :31st August 2012

*Ghanshyam Prasad Gupta*Ghanshyam Prasad Gupta
Director

Place: New Delhi

Date :31st August 2012

SAHYOG CREDITS LIMITED

Notes to financial statements for the year ended 31 March 2012

(All amounts in Indian Rupees unless otherwise stated)

1. Background

Sahyog Credits Limited is a company incorporated on 10th January 1992 under Companies Act, 1956 The Company is a Non Banking Finance Company duly registered with Reserve Bank of India under section 45 -1A of Reserve Bank of India Act, 1934. The Company was incorporated to carry on business of financing, trading in shares & securities and Investment

2. Significant accounting policies

a. Basis of preparation of financial statements

The financial statements of the Company are prepared and presented under the historical cost convention on the accrual basis of accounting, as a going concern and in accordance with the Companies (Accounting Standards) Rules, 2006 notified by the Central Government, generally accepted accounting principles in India ('GAAP') and the provisions of the Companies Act, 1956, as applicable to the Company and applied consistently.

This is the first year of application of the revised schedule VI to the Companies act, 1956 for the preparation of the financial statements of the Company. The revised schedule VI introduces some significant conceptual changes as well as new disclosures. These include classification of all assets and liabilities into current and non- current. The previous year figures have also undergone a major reclassification to comply with the requirements of revised schedule VI.

b. Current and non- current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current & non-current classification of assets and liabilities.

Assets

An asset is classified in to current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- It is held primarily for the purpose of being traded.
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non- current financial assets.

All other assets are classified as non – current.



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SAHYOG CREDITS LIMITED

Notes to financial statements for the year ended 31 March 2012

(All amounts in Indian Rupees unless otherwise stated)

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle.
- It is held primarily for the purpose of being traded.
- It is expected to be realized within 12 months after the reporting date; or
- The Company does not have unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

c. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. The management believes that the estimates made in the preparation of the financial statements are prudent and reasonable.

d. Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost of acquisition is inclusive of freight inward, duties, taxes and other directly attributable expenses incurred to bring the assets to their working condition for intended use.

Intangible fixed assets purchased comprising computer softwares, are stated at acquisition cost less accumulated amortization and impairment loss, if any. Intangible fixed assets are capitalized where it is expected to provide future enduring economic benefits. Capitalization costs include license fees and cost of implementation/system integration services. The costs are capitalised in the year in which the software is fully implemented for use.

e. Depreciation and amortization

Depreciation on tangible fixed assets is provided on written down value method, at rates specified in Schedule XIV to the Companies Act, 1956.

Depreciation is calculated on pro-rata basis from the date of additions, except in case of assets costing Rs. 5,000 or less, where each such asset is fully depreciated in the year of purchase. Depreciation on assets sold / discarded during the year is provided till the date of such sale / disposal.

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SAHYOG CREDITS LIMITED

Notes to financial statements for the year ended 31 March 2012

(All amounts in Indian Rupees unless otherwise stated)

f. Revenue recognition

Interest on loans is recognised in the Statement of Profit and Loss on an accrual basis, except in the case of non-performing assets where it is recognized upon realization in accordance with the prudential norms of the RBI

g. Income-tax expense

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax laws) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities and / or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and are written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

h. Transactions in foreign currency

Transactions in foreign currency are recorded at the exchange rates prevailing at the date of the transaction. Exchange differences arising on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies and remaining unsettled as at the balance sheet date is translated using the closing exchange rates on that date and the resultant net exchange difference is recognized in the Statement of Profit and Loss.

i. Earnings/ (loss) per share

Basic earnings/ (loss) per share is computed by dividing the net profit/ (loss) for the year attributable to equity shareholders by using the weighted average number of equity shares outstanding during the year.

j. Provisions, contingent liabilities and contingent assets

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

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.



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SAHYOG CREDITS LIMITED

Notes to financial statements for the year ended 31 March 2012

(All amounts in Indian Rupees unless otherwise stated)

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

k. Provision for Non-Performing Assets

Provision for standard and non-performing assets

- In accordance with Prudential Norms, contingent provision at 0.25% has been created on outstanding standard assets
- In accordance with Para 10 of Prudential Norms, the Company has shown provision for loans under 'Provisions' forming part of 'Current liabilities and provisions'

Provision for non-performing assets is recorded at rates which are equal to or higher than the rates specified by Reserve Bank of India in their guidelines on prudential norms. The rates used by the Company are as follows:

| <i>Asset Classification</i> | <i>Period of Arrears (in Months)</i> | <i>Rates as per Company percentage of Portfolio</i> |
|-----------------------------|--------------------------------------|---|
| Standard | 0 – 1 | 0.25 |
| Substandard | 1 – 2 | 10 |
| Substandard | 2 – 3 | 25 |
| Doubtful | 3 – 4 | 50 |
| Loss | Above 4 | 100 |

L. As per regulation 6 of NBFC Prudential Norms (Reserve Bank) Directions, 1998 regarding accounting for investment:

- a. The company value its current investments in unquoted equity shares at cost or breakup value, whichever is less
- b. The Company values its long-term investment in unquoted equity shares in accordance with the accounting standard issued by ICAI. The Institute of Chartered Accountant of India has issued Accounting Standard "AS-13" pertaining to Accounting for investment



SAHYOG CREDITS LIMITED

Notes to financial statement for the year ended 31 March 2012

(All amounts in Rupees, unless otherwise stated)

| | As at 31 March 2012 Rs. | As at 31 March 2011 Rs. |
|---|-------------------------------|----------------------------------|
| 3 Share Capital | | |
| Authorised: | | |
| Equity shares of Rs. 10 each * | 35,000,000 | 35,000,000 |
| | <u>35,000,000</u> | <u>35,000,000</u> |
| Issued, Subscribed & Paid up: | | |
| Equity shares of Rs. 10 each, fully paid up * | 30,600,000 | 30,600,000 |
| | <u>30,600,000</u> | <u>30,600,000</u> |

*The Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders.

i) During the current year and in the previous year, there has been no movement in the issued, subscribed and paid up share capital of the company.

ii) The Company does not have any shareholder holding more than 5% of the shares of the company

4 Reserve & Surplus

| | As at 31 March 2012 | As at 31 March 2011 |
|---|------------------------|---------------------------|
| Surplus / (Deficit) in the Statement of Profit and Loss | | |
| At the beginning of the year | -331,603 | -243,970 |
| Add: Profit / (loss) for the year | 6,380 | -87,633 |
| | <u>-325,223</u> | <u>-331,603</u> |



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| | As at 31 March 2012 | As at 31 March 2011 |
|--------------------------------------|------------------------|---------------------------|
| 5 Trade payables | | |
| Payable to: | | |
| -Micro, small and medium enterprises | - | - |
| -Others | - | 1,000,000 |
| | <u>-</u> | <u>1,000,000</u> |
| | <u>-</u> | <u>1,000,000</u> |

* Based on the information available with the management, there are no dues outstanding to enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006". Further no interest has been paid or is payable during the year under the provision of that act.

| | | |
|----------------------------------|------------------|---------------|
| 6 Other Current Liability | | |
| Audit fee's Payable | 19,854 | 39,708 |
| Book Overdraft | 4,259,123 | |
| | <u>4,278,977</u> | <u>39,708</u> |
| | <u>4,278,977</u> | <u>39,708</u> |

| | As at 31 March 2012 | As at 31 March 2011 |
|------------------------------------|------------------------|------------------------|
| 8 Deferred tax asset | | |
| Deferred tax assets on account of: | | |
| Depreciation | - | 26,010 |
| | <u>-</u> | <u>26,010</u> |
| | <u>-</u> | <u>26,010</u> |

| | As at 31 March 2012 | As at 31 March 2011 |
|---|------------------------|------------------------|
| 9 Long-term loans and advances | | |
| Advance tax | 252,577 | 270,740 |
| [net of provision for income tax of Rs. 3,77,500 (previous year Rs. 4,53,000)] | | |
| | <u>252,577</u> | <u>270,740</u> |
| | <u>252,577</u> | <u>270,740</u> |

| | As at 31 March 2012 | As at 31 March 2011 |
|----------------------------------|------------------------|------------------------|
| 10 Cash and bank balances | | |
| Cash and cash equivalents: | | |
| Cash on hand | 612,964 | 372,134 |
| Balances with banks | | |
| - on current accounts | - | 94,019 |
| | <u>612,964</u> | <u>466,153</u> |
| | <u>612,964</u> | <u>466,153</u> |

| | As at 31 March 2012 | As at 31 March 2011 |
|--|------------------------|------------------------|
| 11 Short Term Loans & Advances | | |
| <i>Unsecured considered good unless otherwise stated</i> | | |
| Loans | 33,688,213 | 30,463,367 |
| | <u>33,688,213</u> | <u>30,463,367</u> |
| | <u>33,688,213</u> | <u>30,463,367</u> |



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7 Fixed Assets

| Particulars | Rate of Depreciation | Gross Block | | | Depreciation | | | Net Block As at 31 March 2012 |
|------------------------|----------------------|---------------------|------------------------|------------------------|---------------------|---------------------------|----------------------|-------------------------------|
| | | As at 31 March 2011 | Additions/ adjustments | Deletions/ adjustments | As at 31 March 2011 | For the year/ adjustments | Deletion/ adjustment | |
| Tangible owned assets | | | | | | | | |
| Computers | 25.89 | 176,500 | - | 176,500 | - | 164,227 | - | - |
| Furniture and fixtures | 18.10 | 46,348 | - | 46,348 | - | 37,545 | - | - |
| Air conditioners | 13.91 | 79,500 | - | 79,500 | - | 51,120 | - | - |
| CCTV | 13.91 | 13,120 | - | 13,120 | - | 8,498 | - | - |
| Mobile phone | 13.91 | 35,777 | - | 35,777 | - | 21,701 | - | - |
| Scooter | 25.89 | 82,700 | - | 82,700 | - | 69,019 | - | - |
| Total | | 433,945 | | 433,945 | | 352,110 | | |

| Particulars | Rate of Depreciation | Gross Block | | | Depreciation | | | Net Block As at 31 March 2011 |
|------------------------|----------------------|---------------------|------------------------|------------------------|---------------------|---------------------------|----------------------|-------------------------------|
| | | As at 31 March 2010 | Additions/ adjustments | Deletions/ adjustments | As at 31 March 2011 | For the year/ adjustments | Deletion/ adjustment | |
| Tangible owned assets | | | | | | | | |
| Computers | 25.89 | 176,500 | - | - | 176,500 | 159,940 | 4,287 | 164,227 |
| Furniture and fixtures | 18.10 | 46,348 | - | - | 46,348 | 35,600 | 1,945 | 37,545 |
| Air conditioners | 13.91 | 79,500 | - | - | 79,500 | 46,534 | 4,586 | 51,120 |
| CCTV | 13.91 | 13,120 | - | - | 13,120 | 7,751 | 747 | 8,498 |
| Mobile phone | 13.91 | 35,777 | - | - | 35,777 | 19,427 | 2,274 | 21,701 |
| Scooter | 25.89 | 82,700 | - | - | 82,700 | 64,239 | 4,780 | 69,019 |
| Total | | 433,945 | | | 433,945 | 333,491 | 18,619 | 352,110 |

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SAHYOG CREDITS LIMITED

Notes to financial statement for the year ended 31 March 2012

(All amounts in Rupees, unless otherwise stated)

12 Revenue from Operation

| | For the year ended 31 March 2012 | For the year ended 31 March 2011 |
|------------------------|-------------------------------------|-------------------------------------|
| Interest income | | |
| Interest on loans | 1,375,722 | 2,517,224 |
| | <u>1,375,722</u> | <u>2,517,224</u> |

13 Other Income

| | | |
|--|-----------------|-----------------|
| Profit on sale of investment | 5,000 | 8,500 |
| Interest received on income tax refund | 2,768 | - |
| | <u>7,768.00</u> | <u>8,500.00</u> |

14 Employee Benefit Expenses

| | | |
|------------------------|----------------|------------------|
| Salary | 614,675 | 1,062,900 |
| Staff Welfare Expenses | 47,426 | 98,374 |
| | <u>662,101</u> | <u>1,161,274</u> |

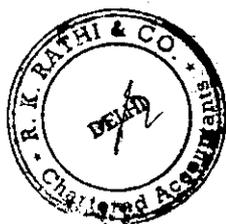
15 OTHER EXPENSES

| | | |
|-------------------------------------|-----------------------|-------------------------|
| Advertisement | 21,120 | 25,920 |
| Travelling & conveyance | 52,818 | 99,571 |
| Printing and stationery | 48,829 | 89,408 |
| Books and periodicals | 26,722 | 38,213 |
| Legal and professional expense | 11,030 | 27,500 |
| Listing fees | 8,273 | 16,546 |
| Repair and Maintenance | 46,154 | 75,814 |
| Auditors Remuneration (refer below) | 19,854 | 19,854 |
| AGM Expenses | 12,235 | 27,900 |
| Business Promotion Exp. | 28,566 | 66,038 |
| Visitor expenses | 33,154 | 64,519 |
| Office expenses | 53,380 | 85,511 |
| Office rent | 180,000 | 180,000 |
| Electricity and water expenses | 67,086 | 91,514 |
| Bank charges | 1,048 | 1,898 |
| Courier Charges | 15,114 | 24,898 |
| Telephone Expenses | 47,616 | 90,876 |
| Filing fees | 1,500 | 8,250 |
| Total | <u><u>674,499</u></u> | <u><u>1,034,230</u></u> |

Auditor's remuneration

As auditor

| | | |
|---------------|---------------|---------------|
| Audit fee | 19,854 | 19,854 |
| Tax audit fee | - | - |
| | <u>19,854</u> | <u>19,854</u> |



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SAHYOG CREDITS LIMITED

Notes to financial statements for the year ended 31 March 2012

(All amounts in Indian Rupees unless otherwise stated)

16. Earnings per share:

| Particulars | Year ended 31 March 2012 | Year ended 31 March 2011 |
|---|-----------------------------|-----------------------------|
| Net Profit / loss after tax (A) | 6,380 | (87,633) |
| Weighted average of number of equity shares * (B) | 30,600,00 | 30,600,00 |
| Face value per share | 10 | 10 |
| Basic earnings per share (A/B) | .002 | (.029) |

17. The Company has no Sub-Standard, Doubtful or loss Assets, Therefore provision's required as per Regulation 7 and 8 of NBFC Prudential Norms (reserve Bank) Directions, 1998 are not applicable to the Company.

18. In our opinion the Board and to the best of their knowledge, the value of the current Assets, Loans & Advances in the ordinary course of business would not be less than the amount at which they are stated in the balance sheet.

19. Expenditure in Foreign Currency

| | Rs. In Lacs | Previous Year Rs. In Lacs |
|----------------|-------------|------------------------------|
| Foreign Travel | Nil | Nil |

20. Segment reporting

In the opinion of the management, there is only one reportable business segment (Loan Financing) as Envisaged By AS 17 'Segment Reporting', prescribed by the Companies (Accounting Standards) Rules, 2006. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company

Secondary segmentation based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India



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82

SAHYOG CREDITS LIMITED

Notes to financial statements for the year ended 31 March 2012

(All amounts in Indian Rupees unless otherwise stated)

21. Previous year figures have been re-grouped or re-arranged, wherever found necessary to make them Comparable with current year figures and are rounded off the nearest rupee.

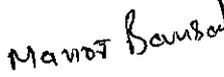
For **R.K Rathi & Co**
Chartered Accountants
Firm Registration No.: 10695N

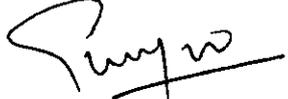

R.K. Rathi
Proprietor
Membership No: 86189

Place: New Delhi
Date: 31st August 2012



For and on behalf of the Board of Directors of
Sahyog Credit Limited


Manoj Bansal
Director


Ghanshyam Prasad Gupta
Director

Place: New Delhi
Date: 31st August 2012

Grouping 2012

Detail of Fixed Assets Sold

| Particular | Balance as on 31.03.2011 | Sale During the year |
|------------------------|-----------------------------|-------------------------|
| Computer | 12273 | 12273 |
| Furniture & Fixture | 8803 | 8803 |
| Air Conditioner | 28380 | 28380 |
| CC TV | 4622 | 4622 |
| Mobile Phone | 14076 | 14076 |
| Secoter | 13681 | 13681 |
| Total | 81,835 | 81835 |

Detail of Tax Deducted at Source on 31.03.2012

| Particular | Rs. |
|------------------------------------|----------------|
| TDS 2006-07 | 260194 |
| TDS 2007-08 | 96392 |
| TDS 2010-11 | 193692 |
| TDS 2011-12 | 79799 |
| | 630077 |
| Less Provisions in the Book | -377500 |
| | 252577 |

Detail of Short Term Loans

| | |
|---------------------------|-----------------|
| Arvind jain | 2725000 |
| Hotal RamThambour Regency | 548000 |
| Rakesh Kumar Agarwal | 1090000 |
| Ravinder Kumar Jain | 2234500 |
| RMC Switch Gears Ltd. | 4090713 |
| | 10688213 |

Detail od Short Term Advances

| | |
|-------------------------------|-----------------|
| Goodlife Impex Pvt. Ltd. | 19600000 |
| JBB Infrastructures Pvt. Ltd. | 3400000 |
| | 23000000 |

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Name of Assessee :

SAHYOG CREDITS LIMITED

Status :

Company

PAN :

AAACS0225L

Previous Year :

2011-12

Assessment Year :

2012-13

Address :

5/5761 Gali No2, Dev Nagar
Karol Bagh New Delhi-110005

Statement of Computation of Total Income and Tax:

| Particulars | | Amount (Rs.) |
|---|--------|---------------|
| <u>Profits and Gains from Business and Profession:</u> | | |
| Profit / Loss as per P & L account | 46,890 | |
| Gross Total Income / Taxable Income | | 46,890 |
| Total Income R/o | | 46,890 |
| Tax on Income @ 30% | 14,067 | |
| | 14,067 | |
| Add : Education Cess @ 3% | 422 | |
| Tax Due | | 14,489 |
| Tax deducted at source | | 79,799 |
| Less : Advance Tax | | NIL |
| INCOME TAX REFUNDABLE | | 65,310 |

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SAHYOG CREDITS LIMITED

Statement of Profit and Loss for the year ended 31 March 2012

(All amounts in Rupees, unless otherwise stated)

| | Note | For the year ended 31 March 2012 | For the year ended 31 March 2011 |
|--|------|-------------------------------------|-------------------------------------|
| Revenue | | | |
| Revenue from Operation | 12 | 1,375,722 | 2,517,224 |
| Other income | 13 | 7,768 | 8,500 |
| Total Revenue | | 1,383,490 | 2,525,724 |
| Expenditure | | | |
| Employee benefit expense | 14 | 662,101 | 1,161,274 |
| Depreciation | 7 | - | 18,619 |
| Other Expenses | 15 | 674,499 | 1,034,230 |
| Total expenses | | 1,336,600 | 2,214,123 |
| Profit before tax | | 46,890 | 311,601 |
| Tax expense : | | | |
| - current tax | | 14,500 | 98,000 |
| - tax adjustment for earlier years | | - | 31,284 |
| - deferred tax charge | | 26,010 | 269,950 |
| Profit/ (Loss) for the year | | 6,380 | (87,633) |
| Earning per equity share (Rs.) | | | |
| Basic earning per share (Face value Rs 10) | | 0.002 | (0.029) |

Significant accounting policies

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See accompanying notes 1 to 21 which form an Integral part of financial statements

As per our report attached even date

For **R.K.RATHI & CO.**

Chartered Accountants

Registration No.:10695N

Ramesh Kumar Rathi

R.K.Rathi

Proprietor

Membership No.: 86189



Place: New Delhi

Date : 31st August 2012

For and on behalf of the Board of Directors

Sahyog Credits Limited

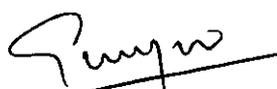
Manoj Bansal

Manoj Bansal

Director

Place: New Delhi

Date : 31st August 2012



Ghanshyam Prasad Gupta
Director

Place: New Delhi

Date : 31st August 2012

SAHYOG CREDITS LIMITED

Notes to financial statements for the year ended 31 March 2012

(All amounts in Indian Rupees unless otherwise stated)

1. Background

Sahyog Credits Limited is a company incorporated on 10th January 1992 under Companies Act, 1956 The Company is a Non Banking Finance Company duly registered with Reserve Bank of India under section 45 -1A of Reserve Bank of India Act, 1934. The Company was incorporated to carry on business of financing, trading in shares & securities and Investment

2. Significant accounting policies

a. Basis of preparation of financial statements

The financial statements of the Company are prepared and presented under the historical cost convention on the accrual basis of accounting, as a going concern and in accordance with the Companies (Accounting Standards) Rules, 2006 notified by the Central Government, generally accepted accounting principles in India ('GAAP') and the provisions of the Companies Act, 1956, as applicable to the Company and applied consistently.

This is the first year of application of the revised schedule VI to the Companies act, 1956 for the preparation of the financial statements of the Company. The revised schedule VI introduces some significant conceptual changes as well as new disclosures. These include classification of all assets and liabilities into current and non- current. The previous year figures have also undergone a major reclassification to comply with the requirements of revised schedule VI.

b. Current and non- current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current & non-current classification of assets and liabilities.

Assets

An asset is classified in to current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- It is held primarily for the purpose of being traded.
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non- current financial assets.

All other assets are classified as non – current.



A handwritten signature in black ink, appearing to be 'M.R.'.

A handwritten signature in black ink, appearing to be 'S.R.'.

SAHYOG CREDITS LIMITED

Notes to financial statements for the year ended 31 March 2012

(All amounts in Indian Rupees unless otherwise stated)

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle.
- It is held primarily for the purpose of being traded.
- It is expected to be realized within 12 months after the reporting date; or
- The Company does not have unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

c. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. The management believes that the estimates made in the preparation of the financial statements are prudent and reasonable.

d. Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost of acquisition is inclusive of freight inward, duties, taxes and other directly attributable expenses incurred to bring the assets to their working condition for intended use.

Intangible fixed assets purchased comprising computer softwares, are stated at acquisition cost less accumulated amortization and impairment loss, if any. Intangible fixed assets are capitalized where it is expected to provide future enduring economic benefits. Capitalization costs include license fees and cost of implementation/system integration services. The costs are capitalised in the year in which the software is fully implemented for use.

e. Depreciation and amortization

Depreciation on tangible fixed assets is provided on written down value method, at rates specified in Schedule XIV to the Companies Act, 1956.

Depreciation is calculated on pro-rata basis from the date of additions, except in case of assets costing Rs. 5,000 or less, where each such asset is fully depreciated in the year of purchase. Depreciation on assets sold / discarded during the year is provided till the date of such sale / disposal.

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SAHYOG CREDITS LIMITED

Notes to financial statements for the year ended 31 March 2012

(All amounts in Indian Rupees unless otherwise stated)

f. Revenue recognition

Interest on loans is recognised in the Statement of Profit and Loss on an accrual basis, except in the case of non-performing assets where it is recognized upon realization in accordance with the prudential norms of the RBI

g. Income-tax expense

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax laws) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities and / or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and are written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

h. Transactions in foreign currency

Transactions in foreign currency are recorded at the exchange rates prevailing at the date of the transaction. Exchange differences arising on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies and remaining unsettled as at the balance sheet date is translated using the closing exchange rates on that date and the resultant net exchange difference is recognized in the Statement of Profit and Loss.

i. Earnings/ (loss) per share

Basic earnings/ (loss) per share is computed by dividing the net profit/ (loss) for the year attributable to equity shareholders by using the weighted average number of equity shares outstanding during the year.

j. Provisions, contingent liabilities and contingent assets

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

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.



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SAHYOG CREDITS LIMITED**Notes to financial statements for the year ended 31 March 2012**

(All amounts in Indian Rupees unless otherwise stated)

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

k. Provision for Non-Performing Assets

Provision for standard and non-performing assets

- In accordance with Prudential Norms, contingent provision at 0.25% has been created on outstanding standard assets
- In accordance with Para 10 of Prudential Norms, the Company has shown provision for loans under 'Provisions' forming part of 'Current liabilities and provisions'

Provision for non-performing assets is recorded at rates which are equal to or higher than the rates specified by Reserve Bank of India in their guidelines on prudential norms. The rates used by the Company are as follows:

| <i>Asset Classification</i> | <i>Period of Arrears (in Months)</i> | <i>Rates as per Company percentage of Portfolio</i> |
|-----------------------------|--------------------------------------|---|
| Standard | 0 – 1 | 0.25 |
| Substandard | 1 – 2 | 10 |
| Substandard | 2 – 3 | 25 |
| Doubtful | 3 – 4 | 50 |
| Loss | Above 4 | 100 |

L. As per regulation 6 of NBFC Prudential Norms (Reserve Bank) Directions, 1998 regarding accounting for investment:

- a. The company value its current investments in unquoted equity shares at cost or breakup value, whichever is less
- b. The Company values its long-term investment in unquoted equity shares in accordance with the accounting standard issued by ICAI. The Institute of Chartered Accountant of India has issued Accounting Standard "AS-13" pertaining to Accounting for investment



7 Fixed Assets

| Particulars | Rate of Depreciation | Gross Block | | | Depreciation | | | Net Block As at 31 March 2012 |
|------------------------|----------------------|---------------------|------------------------|------------------------|---------------------|---------------------------|----------------------|-------------------------------|
| | | As at 31 March 2011 | Additions/ adjustments | Deletions/ adjustments | As at 31 March 2011 | For the year/ adjustments | Deletion/ adjustment | |
| Tangible owned assets | | | | | | | | |
| Computers | 25.89 | 176,500 | - | 176,500 | - | 164,227 | - | - |
| Furniture and fixtures | 18.10 | 46,348 | - | 46,348 | - | 37,545 | - | - |
| Air conditioners | 13.91 | 79,500 | - | 79,500 | - | 51,120 | - | - |
| CCTV | 13.91 | 13,120 | - | 13,120 | - | 8,498 | - | - |
| Mobile phone | 13.91 | 35,777 | - | 35,777 | - | 21,701 | - | - |
| Scooter | 25.89 | 82,700 | - | 82,700 | - | 69,019 | - | - |
| Total | | 433,945 | | 433,945 | | 352,110 | | |

| Particulars | Rate of Depreciation | Gross Block | | | Depreciation | | | Net Block As at 31 March 2011 |
|------------------------|----------------------|---------------------|------------------------|------------------------|---------------------|---------------------------|----------------------|-------------------------------|
| | | As at 31 March 2010 | Additions/ adjustments | Deletions/ adjustments | As at 31 March 2011 | For the year/ adjustments | Deletion/ adjustment | |
| Tangible owned assets | | | | | | | | |
| Computers | 25.89 | 176,500 | - | - | 176,500 | 159,940 | 4,287 | 164,227 |
| Furniture and fixtures | 18.10 | 46,348 | - | - | 46,348 | 35,600 | 1,945 | 37,545 |
| Air conditioners | 13.91 | 79,500 | - | - | 79,500 | 46,534 | 4,586 | 51,120 |
| CCTV | 13.91 | 13,120 | - | - | 13,120 | 7,751 | 747 | 8,498 |
| Mobile phone | 13.91 | 35,777 | - | - | 35,777 | 19,427 | 2,274 | 21,701 |
| Scooter | 25.89 | 82,700 | - | - | 82,700 | 64,239 | 4,780 | 69,019 |
| Total | | 433,945 | | | 433,945 | 333,491 | 18,619 | 352,110 |

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SAHYOG CREDITS LIMITED

Notes to financial statement for the year ended 31 March 2012

(All amounts in Rupees, unless otherwise stated)

12 Revenue from Operation

| | For the year ended 31 March 2012 | For the year ended 31 March 2011 |
|------------------------|-------------------------------------|-------------------------------------|
| Interest income | | |
| Interest on loans | 1,375,722 | 2,517,224 |
| | <u>1,375,722</u> | <u>2,517,224</u> |

13 Other Income

| | | |
|--|-----------------|-----------------|
| Profit on sale of investment | 5,000 | 8,500 |
| Interest received on income tax refund | 2,768 | - |
| | <u>7,768.00</u> | <u>8,500.00</u> |

14 Employee Benefit Expenses

| | | |
|------------------------|----------------|------------------|
| Salary | 614,675 | 1,062,900 |
| Staff Welfare Expenses | 47,426 | 98,374 |
| | <u>662,101</u> | <u>1,161,274</u> |

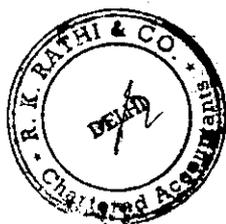
15 OTHER EXPENSES

| | | |
|-------------------------------------|-----------------------|-------------------------|
| Advertisement | 21,120 | 25,920 |
| Travelling & conveyance | 52,818 | 99,571 |
| Printing and stationery | 48,829 | 89,408 |
| Books and periodicals | 26,722 | 38,213 |
| Legal and professional expense | 11,030 | 27,500 |
| Listing fees | 8,273 | 16,546 |
| Repair and Maintenance | 46,154 | 75,814 |
| Auditors Remuneration (refer below) | 19,854 | 19,854 |
| AGM Expenses | 12,235 | 27,900 |
| Business Promotion Exp. | 28,566 | 66,038 |
| Visitor expenses | 33,154 | 64,519 |
| Office expenses | 53,380 | 85,511 |
| Office rent | 180,000 | 180,000 |
| Electricity and water expenses | 67,086 | 91,514 |
| Bank charges | 1,048 | 1,898 |
| Courier Charges | 15,114 | 24,898 |
| Telephone Expenses | 47,616 | 90,876 |
| Filing fees | 1,500 | 8,250 |
| Total | <u><u>674,499</u></u> | <u><u>1,034,230</u></u> |

Auditor's remuneration

As auditor

| | | |
|---------------|---------------|---------------|
| Audit fee | 19,854 | 19,854 |
| Tax audit fee | - | - |
| | <u>19,854</u> | <u>19,854</u> |



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