



**18th  
Annual Report  
2010-2011**



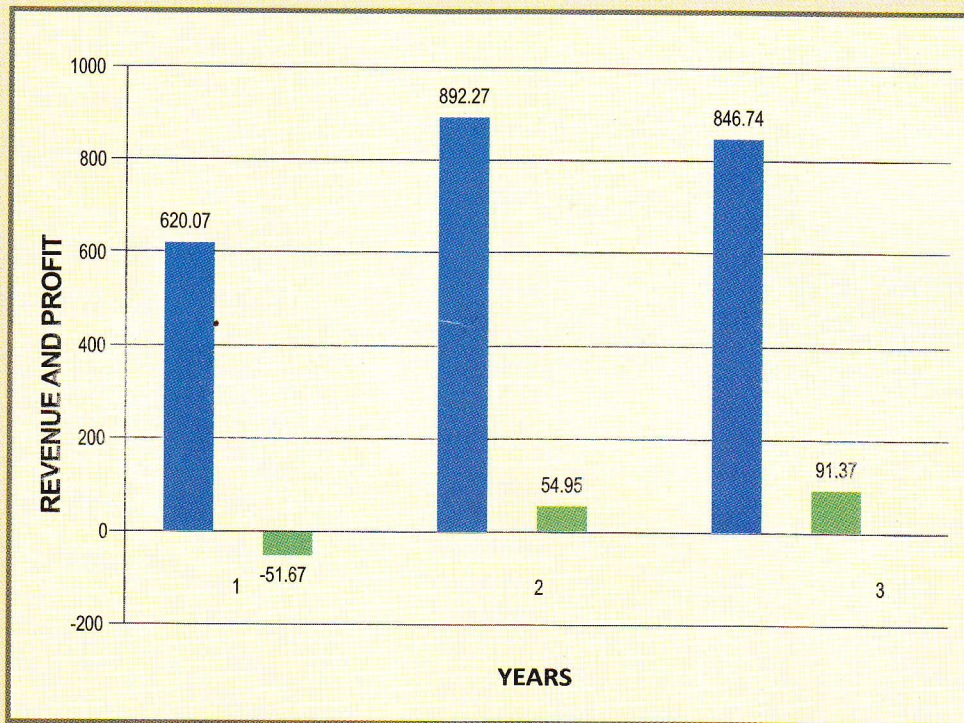
**SUGAL & DAMANI SHARE BROKERS LIMITED**



	FY 2008-09	FY 2009-10	FY 2010 -11 Rs. in Lakhs
Revenue	620.07	892.27	846.74
PAT	-51.67	54.95	91.37

### FINANCIAL PERFORMANCE OF LAST THREE YEARS

Rs. in Lakhs



FY 2008-09      FY 2009-10      FY 2010 -11

### Highlights of financial Performance

1. Substantial growth in revenue by 66%
2. Dividend declared @ 5%





## SUGAL & DAMANI SHARE BROKERS LIMITED

(Formerly known as Sugal & Damani Finlease Limited)

BOARD OF DIRECTORS	:	P. J. Sreedharan, F.C.A. Chairman R.N. Damani S. Kannadasan, A..C.A. S. Prasanchand Jain Babulal Surana, F.C.A. S. Vinodh Kumar Jain, B.Com. Executive Director Mahesh B. Chandak, F.C.A. Executive Director
COMPANY SECRETARY	:	R. Vaidyanathan
BANKERS	:	Axis Bank Ltd. HDFC Bank Ltd. Indian Overseas Bank Karur Vysya Bank Ltd State Bank of India
CORPORATE LAW ADVISOR	:	M/s. Mundhara & Co. Company Secretaries, Chennai
AUDITOR	:	R. Mugunthan, B. Com, F. C. A. Chartered Accountant, Chennai
REGISTRARS & SHARE TRANSFER AGENTS	:	Cameo Corporate Services Limited 'Subramanian Building' (Vth Floor) No. 1, Club House Road Chennai – 600 002
REGISTERED OFFICE	:	City Centre Plaza ( I Floor) No. 7, Anna Salai Chennai – 600 002





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## SUGAL & DAMANI SHARE BROKERS LIMITED

(Formerly known as Sugal & Damani Finlease Limited)

REGISTERED OFFICE: 'CITY CENTRE PLAZA', I FLOOR,  
7, ANNA SALAI, CHENNAI – 600 002

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE EIGHTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY AT CITY CENTRE PLAZA, I FLOOR, 7, ANNA SALAI, CHENNAI – 600 002, ON SATURDAY, 30<sup>TH</sup> JULY, 2011 AT 11 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31.03.2011 and Profit & Loss account for the period ended on that date and the reports of directors and auditor thereon.
2. To declare dividend on equity shares for the year ended March 31, 2011.
3. To appoint a director in place of Shri S. Kannadasan who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditor to hold the office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix his remuneration.

#### **SPECIAL BUSINESS:**

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to Sections 198, 269, 309, 310 and 311 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") read with Schedule XIII to the Act, the Company hereby accords its approval for the reappointment of Shri S. Vinodh Kumar Jain as Whole time Director of the Company, designated as Executive Director for a period of 5 years commencing from 01.04.2011 and ending on 31.03.2016 on the following terms, conditions and remuneration:

**Basic Salary:** Rs. 80,000/- (Rupees Eighty thousand only) per month (i.e., Rs. 9,60,000/- per year).

#### **Allowances:**

**Special Allowance:** Rs. 4,650/- (Rupees Four thousand six hundred fifty only) per month (i.e., Rs. 55,800/- per year).

**Transportation Allowance:** Rs. 2,000/- (Rupees Two thousand only) per month (i.e., Rs. 24,000/- per year).





**Perquisites:**

**Housing:** Free Furnished accommodation will be provided to Shri.S.Vinodh Kumar Jain. The expenditure by the Company on hiring furnished accommodation for him will not exceed Rs. 20,000/- (Rupees Twenty thousand only) per month (i.e., Rs. 2,40,000/- per year).

**Employer's Contribution to Provident Fund:** Rs. 9,600/- (Rupees Nine thousand six hundred only) per month (i.e. Rs. 1,15,200/- per year).

**Medical Reimbursement:** Reimbursement of Medical expenses incurred by Shri.S.Vinodh Kumar Jain, his wife and minor children subject to a ceiling of Rs. 15,000/- (Rupees Fifteen thousand only) per year.

**Leave travel concession:** Leave travel concession of Rs. 90,000/- (Rupees Ninety thousand only) per year for Shri.S.Vinodh Kumar Jain, his wife and minor children.

**Explanation:**

Perquisites shall be evaluated as per the Income-tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

**"RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded for the payment of the same salary, allowances and perquisites as mentioned above to Shri S. Vinodh Kumar Jain, Executive Director, as minimum remuneration in case of absence or inadequacy of profits in any financial year of the Company during the said period.

**"RESOLVED FURTHER THAT** Shri S. Vinodh Kumar Jain, Executive Director, shall not be paid any sitting fee for attending the Meetings of the Board of Directors and Committees thereof.

**"RESOLVED FURTHER THAT** the Board of Directors/ Remuneration Committee of the Board be and is hereby authorized to enhance, enlarge, alter or vary the scope and quantum of remuneration of Shri S. Vinodh Kumar Jain in the light of further progress of the Company which revision should be in conformity with any amendments to the relevant provisions of the Act, and the rules and regulations made thereunder and / or such guidelines as may be announced by the Central Government from time to time.

**"RESOLVED FURTHER THAT** the Board of Directors/ Remuneration Committee of the Board be and is hereby authorised to take such steps as may be necessary and desirable to give effect to this resolution."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to Sections 198, 269, 309, 310 and 311 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") read with Schedule XIII to the Act, the Company hereby accords its approval for the reappointment of Shri.Mahesh B.Chandak as Whole time Director of the Company, designated as Executive Director for a period of 5 years commencing from 01.04.2011 and ending on 31.03.2016 on the following terms, conditions and remuneration:





**Basic Salary:** Rs. 80,000/- (Rupees Eighty thousand only) per month (i.e., Rs. 9,60,000/- per year).

**Allowances:**

**Special Allowance:** Rs. 4,650/- (Rupees Four thousand six hundred fifty only) per month (i.e., Rs. 55,800/- per year).

**Transportation Allowance:** Rs. 2,000/- (Rupees Two thousand only) per month (i.e., Rs. 24,000/- per year).

**Perquisites:**

**Housing:** Free Furnished accommodation will be provided to Shri.Mahesh B.Chandak. The expenditure by the Company on hiring furnished accommodation for him will not exceed Rs. 20,000/- (Rupees Twenty thousand only) per month (i.e., Rs. 2,40,000/- per year).

**Employer's Contribution to Provident Fund:** Rs. 9,600/- (Rupees Nine thousand six hundred only) per month (i.e. Rs. 1,15,200/- per year).

**Medical Reimbursement:** Reimbursement of Medical expenses incurred by Shri.Mahesh B.Chandak, his wife and minor children subject to a ceiling of Rs. 15,000/- (Rupees Fifteen thousand only) per year.

**Leave travel concession:** Leave travel concession of Rs. 90,000/- (Rupees Ninety thousand only) per year for Shri.Mahesh B.Chandak, his wife and minor children.

**Explanation:**

Perquisites shall be evaluated as per the Income-tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

**"RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded for the payment of the same salary, allowances and perquisites as mentioned above to Shri.Mahesh B.Chandak, Executive Director, as minimum remuneration in case of absence or inadequacy of profits in any financial year of the Company during the said period.

**"RESOLVED FURTHER THAT** Shri.Mahesh B.Chandak, Executive Director, shall not be paid any sitting fee for attending the Meetings of the Board of Directors and Committees thereof.

**"RESOLVED FURTHER THAT** the Board of Directors/ Remuneration Committee of the Board be and is hereby authorized to enhance, enlarge, alter or vary the scope and quantum of remuneration of Shri.Mahesh B.Chandak in the light of further progress of the Company which revision should be in conformity with any amendments to the relevant provisions of the Act, and the rules and regulations made thereunder and / or such guidelines as may be announced by the Central Government from time to time.

**"RESOLVED FURTHER THAT** the Board of Directors/ Remuneration Committee of the Board be and is hereby authorised to take such steps as may be necessary and desirable to give effect to this resolution."

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





**"RESOLVED THAT** Shri S. Prasanchand Jain, who was appointed as an Additional Director by the Board of Directors with effect from 28.07.2010 and who holds office as such up to the date of Eighteenth Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri S. Prasanchand Jain as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

**"RESOLVED THAT** Shri Babulal Surana, who was appointed as an Additional Director by the Board of Directors with effect from 25.02.2011 and who holds office as such up to the date of Eighteenth Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri Babulal Surana as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation."

By Order of the Board  
For Sugai & Damani Share Brokers Limited  
Mahesh B. Chandak  
(Executive Director)

Place: Chennai  
Date: 30<sup>th</sup> May, 2011

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE MEMBER OF THE COMPANY.**
2. **THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT CITY CENTRE PLAZA, (1 FLOOR), 7, ANNA SALAI, CHENNAI - 600 002, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Register of Members and the share transfer books of the Company will remain closed from 15.07.2011 to 30.07.2011 (both days inclusive).
4. The shares of the Company are eligible to be held in dematerialised form in Central Depository Services (India) Limited and National Securities Depository Limited.
5. The dividend of 50 Paise per share for the year ended March 31, 2011 as recommended by the Board, if declared at the Annual General Meeting, will be payable to those members whose names appear
  - as beneficial owners as per list to be furnished by the depositories in respect of the shares held in demat form
  - and
  - as members on the register of members of the Company as at opening business hours on July 15, 2011 after giving effect to all valid share transfers in physical form which would be





received by the Company's Registrar and Share Transfer agents, M/s Cameo Corporate Services Limited up to the end of business hours on July 14, 2011.

6. Payment of dividend through NECS/ECS
  - Members holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, 9 digit MICR code of the branch, type of account and account number.
  - Members holding shares in demat form are advised to inform the particulars of their bank account to their respective depository participants.
7. The dividend would be made payable on or after 6<sup>th</sup> August, 2011.
8. Members holding shares in physical form are requested to notify immediately any change in their address along with address proof, i.e. Electric/Telephone Bill, Driving Licence or a copy of passport to the Company's Registrar & Share Transfer Agents and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company/RTA without any delay.
9. Members are requested to bring with them their copy of the Annual Report to the meeting.
10. Members/Proxies are requested to bring the attendance slip, duly filled in and signed, and hand over the same at the entrance of the hall.
11. Queries relating to the accounts or other items on the Agenda are to be forwarded to reach the Registered Office of the Company at City Centre Plaza (I Floor), 7, Anna Salai, Chennai - 600 002, on or before **20.07.2011**.
12. Members, who are holding shares in identical order of names in more than one folio, are requested to write to the Company to consolidate their holdings in one folio.
13. All documents referred to in the above Notice are open for inspection at the Registered office of the Company between 11.00 A.M and 1.00 P.M. on all working days including the date of meeting.
14. As per Sections 205A and 205C of the Companies Act, 1956, the dividends unclaimed relating to the years 1996-97 and 1997-98 were transferred on 28.01.2005 and 24.11.2005 respectively to the Investor Education and Protection Fund. Members who have not encashed the dividend warrants for the financial year 1994-1995 are requested to claim from the Registrar of Companies, Tamilnadu, Shastri Bhavan, No.26, Haddows Road, Chennai - 600 006, since the unclaimed dividend relating to the financial year 1994-1995 had been transferred to the General Revenue Account of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956.
15. Members who have not encashed the dividend warrants for the financial year 2009-2010 are requested to claim from the Company by communicating to the Registered Office of the Company viz., City Centre Plaza, 1<sup>st</sup> Floor, No 7, Anna Salai, Chennai – 600002.





16. In case of joint holders, if more than one holder intends to attend the meeting, they must obtain additional admission slips on request from the Registered Office of the Company.
17. As per the provisions of the Companies Act, 1956, the facility for making nominations is now available to the shareholders in respect of the equity shares held by them. Members who desire to avail of this facility may send their requisite nomination in the prescribed Form 2B, duly filled in and signed, to the Company. The facility would be made available folio wise to individual shareholders, including joint holders.
18. Members are requested to send all communications relating to transfer of physical shares / demat, etc. direct to the Registrars and Share Transfer Agents, M/s. Cameo Corporate Services Limited, 'Subramanian Building' (Vth Floor), No.1, Club House Road, Chennai - 600 002.
19. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, ANNEXED TO THE NOTICE DATED 30.05.2011.**

**Item No. 5**

Shri.S.Vinodh Kumar Jain (aged about 41 years) is a Commerce graduate. He is one of the Executive Directors of the Company, and had been appointed as Whole time Director, designated as Executive Director for a period of 2 years 5 months and 7 days commencing from 24.10.2008. At the Board Meeting held on 27.01.2011, he was reappointed as Whole Time Director, designated as Executive Director for a further period of 5 years commencing from 01.04.2011.

Shri.S.Vinodh Kumar Jain has to his credit about 12 years' experience in Share broking. Keeping in view his rich experience in Share broking, the Board felt that it would be advantageous to the Company to reappoint Shri S. Vinodh Kumar Jain as Whole time Director of the Company, designated as Executive Director.

He is a Director of other companies, as under:

1. Sugal & Damani Agro Farms P. Ltd.
2. SDN Farm Developers P. Ltd.
3. SDN Housing & Resorts P. Ltd.
4. SDN Agro Farms Ltd.
5. Steadfast Solutions P. Ltd.
6. Ankur Foundations P. Ltd.
7. Ansu Builders P. Ltd.
8. Sugal Commodity Brokers P. Ltd.
9. S & D Foundations P.Ltd.
10. Nishant Homes Private Ltd.

Nature of expertise in specific functional area – Share Broking.

The appointment of Shri S. Vinodh Kumar Jain, Executive Director, and the remuneration payable to him have been approved by the Remuneration Committee of the Board on 27.01.2011.





The remuneration proposed is within the permissible limits of Schedule XIII to the Companies Act, 1956. Shri S. Vinodh Kumar Jain fulfills the conditions laid down in Part I of Schedule XIII to the Companies Act, 1956 for the reappointment of Executive Director without approval of the Central Government.

The same remuneration shall be paid as the minimum remuneration to Shri S. Vinodh Kumar Jain, Executive Director, in case of absence or inadequacy of profits in any financial year of the Company during the said period.

Shri S. Vinodh Kumar Jain, Executive Director, shall not be paid any sitting fee for attending the Meetings of the Board of Directors and Committees thereof.

In terms of Schedule XIII to the Companies Act, 1956, payment of remuneration to Shri S. Vinodh Kumar Jain, Executive Director, requires shareholders' approval. Accordingly, the Directors recommend the Special Resolution for your approval.

Shri S. Prasanchand Jain, being a relative of Shri S. Vinodh Kumar Jain, and Shri S. Vinodh Kumar Jain are interested or concerned in the Resolution at Item No.5.

#### **Item No. 6**

Shri.Mahesh B.Chandak (aged about 46 years) is a Fellow Member of the Institute of Chartered Accountants of India. He is one of the Executive Directors of the Company, and had been appointed as Whole time Director, designated as Executive Director for a period of 2 years 5 months and 7 days commencing from 24.10.2008. At the Board Meeting held on 27.01.2011, he was reappointed as Whole Time Director, designated as Executive Director for a further period of 5 years commencing from 01.04.2011.

Shri.Mahesh B.Chandak has to his credit about 12 years' experience in Share broking. Keeping in view his rich experience in Share broking, the Board felt that it would be advantageous to the Company to reappoint Shri.Mahesh B.Chandak as Whole time Director of the Company, designated as Executive Director.

He is a Director of other companies, as under:

1. Prithvi Finsec Ltd.
2. Sugal Commodity Brokers P. Ltd.
3. Swasthik Lotteries P. Ltd.

Nature of expertise in specific functional area – Share Broking.

The appointment of Shri.Mahesh B.Chandak, Executive Director, and the remuneration payable to him have been approved by the Remuneration Committee of the Board on 27.01.2011.

The remuneration proposed is within the permissible limits of Schedule XIII to the Companies Act, 1956.

Shri.Mahesh B.Chandak fulfills the conditions laid down in Part I of Schedule XIII to the Companies Act, 1956 for the reappointment of Executive Director without approval of the Central Government.

The same remuneration shall be paid as the minimum remuneration to Shri.Mahesh B.Chandak, Executive Director, in case of absence or inadequacy of profits in any financial year of the Company during the said period.





Shri.Mahesh B.Chandak, Executive Director, shall not be paid any sitting fee for attending the Meetings of the Board of Directors and Committees thereof.

In terms of Schedule XIII to the Companies Act, 1956, payment of remuneration to Shri.Mahesh B.Chandak, Executive Director, requires shareholders' approval. Accordingly, the Directors recommend the Special Resolution for your approval.

Shri.Mahesh B.Chandak is interested or concerned in the Resolution at Item No.6.

#### Item No. 7

The Board of Directors of the Company appointed Shri S. Prasanchand Jain as Additional Director with effect from 28.07.2010. Under Section 260 of the Companies Act, 1956 read with Article 80 of the Articles of Association of the Company, Shri S. Prasanchand Jain holds office only till the date of the forthcoming Annual General Meeting. A notice has been received from a member as required under Section 257 of the Companies Act, 1956 together with the requisite deposit proposing Shri S. Prasanchand Jain as a candidate for the office of Director.

Shri S. Prasanchand Jain has experience of over a decade in various business.

The Board considers that association of Shri S. Prasanchand Jain would be beneficial to the Company and it is desirable for the Company to continue to avail services of Shri S. Prasanchand Jain as a Director. Accordingly, the Board recommends this resolution for approval of the members.

Shri S. Vinodh Kumar Jain, being a relative of Shri S. Prasanchand Jain, and Shri S. Prasanchand Jain are interested or concerned in the Resolution at Item No.7.

#### Item No. 8

The Board of Directors of the Company appointed Shri Babulal Surana as Additional Director with effect from 25.02.2011. Under Section 260 of the Companies Act, 1956 read with Article 80 of the Articles of Association of the Company, Shri Babulal Surana holds office only till the date of the forthcoming Annual General Meeting. A notice has been received from a member as required under Section 257 of the Companies Act, 1956 together with the requisite deposit proposing Shri Babulal Surana as a candidate for the office of Director.

Shri Babulal Surana is a Chartered Accountant. He has experience of over 4 decades in Finance.

The Board considers that association of Shri Babulal Surana would be beneficial to the Company and it is desirable for the Company to continue to avail services of Shri Babulal Surana as a Director. Accordingly, the Board recommends this resolution for approval of the members.

Shri Babulal Surana is interested or concerned in the Resolution at Item No.8.

By Order of the Board  
For Sugai & Damani Share Brokers Limited  
Mahesh B.Chandak  
(Executive Director)

Regd. Office:  
'City Centre Plaza', (I Floor)  
No. 7, Anna Salai, Chennai - 600 002  
Date: 30<sup>th</sup> May, 2011



PURSUANT TO CLAUSE 45 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION ARE FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / REAPPOINTED VIDE ITEM NO. 3, 5, 6, 7 AND 8 OF THE NOTICE DATED 30.05.2011.

Name of the Director	Shri. S. Kannadasan	Shri. S. Vinodh Kumar Jain	Shri. Mahesh B. Chandak	Shri. S. Prasanchand Jain	Shri. Babulal Surana
Date of Birth	01.07.1966	18.09.1969	15.06.1964	09.05.1967	03.05.1942
Date of appointment on the Board as Director	21.01.2006	24.10.2008	24.10.2008	28.07.2010	25.02.2011
Date of last appointment / reappointment as Director	25.07.2009	25.07.2009	25.07.2009		
Expertise in specific functional areas	Experience for over a decade in Finance & Taxation.	About 12 years in share broking.	About 12 years in share broking.	Over 11 years in various business.	Experience of over 4 decades in Finance.
Qualification	A.C.A.	B.Com	F.C.A.	Passed XII standard	F.C.A.
List of outside Directorships held	NIL	1. Sugal & Damani Agro Farms P. Ltd. 2. SDN Farm Developers P. Ltd. 3. SDN Housing & Resorts P. Ltd. 4. SDN Agro Farms Ltd. 5. Shearlast Solutions P. Ltd. 6. Ankur Foundations P. Ltd. 7. Ansu Builders P. Ltd. 8. Sugai Commodity Brokers P. Ltd. 9. S & D Foundations P. Ltd. 10. Nishant Homes Private Ltd.	1. Pitihvi Finsec Ltd. 2. Swastik Loteries P. Ltd. 3. Sugai Commodity Brokers P. Ltd.	1. Sugal Tourism Development P. Ltd. 2. Skill Loto Solutions P. Ltd. 3. SDN Agro Farms Ltd. 4. Shearlast Solutions P. Ltd. 5. Ankur Foundations P. Ltd. 6. Ansu Builders P. Ltd. 7. SDUK Ltd. 8. Sugai Intitech P. Ltd. 9. Sandhya Foundations (Chemna) P. Ltd. 10. Peoples Online Lottery P. Ltd. 11. Skilrock Technologies P. Ltd. 12. Skill Infra Solutions BV 13. Sugai & Damani Utility Services P. Ltd.	1. Global Finance & Securities Ltd. 2. Janmangal Consultants P. Ltd. 3. Manta Projects P. Ltd. 4. The Oriental Company Ltd. 5. India Financial Services Ltd. 6. Tulika Investments P. Ltd. 7. Citadel Engineers P. Ltd.
Chairman / Member of the Committees of Board of Directors of the Company	Chairman of Shareholders / Investors Grievance Committee Chairman of Audit Committee Chairman of Remuneration Committee	NIL	Member of Shareholders / Investors Grievance Committee	NIL	Member of Audit Committee Member of Remuneration Committee
Chairman / Member of the Committees of the Board of Directors of other Companies in which he is a Director.	NIL	NIL	NIL	NIL	NIL
Relationship between Directors	NIL	Shri. S. Prasanchand Jain is elder brother of Shri. S. Vinodh Kumar Jain.	NIL	Shri. S. Vinodh Kumar Jain is younger brother of Shri. S. Prasanchand Jain.	NIL

Note:-  
Shri. S. Prasanchand Jain, Non-Executive Director, holds 3,09,900 shares (4.95%) in the Company, while the other two Non-Executive Directors, viz., Shri. S. Kannadasan and Shri. Babulal Surana do not hold any shares in the Company.





## DIRECTORS' REPORT

Your Directors would like to present the Eighteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2011. The financial highlights of your Company for the year 2010-2011 are as follows:

	2010 – 2011 (Rs. in Lakhs)	2009-2010 (Rs. in Lakhs)
Gross Income	846.73	892.27
Profit before Interest, depreciation and Tax	235.97	126.71
Less: Interest	89.48	45.42
Less: Depreciation	17.03	16.86
Net Profit before Tax	129.46	64.43
Less: Tax and other prior period adjustment	38.09	9.48
Net Profit for the period after prior period adjustment	91.37	54.95
Less : Proposed Dividend & Tax	36.44	36.56
Add: Profit brought forward from the previous year	38.27	19.88
Profit carried forward	93.20	38.27

The Company's operations improved in the year 2010-2011. Therefore, your directors are in a position to recommend a dividend of 50 Paise per share on the equity capital of the Company for the year ended 31.3.2011.

### MANAGEMENT DISCUSSION AND ANALYSIS

#### (a) Industry Structure and Developments

The secondary market moved in a much narrower range as against previous year 2009-10 ranging from 17,000 to 21,000 levels during the year 2010-11. In the last quarter, FIIs resorted to large selling resulting in volatile market conditions. The buoyant market conditions continued during the period under review, the stock broking industry has done well in terms of increase in volumes, broking income and profits. Your company achieved trading volumes of over Rs. 10,000 crore during the period under review.

Mobilizations through primary market issues by corporate continued to do well this year also and the aggregate mobilizations through IPOs/follow-on public issues were at Rs. 46,267 crore during 2010-11 almost the same level as in the previous year. In 2010-11, a total of 57 public issues entered the market, compared to 44 the previous year. Of these, 52 were initial offerings and the remaining five follow-on offers. The average deal size was Rs. 811 crore. Ten issues





were for Rs. 1,000 crore and above. At the other end, there were six issues of less than Rs. 50 crore and none below Rs. 10 crore. Therefore it is important to note that India's primary market remains tilted towards large companies.

Some of the large issues were postponed due to the volatility in the secondary markets that had set in during the last quarter of 2010-11. Indeed, continuing volatility poses daunting challenges to primary market issuers, especially in timing the issue and price discovery.

**(b) Opportunities and threats**

The broking companies consolidated their network. Sustained economic growth of over 7% is a good trend. However, continued domestic inflation of over 7-8% is a matter of concern.

Global developments also have an impact on the investor sentiment. There are no major adverse trends in the developed economies. Crude had reached nearly \$120 levels and has subsequently fallen below \$100 per barrel. Continued high crude price levels will be a threat to the economic growth and also result in higher inflation.

**(c) Segment-wise or Product-wise Performance**

During the financial year ended March 31, 2011 the company operated only in one segment of business viz, share broking.

**(d) Outlook**

The market is trading at Price/earning (P/E) multiple of around 15 times on Financial Year 2011-12 profit estimates. This is closer to the historical average trading band. Higher economic growth is expected in second half of financial year 2011-12 and markets are expected to record gains from the current levels. The monsoon is predicted to be slightly delayed and its progress would be watched eagerly.

Corporate results are showing a mixed trend with good and bad results. Once a clear trend in the corporate results and the monsoon is known, the market sentiment would make the decisive moves.

**(e) Risks and concerns**

The trends in the US economy are important. US economy has been growing slowly in few months, while declining in some months. Consistent growth is yet to be achieved by the US economy. This will be a cause for concern.

**(f) Internal Control Systems and their adequacy**

In the opinion of your Directors, internal control systems in the Company are adequate.

**(g) Financial Performance**

The Financial performance during the year under review is given above.





**(h) Human Resources/Industrial Relations**

The number of people employed has become 54 and the employer-employee relations have been cordial throughout the year.

**DEPOSITS**

Your Company did not invite or accept any deposit during the year under review.

**RBI CERTIFICATE OF REGISTRATION**

The Certificate of Registration No. B.07.00362 dt. 13.10.2003 issued by the RBI to the Company was surrendered by the Company on 05.02.2009.

**DIRECTORATE**

Shri.S.Kannadasan, Director, retires by rotation and, being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Shri.Hastimal Surana, Non-Executive Director, resigned from the Board with effect from 25.02.2011. The Board places on record its appreciation of service rendered by Shri.Hastimal Surana.

Shri.S.Prasanchand Jain and Shri.Babulal Surana were inducted into the Board as Additional Directors on 28.07.2010 and 25.02.2011 respectively. The two Additional Directors are eligible for appointment as Directors at the ensuing Annual General Meeting. Accordingly, it is proposed to appoint them as Directors at the ensuing Annual General Meeting.

The tenure of Shri.S.Vinodh Kumar Jain and Shri.Mahesh B.Chandak, Executive Directors of the Company, expired on 31.03.2011. For their re-appointment as Executive Directors w.e.f. 01.04.2011, the Board passed necessary resolutions on 27.01.2011 and shareholders' approval is proposed to be obtained at the forthcoming Annual General Meeting.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements 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 ended 31st March 2011 and of the profit/loss of the Company for that year;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

and





- (iv) that the Directors have prepared the annual accounts on a going concern basis.

#### CORPORATE GOVERNANCE:

The Corporate Governance regulations as per the Listing Agreements have been fully complied with. The report of your Directors on the practices of Corporate Governance is given as a separate section entitled "Corporate Governance", which forms part of this report. A certificate from the Auditor of the Company regarding compliance with the Code of Corporate Governance is annexed.

#### LISTING WITH STOCK EXCHANGES

Presently, the company's equity shares are listed on Bombay Stock Exchange and Madras Stock Exchange.

Listing fees for 2011-2012 have been paid to the Exchanges.

#### AUDITOR

Mr.R.Mugunthan, Chartered Accountant, Chennai, is the retiring auditor and he is eligible for reappointment.

#### INFORMATION REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

Your Company has no activity with regard to conservation of energy or technology absorption. Your Company does not have any foreign exchange earning or outgo during the year.

#### PARTICULARS OF EMPLOYEES

There was no employee whose particulars under section 217(2A) of the Companies Act, 1956 are to be reported.

#### ACKNOWLEDGMENT

Your Directors would like to sincerely thank the Company's bankers viz., Axis Bank Ltd., HDFC Bank Ltd., Indian Overseas Bank, Karur Vysya Bank Ltd and State Bank of India, the shareholders and the employees of the Company.

By order of the Board  
For Sugai & Damani Share Brokers Limited  
S.Vinodh Kumar Jain  
Executive Director

Place: Chennai  
Date: 30.05.2011

Mahesh B. Chandak  
Executive Director





**Group coming within the definition of 'group' as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969)**

The following persons/entities constitute the Group coming within the definition of 'group' as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969), which exercises, or is established to be in a position to exercise control directly or indirectly over the Company:

- 1) Shri N. Sugalchand Jain
- 2) Smt. S. Chandrabai
- 3) N. Sugalchand Jain (HUF)
- 4) Sugalchand Prasanchand (HUF)
- 5) Sugal Finance P. Ltd
- 6) Sugal Commodity Brokers P. Ltd.
- 7) Shri S. Prasanchand Jain & family
- 8) S. Prasanchand Jain (HUF)
- 9) Prasan Chand & Sons (HUF)
- 10) Chandrabai Prasanchand (HUF)
- 11) Siyat Property P. Ltd.
- 12) Singhvi Property P. Ltd.
- 13) Steadfast Solutions P. Ltd.
- 14) S & D Foundations P. Ltd.
- 15) Srishti Warehousing P. Ltd.
- 16) Snazzy Properties P. Ltd.
- 17) Padmavathi Developers P. Ltd.
- 18) Spine Properties P. Ltd.
- 19) Shri S. Vinodh Kumar Jain & family
- 20) Vinodh Kumar (HUF)
- 21) Shri G.N. Damani
- 22) Smt. Mita G. Damani
- 23) Shri R.N. Damani
- 24) Smt. Kalpana R. Damani
- 25) Shri Mahesh B. Chandak & family
- 26) Shri Bhagwandas Chandak
- 27) Shri Dwarakadas Chandak
- 28) Ms. Meena Chandak
- 29) Any Company / entity promoted or controlled by any of the above

The above disclosure has been made inter alia, for the purpose of Regulation 3(1) (e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.





## ANNEXURE TO DIRECTORS' REPORT

### CORPORATE GOVERNANCE

#### (A) MANDATORY REQUIREMENTS:

##### 1) A BRIEF STATEMENT ON THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE.

Your Company believes that good corporate governance contemplates that corporate actions balance the interests of all stakeholders and satisfy the tests of accountability, transparency and fair play.

##### 2) BOARD OF DIRECTORS

Presently, your Board consists of 7 Directors, out of which 5 are non-executive Directors. Thus, the number of Non-executive Directors is more than 50% of the total number of Directors. The Company has a Non-Executive Chairman. There are 3 Independent Directors.

The Non-executive Directors are professionals, having expertise in general corporate management, finance and other allied fields.

None of the Directors on the Board is a member on more than 10 committees and Chairman of more than 5 committees (as specified in Clause 49 of the Listing Agreement with Stock Exchange), across all the companies in which they are Directors. The necessary disclosures regarding committee positions have been made by the Directors.

*Composition, Attendance at the Board Meetings and the last Annual General Meeting, outside Directorships and other Board Committees.*

Above information as on 31st March, 2011 is tabulated hereunder:

Director	No. of Board Meetings attended	Attendance at previous AGM on 28.07.2010	No. of outside Directorships held	No. of membership / Chairmanship in other Board Committees	Executive / Non-Executive / Independent
Shri G. N. Damani * +	Nil	Not Present	7	Nil	Non-Executive
Shri N. Sugalchand Jain * +	1	Present	5	Nil	Executive
Shri R.N. Damani	3	Present	16	Nil	Non-Executive
Shri Hastimal Surana #	3	Not Present	8	Nil	Non-Executive & Independent
Shri P.J. Sreedharan <i>Chairman</i>	3	Not Present	Nil	Nil	Non-Executive & Independent
Shri S. Kannadasan	5	Present	Nil	Nil	Non-Executive & Independent





Shri.S.Prasanch and Jain @	2	N.A.	13	Nil	Non-Executive
Shri.Babulal Surana \$	Nil	N.A.	7	Nil	Non-Executive & Independent
Shri S. Vinodh Kumar Jain ^ <i>Executive Director</i>	3	Present	10	Nil	Executive
Shri Mahesh B. Chandak <i>Executive Director</i>	5	Present	3	Nil	Executive

\* Shri G. N. Damani and Shri N. Sugalchand Jain were promoter Directors.

Shri G. N. Damani and Shri R. N. Damani are brothers.

Shri S. Vinodh Kumar Jain is son of Shri N. Sugalchand Jain.

Shri S. Prasanchand Jain is son of Shri N. Sugalchand Jain.

^ Shri S. Vinodh Kumar Jain is younger brother of Shri S. Prasanchand Jain.

+ Resigned from the Board w.e.f. 28.07.2010.

# Resigned from the Board w.e.f. 25.02.2011.

@ Inducted into the Board w.e.f. 28.07.2010.

\$ Inducted into the Board w.e.f. 25.02.2011.

***Responsibilities:***

***Executive Directors***

Shri S. Vinodh Kumar Jain and Shri Mahesh B. Chandak, Executive Directors of the Company, are responsible for the day to day management of the Company.

***Independent Directors:***

The independent directors play a vital role in vetting issues and decisions at the Audit Committee / Remuneration Committee / Board meetings and bring to the company their wide experience in the field of corporate management, accounts, finance, taxation, audit, legal and information management. All the three independent directors are non-executive and have access to all the information of the company.

***Board Procedure:***

A detailed agenda folder is sent to each director in advance of Board and Committee meetings. To enable the Board to discharge its responsibilities effectively, the Executive Director briefs the Board





members at every meeting on the overall company performance. A report on compliance of all laws applicable to the company including requirements of Listing Agreements with BSE and MSE is placed at every Board Meeting.

Information in cases of appointment / reappointment of directors as required under Listing Agreement are given in a separate sheet forming part of the notice of Annual General Meeting.

***Remuneration of Directors:***

***Remuneration of Executive Directors:***

**1. Shri S. Vinodh Kumar Jain**

Shri S. Vinodh Kumar Jain has been appointed as Executive Director by the Board at the meeting held on 24.10.2008 for a period of 2 years 5 months and 7 days commencing from 24.10.2008 and his tenure expired on 31.03.2011. At the Board Meeting held on 27.01.2011, Shri.S.Vinodh Kumar Jain was reappointed as Whole time Director of the Company, designated as Executive Director for a period of 5 years commencing from 01.04.2011 and ending on 31.03.2016 on the following terms, conditions and remuneration:

**Basic Salary:** Rs. 80,000/- (Rupees Eighty thousand only) per month (i.e., Rs. 9,60,000/- per year).

**Allowances:**

**Special Allowance:** Rs. 4,650/- (Rupees Four thousand six hundred fifty only) per month (i.e., Rs. 55,800/- per year).

**Transportation Allowance:** Rs. 2,000/- (Rupees Two thousand only) per month (i.e., Rs. 24,000/- per year).

**Perquisites:**

**Housing:** Free Furnished accommodation will be provided to Shri.S.Vinodh Kumar Jain. The expenditure by the Company on hiring furnished accommodation for him will not exceed Rs. 20,000/- (Rupees Twenty thousand only) per month (i.e., Rs. 2,40,000/- per year).

**Employer's Contribution to Provident Fund:** Rs. 9,600/- (Rupees Nine thousand six hundred only) per month (i.e. Rs. 1,15,200/- per year).

**Medical Reimbursement:** Reimbursement of Medical expenses incurred by Shri.S.Vinodh Kumar Jain, his wife and minor children subject to a ceiling of Rs. 15,000/- (Rupees Fifteen thousand only) per year.

**Leave travel concession:** Leave travel concession of Rs. 90,000/- (Rupees Ninety thousand only) per year for Shri.S.Vinodh Kumar Jain, his wife and minor children.





**Explanation:**

Perquisites shall be evaluated as per the Income-tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

The Remuneration Committee at the meeting held on 27.01.2011 also approved the reappointment of Shri S. Vinodh Kumar Jain, Executive Director, and the remuneration payable to him. Shareholders' approval is proposed to be obtained at the forthcoming Annual General Meeting.

**2. Shri Mahesh B. Chandak:**

Shri Mahesh B. Chandak has been appointed as Executive Director by the Board at the meeting held on 24.10.2008 for a period of 2 years 5 months and 7 days commencing from 24.10.2008 and his tenure expired on 31.03.2011. At the Board Meeting held on 27.01.2011, Shri Mahesh B. Chandak was reappointed as Whole time Director of the Company, designated as Executive Director for a period of 5 years commencing from 01.04.2011 and ending on 31.03.2016 on the following terms, conditions and remuneration:

**Basic Salary:** Rs. 80,000/- (Rupees Eighty thousand only) per month (i.e., Rs. 9,60,000/- per year).

**Allowances:**

**Special Allowance:** Rs. 4,650/- (Rupees Four thousand six hundred fifty only) per month (i.e., Rs. 55,800/- per year).

**Transportation Allowance:** Rs. 2,000/- (Rupees Two thousand only) per month (i.e., Rs. 24,000/- per year).

**Perquisites:**

**Housing:** Free Furnished accommodation will be provided to Shri.Mahesh B.Chandak. The expenditure by the Company on hiring furnished accommodation for him will not exceed Rs. 20,000/- (Rupees Twenty thousand only) per month (i.e., Rs. 2,40,000/- per year).

**Employer's Contribution to Provident Fund:** Rs. 9,600/- (Rupees Nine thousand six hundred only) per month (i.e. Rs. 1,15,200/- per year).

**Medical Reimbursement:** Reimbursement of Medical expenses incurred by Shri.Mahesh B.Chandak, his wife and minor children subject to a ceiling of Rs. 15,000/- (Rupees Fifteen thousand only) per year.

**Leave travel concession:** Leave travel concession of Rs. 90,000/- (Rupees Ninety thousand only) per year for Shri.Mahesh B.Chandak, his wife and minor children.

**Explanation:**

Perquisites shall be evaluated as per the Income-tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.





The Remuneration Committee at the meeting held on 27.01.2011 also approved the reappointment of Shri.Mahesh B.Chandak, Executive Director, and the remuneration payable to him. Shareholders' approval is proposed to be obtained at the forthcoming Annual General Meeting.

***Remuneration of non-executive directors:***

The non-executive directors do not draw any remuneration from the Company. They are entitled only to sitting fees for every meeting of the Board, Audit Committee and Remuneration Committee attended. The sitting fees paid to them for attending the meetings in 2010-2011 are given elsewhere in this report.

The sitting fees are being paid to the non-executive directors at the following rates:

- Rs. 5,000/- per director for every meeting of the Board attended.
- Rs. 1,000/- per director for every meeting of the Audit Committee and the Remuneration Committee attended.

There is no other pecuniary relationship or transaction of the non-executive directors vis-a-vis the Company.

***Shares held by non-executive Directors:***

Shri.S.Prasanchand Jain†, Non-Executive Director, holds 3,09,500 shares in the Company.

All other Non-Executive Directors do not hold any shares in the Company.

***Board Meetings held during the Financial Year 2010 - 2011***

During the year 2010 - 2011, 5 Board Meetings were held on 28.05.2010, 28.07.2010, 28.10.2010, 27.01.2011 and 25.02.2011. The gap between two meetings did not exceed 4 months.

***3) AUDIT COMMITTEE***

Your Company has an Audit Committee. With effect from 30.01.2009, the Committee members were Shri.S.Kannadasan, Shri.P.J.Sreedharan and Shri.Hastimal Surana. After reconstitution on 25.02.2011, due to resignation of Shri.Hastimal Surana, the Committee consists of Shri S. Kannadasan (Chairman), Shri P.J. Sreedharan and Shri Babulal Surana, all Non-executive & Independent Directors. All the members of the Audit Committee are Chartered Accountants. All members of the Audit Committee have accounting or related financial management expertise.

The Chairman of the Audit Committee, Shri S.Kannadasan, was present at the Annual General Meeting held on 28.07.2010 to answer shareholders' queries. Shri R. Vaidyanathan, Company Secretary, is the Secretary to the Committee.

The terms of reference of the Audit Committee specified by the Board cover the matters referred to in Clause 49 of the Listing Agreements and fulfil the requirements of sec. 292A of the Companies Act, 1956 also.





During the period under review, the Audit Committee had 4 meetings on the 28.05.2010, 28.07.2010, 28.10.2010 and 27.01.2011. Attendance at the Audit Committee Meetings was as under:

Date of Meeting	Members attended
28.05.2010	Shri S. Kannadasan Shri.P.J.Sreedharan Shri.Hastimal Surana
28.07.2010	Shri S. Kannadasan Shri.Hastimal Surana
28.10.2010	Shri S. Kannadasan Shri P.J. Sreedharan
27.01.2011	Shri S. Kannadasan Shri P.J. Sreedharan Shri.Hastimal Surana

#### 4) REMUNERATION COMMITTEE

Your Company has a Remuneration Committee. With effect from 30.01.2009, the Committee members were Shri.S.Kannadasan, Shri.P.J.Sreedharan and Shri.Hastimal Surana. After reconstitution on 25.02.2011, due to resignation of Shri.Hastimal Surana, it consists of Shri S. Kannadasan (Chairman), Shri P.J. Sreedharan and Shri Babulal Surana, all Non-executive & Independent Directors.

Shri R. Vaidyanathan, Company Secretary, is the Secretary to the Committee.

During the financial year under review there were two Remuneration Committee Meetings held on 28.05.2010 and 27.01.2011. Attendance at the Remuneration Committee Meetings was as under:

Date of Meeting	Members attended
28.05.2010	Shri S. Kannadasan Shri.P.J.Sreedharan Shri.Hastimal Surana
27.01.2011	Shri S. Kannadasan Shri.P.J.Sreedharan Shri.Hastimal Surana

The terms of reference to this Committee include:

- a) formulation of policy relating to, and fixation of remuneration payable and other service terms and conditions applicable to the Executive Directors;  
and
- b) remuneration (sitting fees) payable to the non-executive directors for meetings of the Board and/or various committees attended.





### Remuneration Policy:

Remuneration Policy of the Company is based on the following objectives:

- To determine and recommend to the Board the remuneration package of the Executive Directors and sitting fees to non-executive directors.
- To approve in the event of loss or inadequacy of profits in any year the minimum remuneration payable to the Executive Directors, considering the limits and subject to the parameters as prescribed under the provisions of the Companies Act, 1956.
- Such other functions as required or recommended by Board or under the provisions of the Listing agreement.

### Remuneration of Directors for 2010 - 2011

Name of Director	Sitting Fee (Rs.)	Salaries (Rs.)	Total (Rs.)
Shri. R.N. Damani	11,000/-	Nil	11,000/-
Shri. Hastimal Surana	16,000/-	Nil	16,000/-
Shri. P.J. Sreedharan	18,000/-	Nil	18,000/-
Shri.S.Prasanchand Jain	8,000/-	Nil	8,000/-
Shri. S. Kannadasan	27,000/-	Nil	27,000/-
Shri. S. Vinodh Kumar Jain	Nil	*12,00,000/-	*12,00,000/-
Shri. Mahesh B. Chandak	Nil	*12,00,000/-	*12,00,000/-
Shri. Babulal Surana	Nil	Nil	Nil

\* Inclusive of allowances.

There is no notice period or severance fee provided in the terms of appointment / reappointment of the Executive Directors.

The Company does not have any Stock Option Scheme.

### 5) SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

Your Company has a Shareholders/Investors Grievance Committee. After reconstitution on 28.07.2010, it consists of Shri S. Kannadasan (Chairman), Non-executive Director, and Shri Mahesh B.Chandak, Executive Director. The Committee looks into shareholders' and investors' grievances and also deals with transfer, transmission and transposition of shares.

The Committee met 20 times during the year under review. The Committee members attended all the 20 meetings.





Shri R. Vaidyanathan, Company Secretary, is the Compliance Officer and is also the Secretary to the Committee.

During the year 2010 - 2011, no complaint was received from shareholders. 26 valid requests for transfer of 2660 shares and 1 request for transmission of 100 shares were received during the year 2010-11. There was no transposition. All requests for transfer and transmission have been acted upon by the Company and no transfer / transmission is pending.

#### 6) GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings are as under:

Year	Venue	Date	Time	Number of Special resolutions passed
2010	City Centre Plaza, I Floor, No.7, Anna Salai, Chennai – 600 002.	28.07.2010	11 A.M	^3
2009	City Centre Plaza, I Floor, No.7, Anna Salai, Chennai – 600 002.	25.07.2009	11 A.M	-
2008	No.11, Ponnappa Lane, Triplicane, Chennai – 600 005.	26.07.2008	12 Noon	\$1

#### POSTAL BALLOT

\$ A special resolution was passed by show of hands at the Annual General Meeting held on 26.07.2008 for approval of reappointment of the Managing Director and the remuneration payable to him.

^ A special resolution relating to alteration of Object clause in Memorandum of Association of the Company in terms of Section 17 of the Companies Act, 1956 was passed by Postal Ballot. Shri.J.P.Mundhara, Practising Company Secretary, Chennai was appointed as Scrutinizer for the Postal Ballot process. Shri N. Sugalchand Jain, Managing Director and Shri R.Vaidyanathan, Company Secretary oversaw the entire proceedings of the Postal Ballot. The result of the Postal Ballot was announced at the Annual General Meeting held on 28.07.2010.

^ Details of other Special Resolutions passed:

1. Re-appointment of Shri.Bhagwandas Chandak (relative of Shri.Mahesh B.Chandak, Executive Director) was passed under section 314 of the Companies Act, 1956, to enable Shri.Bhagwandas Chandak to hold office / place of profit under the Company.





2. Special Resolution under section 310 of the Companies Act, 1956 was passed to increase the sitting fees of the Directors.

## 7) DISCLOSURES

(I) The particulars of transactions between the Company and its related parties as defined in AS18 are set out in Notes on Accounts (Sch 14 Clause 12) forming part of the financial statements.

The Company has not entered into any materially significant transaction with its promoters, directors or the management or relatives, etc. that may have potential conflict with the interests of the company at large.

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to corporate governance. Further, the company has adopted the following non-mandatory requirements of the clause:

- (a) the company has set up the Remuneration Committee as per clause 49.
  - (b) the financial statements of the company are unqualified.
- (II) There is no penalty or stricture imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority on any matter relating to the capital markets, during the last three years.

## CODE OF CONDUCT

The company has posted the code of conduct for directors and senior management on its website [www.sugalshare.com](http://www.sugalshare.com)

## POLICY ON RISK MANAGEMENT:

In accordance with the requirement of Corporate Governance the Board of directors of the company has adopted a policy on risk management for assessment and minimization procedure of risk for periodical review by the Board.

### *Code for prevention of Insider Trading*

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Board of directors of the company has formulated the Code of Conduct for prevention of insider trading of the shares of company by its directors and employees.

## 8) MEANS OF COMMUNICATION

Half-yearly report to shareholders, Quarterly Results, Newspaper in which published, Website etc.

The Quarterly, Half-yearly and Annual Results are generally published by the Company in "News Today" and "Malai Sudar", Chennai. The Half-yearly reports are not sent to household of shareholders. The





Company's results are sent to Bombay Stock Exchange for putting on their web-site. Similarly, the results are sent to Madras Stock Exchange also. The Company has also been placing its results on the website of the company [www.sugalshare.com](http://www.sugalshare.com). There was no official news release and no presentations were made to Analysts during the financial year 2010 - 2011.

***Management discussion and analysis:***

The Directors' Report includes Management discussion and analysis.

**9) GENERAL INFORMATION FOR SHAREHOLDERS**

**Annual General Meeting**

Date and Time: 30<sup>th</sup> July, 2011 at 11.00 a.m.

Venue : City Centre Plaza, (I Floor)  
7, Anna Salai  
Chennai – 600 002

Financial Calendar : (tentative)

First Quarter: July, 2011

Second Quarter & Half-yearly: Oct., 2011

Third Quarter: Jan., 2012

Fourth and last quarter: April, 2012

Date of Book Closure: **15.07.2011 to 30.07.2011** (both days inclusive).

Dividend payment Date: On or after 6<sup>th</sup> August, 2011.

Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity: Not applicable

***Listing on Stock Exchanges and Stock Code***

Shares of the Company are listed on

- (1) Bombay Stock Exchange Limited, Mumbai, P.J. Towers, Dalal Street, Mumbai – 400 001 (Stock Code 511654).
- (2) Madras Stock Exchange Limited, "Exchange Building", Post Box. No. 183, New No.30, Old No.11, Second Line Beach, Chennai – 600 001. ( Trading code – SUGAL & DAMA )

Listing fee to the Stock Exchanges has been paid up to date.





Market Price Data: High/Low in each month of Financial Year 2010-2011 on Bombay Stock Exchange:

Month	High Rs. p	Low Rs. p	Month	High Rs. p	Low Rs. p
April, 2010	14.25	11.20	Oct. 2010	14.60	12.00
May, 2010	11.75	8.87	Nov. 2010	14.85	11.94
June, 2010	15.99	9.31	Dec. 2010	13.20	9.36
July, 2010	16.80	14.55	Jan. 2011	14.95	11.11
Aug. 2010	15.45	12.30	Feb. 2011	12.50	9.92
Sept. 2010	14.45	11.55	March. 2011	13.12	9.96

Registrars and Transfer Agents, Share transfer system

M/s. Carneo Corporate Services Limited, No.1, Subramanian Building, V Floor, Club House Road, Chennai - 600 002, are functioning as the Registrars and Share transfer agents of the Company to deal with transfer of shares in physical form and also for electronic connectivity.

Share transfers are registered and returned in the normal course within an average period of 15 days from the date of receipt, if the documents are clear in all respects.

Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited within 15 days by M/s. Cameo Corporate Services Limited.

The International Securities Identification No. (ISIN) allotted to the Company is ISIN-INE 309D01011.

Categories of Shareholding as on 31st March, 2011

Category	No. of shares	% of total shares
Promoters and associates	3852992	61.65
Nationalised banks	100	-
NRI's	30000	0.48
Others (includes holding of Corporate Bodies)	2366915	37.87
TOTAL	6250007	100.00





Distribution of shareholding as on 31st March, 2011

No. of shares	No. of Shareholders	% of total Shareholders	No. of shares	% of total shares
Up to 500	3345	86.99	524424	8.39
501 to 1000	267	6.95	226070	3.62
1001 to 2000	115	2.99	174820	2.80
2001 to 3000	37	0.96	92686	1.48
3001 to 4000	16	0.42	55505	0.89
4001 to 5000	19	0.49	92943	1.49
5001 to 10000	18	0.47	144586	2.31
10001 and Above	28	0.73	4938973	79.02
TOTAL	3845	100.00	6250007	100.00

Dematerialisation of shares: 56,66,355 shares (90.66%) of the Company have been dematerialised as on 31st March, 2011.

Plant location: Not applicable. The Company is a share broking Company, having its Registered Office at Chennai.

Address of correspondence: Investors and shareholders can correspond with the Company at the following address:

The Company Secretary  
Sugal & Damani Share Brokers Limited  
(Formerly known as Sugal & Damani Finlease Ltd.)  
City Centre Plaza, (I Floor)  
7, Anna Salai, Chennai - 600 002  
Phone Nos. 2858 7105, 06, 07-09  
Fax No: 4215 5285  
E-mail for investors: [sugalshare\\_2008@rediffmail.com](mailto:sugalshare_2008@rediffmail.com)  
E-mail for redressal of investors grievance: [grievancereg@sugalshare.com](mailto:grievancereg@sugalshare.com)





## (B) NON-MANDATORY REQUIREMENTS

- (a) Whether Chairman of the Board entitled to maintain a Chairman's office at Company's expense and also incurred in performance of his duties.
- (b) Remuneration Committee
- (c) Shareholder's Rights – The half yearly declaration of financial performance including summary of the significant events in last 6 months should be sent to each household of shareholders.
- (d) Audit Qualifications
- (e) Training of Board Members
- (f) Mechanism for evaluating non-Executive Board Meetings
- (g) Whistle Blower Policy

The Chairman of the Board does not keep any office in the Regd. office of the Company.

Serial No. A – Para No. 4 of the report may be referred to.

As the Company's half-yearly results are published in an English Newspaper and also in a Tamil Newspaper, the same are not sent to the shareholders of the Company. There is no publication of second half-yearly results as the annual audited results are approved by the Board and then published in the newspapers and also communicated to the shareholders through the Annual Report.

The auditor's report on the statements of account for the year ended 31.03.2011 does not contain qualifications.

The Company has not so far adopted these non-mandatory requirements.





#### CEO/CFO CERTIFICATION:

The Board of Directors,  
Sugal & Damani Share Brokers Limited  
Chennai.

#### Re.: Financial Statements for the year 2010 - 2011 - Certification by CEO and CFO

We, Mahesh B.Chandak, Executive Director, and S.Kamal Kumar Singhi, Accounts Manager of Sugal & Damani Share Brokers Limited, on the basis of the review of the financial statements and the cash flow statement for the financial year ended March, 31, 2011 and to the best of our knowledge and belief, hereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2011 which are fraudulent, illegal or violative of the company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:-
  - a) there have been no significant changes in internal control over financial reporting during this year;
  - b) all significant changes in accounting policies during the year, if any, have been disclosed in the notes to the financial statements;
  - c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Chennai  
Date: 30<sup>th</sup> May, 2011

(Mahesh B. Chandak)  
Executive Director

(S. Kamal Kumar Singhi)  
Accounts Manager





## **Declaration of Compliance with the Code of conduct**

To

The members of Sugal & Damani Share Brokers Limited

I, Mahesh B.Chandak, Executive Director of Sugal & Damani Share Brokers Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31.03.2011.

Place: Chennai

Date: 30<sup>th</sup> May, 2011

(Mahesh B.Chandak)

Executive Director

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**CA. R. Mugunthan, B.Com., F.C.A.**  
Chartered Accountant

"VANJULA"  
10 (New No. 23), Arisikara Street,  
Mylapore, Chennai - 600 004.

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS.**

To:

**The Members,  
SUGAL AND DAMANI SHARE BROKERS LTD.,  
Chennai.**

I have examined the compliance of conditions of Corporate Governance by Sugal & Damani Share Brokers Limited for the year ended March 31, 2011 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to Procedures and Implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an Audit nor an expression of opinion on the Financial Statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I Certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that generally no investor grievances are pending for a period exceeding one month against the Company as per the Records maintained by the Company. I 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: CHENNAI  
DATE : 30.05.2011

R. MUGUNTHAN  
CHARTEREDACCOUNTANT  
Membership No: 021397



CA. R. Mugunthan, B.Com., F.C.A.  
Chartered Accountant



"VANJULA"  
10 (New No. 23), Arisikara Street,  
Mylapore, Chennai - 600 004.

**The Members**

**Sugal & Damani Share Brokers Ltd.**

**AUDITOR'S REPORT**

- (1) I have audited the attached Balance Sheet of SUGAL & DAMANI SHARE BROKERS LIMITED, City Centre Plaza, No:7, I Floor, Anna Salai, Chennai 600 002, as at 31<sup>st</sup> March 2011, the Profit and Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. These Financial Statements are the responsibility of the Company's Management. My responsibility is to express an opinion on these Financial Statements based on my Audit.
- (2) I have conducted my Audit in accordance with auditing standards generally accepted in India. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. 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. I believe that my audit provides a reasonable basis for my opinion.
- (3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government under section 227(4A) of the Companies Act, 1956, and on the basis of information and explanations given to me and the books and records examined by me in the normal course of my audit and to the best of my knowledge and belief, I give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
- (4) Further to my comments in the Annexure to above, I report that:
  - a) I have obtained all the information and explanations which, to the best of my knowledge and belief were necessary for the purpose of my Audit.
  - b) In my opinion, proper books of accounts as required by the law have been kept by the Company so far as appears from my examination of those books.
  - c) The Company's Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the Books of Accounts.





- d) In my opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement deal with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956,
- e) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March 2011 and taken on record by the Board of Directors, I report that none of the Directors is disqualified as on 31<sup>st</sup> March 2011 from being appointed as a Director in terms of clause(g) of sub – section(1) of Section 274 of the Companies Act, 1956 on the said date.
- f) In my opinion and to the best of my information and according to the explanations given to me, the said accounts read along with the notes thereon set out in Schedule, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.
  - i) In the case of the Balance Sheet of the Company's State of affairs as at 31<sup>st</sup> March 2011.
  - ii) In the case of Profit and Loss Account, of the Profit for the year ended on 31<sup>st</sup> March 2011.
  - iii) In the Cash Flow Statement, of the Cash Flows of the Company for the year ended 31<sup>st</sup> March 2011.

PLACE: CHENNAI  
DATE : 30.05.2011

R. MUGUNTHAN  
CHARTERED ACCOUNTANT  
Membership No: 021397





## ANNEXURE TO THE AUDITOR'S REPORT OF M/s SUGAL & DAMANI SHARE BROKERS LTD.

(Referred to in Paragraph 3 of my Report of even date.)

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- b) Fixed Assets have been physically verified by the Management at reasonable intervals. As informed to us, no material discrepancies were noticed by the Management on such verification.
- c) In my opinion and according to the information and explanation given to me, a substantial portion of the fixed assets has not been disposed off by the company during the year and hence there is no impact on the going concern assumption.
- ii) The Company is basically a Share Brokerage Company. Hence, the question of physical verification of Inventory and maintenance of Records for inventory does not arise except, in case of shares purchased on misdeal & wrong purchase are shown as stock and are valued at acquisition cost. Proper Records have been maintained for such stock.
- iii) (a) According to the information and explanation given to me, the company has during the year, has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, para 4(iii) (a) to (d) of the order are not applicable.
- (b) According to the information and explanations given to me the Company has taken loan from a company covered in the register maintained u/s 301 of the companies Act, 1956. The maximum amount involved during the year was Rs.29.48 Lacs and the year end balance of loans taken from such parties was Rs.11.38 Lacs.
- (c) In my opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956 are not, prima facie, prejudicial to the interest of the company.
- (d) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- iv) In my opinion and in accordance with the information and explanations given to me, there is adequate internal control procedure as regards to purchase of Plant & Machinery, Equipments and other Assets, commensurate with the size and nature of business carried out by the Company.
- v) a) According to the information and explanations given to me, I am of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.





- b) In my opinion and according to the information and explanations given to me, the company has entered into transactions with the parties entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
- vi) The Company has not accepted any Deposits from the Public except Security Deposit received from Clients in course of Business.
- vii) The Company has no formal Internal Audit Department as such. However, its control procedures ensure reasonable Internal checking of its Financial and other records.
- viii) As per my information, the Company is not required to maintain cost records as prescribed by the Central Government U/s 209(1) (d) of the Companies Act, 1956.
- ix) a) The Company is regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues.
- b) According to the information and explanation given to me, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, and Excise Duty were in arrears, as at 31.3.2011 for a period of more than six months from the date they became payable.
- c) According to the information and explanation given to me, there are no dues of Sales Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute, other than interest tax as detailed below;

Name of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Interest Tax	62,474/-	A.Y 1994-95	ITAT, Chennai
Interest Tax	2,05,383/-	A.Y 1995-96	ITAT, Chennai

- x) The Company does not have any accumulated losses as at 31<sup>st</sup> March 2011. The company has not incurred any cash losses during the financial year covered by my audit and it has incurred cash loss in the immediately preceding financial year.
- xi) In my opinion and according to the information and explanations given to me, the Company has not defaulted in the repayment of dues to the Banks.
- xii) According to the information and explanations given to me, I am of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.





- xiii) In my opinion, the Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Therefore, the provisions of clause 4 (XIII) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) In my opinion, as such the Company is not dealing or trading in Shares, Securities, Debentures and other Investments. However in the course of business, the Company has invested in quoted and unquoted Shares on account of misdeal and wrong purchases, the same in the nature of current asset classified as stock in trade and valued at its acquisition cost. All other investments in the shares and securities are held in the Company's Name.
- xv) In my opinion and as per the information and explanations given to me the Company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
- xvi) In my opinion and according to explanations given to me the Company has not taken any Term Loans.
- xvii) In my opinion and according to the Information and explanation given to me and on overall examination of the Balance Sheet of the Company, I report that no fund raised on Short Term basis have been used for Long Term Investments.
- xviii) The Company has not made any preferential allotment of shares to the Parties and Companies listed in the register maintained under section 301 of the Act.
- xix) According to the information and explanations given to me, during the period covered by my Audit Report, the company has not issued any Debentures and therefore the provision regarding creation of security or charge in respect thereof does not arise.
- xx) The Company has not raised any money by way of Public Issue during the period and therefore the provision regarding disclosing the end use of money does not arise.
- xxi) According to the information and explanations given to me and on the based upon the audit procedures performed and representations made by the management no fraud on or by the company has been noticed or reported during the year ended 31<sup>st</sup> March 2011.

PLACE: CHENNAI  
DATE : 30.05.2011

R. MUGUNTHAN  
CHARTERED ACCOUNTANT  
Membership No: 021397





**SUGAL & DAMANI SHARE BROKERS LIMITED**  
(Formerly known as Sugal & Damani Finlease Ltd)  
**BALANCE SHEET AS ON 31ST MARCH 2011**

PARTICULARS	Schedule	Amt in Rupees	
		Current year	Previous year
<b>SOURCES OF FUNDS</b>			
Share Holders' Funds			
a. Share Capital	1	62,500,070.00	62,500,070.00
b. Reserves & Surplus	2	9,474,660.04	3,981,737.04
Total		<b>71,974,730.04</b>	<b>66,481,807.04</b>
Secured Loan(Fixed Deposit)	3	10,000,000.00	---
Unsecured Loan	4	56,993,818.00	59,145,323.00
Deferred Tax Liability		1,563,096.96	1,703,729.96
Total		<b>140,531,645.00</b>	<b>127,330,860.00</b>
<b>APPLICATIONS OF FUNDS</b>			
Fixed Assets			
Gross Block	5	15,550,966.00	15,657,372.00
Less: Provision for Depreciation		6,582,052.00	5,426,733.00
Net Block		<b>8,968,914.00</b>	<b>10,230,639.00</b>
Investments	6	10,885,812.00	15,383,905.00
Current Assets, Loans & Advances	7		
(a) Inventories		1,784,935.00	5,457,759.00
(b) Sundry Debtors		93,784,982.00	88,659,843.00
(c) Cash and Bank Balance		13,138,669.00	14,438,413.00
(d) Other Current Assets		30,497,093.00	48,744,204.00
(e) Loans & Advances		37,720,579.00	32,870,604.00
Total		<b>176,926,258.00</b>	<b>190,170,823.00</b>
<b>Less: Current Liabilities &amp; Provisions</b>			
Current Liabilities	8	52,405,532.00	86,035,755.00
Provisions		5,623,807.00	5,038,752.00
Net Current Assets		<b>118,996,919.00</b>	<b>99,096,316.00</b>
Miscellaneous Expenditure ( To the Extent not Written off or Adjusted:)			
Deferred Revenue Expenses	13	1,780,000.00	2,620,000.00
Total		<b>140,531,645.00</b>	<b>127,330,860.00</b>
Significant Accounting Policies	15		
Notes on Accounts	14		

As per my attached Report of even date

For and on behalf of Board of Directors  
Sugal & Damani Share Brokers Ltd.,

R. Mugunthan  
Chartered Accountant  
Membership No: 021397  
Place: Chennai  
Date: 30.05.2011

(S. Vinodh Kumar Jain)  
Executive Director

(Mahesh B Chandak)  
Executive Director

(R.Vaidyanathan)  
Company Secretary

(S. Kamal Kumar Singhi)  
Accounts Manager





**SUGAL & DAMANI SHARE BROKERS LIMITED**  
(Formerly known as Sugal & Damani Finlease Ltd)  
**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2011**

PARTICULARS	Schedule	Amt in Rupees	
		Current year	Previous year
<b>INCOME:</b>			
Income from Stock Broking (B)		65,925,348.00	77,616,904.00
Income from DP Services (A)		2,470,792.00	2,672,742.00
Dividend Received		247,587.00	320,241.00
Interest received (TDS Rs.3,91,955)		15,275,077.00	8,561,004.00
Profit On Sale of investment		365,423.00	---
Bad Debts Recovered		389,257.00	55,944.00
Total		<b>84,673,484.00</b>	<b>89,226,835.00</b>
<b>EXPENDITURE:</b>			
Trading Expenses	9	7,952,358.00	8,456,120.00
Subbrokerage		21,019,263.00	20,459,859.00
Employee Remuneration & Benefits	10	16,668,268.00	20,279,942.00
Director Remuneration		2,400,000.00	2,520,000.00
Administrative Expenses	11	9,666,387.00	11,913,942.00
Interest Payment		8,947,843.00	4,541,834.00
Financial Charges	12	688,470.00	1,513,829.00
Bad Debts written Off		461,215.00	7,908,453.00
Depreciation	5	1,702,773.00	1,686,501.00
Loss on Sale of Assets		688,092.00	237,095.00
Loss on Sale of Investments		---	199,088.00
Loss on sale of Shares - Business		1,532,457.00	3,066,825.00
Total		<b>71,727,126.00</b>	<b>82,783,488.00</b>
Profit before tax		12,946,358.00	6,443,347.00
Provision for Taxation - Current (Mat)		---	985,000.00
Provision For Income Tax - Deferred		3,950,000.00	---
		(140,633.00)	(36,671.04)
Profit after tax		9,136,991.00	5,495,018.04
Brought Forward Profits		3,827,252.04	1,988,332.00
<b>Surplus available for appropriation</b>		<b>12,964,243.04</b>	<b>7,483,350.04</b>
Proposed Dividend		3,125,004.00	3,125,004.00
Tax on Proposed Dividend		519,064.00	531,094.00
<b>Balance transferred to Balance Sheet</b>		<b>9,320,175.04</b>	<b>3,827,252.04</b>
Earnings per Share - Basic & Diluted EPS		1.46	0.88
Notes on Accounts	14		

As per my attached Report of even date

For and on behalf of Board of Directors  
Sugal & Damani Share Brokers Ltd.,

R. Mugunthan  
Chartered Accountant  
Membership No: 021397  
Place: Chennai  
Date: 30.05.2011

(S. Vinodh Kumar Jain)  
Executive Director

(R. Vaidyanathan)  
Company Secretary

(Mahesh B Chandak)  
Executive Director

(S. Kamal Kumar Singhi)  
Accounts Manager





**SUGAL & DAMANI SHARE BROKERS LIMITED**  
(Formerly known as Sugal & Damani Finlease Ltd)  
Schedules attached to and forming part of the Accounts

1 SHARE CAPITAL		Amt in Rupees Current year	Amt in Rupees Previous year
Authorised capital: 9050000 (9050000) Equity Shares of Rs. 10 Each		90,500,000.00	90,500,000.00
Issued and paid-up capital 6250007 (6250007) Equity shares of Rs. 10 Each		62,500,070.00	62,500,070.00
	Total	<b>62,500,070.00</b>	<b>62,500,070.00</b>
2 RESERVES & SURPLUS			
a) General Reserve		154,485.00	154,485.00
b) Profit & Loss Account		9,320,175.04	3,827,252.04
	Total	<b>9,474,660.04</b>	<b>3,981,737.04</b>
3 SECURED LOAN			
a) From Bank (Fixed Deposit)		10,000,000.00	---
	Total	<b>10,000,000.00</b>	---
4 Unsecured Loan			
a) From Banks:		---	---
b) From Others (ICD)		56,993,818.00	59,145,323.00
	Total	<b>56,993,818.00</b>	<b>59,145,323.00</b>
6 INVESTMENTS ( Long Term, At Cost)			
Investment :			
Quoted		8,503,812.00	13,001,905.00
Unquoted		2,382,000.00	2,382,000.00
	Total	<b>10,885,812.00</b>	<b>15,383,905.00</b>
Market Value of Quoted investments = Rs.8507333/- (PY =Rs.10911394/-)			
Market Value of Unquoted investments = Rs.2382000/- (PY =Rs. 2382000/-)			
7 CURRENT ASSETS, LOANS & ADVANCES			
A) Current Assets:			
- Stock In Trade		1,784,935.00	5,457,759.00
Sundry Debtors: (Unsecured)			
Debts Due for More than 6 Months - Considered Good		5,003,779.00	4,586,258.00
Others Debts Considered Good		88,781,203.00	84,073,585.00
		93,784,982.00	88,659,843.00
		---	---
Less: Provision for Doubtful Debts		93,784,982.00	88,659,843.00



	Amt in Rupees Current year	Amt in Rupees Previous year
- Cash in Hand	200.00	13,534.00
Balance with Scheduled Banks - In Current Accounts	13,138,469.00	14,424,879.00
- In Fixed Deposits	30,497,093.00	48,744,204.00
	<b>139,205,679.00</b>	<b>157,309,219.00</b>
<b>B) Loans &amp; Advances :</b>	519,647.00	228,109.00
- Accrued Interest	2,142,353.00	2,404,768.00
- Income Tax Less Provision		
- Advance Recoverable in Cash or in Kind or for the Value to be Received	2,694,152.00	3,186,235.00
- Considered Good	669,280.00	669,280.00
- Considered Doubtful	32,364,427.00	27,051,492.00
- Deposits With Stock Exchange and Others	38,389,859.00	33,539,884.00
Total	669,280.00	669,280.00
Less: Provision For Doubtful Advances		
Total	<b>37,720,579.00</b>	<b>32,870,604.00</b>
<b>8 CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A Current Liabilities</b>		
Sundry Creditors:		
Due to Small, Medium and Micro Enterprises	45,892,121.00	84,035,521.00
Due to Others	6,513,411.00	2,000,234.00
Other Liabilities		
Total	<b>52,405,532.00</b>	<b>86,035,755.00</b>
<b>B Provisions:</b>		
Proposed Dividend	3,125,004.00	3,125,004.00
Provision for Dividend Tax	519,064.00	531,094.00
Provision for Esi, Pf and Others	431,104.00	384,269.00
Provision for Gratuity	1,548,635.00	998,385.00
Total	<b>5,623,807.00</b>	<b>5,038,752.00</b>
<b>9 TRADING EXPENSES</b>		
Business Expenses	6,280,494.00	6,285,628.00
Brokers Contingency Fund	---	5,000.00
Connectivity Charges	---	9,886.00
Ctdl Charges	---	200,000.00
V-Sat charges	105,000.00	233,000.00
Currency Expenses	59,299.00	---
NSE Expenses	161,924.00	26,086.00
BSE Expenses	95,582.00	27,740.00
Depository Charges	1,048,843.00	1,387,682.00
SEBI Turnover Fees	201,216.00	281,098.00
Total	<b>7,952,358.00</b>	<b>8,456,120.00</b>





	Amt in Rupees Current Year	Amt in Rupees Previous year
<b>10 EMPLOYEE REMUNERATION &amp; BENEFITS</b>		
Salaries and Allowances	15,635,144.00	19,345,036.00
Gratuity Expenses	584,000.00	727,000.00
Employer's contribution to provident Fund	267,236.00	79,677.00
Employer's contribution to Employees State Insurance	181,888.00	128,229.00
Total	<b>16,668,268.00</b>	<b>20,279,942.00</b>
<b>11 ADMINISTRATIVE EXPENSES</b>		
Advertisement Expenses	171,645.00	255,175.00
AGM Expenses	87,577.00	54,754.00
Auditor's Remuneration	66,180.00	66,180.00
Branch Expenses	3,282,644.00	4,531,497.00
Consultancy Charges	234,409.00	116,672.00
Directors Sitting Fees	80,000.00	45,000.00
Electricity Charges	675,903.00	673,678.00
Insurance Charges	19,493.00	71,845.00
Legal and Professional charges	196,164.00	169,131.00
Newspaper & Periodicals	38,111.00	24,690.00
Office Expenses	672,673.00	963,298.00
Postage & Telephone	1,859,290.00	2,053,565.00
Processing Fee	---	125,000.00
Printing & stationery	707,655.00	680,132.00
Rent, Rates & Taxes	1,207,574.00	1,520,661.00
Repairs & maintenance	72,226.00	70,262.00
Travelling & Conveyance	294,843.00	492,402.00
Total	<b>9,666,387.00</b>	<b>11,913,942.00</b>
<b>12 FINANCIAL CHARGES</b>		
Interest on Bank Overdraft	---	---
Bank Charges	688,470.00	1,513,829.00
Total	<b>688,470.00</b>	<b>1,513,829.00</b>
<b>13 Miscellaneous Expenditure</b>		
Deffered Revenue Expenditure:		
Opening balance	2,620,000.00	2,960,000.00
Add: Transferred during the Year	---	500,000.00
	2,620,000.00	3,460,000.00
Less: Written off during the year	840,000.00	840,000.00
Total	<b>1,780,000.00</b>	<b>2,620,000.00</b>

SUGAL & DAMANI SHARE BROKERS LTD AS ON 31.3.2011  
(Formerly Known as Sugal & Damani Finance Ltd)  
Schedule 4 - Fixed Assets

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK				
	AS AT 01.04.2010	ADDITIONS	DELETIONS	AS AT 31.3.2011	UP TO 31.03.2010	DEP %	DEPRECIATION WITHDRAWN	FOR THE YEAR	UPTO 31.3.2011	AS AT 31.3.2011	AS AT 31.3.2010
Air Conditioner	1,191,716.33	-	-	1,191,716.33	192,584.74	4.75%	-	56,606.53	249,181.26	942,525.07	999,131.59
Computers	3,092,345.12	75,492.00	73,025.00	3,094,812.12	1,396,614.81	16.21%	31,665.04	502,428.16	1,897,377.53	1,217,434.19	1,685,730.31
UPS & Battery	1,670,544.30	367,939.00	824,082.00	1,214,401.30	418,801.84	4.75%	350,304.77	75,560.72	144,087.79	1,070,343.51	1,251,742.46
Furniture	2,170,315.44	-	177,789.00	1,992,526.44	416,596.35	6.33%	29,023.65	132,368.76	520,361.46	1,472,164.98	1,753,319.08
Electric & Fittings	1,294,280.54	-	-	1,294,280.54	205,728.11	4.75%	-	61,478.33	267,206.44	1,027,074.10	1,088,552.43
Fax Machine	67,615.00	-	-	67,615.00	29,559.45	4.75%	-	3,211.71	32,770.16	34,844.84	38,056.55
Vehicle	1,230,472.00	133,910.00	154,443.00	1,209,939.00	373,468.30	9.50%	106,540.84	113,243.81	360,201.27	829,737.74	856,973.71
Television	181,695.70	-	14,300.00	167,395.70	26,432.99	4.75%	1,852.55	8,591.13	38,171.57	131,024.13	152,062.71
Xerox Machine	82,820.00	-	82,820.00	-	24,586.75	4.75%	27,151.90	2,565.15	-	-	58,233.25
Software	4,171,650.00	640,311.00	-	4,811,961.00	2,292,632.30	16.21%	-	722,462.23	3,014,776.53	1,797,182.47	1,879,017.70
Epbox and Telephones	164,987.00	7,800.00	-	172,787.00	13,304.95	4.75%	-	8,058.16	21,363.11	151,423.89	151,692.05
Locker	26,070.00	-	-	26,070.00	4,006.98	4.75%	-	1,238.33	5,245.30	20,824.70	22,063.03
Coffee Machine	12,938.00	-	-	12,938.00	1,576.11	4.75%	-	614.56	2,190.67	10,747.34	11,381.89
Printer	290,574.00	-	-	290,574.00	25,666.73	4.75%	-	13,802.27	39,468.99	251,105.01	264,907.27
Scanner	14,150.00	-	-	14,150.00	985.75	4.75%	-	672.13	1,667.88	12,482.13	13,154.25
Modem	5,400.00	-	5,400.00	-	748.50	4.75%	916.00	167.50	-	-	4,651.50
<b>Total</b>	<b>15,386,036.43</b>	<b>875,099.00</b>	<b>603,762.00</b>	<b>15,657,373.43</b>	<b>3,826,897.16</b>		<b>547,465.00</b>	<b>1,702,773</b>	<b>6,582,052</b>	<b>10,230,339.78</b>	<b>11,559,139.28</b>
<b>PREVIOUS YEAR</b>	<b>15,386,036.43</b>	<b>875,099.00</b>	<b>603,762.00</b>	<b>15,657,373.43</b>	<b>3,826,897.16</b>		<b>86,665.00</b>	<b>1,686,501.49</b>	<b>5,426,733.64</b>	<b>10,230,339.78</b>	<b>11,559,139.28</b>







**SUGAL & DAMANI SHARE BROKERS LIMITED**  
(Formerly Known as Sugal & Damani Finlease Limited)

Particulars		Amt In Rupees Current year	Amt in Rupees Previous year
a)	<b>Income From Dp Services</b>		
	Cdsi Dp Charges	840,747.00	1,039,698.00
	Cdsi Amc Charges	1,630,045.00	1,633,044.00
	Total	<b>2,470,792.00</b>	<b>2,672,742.00</b>
b)	<b>Income From Stock broking</b>		
	Other Receipts	---	18,804.00
	Other Charges	---	147,767.00
	TWS Charges Recd	---	159,588.00
	Comm on sale of ipo	455,799.00	190,129.00
	Brokerage Realised	65,469,549.00	77,100,616.00
	Total	<b>65,925,348.00</b>	<b>77,616,904.00</b>
c)	<b>Salary and Allowances:</b>		
	Salary and Staff Welfare	9,352,866.00	10,291,575.00
	Incentive to Managers	1,819,210.00	5,436,342.00
	Managerial Remuneration	4,463,068.00	3,617,119.00
	Total	<b>15,635,144.00</b>	<b>19,345,036.00</b>
d)	<b>Business Expenses</b>		
	Adhesive Stamps	221,340.00	376,351.00
	Annual Maintenance Chgs	1,911,907.00	2,320,398.00
	Annual subscription	182,000.00	149,893.00
	Arbitration Fees	---	15,285.00
	Brokerage Reversal Account	627,246.00	357,725.00
	Business promotion expenses	51,585.00	167,619.00
	Computer Maintenance	194,897.00	44,435.00
	DP Charges	476,443.00	---
	Donations	113,600.00	---
	Front & Back office Misdeal Expenses	53,146.00	186,657.00
	General Expenses	355,817.00	344,035.00
	Internet Charges	257,875.00	601,868.00
	Lease Line Nse	271,490.00	200,000.00
	Licence Fees	---	3,590.00
	Professional Tax	2,190.00	2,475.00
	Preliminary Expenses	840,000.00	840,000.00
	Rate Difference	---	15,119.00
	Registration Charges	66,214.00	44,313.00
	Security Charges	238,360.00	233,109.00
	Data Downloading Charges	250,641.00	301,850.00
	Turnover Tax	157,117.00	64,645.00
	Trade Guarantee Fund	---	11,030.00
	Vehicle Maintenance	8,626.00	5,231.00
	Total	<b>6,280,494.00</b>	<b>6,285,628.00</b>
e)	<b>Branch Expenses:</b>		
	Branch Expenses	3,282,644.00	4,531,497.00
	Total	<b>3,282,644.00</b>	<b>4,531,497.00</b>



**SUGAL & DAMANI SHARE BROKERS LIMITED**  
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	Amt in Rupees Current year	Amt in Rupees Previous year
<b>f) Other Loans And Advances:</b>		
Asian Cerc Inforamtion Tech Ltd	---	18,672.00
CDSL Parties a/c	646,265.00	718,264.00
Cenvat Credit Receivable	11,133.00	12,875.00
IL&FS Expenses	---	8,880.00
Loan Against Shares Finlease	195,455.00	467,744.00
Loans Unsecured	1,993,934.00	1,692,916.00
Salary Advance	98,537.00	15,000.00
Saiyam Credits Pvt Ltd.,	150,000.00	213,000.00
Fin - Hp Loan & Advances	183,961.00	183,960.00
Sec - Service Tax	---	8,174.00
Turnover Tax Advance	84,147.00	332,288.00
Provision for MAT	---	12,875.00
Service Tax Receivable	---	2,435.00
<b>Total</b>	<b>3,363,432.00</b>	<b>3,687,083.00</b>
<b>g) Deposits with Exchange:</b>		
CDSL - Security deposit	250,000.00	250,000.00
Bse Membership Deposits	11,000,000.00	11,000,000.00
F & O Segment- Security Deposits	2,500,000.00	7,500,000.00
F & O Interest free Sec. Deposit	5,000,000.00	---
Additional Base Capital (currency)	200,000.00	---
IL&FS Ifst (Currency Trading)	1,000,000.00	1,000,000.00
IL&FS Mcx-Sx Deposit	100,000.00	100,000.00
Mcx Deposit	42,200.00	42,200.00
NScd Base Capital Currency	200,000.00	200,000.00
NSE F S T M Security Deposit	800,000.00	800,000.00
NSE Interest free Sec. Deposit	4,500,000.00	4,500,000.00
Additional Base Capital (NSE)	5,000,000.00	---
Sec MSE Deposit	100,000.00	100,000.00
Che OTC Cash Margin	100,000.00	100,000.00
V sat Lease Line	200,000.00	280,000.00
<b>Total</b>	<b>30,992,200.00</b>	<b>25,872,200.00</b>
<b>h) Other Deposits:</b>		
Electricity Deposit	142,928.00	137,928.00
Portfolio Deposit	333,335.00	---
Rental Advance	706,400.00	851,800.00
Telephone Deposit	179,564.00	179,564.00
Sec settlement Guarantee fund	10,000.00	10,000.00
<b>Total</b>	<b>1,372,227.00</b>	<b>1,179,292.00</b>
<b>i) IT Refund Due</b>		
IT REFUND DUE F.Y 96-97	9,315.00	9,315.00
IT REFUND DUE 2000-2001	17,279.00	17,279.00
IT REFUND DUE 2003-2004	230,346.00	230,346.00
IT REFUND DUE 2004-2005	234,791.00	234,791.00
IT REFUND DUE 97-98	10,724.00	10,724.00
IT REFUND DUE FOR 2006 - 2007	143,006.00	143,006.00
IT REFUND DUE FOR 2007 - 2008	285,169.00	285,169.00





**SUGAL & DAMANI SHARE BROKERS LIMITED**  
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	Amt in Rupees Current year	Amt in Rupees Previous year
IT REFUND DUE FOR 2008 - 2009	1,024,555.00	1,024,555.00
Sec- IT Refund	94,986.00	94,986.00
Sec- IT Refund 05-06	9,287.00	9,287.00
Sec- IT Refund 06-07	5,596.00	5,596.00
Fin- Interest Tax Refund Due 97-98	31,620.00	31,620.00
Fin- IT Refund 98-99	121,010.00	121,010.00
Fin- IT Refund 02-03	43,588.00	43,588.00
Fin- IT Refund 03-04	171,945.00	171,945.00
Fin- IT Refund 04-05	142,598.00	142,598.00
Fin- IT Refund 06-07	309,240.00	309,240.00
Fin- IT Refund 07-08	94,882.00	94,882.00
CHE- IT Refund 02-03	10,457.00	10,457.00
CHE- IT Refund 06-07	1,273.00	1,273.00
CHE- IT Refund 97-98	8,731.00	8,731.00
TDS Receivable	391,955.00	389,370.00
Income Tax Paid 09 -10	985,000.00	---
Advance Tax Paid	2,700,000.00	---
<u>Less Provision for Tax</u>		
Provision For Mat	985,000.00	985,000.00
Provision For Income Tax 10-11	3,950,000.00	---
Fringe Benefit Tax Payable Fin	---	---
<b>Total</b>	<b>2,142,353.00</b>	<b>2,404,768.00</b>
<b>j) CURRENT LIABILITIES:</b>		
<b>OUTSIDE LIABILITIES</b>		
Arun Kumar Betala Remuneration a/c	10,698.00	7,000.00
Arun kumar Betala Expense A/c	---	5,000.00
Arun kumar Betala Incentive a/c	941.00	11,630.00
Anand Chandak Mohanlal Incentive	---	4,893.00
Anand Chandak Mohanlal Expenses a/c	---	19,222.00
Anand Chandak Remuneration A/c	2,520.00	---
Anandha Kumar Remuneration A/c	---	10,500.00
Anandha Kumar Incentive A/c	---	4,356.00
Anandha Kumar Brokerage A/c	16,490.00	---
Bapatla Franchishee Incentive	---	10,942.00
Bharanidharan M Expenses	2,794.00	---
Bapatla Brokerage A/c	37,567.00	---
Bharat Harish Malpani Incentive A/c	4,207.00	4,140.00
Bharat Harish Malpani Expenses A/c	15,000.00	15,000.00
Bharat Haraish Malpani Remuneration A/c	23,645.00	19,645.00
Bindiya j Shah Remuneration A/c	---	30,000.00
Brijlatha Jawandhiya Remuneration A/c	---	5,758.00
Brijlatha Jawandhiya incentive A/c	---	224.00
Bhagwandas Chandak Loan A/c	---	110,172.00
Cdsl Parties Suspenses	19,417.00	---
Champalal Expenses A/c	---	5,320.00
Champalal Incentive A/c	---	1,866.00
Champalal Remuneration	---	5,000.00
Chella Chockalingam Remnueration A/c	102,483.00	35,062.00





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Chella Chockalingam Expenses A/c	5,500.00	57,667.00
Chella Chockalingam Incentive A/c	128,562.00	5,691.00
Chella Chockalingam Brokerage A/c	5,226.00	---
Dharmapuri Brokerage A/c	9,873.00	---
Dhuruv P Pancholi Expenses A/c	---	9,000.00
Dhuruv P Pancholi Remuneration A/c	---	208.00
Dhuruv P Pancholi Brokerage A/c	64,509.00	---
Devaendra Luniya Expenses	39,600.00	34,200.00
Dwarakadas Chandak Expenses A/c	48,388.00	63,000.00
Dwarakadas Chandak Remuneration A/c	(21,075.00)	---
Dwarakadas Chandak incentive A/c	3,200.00	453.00
Ebrahim Remuneration A/c	40,805.00	40,805.00
Gurumoorthy Expenses	21,014.00	38,800.00
Govindaraj Brokerage A/c	(2,206.00)	---
Hemanthji incentive a/c	---	1,756.00
Hullas Incentive A/c	(18,728.00)	(21,743.00)
Jayalakshmi Ganesan Exp	---	3,900.00
Hubli Franchisee Brokerage A/c	11,216.00	---
Jayalakshmi Ganesan Incentive	---	873.00
Jayalakshmi Ganesan Brokerage A/c	3,552.00	---
Jayaprakash incentive A/c	---	536.00
Jayaprakash Remuneration A/c	---	6,715.00
Jeevanmal Betala Incentive A/c	2,025.00	---
Jeevanmal Betalal Remuneration A/c	9,367.00	3,552.00
Kuppa Rao M R Expenses A/c	25,310.00	96,475.00
Lingamallu Surya Remuneration A/c	---	8,374.00
Lingamallu Surya Brokerage A/c	58,790.00	---
Lakshmi Narayanan Expenses	---	5,000.00
Lakshmi Narayanan Incentive	---	136.00
Lakshmi Narayanan Remuneration	---	6,322.00
Lakshmikanthan incentive A/c	557.00	557.00
Latha Remuneration	4,775.00	15,000.00
Lakshmi Devamma Incentive	2,417.00	---
Lakshmi Devamma Remuneration	33,645.00	---
Manju Remuneration a/c	1,000.00	15,000.00
Mahesh Jethwani Incentive	8,514.00	---
Mahesh Jethwani Remuneration	32,406.00	---
Mahesh Jethwani Expenses	---	19,485.00
Manoj Kumar Remuneration A/c	---	6,550.00
Manoj Kumar Incentive A/c	---	705.00
Manoj Kumar Expenses A/c	---	3,770.00
Manoharan C Brokerage A/c	11,672.00	---
Manoharan C Incentive A/c	---	32,994.00
Manoharan C Remuneration	---	28,000.00
Manoharan C Exp A/c	---	3,800.00
Manchar p Kamath Incentive A/c	---	61.00
Mohammed baraj Remuneration a/c	5,000.00	---
Mohammed baraj Expenses a/c	5,000.00	---





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	Amt in Rupees Current year	Amt in Rupees Previous year
Mohammed Baraj Incentive	10,992.00	10,029.00
Mohan Raj A Expenses	---	7,000.00
Mohan Raj A Incentive A/c	---	4,071.00
Mukeshji Incentive A/c	2,268.00	---
Mukeshji Expenses A/c	16,518.00	---
Neetha Expenses A/c	(31,062.00)	(6,062.00)
Neelakandan Branch Expenses	200.00	---
Nakhatmal Bhagwandas Chandak loan A/c	---	19,233.00
Navin Lunia Hunters incentive A/c	---	76,963.00
Navin Lunia incentive A/c	26,186.00	---
Nanganallur Brokerage A/c	6,953.00	---
Padmanaban Remuneration A/c	51,442.00	19,690.00
Padmanaban Incentive A/c	280.00	---
Parrys II Franchisee Brokerage A/c	59,251.00	---
Praveen Kumar Lunia Remuneration A/c	25,509.00	---
R D Dangayach Remuneration	8,508.00	7,575.00
R D Dangayach Incentive	81.00	---
R D Dangayach Expenses	15,000.00	10,000.00
Rajesh Remuneration a/c	242.00	16,252.00
Rajesh Incentive a/c	---	6,716.00
Rajesh Expenses A/c	13,200.00	2,320.00
Rajeswaran n Incentive A/c	---	1,128.00
Rajeswaran N Remuneration A/c	8.00	2,479.00
Rajib lodh Remuneration A/c	30,200.00	10,000.00
Rajib lodh Expenses A/c	62,641.00	3,900.00
Rajib lodh incentive	2,404.00	50,128.00
Rekhchand Remuneration a/c	86,635.00	51,455.00
Rekhchand Expenses	18,350.00	---
Rekhchand Incentive a/c	9,486.00	---
Renuka Incentive A/c	---	(56,238.00)
R. K. Bhutra Brokerage A/c	28,035.00	---
Saradha Remuneration a/c	68,000.00	43,500.00
Selva Kumar Incentive A/c	3,477.00	3,248.00
Sheena Agarwal incentive A/c	---	(3,258.00)
Sheena Agarwal Remuneration A/c	14,422.00	1,129.00
Sheena Agarwal Expenses A/c	8,800.00	---
Sangeetha Remuneration A/c	29,252.00	15,460.00
Saravanan K Tanjore incentive	3,744.00	2,846.00
Sathish Kumar remuneration A/c	(5,544.00)	(4,261.00)
Sathish Kumar Expenses A/c	---	7,500.00
Sridharan Remuneration A/c	---	13,275.00
Sridharan incentive A/c	---	253.00
Sridharan Expenses A/c	---	8,800.00
Sridharan Brokerage A/c	77,869.00	---
Sudhakar Remuneration A/c	---	83,626.00
Sudhakar Expenses	---	63,100.00
Sudhakar Incentive A/c	---	10,270.00
Sudhakar Brokerage A/c	268,844.00	---





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	Amt in Rupees Current year	Amt in Rupees Previous year
Suresh kumar Jain Incentive	---	1,756.00
Subramanian P L Expenses A/c	(2,208.00)	---
Subramanian P L Incentive A/c	---	7,415.00
Swathi Maheshwari Expenses	---	54,566.00
Seema luniya incentive	92,241.00	(11,520.00)
Seema luniya remuneration	30,000.00	75,016.00
Santhosh Baid Expenses A/c	---	39,600.00
Shantilal Remuneration	60,000.00	75,000.00
Shakuntlal Devi Expenses	39,600.00	(5,400.00)
Mahesh b Chandak	244,500.00	(20,296.00)
Bhagwandas Chandak	133,128.00	(35,700.00)
Vinodh kumar	251,315.00	26,784.00
Senthil k Brokerage A/c	39,320.00	---
Swathi Incentive	105.00	---
Senthil Kumar Incentive A/c	2,364.00	---
Tarun Aggarwal Expenses	---	7,600.00
Thenali Expenses	---	13,800.00
Tharani Babu Brokerage A/c	2,263.00	---
Trichy Fran incentive	153.00	---
Uma Maheshwara Rao Remuneration A/c	---	27,322.00
Uma Maheshwara Rao incentive A/c	---	10,383.00
Uma Maheshwara Rao Expenses A/c	---	33,800.00
Uma Maheshwara Rao Brokerage A/c	45,056.00	---
Urapakkam Brokerage A/c	12,325.00	---
Vandana M kamath Expenses A/c	---	5,000.00
Veerappan incentive A/c	8,742.00	8,742.00
Veerappan Expenses	10,000.00	10,000.00
Veerappan Remuneration A/c	7,113.00	7,113.00
Varalakshmi Incentive A/c	3,704.00	---
Vinay Agency expenses A/c	---	7,600.00
Vijeya ganapathi Brokerage A/c	10,628.00	---
Vijjappu Praveen kumar Incentive A/c	---	6,647.00
<b>Total</b>	<b>2,678,216.00</b>	<b>1,620,727.00</b>
<b>k) Other Liabilities</b>		
Client Deposit - Cdsl	581,858.00	246,000.00
Client Deposit - Mse	20,000.00	20,000.00
Anish Govindram Tibrewala	400,000.00	400,000.00
Akola 2 Cash Deposit	50,000.00	50,000.00
Akola 3 Cash Deposit	---	50,000.00
Amaravathi 2 Cash Deposit	50,000.00	50,000.00
Bank Overdraft Account	4,221,252.00	---
Bapatla Franchishee Deposit	25,000.00	25,000.00
Chrompet Cash Deposit	100,000.00	100,000.00
Gandhipuram Coimbatore Cash Deposit	25,000.00	25,000.00
Hubli Inside Franc Cash Deposit	25,000.00	25,000.00
Hubli Franc Cash Deposit	25,000.00	---
Indranagar / Thiruvanniyur Cash Deposit	50,000.00	50,000.00
Kanchi Cash Deposit	50,000.00	50,000.00





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	Amt in Rupees Current year	Amt in Rupees Previous year
Manoj Kumar Cash Deposit	---	50,000.00
Mohammed baraj Cash Deposit	50,000.00	50,000.00
Nasrathpettai Cash Deposit	50,000.00	50,000.00
Nutan Agency Cash Deposit	34,234.00	34,234.00
Nanganallur Fran Cash Deposit	50,000.00	---
Palani cash Deposit	50,000.00	50,000.00
Palaniappan Franchishee Deposit	25,000.00	25,000.00
Parrys cash Deposit	50,000.00	50,000.00
Patiala Cash Deposit	50,000.00	50,000.00
Pollachi Cash Deposit	50,000.00	50,000.00
Pondy Franchishee Cash Deposit	25,000.00	---
Rajesh cash deposit (Puras)	---	100,000.00
Renuka Cash Deposit	---	50,000.00
Rajmundri Inside Francs Cash Deposit	---	25,000.00
Rajhib Lodh Cash Deposit	50,000.00	50,000.00
Sowcarpet Betala Cash Deposit	50,000.00	50,000.00
T.Nagar Cash Deposit	50,000.00	50,000.00
Thenali Cash Deposit	50,000.00	50,000.00
Tumkur 2 Cash Deposit	50,000.00	50,000.00
Urapakkam Cash Deposit	50,000.00	---
Unclaim Dividend F.y 2009-2010	131,067.00	---
Vellore kosapet Franchishee Deposit	25,000.00	25,000.00
Vizak Inside Fran Cash Deposit	---	50,000.00
<b>Total</b>	<b>6,513,411.00</b>	<b>2,000,234.00</b>
<b>l) SUNDRY CREDITORS</b>		
Professional Tax Payable	---	35,465.00
Audit Fees Payable	59,562.00	59,562.00
Outstanding Expenses	1,006,207.00	1,227,516.00
Salary Payable	27,860.00	---
Service Tax Payable	2,128.00	---
Tds Payable	428,471.00	1,109,651.00
<b>Total</b>	<b>1,524,228.00</b>	<b>2,432,194.00</b>
<b>m) PROVISIONS</b>		
ESI Payable	19,854.00	16,664.00
PF Payable	40,123.00	45,845.00
Fin - Pro For income tax	33,402.00	33,402.00
Fin - Pro For Sub Standard Assets	5,097.00	5,097.00
Cdsl Service Tax Payable	64,771.00	15,404.00
<u>Provision for Interest Tax:</u>		
Fin - Interest Tax Provision 93 -94	62,474.00	62,474.00
Fin - interest Tax Provision 95 -96	205,383.00	205,383.00
<b>Total</b>	<b>431,104.00</b>	<b>384,269.00</b>
<b>n) Unsecured Loans</b>		
Siyat holdings pvt ltd.,	55,855,658.00	56,718,240.00
Sugal commodity brokers	1,138,160.00	2,427,083.00
<b>Total</b>	<b>56,993,818.00</b>	<b>59,145,323.00</b>
<b>o) Secured Loans</b>		
Hdfc Bank Loan Account (FDR)	10,000,000.00	---
<b>Total</b>	<b>10,000,000.00</b>	<b>---</b>



**SUGAL & DAMANI SHARE BROKERS LIMITED**  
(Formerly Known as Sugal & Damani Finlease Limited)

**15. SIGNIFICANT ACCOUNTING POLICIES:**

**GENERAL**

The financial statements are prepared under the historical cost convention and are in accordance With applicable mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

Income and Expenses are accounted for on accrual basis.

**REVENUE RECOGNITION**

Brokerage Fee income is accounted for, on accrual basis in accordance with the agreement entered into.

Dividend Income is recognized when it is actual received.

Interest Income is recognized on accrual basis.

**I. USE OF ESTIMATES:**

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.

**II. FIXED ASSETS:**

Fixed Assets are stated at cost less depreciation

**III. DEPRECIATION:**

Depreciation on Fixed Assets is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

**IV. INVESTMENTS:**

Long Term Investments are stated at cost. Provision for Diminution in the value of Long Term Investments is made only if such a decline is other than temporary.

**V. INVENTORIES – Stock In Trade**

The Securities held as Stock in trade under current assets are valued at Weighted Average Cost.





**SUGAL & DAMANI SHARE BROKERS LIMITED**  
(Formerly Known as Sugal & Damani Finlease Limited)

**VI. MISCELLANEOUS EXPENDITURE:**

(To the extent not written off or adjusted)

Deferred Revenue Expenses are written off in equal installments over a period of 5 accounting years.

**VII. TAXATION:**

Current Tax is the amount of tax payable on the taxable income for the year and determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax is recognized, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods.

**VIII. EMPLOYEE RETIREMENT BENEFITS:**

a) Short Term Employee Benefit obligations are estimated and provided for.

b) Post employment benefits and other long term employee benefits:

**Defined Contribution Plans:**

Company's contribution to Provident Fund, Super Annuation Fund, Employee state Insurance and other funds are determined under the relevant schemes and/or statute and charged to revenue.

**Defined Benefit Plans :**

Company's Liabilities towards Gratuity and other Retirement Benefits are recognized on the Basis of Actuarial Valuation Report.

**IX. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The company creates a provision when there is a present obligation as a result of 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. Where 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. Contingent asset are neither recognized nor disclosed in the financial statements.

**X. EARNINGS PER SHARE**

Basic earning per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. The number of equity shares used in computing the dilutive equity earnings per share comprises the weighted average



number of equity shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares, unless they are anti-dilutive.

#### XI. QUANTITATIVE DETAILS

The activities of the company do not involve the production or sale of goods. Accordingly, quantitative details of sales and certain information required under paragraphs 3, 4C and 4D of part II of schedule VI of the companies Act, 1956 have not been given.

#### 14. NOTES ON ACCOUNTS:

1. Change of Name

The Company has changed its name to SUGAL & DAMANI SHARE BROKERS LIMITED, from its earlier name SUGAL & DAMANI FINLEASE LIMITED with effect from 23.12.2008 after obtaining approval from Registrar of Companies Tamilnadu.

2. Balances of loans and advances, sundry creditors, sundry debtors, deposits and other liabilities are as per the books and subject to confirmation.

3. Remuneration to auditors

	31.03.2011	31.03.2010
For Audit	40000	40000
Taxation	15000	15000
Others	5000	5000
Service Tax	6180	6180
Total	66180	66180

4. Deferred Tax:

The company has provided deferred tax in accordance with Accounting standard 22 Accounting for Taxes on Income issued by the " Institute of Chartered Accountants of India ". The Breakup of net deferred tax liability as on 31<sup>st</sup> March 2011 is as under:

Particulars	Deferred tax Liability Rs.	Deferred tax Assets Rs.
Opening DTL as on 1.4.10	1703729.96	—
DTA on Book and Tax Depreciation		
Closing DTL as on 31.3.11	1563096.96	140633.00





**SUGAL & DAMANI SHARE BROKERS LIMITED**  
(Formerly Known as Sugal & Damani Finlease Limited)

5. The Company is engaged primarily in the business of Stock Broking and accordingly there are no separate reportable segments as per Accounting Standard (AS17) "Segment Reporting".

**6. Management Remuneration:**

Details of Minimum Remuneration to Directors:	2011	2010
1. N.Sugalchand Jain (Managing Director)	NIL	Rs.1,20,000/-
2. S.Vinodh Kumar Jain (WTM Director) (Including P.F Contribution Of Rs.86400)	Rs. 12,00,000/-	Rs.12,00,000/-
3. Mahesh B Chandak (WTM Director) (Including P.F Contribution of Rs.86400)	Rs. 12,00,000/-	Rs.12,00,000/-

7. Provision of Gratuity amounting to Rs 5.84 lakhs (P.Y Rs.7.27 lakhs) was made on the basis of Actuarial Valuation Report dated 06-5-2011. Disclosure in respect of AS-15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2007:

A. Expense recognized during the Year	Gratuity Provision 2010-11 (Rs. in '000)	Gratuity Provision 2009-10 (Rs. in '000)
1. Current Service Cost	693	255
2. Interest Cost	78	22
3. Actuarial Gain/Loss	(187)	450
4. Expense recognized in the Profit & Loss A/c	584	727
<b>B. Net Asset/(Liability) recognized in BalanceSheet</b>		
1. Present Value of Obligation at the Beginning of the Year	998	271
2. Current Service Cost	693	255
3. Interest Cost	78	22
4. Actuarial Gain/Loss	(187)	450
5. Benefits Paid	(34)	0
6. Net Asset/Liability Recognised	1548	998
<b>C. Reconciliation</b>		
1. Net Liability as at the beginning of the Year	998	271
2. Net Expenses in P & L A/c	584	727
3. Benefits paid	(34)	0
4. Net Liability at the end of the year	1548	998



**SUGAL & DAMANI SHARE BROKERS LIMITED**  
(Formerly Known as Sugal & Damani Finlease Limited)

**D. Assumptions**

1. Interest Rate (liabilities)	8%	8%
2. Return on Assets	NA	NA
3. Mortality Table	LIC (94-96)	LIC (94-96)
4. Resignation Rate per Annum	5%	5%
5. Salary Escalation Rate	8%	8%

8. The Company has received Rs. 247587/- (Rs.320241/-) as dividend on investments and inventories of stocks.
9. Previous year figures are regrouped and rearranged wherever necessary to match the current year classification.
10. Disclosure of Micro, Small and Medium Enterprises

The Management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of medium and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such medium and small enterprises as at 31<sup>st</sup> March 2011 has been made in the financial statements to the extent of the information available with the company.

11. RBI – NBFC Status

The Company has surrendered the certificate of Registration granted by RBI and according to the company the RBI directions applicable to NBFCs are no longer applicable to the company. The company is waiting orders for cancellation of the certificate from RBI in this regard. Since Company had already surrendered the Certificate and there are no NBFC activities during the year, special reserve as required under RBI directions applicable to NBFCs Company has not been created.

12. Disclosure of Interest of Related Parties pursuant to As-18

a) Name of the Related Parties

i) Key Management Personnel:

Shri. S.Vinodh Kumar Jain (WTD)

Shri. Mahesh B Chandak. (WTD)

ii) Enterprises in Which Key Managerial Personnel have significant influence:

M/s . Sugal Commodity Brokers P. Ltd.,





**SUGAL & DAMANI SHARE BROKERS LIMITED**  
(Formerly Known as Sugal & Damani Finlease Limited)

- b) The following transactions were carried out with related parties in the ordinary course of Business:

Particulars	31.3.2011		31.3.2010	
	Key Managerial Personnel	Enterprises in which KMP have significant influence	Key Managerial Personnel	Enterprises in which KMP have significant influence
a) Loans & Advances Received		Rs.1138160/-		Rs.2427083/-
b) Interest Paid		Rs.278974/-		Rs.14131/-

13. Contingent Liability

- A) As required by AS29 for provision towards contingent liability a sum of Rs. 2,05,383/- was provided during the Financial Year 1998-99 against the interest tax liability for the Asst. Year 1995-96 as per the Asst. order of ACIT dated 31.03.1999 and a sum of Rs.62,474/- was provided during the financial year 1999-2000 against the Interest tax liability for the Asst. Year 1994-95 as per the Asst. order of ACIT dated 02.02.1998. The company has preferred an appeal against the orders. Hence the tax liability is not paid. However the same is taken as provision for contingent liability as required by AS29.
- B) Guarantees given on behalf of the company by banks to NSE, BSE amounting to Rs. 5.10 Crores Outstanding as on 31.03.2011, is secured on the Fixed Deposits with banks, Investment in Shares belonging to the company and also on the Immovable property belonging to directors and their relatives.

14. Basic and diluted earning per share

Particulars	31st March 2011	31st March 2010
Net Profit for the year (In Rs.)	Rs. 9136991	Rs.5495018
Weighted Average number of equity shares	6250007	6250007
Nominal value of shares	Rs.10 per share	Rs.10 per share
Basic & diluted earning per share (In Rs.)	1.46	0.88

15. Deferred Revenue expenses represents amt paid for Stock Exchange Card and the amount transfer during the year represents Non Refundable Deposits with OTC, which is written off over a period of 5 years.



**SUGAL & DAMANI SHARE BROKERS LIMITED**  
(Formerly Known as Sugal & Damani Finlease Limited)

**Signatures to Schedule 1 to 15**

As per my attached report of even date

For and on behalf of Board of Directors  
Sugal & Damani Share Brokers Ltd.,

**R. MUGUNTHAN**  
Chartered Accountant  
Membership No: 021397

**(S. VINODH KUMAR JAIN)**  
Executive Director

**(MAHESH B CHANDAK)**  
Executive Director

**PLACE: CHENNAI**  
**DATE : 30/05/2011**

**(R. VAIDYANATHAN)**  
Company Secretary

**(S. KAMAL KUMAR SINGHI)**  
Accounts Manager





**SUGAL AND DAMANI SHARE BROKERS LIMITED**  
(Formerly known as Sugal and Damani Finlease Ltd)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011**  
(Amt. in Rs.)

Particulars	For the Year Ended 31-3-2011		For the year Ended 31.3.2010	
		Rs.	Rs.	
<b>Net Profit/Loss for before Tax and Extraordinary Items (Indirect Method)</b>		<b>12,946,358.00</b>		<b>6,443,347.00</b>
<b>ADD:</b>				
<b>Adjustments for:</b>				
Interest paid	8,947,843.00		4,541,834.00	
Dividend Received	(247,587.00)		(320,241.00)	
Interest Received	(15,275,077.00)		(8,561,004.00)	
Depreciation	1,702,773.00		1,686,501.00	
Loss on Sale of Fixed Assets	688,092.00		237,095.00	
Profit/Loss on Sale of Investments	(365,423.00)		199,088.00	
Deferred Revenue Expenses Written off	840,000.00	(3,709,379.00)	840,000.00	(1,376,727.00)
<b>Operating Profit before Working Capital Changes</b>		<b>9,236,979.00</b>		<b>5,066,620.00</b>
<b>Adjustments for Working Capital Changes</b>				
Decrease in Stock	3,672,824.00		4,882,929.00	
Increase in Debtors	(5,125,139.00)		(40,858,721.00)	
Increase in Other Current Assets				
Increase/Decrease in Loans & Advances	(5,112,390.00)		4,025,295.00	
Decrease in Current Liabilities	(33,033,139.00)	(39,597,844.00)	(3,647,704.00)	(35,598,201.00)
<b>Cash Flow before Tax &amp; Extraordinary Items</b>		<b>(30,360,865.00)</b>		<b>(30,531,581.00)</b>
Less: Income Tax Paid		(3,687,585.00)		(47,595.00)
Dividend Distribution Tax Paid		(531,094.00)		(500,000.00)
Preliminary Expenses incurred during the year				
<b>Cash Flow before Extraordinary Items</b>		<b>(34,579,544.00)</b>		<b>(30,983,986.00)</b>
Less: Extraordinary Items				
<b>(A) Cash Flow from Operating Activities</b>				<b>(30,983,986.00)</b>
<b>Cash Flow from Investing Activities</b>				
Interest Received	15,275,077.00		8,561,004.00	
Dividend Received	247,587.00		320,241.00	
Purchase of Fixed Assets	(1,225,452.00)		(875,099.00)	
Sale of Fixed Assets	96,312.00		280,000.00	
Investment in Bank Fixed Deposits	18,247,111.00		(17,976,640.00)	
Purchase of Investments	(3,536,379.00)			
Sale of Investments	8,399,896.00	37,504,152.00	3,400,312.00	(6,290,182.00)
<b>(B) Cash Used in Investing Activities</b>		<b>37,504,152.00</b>		<b>(6,290,182.00)</b>



Cash Flow from Financing Activities				
Interest paid	(8,947,843.00)		(4,541,834.00)	
Dividend Paid	(3,125,004.00)			
Secured Loans Received	10,000,000.00			
UnSecured Loan Received/Repaid	(2,151,505.00)		28,156,647.00	
		(4,224,352.00)		23,614,813.00
<b>(C)Cash Flow From Financing Activities</b>		<b>(4,224,352.00)</b>		<b>23,614,813.00</b>
<b>(D)Net Increase/(Decrease) in Cash &amp; Cash Equivalents(A+B+C)</b>		<b>(1,299,744.00)</b>		<b>(13,659,356.00)</b>

Add: Cash and Cash equivalent as at the beginning of the year  
Cash and Cash equivalent as at the end of the year

14,438,413.00  
13,138,669.00

28,097,768.00  
14,438,413.00

**Note:**

1)Cash & Cash Equivalents includes Cash on hand and balances with bank in Current Accounts

As per my attached Report of even date

For and on behalf of Board of Directors  
Sugai & Damani Share Brokers Ltd.,

R. Mugunthan  
Chartered Accountant  
Membership No: 021397  
Place: Chennai  
Date: 30.05.2011

(S. Vinodh Kumar Jain)  
Executive Director

(R.Vaidyanathan)  
Company Secretary

(Mahesh B Chandak)  
Executive Director

(S. Kamal Kumar Singhi)  
Accounts Manager





**SUGAL & DAMANI SHARE BROKERS LIMITED**  
(Formerly Known as Sugal & Damani Finlease Ltd.,)  
**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.**  
(As per Part IV of Schedule VI to the Companies Act, 1956).

**I. REGISTRATION DETAILS:**

Registration No: 0 2 8 2 2 8

State Code: 1 8  
(Refer Code list 1)

Balance Sheet Date 3 1 0 3 2 0 1 1

**II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS):**

Public Issue N I L

Rights Issue N I L

Bonus Issue N I L

Private Placement N I L

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS:**

(Amount in Rs. Thousands):

Total Liabilities 1 3 8 9 6 9

Total Assets 1 3 8 9 6 9

**SOURCES OF FUNDS:**

Paid up Capital 6 2 5 0 0

Reserve & Surplus 0 0 9 4 7 5

Secured Loans 1 0 0 0 0

Unsecured Loans 5 6 9 9 4

**APPLICATION OF FUNDS:**

Net Fixed Assets 0 8 9 6 9

Investments 1 0 8 8 6

Net Current Assets 1 1 7 3 3 4

Miscellaneous Expenditure 1 7 8 0

Accumulated Losses N I L

**IV. PERFORMANCE OF COMPANY (Amount in thousands):**

Turnover 8 4 6 7 3

Total Expenditure 7 1 7 2 7

Profit / Loss before Tax 1 2 9 4 6

Profit / Loss After Tax 0 9 1 3 7

(Please tick appropriate box (+) for Profit & (-) for Loss)

Earning per share in Rs. 1 4 6

Dividend Rate (%) 5%

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF COMPANY (as per monetary terms):**

Item Code No. (ITC Code) N A

Product Description: Share Broking

For and on behalf of the Board of Directors  
Sugal & Damani Share Brokers Ltd

(S. VINODH KUMAR JAIN) (MAHESH B CHANDAK) (R. VAIDYANATHAN) (S. KAMAL KUMAR SINGHI)  
Executive Director Executive Director Company Secretary Accounts Manager

Place : Chennai  
Date: 30.05.2011



Schedule to the Balance Sheet as on 31.03.2011 of SUGAL & DAMANI SHARE BROKERS LTD ( Formerly known as Sugal & Damani Finlease Ltd) (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank Directions, 2007)		
PARTICULARS	(Rs.in Lakhs) As on 31-03-2011	
Liabilities side:		
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	AMOUNT OUTSTANDING	AMOUNT OVERDUE
(a) Debentures		
--Secured		
--Unsecured (other than falling within the meaning of Public deposits*)		
(b) Deferred credits		
(c) Term loans		
(d) Intercorporate loans and borrowings	569.94	
(e) Commercial paper		
(f) Other loans (specify nature)		
* Please see Note 1 below		
Assets Side	Amount Outstanding	
(2) Break-up of loans and advances including bills receivables (other than those included in(4) below):		
(a) Secured	100.00	
(b) Unsecured		
(3) Break up of leased assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease		
(b) Operating lease		
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire		
(b) Repossessed assets		
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed		
(b) Loans other than (a) above		
(4) Break-up of Investments:		
Current investments:		
1. Quoted :		
(i) Shares		
(a) Equity	17.85	
(b) Preference		
(ii) Debentures and bonds		
(iii) Units of mutual funds		
(iv) Government Securities		
(v) Others (please specify)		
2. Unquoted:		
(i) Shares		
(a) Equity		
(b) Preference		
(ii) Debentures and bonds		
(iii) Units of mutual funds		
(iv) Government Securities		
(v) Others (please specify)		
Long-term investments:		
1. Quoted :		
(i) Shares		
(a) Equity	85.04	
(b) Preference		
(ii) Debentures and bonds		
(iii) Units of mutual funds		
(iv) Government Securities		
(v) Others (please specify)		





2. Unquoted:		
(i) Shares (a) Equity (b) Preference		23.82
(ii) Debentures and bonds (iii) Units of mutual funds (iv) Government Securities (v) Others(please specify)		
(5) Borrowing group-wise classification of assets financed as in (2) and (3) above		
Please see Note 2 below		
Category	Amount net of provisions	
	Secured	Unsecured
1. Related Parties **		
(a) Subsidiaries		
(b) Companies in the same group		
(c) Other related parties		0
2. Other than related parties		
Total		23.74
		23.74
(6) Investor group-wise classification of all investments(current and long-term) in shares and securities (both quoted and unquoted):		
Please see note 3 below		
Category	Market value/ break-up or fair value of NAV	Book value (net of provisions)
1. Related Parties **		
(a) Subsidiaries		
(b) Companies in the same group		
(c) Other related parties		
2. Other than related parties		
Total		
** As per Accounting Standard of ICAI (Please see Note3)		
(7) Other information		
Particulars •		
(i) Gross non-performing assets	Amount	
(a) Related parties		
(b) Other than related parties		
(ii) Net non-performing assets		
(a) Related parties		
(b) Other than related parties		
(iii) Assets acquired in satisfaction of debt		
Notes:		
(1) As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998		
(2) Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007		
(3) All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break-up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long-term or current in column(4)above.		
(4).The Company has surrendered the certificate of Registration granted by RBI.The company is awaiting orders for cancellation of the certificate from RBI in this regard.		
For and on behalf of the Board of Directors Sugai & Damani Share Brokers Ltd.		
R. MUGUNTHAN Chartered Accountant Membership No. 021397	(S. VINODH KUMAR JAIN) Executive Director	(MAHESH B CHANDAK) Executive Director
		(R. VAIDYANATHAN) Company secretary
Place : Chennai Date : 30-05-2011		(S. KAMAL KUMAR SINGHI) Accounts Manager









# **SUGAL & DAMANI**

SHARE BROKERS LIMITED

Powered by Trust, Driven by Commitment

**Members : NSE, BSE, & CDSL Depository**

### Services Offered

- ❖ Equities Trading
- ❖ F & O Trading
- ❖ Portfolio Management
- ❖ Depository Participant Services
- ❖ IPOs
- ❖ Mutual Funds
- ❖ Online Trading
- ❖ Online Client Services

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### Corporate Office :

City Centre Plaza, 1st Floor, 7, Anna Salai, Chennai - 600 002.

Ph : 91-44-2858 7105 - 108

Fax : 91-44-4215 5285 Web : [www.sugalshare.com](http://www.sugalshare.com).