



SUGAL & DAMANI SHARE BROKERS LIMITED

(Formerly known as Sugal & Damani Finlease Limited)

BOARD OF DIRECTORS	:	S. Kannadasan, A.C. A. Rajesh G Wadhwa. B.Com., PG in Financial Management S. Prasanchand Jain Babulal Surana, F.C.A. S. Vinodh Kumar Jain, B.Com. Mahesh B. Chandak, F.C.A.	Chairman Executive Director Executive Director
COMPANY SECRETARY	:	S.Parthasarathy	
BANKERS	:	Axis Bank Ltd. HDFC Bank Ltd. Karur Vysya Bank Ltd	
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 TWENTIETH 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 WEDNESDAY, 31ST JULY, 2013, AT 11 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31.03.2013 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 **31st March, 2013**.
3. To appoint a director in place of Shri Prasanchand Jain who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a director in place of Shri Babulal Surana who retires by rotation and being eligible offers himself for reappointment.
5. 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:

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

"RESOLVED THAT subject to the consent of the Company at the next General Meeting of the members under section 314 of the Companies Act, 1956, Shri Bhagwandas Chandak, relative of Shri Mahesh Chandak, Executive Director of the Company, be and is hereby reappointed to hold the office or place of profit as Vice President for a period of 3 years commencing from 01/04/2014 and ending on 31/03/2017, on the same terms and conditions as approved by the shareholders in the Seventeenth Annual General Body Meeting held on 28/07/2010."

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

Place: Chennai
Date: 24th May, 2013



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, (I 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 17.07.2013 to 31.07.2013 (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 20 Paise per share for the year ended March 31, 2013 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 17, 2013 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 16, 2013.
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 6th August, 2013.
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 **21.07.2013**.
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 2010-2011 and 2011-2012 are requested to claim from the Company by communicating to the Registered Office of the Company viz., City Centre Plaza, 1st 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 24.05.2013

At the Board Meeting held on 28/05/2010, Shri Bhagwandas Chandak, father of Shri Mahesh Chandak, Executive Director of the Company was re appointed by the Board as Vice President for a period of 3 years from 01/04/2011.

The Chairman may inform the Board that pursuant to provisions of Sec 314, consent from the members in General Meeting is required by way of special resolution to continue the office or place of profit after 01/04/2014 and the Board may pass the following special resolution in this regard.

RESOLVED THAT subject to the consent of the Company at the next General Meeting of the members under section 314 of the Companies Act, 1956, Shri Bhagwandas Chandak, relative of Shri Mahesh Chandak, Executive Director of the Company, be and is hereby reappointed to hold the office or place of profit as Vice President for a period of 3 years commencing from 01/04/2014 and ending on 31/03/2017, on the same terms and conditions as approved by the shareholders in the Seventeenth Annual General Body Meeting held on 28/07/2010.

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

Regd. Office:
'City Centre Plaza', I Floor
No. 7, Anna Salai,
Chennai – 600 002
Date: 24th May, 2013

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION ARE FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / REAPPOINTED VIDE ITEMS NO. 2,3 AND 5 OF THE NOTICE DATED 21.05.2012.

Name of the Director	Shri.Babulal Surana	Shri S.Prasanchand Jain
Date of Birth	03.09.1942	09.05.1967
Date of appointment on the Board as Director	25.02.2011	28.07.2010
Date of last appointment / reappointment as Director	Nil	Nil
Expertise in specific functional areas	Four decade in Finance	About 13 years in share broking
Qualification	F.C.A.	Passed XII standard
List of outside Directorships held	Janmangal Consultants Pvt Ltd Global Finance & Securities Ltd Citadel Engineers Pvt Ltd Mamta Projects Pvt Ltd Tullika Investments Private Limited Jamirah Tea Co Ltd India Financial Services Limited Vijayluxmi Ltd The Oriental Company Limited	Sugal Tourism Development Private Limited Sdn Agro Farms Limited Sugal Infotech Private Limited Ansu Builders Private Limited Ankur Foundations Private Limited Sugal & Damani Utility Services Private Limited Skill Lotto Solutions Private Limited Spatium Developers Private Limited Skilrock Technologies Private Limited Sandhya Foundations (Chennai) Private Limited Saiyyam Developers Private Limited
Chairman / Member of the Committees of Board of Directors of the Company	Member of Audit Committee Member of Remuneration Committee	Nil
Chairman / Member of the Committees of the Board of Directors of other Companies in which he is a Director.	NIL	NIL
Relationship between Directors inter-se		Shri. Prasanchand Jain is elder brother of Shri Sugalchand Vinodh Kumar



DIRECTORS' REPORT

Your Directors would like to present the Twentieth Annual Report together with the Audited Accounts for the year ended 31st March, 2013. The financial highlights of your Company for the year 2012-2013 are as follows:

	2012 – 2013 (Rs. in Lakhs)	2011– 2012 (Rs. in Lakhs)
Gross Income	432.80	473.84
Profit before Interest, depreciation and Tax	62.61	71.93
Less: Interest	26.35	43.71
Less: Depreciation	16.17	16.92
Net Profit before Tax	20.09	11.30
Less: Tax and other prior period adjustment	2.03	(6.19)
Net Profit for the period after prior period adjustment	18.06	17.49
Less : Proposed Dividend & Tax	14.53	7.26
Add: Profit brought forward from the previous year	103.43	93.20
Profit carried forward	106.96	103.43

The Company's operations resulted in a nominal profit only for the year 2012-2013. Therefore, your directors are in a position to recommend only 2% dividend (i.e., 0.20 paise per share) on the equity capital of the Company for the year ended 31.03.2013.

MANAGEMENT DISCUSSION AND ANALYSIS

(a) Industry Structure and Developments

During the year under review, the primary and secondary markets remained subdued and the continued weakness in the secondary Markets discouraged the investors to increase their participation to the equity markets and this adversely affected the brokerage revenue. As of March, 2013 the inflation was 10.39% and it also affected the market. The Index of Industrial Production (IIP) exhibited mixed trends in various months and the growth was below 5%. Your Company achieved trading volumes of over Rs4,990 Crore during the period under review.



The year 2012-13 has seen an estimated 33 IPOs, as against 34 in 2011–12. According to SEBI data, the total amount mobilized for the financial year 2012-13 stood at Rs 30,859.4 crore through 60 issues as against Rs. 48,468.1 crore raised through 71 issues during the financial year 2011-12. This is a decline of 37% over the previous year.

(b) Opportunities and threats

The broking companies consolidated their network. Due to high inflation domestic institutional investors will continue to be in “Sell off” mode for the coming few Quarters. Redemption pressures are also adding to the selling trend.

(c) Segment-Wise or Product-Wise Performance

During the financial year ended March 31, 2013 the company operated only in one segment of business viz, share broking.

(d) Outlook

Corporate earnings growth for the current fiscal are expected to be between 10-12%. Government has been pushing for completion of stalled infrastructure projects to enable investments needed in the economy. This will help sentiments amongst corporate for more investments going forward. Demand in the economy is expected to be impacted positively due to rate cuts initiated by RBI; which in turn will lead to increase domestic demand. Indian Meteorological Department has forecasted normal monsoon in the current FY 14. Globally, U.S economy is showing signs of stability which is a positive for global financial markets. Investment flow has over the last few months have started moving to developed markets mainly U.S and Japan; while emerging/developing markets have seen lower allocations.

(e) Risks and concerns

The trends in the major western countries economics are showing sign of stability which is advantageous for global financial markets

(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 25 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.

NBFC STATUS OF THE COMPANY

The RBI permitted the Company to exit from the NBFC Business and RBI Certificate of Registration No. B.07.00362 dt. 13.10.2003 stands cancelled, as desired by the Company.

DIRECTORATE

Shri. Prasanchand Jain and Shri Babual Surana, Directors, retire by rotation and, being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 217 (2AA) of the Companies Act 1956 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2013 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

The company's equity shares continue to be listed on Bombay Stock Exchange and Madras Stock Exchange.

Listing fees for 2013-2014 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 Limited, Karur Vysya Bank Limited, the shareholders and the employees of the Company.

By order of the Board
For Sugal & Damani Share Brokers Limited

S.Vinodh Kumar
Executive Director

Place: Chennai
Date: 24.05.2013

Mahesh Chandak
Executive Director



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 6 Directors, out of which 4 are non-executive Directors. Thus, the number of Non-executive Directors is more than 50% of the total number of Directors. 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, 2013 is tabulated hereunder:

Director	No. of Board Meetings attended	Attendance at previous AGM on 30.07.2011	No. of outside Directorships held	No. of membership /Chairmanship in other Board Committees	Executive / Non- Executive / Independent
Shri S. Kannadasan	4	Present	Nil	Nil	Non-Executive & Independent
Shri.S.Prasanchand Jain ^ \$	1	Not Present	12	Nil	Non-Executive
Shri.Babulal Surana	1	Present	8	Nil	Non-Executive & Independent
Shri S. Vinodh Kumar ^ \$ Executive Director	4	Present	10	Nil	Executive
Shri Mahesh B. Chandak \$ Executive Director	4	Present	3	Nil	Executive
Shri Rajesh Gurdas Wadhwa	3	Present	1	1	Non-Executive & Independent

^ Shri S. Prasanchand Jain and Shri.S.Vinodh Kumar are brothers.

\$ Director from Promoter Group.

Responsibilities:

Executive Directors

Shri S. Vinodh Kumar and Shri Mahesh 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

At the Board Meeting held on 27.01.2011, Shri.S.Vinodh Kumar 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. 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 , 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, 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 , Executive Director, and the remuneration payable to him. Shareholders' approval is proposed to be obtained at the forthcoming Annual General Meeting.

2. Shri Mahesh Chandak:

At the Board Meeting held on 27.01.2011, Shri Mahesh 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 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 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 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 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 2011-2012 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 309500 shares in the Company.

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

Board Meetings held during the Financial Year 2012 - 2013

During the year 2012 - 2013, 4 Board Meetings were held on 21.05.2012, 31.07.2012, 31.10.2012 and 28.01.2013. The gap between two meetings did not exceed 4 months.



3) AUDIT COMMITTEE

Your Company has an Audit Committee. The Committee consist of 3 members, Viz., Shri S. Kannadasan (Chairman), Shri Babulal Surana and Shri Rajesh Gurdas Wadhwa, all Non-executive & Independent Directors. Shri S. Kannadasan and Shri Babulal Surana are Chartered Accountant. All the members of the Audit Committee are financially literate and having accounting or related financial management expertise.

The Chairman of the Audit Committee, Shri S. Kannadasan, was present at the Annual General Meeting held on 31.07.2012 to answer shareholders' queries. Shri S. Parthasarathy, 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 21.05.2012, 31.07.2012, 31.10.2012 and 25.01.2012. Attendance at the Audit Committee Meetings was as under:

Date of Meeting	Members attended
21.05.2012	Shri S. Kannadasan Shri Babulal Surana
31.07.2012	Shri S. Kannadasan Shri Rajesh Gurdas Wadhwa
31.10.2012	Shri S. Kannadasan Shri Rajesh Gurdas Wadhwa
28.01.2013	Shri S. Kannadasan Shri Rajesh Gurdas Wadhwa

4) REMUNERATION COMMITTEE

Your Company has a Remuneration Committee. The Committee consist of Shri S. Kannadasan (Chairman), Shri Babulal Surana and Shri Rajesh Gurdas Wadhwa, all Non-executive & Independent Directors.

Shri S.Parthasarathy, Company Secretary, is the Secretary to the Committee.

During the financial year under review the Remuneration Committee had no meeting.

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:

- a) To determine and recommend to the Board the remuneration package of the Executive Directors and sitting fees to non-executive directors.
- b) 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.
- c) Such other functions as required or recommended by Board or under the provisions of the Listing agreement.

Remuneration of Directors for 2012 - 2013

Name of Director	Sitting Fee (Rs.)	Salaries (Rs.)	Total (Rs.)
Shri Rajesh Gurdas Wadhwa	18,000/-	Nil	18,000/-
Shri.S.Prasanchand Jain	5,000/-	Nil	5,000/-
Shri S. Kannadasan	24,000/-	Nil	24,000/-
Shri Babulal Surana	6,000/-	Nil	6,000/-
Shri S. Vinodh Kumar	Nil	*15,00,000/-	*15,00,000/-
Shri Mahesh B. Chandak	Nil	*15,00,000/-	*15,00,000/-



* 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. The Committee consists of Shri S. Kannadasan (Chairman), Non-executive Director, and Shri Mahesh Chandak, Executive Director. The Committee looks into shareholders' and investors' grievances and also deals with transfer, transmission and transposition of shares.

The Committee met 8 times during the year under review. The Committee members attended all the 8 meetings.

Shri S.Parthasarathy, Company Secretary, is the Compliance Officer and is also the Secretary to the Committee.

During the year 2012 - 2013, no complaint was received from shareholders. 16 valid requests for transfer of 2200 shares. There was no transposition/transmission. All requests for transfer and issue of duplicate share certificate 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
2012	City Centre Plaza, I Floor, No.7, Anna Salai, Chennai – 600 002.	31.07.2012	11 A.M	NIL
2011	City Centre Plaza, I Floor, No.7, Anna Salai, Chennai – 600 002.	30.07.2011	11 A.M	\$ 2
2010	City Centre Plaza, I Floor, No.7, Anna Salai, Chennai – 600 002.	28.07.2010	11 A.M	^3

POSTAL BALLOT

^ 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 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.
3. \$ Special Resolution for re-appointment of Shri S.Vinodh Kumar 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 was passed under Sections 198,269,309,310 and 311 and other applicable provisions, if any, of the Companies Act, 1956("Act") read with Schedule XIII to the Act.
4. \$ Special Resolution for re-appointment of Shri Mahesh 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 was passed under Sections 198,269,309,310 and 311 and other applicable provisions, if any, of the Companies Act, 1956("Act") read with Schedule XIII to the Act.

7) DISCLOSURES

(I) The particulars of transactions between the Company and its related parties as defined in AS18 are set out in Notes on Financial Statement for the year ended 31st March 2013 (Clause 30).

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 structure 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

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 website. 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. There was no official news release and no presentations were made to Analysts during the financial year 2012 - 2013.

Management discussion and analysis:

The Directors' Report includes Management discussion and analysis.

9) GENERAL INFORMATION FOR SHAREHOLDERS

Annual General Meeting

Date and Time: 31st July, 2013 at 11.00 a.m.

Venue : City Centre Plaza, (I Floor)

7, Anna Salai

Chennai – 600 002



Financial Calendar : (tentative)

First Quarter: July, 2013

Second Quarter & Half-yearly: Oct., 2013

Third Quarter: Jan., 2014

Fourth and last quarter: May, 2014

Date of Book Closure: 17.07.2013 to 31.07.2013 (both days inclusive).

Dividend payment Date: On or after 6th August 2013

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 2012-2013 on Bombay Stock Exchange:

Month	High Rs. ps.	Low Rs. ps.	Month	High Rs. ps.	Low Rs. ps.
April, 2012	13.10	10.02	Oct. 2012	9.89	7.20
May, 2012	13.60	11.60	Nov. 2012	9.54	7.15
June, 2012	15.44	11.22	Dec. 2012	9.00	7.43
July, 2012	11.10	8.50	Jan. 2013	8.90	7.21
Aug.2012	9.50	8.10	Feb. 2013	10.12	8.16
Sept.2012	9.95	8.85	March. 2013	10.60	5.90

Registrars and Transfer Agents, Share transfer system

M/s. Cameo 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, 2013

Category	No. of shares	% of total shares
Promoters and associates	3852092	61.64
Nationalised banks	100	0.00
NRI's	30000	0.47
Others(includes holding of Corporate Bodies)	2367815	37.89
TOTAL	6250007	100.00

Distribution of shareholding as on 31st March, 2013

No. of shares	No. of Share holders	% of total share holders	No. of shares	% of total shares
Up to 500	3363	87.19	516128	8.26
501 to 1000	254	6.59	214336	3.43
1001 to 2000	110	2.85	170422	2.73
2001 to 3000	39	1.01	98436	1.57
3001 to 4000	17	0.44	57921	0.93
4001 to 5000	20	0.52	97183	1.55
5001 to 10000	19	0.49	156231	2.50
10001 and Above	35	0.91	4939350	79.03
TOTAL	3857	100.000	6250007	100.00

Dematerialisation of shares: 56,88,455 shares (91.01%) of the Company have been dematerialised as on 31st March, 2013.

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
E-mail for redressal of investors grievance: grievancereg@sugalshare.com

(B) NON-MANDATORY REQUIREMENTS

- | | |
|--|---|
| (a) Whether Chairman of the Board is entitled to maintain a Chairman's office at Company's expense and also incurred in performance of his duties. | The Chairman of the Board does not keep any office in the Regd. office of the Company. |
| (b) Remuneration Committee | Serial No. A – Para No. 4 of the report may be referred to. |
| (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. | 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. |
| (d) Audit Qualifications | The auditor's report on the statements of account for the year ended 31.03.2013 does not contain qualifications. |
| (e) Training of Board Members | } The Company has not so far adopted these non-mandatory requirements. |
| (f) Mechanism for evaluating non-Executive Board Meetings | |
| (g) Whistle Blower Policy | |



CEO/CFO CERTIFICATION :

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

Re.: Financial Statements for the year 2012 - 2013 - Certification by CEO and CFO

We, Mahesh 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, 2013 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, 2013 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: 24th May, 2013

(Mahesh 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 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 31.03.2013.

Place : Chennai

Date : 24th May, 2013

(Mahesh Chandak)

Executive Director



SUGAL &
DAMANI

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,
SUGALAND 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 on **March 31, 2013** 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 : 24.05.2013.

R. Mugunthan
Chartered Accountant
Membership No. 021397



SUGAL &
DAMANI

“VANJULA”

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

10 (New No.23), Arisikara Street,
Mylapore, Chennai – 600 004.

INDEPENDENT AUDITOR'S REPORT

To the Members of Sugal and Damani Share Brokers Limited

Report on the Financial Statements

I have audited the accompanying financial statement of **Sugal and Damani Share Brokers Limited** ('the Company') which comprise the Balance sheet as at **31st March, 2013**, the Statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of the significant accounting policy and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



Opinion

In my opinion and to the best of my information and according to the explanations given to me, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 purposes of my audit.
 - (b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In my opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Place : Chennai
Date : 24.05.2013.

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.187.16 Lacs and the year end balance of loans taken from such parties was Rs. 2.31 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 particulars 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). In my opinion the Company has an internal Audit system, commensurate with its size and the nature of business.
- 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 31.3.2013 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 income tax as detailed below;

Name of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	55,62,310/-	A.Y 2010-11	CIT (Appeals) Chennai

- x). The Company does not have any accumulated losses as at 31st March 2013. 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 and some shares are acquired 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 31st March 2013.

Place : Chennai
Date : 24.05.2013.

R. MUGUNTHAN
Chartered Accountant
Membership No. 021397



Sugal & Damani Share Brokers Limited
Balance Sheet as at 31st March 2013

Particulars	Note No.	Amount in Rupees Current Year	Amount in Rupees Previous Year
1. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	62,500,070.00	62,500,070.00
(b) Reserves and Surplus	2	10,849,736.83	10,497,151.59
(2) Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)	3	1,119,682.96	1,379,007.96
(c) Other Long term liabilities		-	-
(d) Long term provisions	4	1,076,332.00	1,311,855.00
(3) Current Liabilities			
(a) Short-term borrowings	5	26,019,623.00	34,552,147.00
(b) Trade payables	6	37,155,845.00	44,543,545.00
(c) Other current liabilities	7	2,161,200.00	2,192,483.00
(d) Short-term provisions	8	1,452,782.00	726,407.00
Total		142,335,271.79	157,702,666.55
II.Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	9	5,036,137.63	5,923,822.53
(ii) Intangible assets	9	322,510.21	1,107,480.85
(b) Non-current investments	10	7,024,038.95	11,402,824.17
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	11	22,596,942.00	21,839,077.00
(e) Other non-current assets		-	-
(2) Current assets			
(a) Inventories	12	1,709,229.00	1,786,409.00
(b) Trade receivables	13	68,252,652.00	86,070,553.00
(c) Cash and cash equivalents	14	26,879,078.00	14,832,956.00
(d) Short-term loans and advances	15	10,414,684.00	13,799,544.00
(e) Other current assets	16	100,000.00	940,000.00
Total		142,335,271.79	157,702,666.55
Significant Accounting Policies Notes on Financial Statements	1 to 28		

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)
Executive Director

(Mahesh Chandak)
Executive Director

Place : Chennai
Date : 24.05.2013.

(S. Parthasarathy)
Company Secretary

(S. Kamal Kumar Singhi)
Accounts Manager



Sugal & Damani Share Brokers Limited
Profit and Loss statement as on 31st March 2013

Particulars	Note No.	Amount in Rupees Current Year	Amount in Rupees Previous Year
I. Revenue from operations	17	30,711,765.00	36,377,768.00
II. Other Income	18	12,568,347.00	11,006,137.00
III. Total Revenue (I +II)		43,280,112.00	47,383,905.00
IV. Expenses:			
Cost of Services	19	17,701,653.00	18,702,785.00
Employee benefit expenses	20	10,526,543.00	12,200,764.00
Financial costs	21	2,635,297.00	4,371,433.00
Depreciation & amortisation	22	2,457,205.29	2,531,761.33
Other Expenses	23	7,950,764.16	8,447,352.12
Total Expenses		41,271,462.45	46,254,095.45
V. Profit before exceptional and extraordinary items and tax(III-IV)		2,008,649.55	1,129,809.55
VI. Exceptional Items		-	-
VII. Profit before Extra ordinary items & Tax(V-VI)		2,008,649.55	1,129,809.55
VIII. Extra ordinary item		-	-
IX. Profit before tax(VII-VIII)		2,008,649.55	1,129,809.55
X Tax expense:			
(1) Current tax - (Mat Provision)		400,000.00	550,000.00
(2) Deferred tax		(259,325.00)	(184,089.00)
(3) MAT Provision for Earlier year Written back			(985,000.00)
(4) Earlier Year tax return back		62,607.31	
XI. Profit/(Loss) for the period from continuing operation(IX-X)		1,805,367.24	1,748,898.55
XII. Profit or loss from discontinuing operation		-	-
XIII. Tax expense of discontinuing operation		-	-
XIV. Profit /(Loss) from discontinuing operations (after tax) (XII-XIII)			
XV. Profit / (Loss) for the period (XI + XIV)		1,805,367.24	1,748,898.55
XVI. Earning per equity share:			
(1) Basic & Diluted		0.29	0.28
Significant Accounting Policies Notes on Financial Statements	1 to 28		

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)
Executive Director

(Mahesh Chandak)
Executive Director

Place : Chennai
Date : 24.05.2013.

(S. Parthasarathy)
Company Secretary

(S. Kamal Kumar Singhi)
Accounts Manager



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 & AMORTISATION.

- a) Depreciation on Fixed Assets is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- b) Deferred Revenue Expenses are written off in equal installments over a period of 5 accounting years. (To the extent not written off or adjusted).

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 lower of Weighted Average Cost.

VI. 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.

VII. 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 Annulations 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.

VIII. 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.

IX. 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.



SUGAL &
DAMANI

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-3-2013.

Previous Year figures have been regrouped/reclassified, wherever necessary to confirm to the current year presentation.

1. SHARE CAPITAL

1. Particulars	31.03.2013	31.03.2012
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	62,500,070.00	62,500,070.00

1(a)	Out of the above shares allotted as Bonus Shares in the last 5 years out of capitalisation of Reserves	NIL	NIL
1(b)	Out of the above shares allotted in the last 5 years pursuant to various schemes of amalgamations without payment being received in cash	3,250,007	3,250,007
1(c)	The Details of Shareholders holding more than 5% Share	No.of Shares %	No of Shares %
	Name of the Shareholder		
	Spatium Developers Private Limited (Promoter Group)	840000 13.43	840000 13.43
	Vinodh Kumar S (Promoter Group)	1268101 20.28	1268101 20.28
	Mahesh B.Chandak (Promoter Group)	354001 5.66	354001 5.66
1(d)	The Reconciliation of Number of Shares Outstanding is given below:	No of Shares	No of Shares
	Equity Shares at the beginning of the year	6250007	6250007
	Add: Shares Issued during the year	NIL	NIL
	Less: Shares cancelled on Buy Back of Shares	NIL	NIL
	Equity Shares at the end of the Year	6250007	6250007

2. RESERVES & SURPLUS

2	Particulars	31.03.2013	31.03.2012
	a) General Reserve	154,485.00	154,485.00
	b) Profit & Loss		
	Opening Balance	10,342,666.59	9,320,175.04
	(+) Current year profit trf	1,805,367.24	1,748,898.55
	Less: Appropriation		
	(-) Proposed Dividend	1,250,001.00	625,001.00
	Dividend Tax	202,781.00	101,406.00
		10,695,251.83	10,342,666.59
	Total	10,849,736.83	10,497,151.59

3. DEFERRED TAX LIABILITY

Particulars	31.03.2013	31.03.2012
Opening Balance	1,379,007.96	1,563,096.96
Add/Less: provided During the year	(259,325.00)	(184,089.00)
Closing Balance	1,119,682.96	1,379,007.96

3.1 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 31st March 2013 is as under:

Particulars	Deferred tax Liability Rs.	Deferred tax Liability Rs.
Opening DTL as	13,79,007.96	15,63,096.96
DTA on Book and Tax Depreciation	(259,325.00)	(184,089.00)
Closing DTL as on 31.3.13	11,19,682.96	13,79,007.96

4. LONG TERM PROVISION

Particulars	31.03.2013	31.03.2012
Provision for Gratuity	1,076,332.00	1,311,855.00
Total	1,076,332.00	1,311,855.00

5. SHORT TERM BORROWING

Particulars	31.03.2013	31.03.2012
1) SECURED LOAN		
Bank Overdraft Against Shares and FDR	2,946,137.00	4,352,208.00
Total	2,946,137.00	4,352,208.00
2) UNSECURED LOAN		
a) Loans & advances from other parties (ICD)	23,073,486.00	30,147,687.00
b) Loans & advances from related parties (ICD)	0.00	52,252.00
Total	26,019,623.00	34,552,147.00

5.1. Secured on the hypothecation of Fixed Deposit with Bank and shares held by the Company.



6. TRADE PAYABLES.

Particulars	31.03.2013	31.03.2012
Due to Micro, small and Medium Enterprises		
Due to Others	37,155,845.00	44,543,545.00
Total	37,155,845.00	44,543,545.00

6.1 There are no dues to Micro, small and Medium Enterprises as per the Information available with the Company.

7. OTHER CURRENT LIABILITIES.

Particulars	31.03.2013	31.03.2012
Unclaimed Dividend F.Y. 2009-10	130,967.00	130,967.00
Unclaimed Dividend F.Y. 2010-11	137,120.00	137,120.00
Unclaimed Dividend F.Y. 2011-12	36,246.00	0.00
Franchisee & Client Deposit	1,579,696.00	1,686,196.00
Other Payables *	277,171.00	238,200.00
Total	2,161,200.00	2,192,483.00

* Includes statutory dues & Cdsl service Tax.

8. SHORT TERM PROVISIONS.

Particulars	31.03.2013	31.03.2012
Proposed for Dividend	1,250,001.00	625,001.00
Provision for Dividend Tax	202,781.00	101,406.00
Total	1,452,782.00	726,407.00

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

09. FIXED ASSETS.

(i) TANGIBLE ASSET

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK		
	AS AT 01.04.2012	ADDITIONS	DELETIONS	AS AT 31.03.2013	UP TO 31.03.2012	DEP %	DEP WITHDRAWN	FOR THE YEAR	UPTO 31.03.2013	AS AT 31.03.2013	AS AT 31.03.2012
Air Conditioner	1,079,762.23	66,580.00	109,420.00	1,036,922.23	282,511.71	4.75%	32,916.36	49,825.08	299,420.43	737,501.80	797,250.52
Computers	2,677,200.12	46,950.00	296,801.00	2,427,349.12	1,957,424.82	16.21%	263,425.65	401,149.36	2,105,148.63	322,200.59	719,775.30
U P S & Battery	1,128,850.30	16,316.00	41,000.00	1,104,166.30	185,804.93	4.75%	7,089.86	52,406.80	231,121.87	873,044.43	943,045.37
Furniture	1,732,756.07	-	49,446.00	1,683,310.07	576,743.58	6.33%	13,630.58	107,101.30	670,214.30	1,013,095.77	1,156,012.49
Electric & Fittings	1,279,226.54	-	-	1,279,226.54	325,522.70	4.75%	-	60,763.26	386,285.96	892,940.58	953,703.84
Fax Machine	67,615.00	6,900.00	-	74,515.00	35,981.88	4.75%	-	3,528.69	39,510.57	35,004.44	31,633.13
Vehicle	1,195,027.00	31,871.00	23,617.00	1,203,281.00	489,327.55	9.50%	132,74.83	113,660.46	589,713.18	613,567.83	705,699.46
Television	146,595.70	-	5,500.00	141,095.70	40,189.87	4.75%	1,117.29	6,745.71	45,818.29	95,277.41	106,405.83
Epbx and Telephones	180,587.00	5,000.00	7,800.00	177,787.00	29,872.98	4.75%	365.42	8,372.11	37,879.67	139,907.33	150,714.02
Locker	26,070.00	-	-	26,070.00	6,483.63	4.75%	-	1,238.33	7,721.95	18,348.05	19,586.38
Coffee Machine	12,938.00	-	-	12,938.00	2,805.22	4.75%	-	614.56	3,419.78	9,518.23	10,132.78
Printer	254,736.00	10,553.00	47,850.00	217,439.00	46,622.49	4.75%	9,783.68	10,486.79	47,315.60	170,123.40	208,113.51
Scanner	14,150.00	-	-	14,150.00	2,340.00	4.75%	-	672.13	3,012.13	11,137.88	11,810.00
Franking Machine	106,875.00	-	-	106,875.00	5,034.84	4.75%	-	5,076.56	10,111.40	96,763.60	101,840.16
CAMERA	8,283.00	-	-	8,283.00	183.25	4.75%	-	393.44	576.69	7,706.31	8,099.75
Total	9,910,671.96	184,170.00	581,434.00	9,513,407.96	3,986,849.43		331,613.67	822,034.57	4,477,270.33	5,036,137.63	5,923,822.54

(ii) INTANGIBLE ASSET

Software	4,904,511.00	10,200.00	-	4,914,711.00	3,797,030.07	16.21%	-	795,170.72	4,592,200.79	322,510.21	1,107,480.85
Total	4,904,511.00	10,200.00	-	4,914,711.00	3,797,030.07	16.21%	-	795,170.72	4,592,200.79	322,510.21	1,107,480.85
GRAND TOTAL	14,815,182.96	194,370.00	581,434.00	14,428,118.96	7,783,879.50		331,613.67	1,617,205.29	9,069,471.12	5,358,647.84	7,031,303.39



SUGAL &
DAMANI

10. NON CURRENT INVESTMENT - (LONG TERM INVESTMENT)

i) Investment in Equity Shares – NON TRADE - Quoted

a) Investment in Associates Company	Nil	Nil
b) Investment in Other Companies		
Scrip Name	As at 31st March, 2013	As at 31st March, 2012
100 shares of APEEGO Ltd of Rs.10/- each	-	2,553.00
10000(10000) shares of ISMT Ltd of Rs.5/- each	452,400.00	452,400.00
Nil(10000) shares of JK Lakshmi Cement of Rs.5/- each	-	413,352.00
19000(19000) shares of Jsw Energy Ltd of Rs.10/- each	2,034,372.95	2,034,372.95
Nil(10000) shares of Lakshmi Vilas Bank Ltd of Rs.10/- each	-	816,250.40
Nil(314) shares of Reliance Industries Ltd of Rs.10/- each	-	358,940.00
Nil(4500) shares of SRT Ltd of Rs.10/- each	-	857,565.00
Nil(15000) shares of Satyam Computer Services Ltd of Rs.2/- each	-	1,174,403.20
3000(3000) Shares of Shriram EPC Ltd of Rs.10/- each	900,000.00	900,000.00
Nil(2465) shares of Sundaram Clayton Ltd of Rs.5/- each	-	736,087.62
1232 Share of Sundaram Investment Limited of Rs.5/- Each	59,136.00	
600(1000) shares of Wabco Ltd of Rs.5/- each	135,000.00	225,000.00
1123 Share of City Union Bank Limited (Partly paid up) of Rs.10/- each	11,230.00	-
TOTAL	3,592,138.95	7,970,924.17

ii) Investment in Equity Shares - Unquoted

a) Investment in Associates Company		
Scrip Name	As at 31st March, 2013	As at 31st March, 2012
343190(343190) share of Sugal Commodity Brokers Ltd of Rs.10/- each	3,431,900.00	3,431,900.00
TOTAL	3,431,900.00	3,431,900.00
b) Investment in Other Company	Nil	Nil
Total Investment	7,024,038.95	11,404,824.17



Aggregate amount of Quoted Investments	3,592,138.95	7,970,924.17
Market Value of Quoted Investments	2,087,946.00	7,651,416.00
Aggregate amount of Unquoted Investments	3,431,900.00	3,431,900.00

11. LONG TERM LOAN & ADVANCES

Particulars	31.03.2013	31.03.2012
Deposit with Exchange	21,992,200.00	20,992,200.00
Other Deposit	604,742.00	846,877.00
Total	22,596,942.00	21,839,077.00

12. INVENTORIES.

Particulars	31.03.2013	31.03.2012
Stock In Trade	1,709,229.00	1,786,409.00
Total	1,709,229.00	1,786,409.00

13. TRADE RECEIVABLE

Particulars	31.03.2013	31.03.2012
Trade receivables: (Unsecured)		
Debts Due for More than 6 Months - Considered Good	11,252,139.00	11,839,712.00
Others Debts Considered Good	57,000,513.00	74,230,841.00
Total	68,252,652.00	86,070,553.00

14. CASH AND BANK BALANCES

Particulars	31.03.2013	31.03.2012
Cash in Hand	5,792.00	320.00
Balance with Scheduled Banks - In Current Accounts *	7,870,277.00	(1,715,367.00)
In Fixed Deposits	19,003,009.00	16,548,003.00
Total	26,879,078.00	14,832,956.00

* Balance with Banks includes Unclaimed Dividend of Rs. 304333/- (Py. Rs. 268087/-).



15. SHORT TERM LOANS AND ADVANCES

Particulars	31.03.2013	31.03.2012
Accrued Interest	399,760.00	417,051.00
Income Tax Less Provision	2,742,615.00	2,895,310.00
Deposit with Exchange	5,000,000.00	8,000,000.00
Other Advances - Unsecured		
considered good	2,272,309.00	2,487,183.00
considered doubtful	674,377.00	674,377.00
	2,946,686.00	3,161,560.00
Less: provision for doubtful advances	674,377.000	674,377.00
Total	10,414,684.00	13,799,544.00

16. OTHER CURRENT ASSET

Particulars	31.03.2013	31.03.2012
Deffered Revenue Expenditure:		
Opening balance	940,000.00	1,780,000.00
Add: Transferred during the Year	0.00	0.00
	940,000.00	1,780,000.00
Less : Written off during the year	840,000.00	840,000.00
Total	100,000.00	940,000.00

Deferred Revenue expenses represents amt paid for Stock Exchange Card & Non Refundable Deposits with OTC, which is written off over a period of 5 years.

17. REVENUE FROM OPERATIONS

Particulars	31.03.2013	31.03.2012
Income from Services		
Cdsl Dp Charges	439,288.000	234,619.00
Cdsl Amc Charges	1,290,639.00	1,581,452.00
Auction Charges Recd	0.00	10,288.00
Kra Documentation Chgs Recd	13,050.00	0.00
Common sale of IPO	46,729.00	77,753.00
Brokerage Realised	28,922,059.00	34,473,656.00
Total	30,711,765.00	36,377,768.00

18. OTHER INCOME

Particulars	31.03.2013	31.03.2012
Interest received	9,553,049.00	10,113,142.00
From Current Investments	0.00	0.00
From Long Term Investments (Tds Rs. 165559/-)	16,55,427.00	25,97,732.00
From Others (Tds Rs. 1083/-)	78,976,22.00	75,15,410.00
Dividend received	152,801.00	171,606.00
From Current Investments	32,608.00	18,958.00
From Long Term Investments	120,193.00	152,648.00
Profit on sale of Investment-Long Term Capital Gain	2,180,943.00	541,720.00
Short Term Capital Gain	411,521.00	0.00
Bad debts recovered	270,033.00	179,669.00
Total	12,568,347.00	11,006,137.00

19. COST OF SERVICES

Particulars	31.03.2013	31.03.2012
Sub brokerage	12,239,155.00	13,788,995.00
Branch Expenses	840,000.00	1,197,943.00
Annual Maintenance Chgs	1,595,630.00	1,527,234.00
Trading Expenses	3,026,868.00	2,188,613.00
TOTAL	17,701,653.00	18,702,785.00

20. EMPLOYEE REMUNERATION & BENEFITS

Particulars	31.03.2013	31.03.2012
Salaries and Allowances	6,821,966.00	8,714,227.00
Gratuity Expenses	319,361.00	86,059.00
Employer's contribution to provident Fund	278,155.00	266,376.00
Employer's contribution to Employees State Insurance	107,061.00	134,102.00
Director Remuneration	3,000,000.00	3,000,000.00
Total	10,526,543.00	12,200,764.00

20.1 As per AS-15 "Employee Benefits" the disclosure as defined in the Accounting Standard are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plan recognized as expense for the year is as under



	<u>31-03-2013</u>	<u>31-03-2012</u>
Contribution to Employees Provident Fund	278,155.00	266,376.00
Contribution to ESIC	107,061.00	134,102.00

Defined Benefit Plan

Provision of Gratuity amounting to Rs 3.19lakhs(PY Rs..86 Lakhs) was made on the basis of Actuarial Valuation Report dated 02.05.2013 Disclosure in respect of AS-15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2007:

A.	Expense recognized during the year	Gratuity Provision 2012-13 (Rs. In '000)	Gratuity Provision 2011-12 (Rs. In '000)
	1. Current Service Cost	272	181
	2. Interest Cost	85	135
	3. Actuarial Gain/Loss	(38)	(230)
	4. Expenses recognized in the Profit & Loss A/c.	319	86
B.	Net Asset/(Liability) recognized in Balance Sheet		
	1. Present value of Obligation at the beginning of the Year	1311	1548
	2. Current Service Cost	272	181
	3. Interest Cost	85	135
	4. Actuarial Gain/Loss	(38)	(230)
	5. Net Asset/Liability Recognized	1630	1634
C.	Reconciliation		
	1. Net Liability at the beginning of the Year	1311	1548
	2. Net Expenses in P&L A/c	319	86
	3. Benefits Paid	(555)	(323)
	4. Net Liability as the end of the Year	1075	1311
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%

21. FINANCIAL CHARGES

FINANCIAL CHARGES	31.03.2013	31.03.2012
Interest paid	2,023,463.00	3,778,108.00
Interest on Bank Overdraft	611,834.00	593,325.00
Total	2,635,297.00	4,371,433.00

22. DEPRECIATION & AMORTISATION EXPENSES

Depreciation & Amortisation Expenses	31.03.2013	31.03.2012
Depreciation	1,617,205.29	1,691,761.33
Deferred Revenue Expenses Written off	840,000.00	840,000.00
Total	2,457,205.29	2,531,761.33

23. OTHER EXPENSES

Other Expenses	31.03.2013	31.03.2012
Advertisement Expenses	91,990.00	173,220.00
AGM Expenses	139,357.00	136,016.00
Auditor's Remuneration	60,000.00	67,416.00
Bad Debts Written off	2,823,626.00	916,472.00
Bank Charges	77,170.00	52,334.00
Bank Guarantee Commission	496,770.00	525,000.00
Consultancy Charges	13,500.00	30,000.00
Directors Sitting Fees	53,000.00	64,000.00
Electricity charges	698,133.00	931,449.00
Insurance Charges	10,563.00	8,382.00
Legal and Professional charges	502,082.00	466,953.00
Loss on sale of asset	183,920.00	459,228.00
Loss on sale of shares	28,230.00	1,514.00
Newspaper & Periodicals	4,248.00	4,729.00
Office Expenses	245,330.00	365,196.00
Postage & Telephone	581,122.00	1,069,236.00
Printing & stationery	294,003.00	385,521.00
Rent Rates & Taxes	649,614.00	1,011,098.00
Repairs & maintenance	161,772.00	174,905.00
Roc Filling Expenses	4,462.00	1,630.00
Travelling & Conveyance	86,730.00	213,118.00
Business Expenses	745,142.16	1,389,935.12
Total	7,950,764.16	8,447,352.12

23.1 Remuneration to auditors

	31.03.2013	31.03.2012
For Audit	40000	40000
Taxation	15000	15000
Others	5000	5000
Service Tax*	7416	7416
Total	67416	67416

*(Service tax on auditor remuneration has been taken for input credit)



24. Basic and diluted earning per share

Particulars	31 st March 2013	31 st March 2012
Net Profit for the year (In Rs.)	Rs.1805367	Rs.1748899
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.)	0.29	0.28

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

26. 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".

27. 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

Shri..Mahesh B Chandak.

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

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

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

PARTICULARS	Enterprises in which KMP have a significant influence	OPENING BALANCE AS ON 1.04.2012	TRANSACTION DURING THE YEAR	CLOSING BALANCE AS ON 31.03.2013
a)Loans & Advances Received	M/s. Sugal Commodity Brokers P. Ltd	52251.89	12067952	-
b) Interest Paid	M/s.Sugal Commodity Brokers P. Ltd	-	22656	-
C) Interest received	M/s.Sugal Commodity Brokers P. Ltd	-	10831	-



28. Contigent Liability/Commitments

- A) A sum of Rs. 55,62,310 /- has been demanded towards Income Tax liability for the A.Y 2010-2011 and the same has not been accepted by the company and go on appeal and the matter is pending before the Commissioner of Income Tax Chennai. Since the entire additional demand is under dispute no provision has been made in the accounts.
- B) Guarantees given on behalf of the company by banks to NSE, BSE amounting to Rs.4.35 Crores Outstanding as on 31.03.2013 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.

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)
Executive Director

(Mahesh Chandak)
Executive Director

Place : Chennai
Date : 24.05.2013.

(S. Parthasarathy)
Company Secretary

(S. Kamal Kumar Singhi)
Accounts Manager



Sugal & Damani Share Brokers Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-3-2013

Particulars	2012	2013
A: CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax as per Profit and Loss Account	2008650	1129810
Adjusted for:		
Loss on Sale of Assets	183920	459228
Depreciation and Amortisation Expense	2457205	2531761
Net gain on Sale of Investments	-2592464	-541720
Dividend Income	-152801	-171606
Interest Income	-9553049	-10113142
Finance Costs	2635297	4371433
	-7021892	-3464046
Operating Profit before Working Capital Changes	-5013242	-2334236
Adjusted for:		
Trade and Other Receivables	20292201	10549344
Inventories	77180	-1474
Trade and Other Payables	-7654506	12714875
		-1814877
Cash Generated from Operations	7701633	6398757
Taxes Paid	-309912	-309912
		-619216
Net Cash from Operating Activities (A)	7391721	5779541
B: CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	-194370	-387179
Sale of Fixed Assets	65900	173800
Purchase of Investments	-11230	-1065818
Sale of Investments	6982479	1090526
Interest Income	9553049	10113142
Dividend Income	152801	171606
	16548629	10096077
Net Cash (used in) Investing Activities (B)	16548629	10096077
C: CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings		
Repayment of Long Term Borrowings		
Short Term Borrowings (net)	-8532524	-36662923
Dividends Paid (including dividend distribution tax)	-726407	-3644068
Interest Paid	-2635297	-4371433
	-11894228	-44678424
Net Cash (used in) / from Financing Activities (C)	-11894228	-44678424
D : Net Increase in Cash and Cash Equivalents = (A+B+C)	12046122	-28802806
Opening Balance of Cash and Cash Equivalents	14832956	43635762
Closing Balance of Cash and Cash Equivalents	26879078	14832956

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)
Executive Director

(Mahesh Chandak)
Executive Director

Place : Chennai
Date : 24.05.2013.

(S. Parthasarathy)
Company Secretary

(S. Kamal Kumar Singhi)
Accounts Manager



SUGAL & DAMANI SHARE BROKERS LIMITED

Reg. Office: City Centre Plaza (1st Floor) No.7, Anna Salai, Chennai- 600 002.

[Ph: 28587105-108 Fax: +91-44-42155285.]

Dear Shareholder,

Green Initiative in Corporate Governance

As part of the "Green initiative in corporate Governance", the Ministry of Corporate Affairs (MCA), Government of India, through its circular Nos. 17/2011 and 18/2011

Dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically considering its legal validity under the information Technology Acts, 2000.

The company proposes to send all shareholder communications such as the notice of General Meetings, Audited Financial Statement, Directors' Report, Auditors' Report, etc., w.e.f.1.01.2012 to shareholders in electronic form to the E-mail id provided by them and made available to us by the Depositories.

Currently, we do not have your E-mail id on our records. Keeping in view the spirit of the MCA directive, we request you to register yourself for receiving electronic communications in lieu of physical form by returning the duly filled-in and signed form appended below. Simultaneously, we request you to register your E-mail id with your Depository Participants and inform them of any changes to the same from time to time.

In case you desire to receive future communications in physical form, please return the duly filled-in and signed form appended below after selecting your preference to that effect.

Please be informed that the full text of all electronic communications shall be made available in an easily navigable format on our website www.sugalshare.com under the investor section.

We will also notify the date of AGM and the availability of Annual Report on our website in prominent national and regional newspapers.

As always, physical copies of all communications will be available at our Registered Office for inspection during office hours.

Yours faithfully,

For Sugal & Damani Share Brokers Ltd,

Company Secretary.



Form for registration of E-mail id for receiving documents/notices through electronic mode

I/We, shareholder(s) of Sugal & Damani Share Brokers Ltd, hereby agree to receive documents/notices from Sugal & Damani Share Brokers Ltd through electronic mode and my/our E-mail id(s) for receiving such documents/notices is/are given below:

Yes:

No

Name (In Block Letters)(including Joint Holders, if any)
Registered Folio No.DPID/Client ID
E-mail id
Signature (including Joint holders, if any)

Place:

Date:



SUGAL & DAMANI SHARE BROKERS LIMITED

Reg. Office: City Centre Plaza (1st Floor) No.7, Anna Salai, Chennai- 600 002.

24.05.2013

Dear Shareholders.

At the meeting of the Board of Directors of the Company held on 24.05.2013, the Board has recommended a dividend of 20 paise per share for the year ended 31.03.2013. If the dividend is declared by the shareholders at the Annual General Meeting to be held on 31.07.2013, the dividend will be paid on or after 06.08.2013.

Members holding shares in physical form are requested to submit particulars of their Bank Account in the enclosed format. The format containing the particulars may be returned to the Company latest by 17.07.2013.

Members holding shares in demat form are advised to inform the particulars of their bank account to their respective depository participants.

This will enable the company to pay the dividend through NECS, if declared at the Annual General Meeting.

Yours faithfully,

For Sugal & Damani Share Brokers Limited

Mahesh Chandak

Executive Director



SUGAL & DAMANI SHARE BROKERS LIMITED

Reg. Office: City Centre Plaza (1st Floor) No.7, Anna Salai, Chennai- 600 002.

- 1) Name of Shareholder (IN BLOCK LETTERS)
- 2) Registered Address of the Shareholder:

- 3) Registered Folio No.
- 4) Name & Address of the Branch of the Bank
- 5) 9 – digit MICR Code of the Branch

- 6) Type of Account
- 7) Bank Account No.

(Signature of Shareholder)



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.

**TWENTIETH ANNUAL GENERAL MEETING
ADMISSION SLIP**

(To be handed over at the entrance of the Meeting Hall)

I hereby record my presence at the Twentieth Annual General Meeting of the Company at 'City Centre Plaza' (First Floor), No. 7, Anna Salai, Chennai – 600 002, on Wednesday, July 31, 2013 at 11A.M.

NAME OF THE MEMBER (IN BLOCK LETTERS) _____

NAME OF THE PROXY _____

(To be filled in if the proxy attends instead of the member)

SIGNATURE OF THE MEMBER / PROXY

Member' Folio No. / Client ID : _____ No. of Shares Held: _____

DP ID : _____

Notes :

1. Shareholders / Proxy holders are requested to bring the Admission Slips to the Meeting and hand over at the entrance duly signed.
2. The proxy form must be deposited at the Registered Office of the Company at 'City Centre Plaza' (First Floor), No. 7, Anna Salai, Chennai – 600 002, not less than 48 hours before the time for holding the Meeting.



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.

PROXY FORM

I/We _____ of _____

_____ in the district of _____ being a Member / Members of

SUGAL & DAMANI SHARE BROKERS LIMITED hereby appoint _____ of

_____ in the district of _____ or failing him /

her _____ of _____ in the district of _____ as my / our proxy to

vote for me/ us on my / our behalf at the Twentieth Annual General Meeting of the Company to be held on

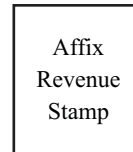
Wednesday, July 31, 2013 and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Member's Folio No. Client ID _____




DPID : _____

No. of shares held : _____



Signature of Member

FORM - A

1	Name of the Company	SUGAL AND DAMANI SHARE BROKERS LTD
2	Annual Financial Statement for the Year Ended	31-03-2013
3	Type of Audit Observation	Un-Qualified
4	Frequency of Observation	Not Applicable
5	To be signed by-	
	CEO/MANAGING DIRECTOR*	 Mr. Mahesh Chandak Executive Director
	CFO**	N.A Chief Financial Officer
	Auditor of the Company	 Mr. R. Mugunthan Chartered Accountant Chennai Membership No. 21397
	Audit Committee Chairman	 Mr. S. Kannadasan Chairman of Audit Committee

*The Company does not have a CEO/MD. However, the form is being signed by Executive Director

**The Company does not have a CFO.