

**FORM B**

1.	<b>Name of the Company</b>	Sugal & Damani Share Brokers Limited CIN – L65991TN1993PLC028228
2.	<b>Annual Financial Statement for the year ended</b>	31 <sup>st</sup> March 2015
3.	<b>Type of Audit Qualification</b>	Qualified
4.	<b>Frequency of Qualification</b>	Appearing for First Time
5.	<b>Draw attention to the relevant notes in the annual financial statements and management response to the qualification in the Directors' Report:</b>	As per the Sl. No. vii(b) of the Annexure to the Auditors Report, Income Tax Dues of Rs. 55.62 Lacs and Rs. 4.24 Lacs for the Asst. years 2010-11 and 2012-13 respectively are due to the Income Tax Department (Refer Pg. No. 63 of the Annual Report 2014-15)
6.	<b>Additional comments from the Board / Audit Committee Chair:</b>	The said dues have not been deposited on account of dispute pending before the Commissioner of Income Tax (Appeals) and the same is being contested by the Company
7.	<b>To be signed by-</b>	<b>For SUGAL &amp; DAMANI SHARE BROKERS LTD;</b>
	<b>Executive Director / CEO / Managing Director</b>	<i>Pallab Misra</i> <b>Executive Director</b>
	<b>CFO</b>	N A
	<b>Auditor of the Company</b>	<i>[Signature]</i>
	<b>Audit Committee Chairman</b>	<i>[Signature]</i>



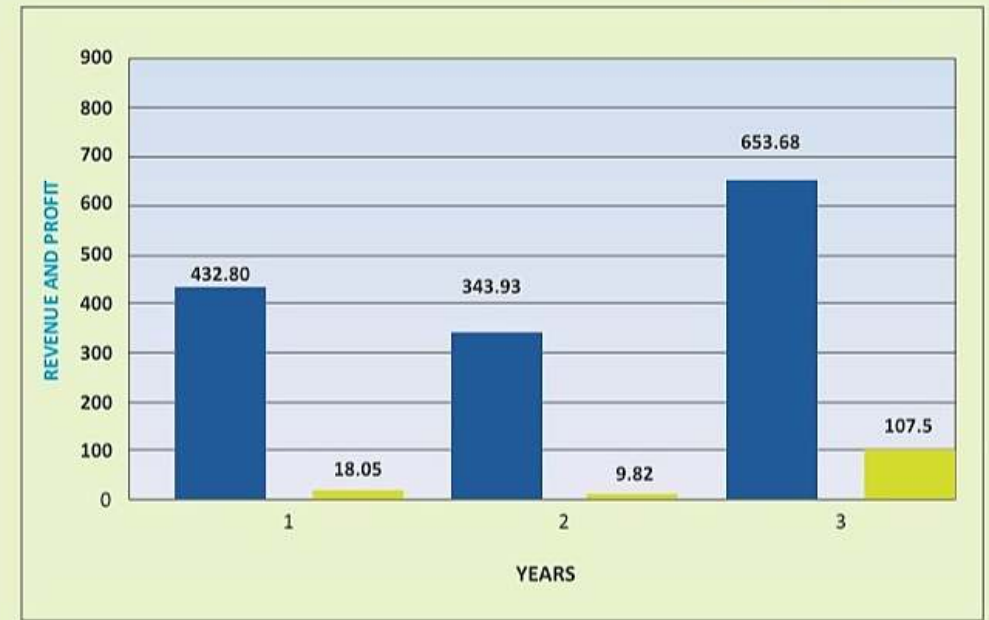
## SUGAL & DAMANI SHARE BROKERS LTD.



22<sup>ND</sup> ANNUAL REPORT 2014 - 2015

	FY 2012 -13 Rs. In lakhs	FY 2013 -14	FY 2014 -15
Revenue	432.80	343.93	653.68
PAT	18.05	9.82	107.5

### FINANCIAL PERFORMANCE OF LAST THREE YEARS RS.IN LAKHS



FY 2012-13

FY 2013-14

FY 2014-15



## **SUGAL & DAMANI SHARE BROKERS LIMITED**

*(Formerly known as Sugal & Damani Finlease Limited)*

CIN: L65991TN1993PLC028228

### **BOARD OF DIRECTORS**

Mr. S. Kannadasan  
Director

Mr. Babulal Surana  
Director

Mr. Prasan Chand Jain  
Director

Mr. S. Vinodh Kumar  
Executive Director

Mr. Mahesh Chandak  
Executive Director

Mr. Rajesh Gurdas Wadhwa  
Director

Ms. Dhanesh Mrinalini  
Director

### **REGISTERED OFFICE**

'City Centre Plaza' (I Floor)  
No. 7, Anna Salai  
Chennai – 600 002

### **REGISTRARS & SHARE TRANSFER AGENTS**

Cameo Corporate Services Ltd.  
'Subramanian Building' (V Floor)  
No. 1, Club House Road  
Chennai – 600 002

### **BANKERS**

Axis Bank Ltd.  
HDFC Bank Ltd.  
Karur Vysya Bank Ltd.

### **SECRETARIAL AUDITOR**

R. Sivasekaran  
Company Secretary  
Chennai

### **CORPORATE LAW ADVISOR**

M/s. Mundhara & Co.  
Company Secretaries  
Chennai

### **AUDITOR**

Mr. R. Mugunthan  
Chartered Accountant  
Chennai

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## **SUGAL & DAMANI SHARE BROKERS LIMITED**

*(Formerly known as Sugal & Damani Finlease Limited)*

*CIN: L65991TN1993PLC028228*

*'City Center Plaza', (1 Floor)*

*No. 7, Anna Salai, Chennai – 600 002*

### **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT THE TWENTY-SECOND 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 FRIDAY, SEPTEMBER 25, 2015, AT 11.00 A.M. TO TRANSACT THE FOLLOWING BUSINESSES:**

#### **ORDINARY BUSINESSES:**

##### **Item No. 1 – Adoption of Financial Statements**

To receive, consider and adopt the Audited Balance Sheet as at March 31, 2015, and Profit & Loss Account for the period ended on that date and the Reports of Directors and Auditor thereon.

##### **Item No. 2 – Appointment of Director**

To appoint a Director in place of Mr. Prasan Chand Jain (DIN – 00050081) who retires by rotation and, being eligible, offers himself for reappointment.

##### **Item No. 3 – Appointment of Auditor**

To re-appoint Auditor of the Company to hold the office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix his remuneration and to pass the following resolution thereof:

“**RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013, and the rules made thereunder and pursuant to the recommendations of the Audit Committee of the Board of Directors, Mr. R. Mugunthan, Chartered Accountant, Chennai, be and is hereby re-appointed as the Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.”

#### **SPECIAL BUSINESSES:**

##### **Item No. 4 – Appointment of Ms. Dhanesh Mrinalini, Independent Director**

To consider and, if thought fit, to give your assent or dissent to the following resolution proposed to be passed as ordinary resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, and the rules made there under read with Schedule IV to the Companies Act, 2013, Ms. Dhanesh Mrinalini (DIN: 05118819), who was appointed as an Additional Director of the Company w.e.f. March 31, 2015 and who holds office till the date of the Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Ms. Dhanesh Mrinalini as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to March 31, 2020 not liable to retire by rotation.”

##### **Item No. 5 – Re-Appointment of Mr. Mahesh Chandak as Whole Time Director**

To consider and, if thought fit, to give your assent or dissent to the following resolution proposed to be passed as Special Resolution:

**“RESOLVED THAT** pursuant to Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013, read with Schedule V to the said Act, and subject to other approvals as are necessary, Mr. Mahesh Chandak (DIN: 00050149) be and is hereby re-appointed as Whole Time Director of the Company for a period of 3 (Three) years from October 1, 2015 to September 30, 2018 on the following terms, conditions and remuneration:

**Basic Salary:** Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) p.m. (i.e., Rs. 15,00,000/- p.a.)

**Allowance(s):**

**Special Allowance:** Rs. 5,000/- (Rupees Five Thousand only) p.m. (i.e., Rs. 60,000/- p.a.).

**Transportation Allowance:** Rs. 5,000/- (Rupees Five Thousand only) p.m. (i.e., Rs. 60,000/- p.a.).

**Perquisite(s):**

**Employer's Contribution to Provident Fund:** Rs. 15,000/- (Rupees Fifteen Thousand only) p.m. (i.e. Rs. 1,80,000/- p.a.).

**“RESOLVED FURTHER THAT** Mr. Mahesh Chandak (DIN: 00050149) shall not be entitled to any sitting fees for attending the meetings of the Board of Directors and Committees thereof.

**“RESOLVED FURTHER THAT** that the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**“RESOLVED FURTHER THAT** in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Mr. Mahesh Chandak (DIN: 00050149) shall be the minimum remuneration payable to him in terms of the provisions of Schedule V to the Companies Act, 2013.”

**Item No. 6 – Adoption of Articles of Association of the Company as per Companies Act, 2013**

To consider and, if thought fit, to give your assent or dissent to the following resolution proposed to be passed as Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of sections 14 and other applicable provisions, if any, of the Companies Act, 2013, read with relevant Rules framed thereunder, the existing Articles of Association of the Company be and is hereby replaced by adoption of new set of Articles of Association of the Company after incorporating all the applicable clauses in conformity with the provisions of Companies Act, 2013 and the Rules made thereunder.

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard.”

**Item No. 7 - Approval for creation of charge on the asset(s) of the Company**

To consider and, if thought fit, to give your assent or dissent to the following resolution proposed to be passed as Special resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, and other applicable provisions, if any, of the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) read with the Companies (Management and Administration) Rules, 2014, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution), to mortgage and / or charge any of its movable and / or immovable properties wherever situated both present and future and on such terms and conditions and at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit on the movable and / or immovable properties of the Company in favour of any bank(s) or body(ies) corporate or person(s), whether shareholders of the Company or not, together with



interest, cost, charges and expenses thereon for amount not exceeding Rs. 50 Crores (Rupees Fifty Crores Only) at any point of time.

**“RESOLVED FURTHER THAT** the securities to be created by the Company aforesaid may rank prior / pari passu / subsevient with / to the mortgages and / or charges already created or to be created by the company as may be agreed to between the concerned parties.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matters connected therewith or incidental thereto.”

**Item No. 8 – Approval of Limit of Borrowing Power**

To consider and, if thought fit, to give your assent or dissent to the following resolution proposed to be passed as Special resolution:

**“RESOLVED THAT** pursuant to Section 180(1)(c) of the Companies Act, 2013, and other applicable provisions, if any, of the said Act and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include the Borrowing Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution) for borrowing, from time to time, as they may think fit, any sum or sums of money which, together with the moneys already borrowed by the Company (apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the aggregate of the moneys borrowed and to be so borrowed and outstanding at any time shall not exceed Rs. 50 Crores (Rupees Fifty Crores Only).

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this Resolution.

**Item No. 9 – Approval for Investments by the Company**

To consider and, if thought fit, to give your assent or dissent to the following resolution proposed to be passed as Special resolution:

**“RESOLVED THAT** pursuant to Section 186 of the Companies Act, 2013, and other applicable provisions, if any, of the said Act and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals, consents, sanctions and permissions, as may be necessary, consent of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include Investment Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution) to give any loan to any person or other body corporate, give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire by way of subscription, purchase or otherwise the securities of any other body corporate, as they may deem fit in the interest of the Company and at such time(s) and in such form or manner as they may think fit, notwithstanding that the aggregate of loans or guarantees or any security in connection with a loan, or the acquisition of any securities, as aforesaid, to be given / made together with loans or guarantees or any security in connection with a loan or the acquisition of any securities, as aforesaid, already given / made by the Company, may exceed 60% of the aggregate of the paid up Share Capital, Free Reserves and Securities Premium Account or 100% of the Free Reserves and Securities Premium Account of the Company, whichever is more, provided however, that the aggregate of the loans or guarantees or any security in connection with a loan

or the acquisition of any securities, as aforesaid, shall not exceed Rs. 50 Crores (Rupees Fifty Crores Only) at any point of time.

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of giving of loans or guarantees or providing any security in connection with a loan or the acquisition of any securities, as aforesaid, and further to do all acts, deeds, matters and things and to execute all documents and writings as may be necessary, proper or desirable or expedient to give effect to this resolution.”

#### Item No. 10 – Approval for Related Party Transactions

To consider and, if thought fit, to give your assent or dissent to the following resolution proposed to be passed as Special resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013, and other applicable provisions, if any, of the said Act and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to enter into Related Party Transactions by the Company with the respective related parties and for the maximum amounts per annum, as mentioned herein below:

Sr. No.	Nature of Transactions as per section 188 of the Companies Act, 2013	Name of the Related Party	Amount (Rs. in Lakhs)	
			Receipts	Payments
1.	Availing or rendering of any services – Receipt of Brokerage Fees	N. Sugalchand Jain	25.00	-
2	Availing or rendering of any services – Receipt of Brokerage Fees	Bhagwandas Chandak	25.00	-
3	Availing or rendering of any services – Receipt of Brokerage Fees	Dwarakadas Chandak	25.00	-
4	Availing or rendering of any services – Receipt of Brokerage Fees	Savitha Chandak	25.00	-
5	Availing or rendering of any services – Receipt of Brokerage Fees	Meena Kumari	25.00	-
6	Availing or rendering of any services – Receipt of Brokerage Fees	Radhika Maheshwari	25.00	-
7	Availing or rendering of any services – Receipt of Brokerage Fees	Krishna Maheshwari	25.00	-
8	Availing or rendering of any services – Receipt of Brokerage Fees	Kishori Maheshwari	25.00	-
9	Availing or rendering of any services – Receipt of Brokerage Fees	Ardhaya Maheshwari	25.00	-



Sr. No.	Nature of Transactions as per section 188 of the Companies Act, 2013	Name of the Related Party	Amount (Rs. in Lakhs)	
			Receipts	Payments
10	Availing or rendering of any services – Receipt of Brokerage Fees	Mahesh Chandak	25.00	-
11	Availing or rendering of any services – Receipt of Brokerage Fees	Nakthamal Bhagwandas Chandak HUF	25.00	-
12	Availing or rendering of any services – Receipt of Brokerage Fees	Bhagwandas Mahesh Kumar Chandak HUF	25.00	-
13	Availing or rendering of any services – Receipt of Brokerage Fees	S. Vinodh Kumar	25.00	-
14	Availing or rendering of any services – Receipt of Brokerage Fees	Prasan Chand Jain	25.00	-
15	Availing or rendering of any services – Receipt of Brokerage Fees	Siyat Holdings Private Limited	25.00	-
16	Leasing of property of any kind – Payment of Rent	Sugal Commodity Brokers Private Limited	-	5.00
17	Availing or rendering of any services – Receipt of Brokerage Fees	Sugal Commodity Brokers Private Limited	25.00	-
18	Availing or rendering of any services – Receipt of Brokerage Fees	Prithvi Finsec Limited	25.00	-
19	Availing or rendering of any services – Receipt of Brokerage Fees	Prithvi Softech Limited	25.00	-

“**RESOLVED FURTHER THAT** the Board of Directors of the Company and / or a Committee thereof, be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

**By Order of the Board**  
**For SUGAL & DAMANI SHARE BROKERS LTD**

**Regd Office:**

'City Center Plaza', (1 Floor)  
No. 7, Anna Salai, Chennai – 600 002  
Place: Chennai  
Date: August 4, 2015

**Mahesh Chandak**  
(Executive Director)  
**DIN – 00050149**  
No. 28, Barnaby Road, Kilpauk, Chennai - 10

**Notes:**

- 1) The statement pursuant to Section 102(1) of the Companies Act, 2013, with respect to the special businesses set out in the notice is annexed.
- 2) 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 a member of the Company.
- 3) Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding **fifty** and holding in the aggregate not more than **ten percent** of the total share capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member
- 4) Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 5) The instrument appointing Proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 6) **The Register of Members and the Share Transfer Books of the Company will remain closed from 11.09.2015 to 25.09.2015 (both days inclusive).**
- 7) The Register of Directors and their shareholding maintained under section 170 of the Companies Act, 2013, will be available for inspection by the members at the meeting.
- 8) The Shares of the Company are eligible to be held in dematerialised form in Central Depository Services (India) Limited and National Securities Depository Limited.
- 9) Members holding shares in physical form are requested to notify immediately any change in their address along with Address Proof, i.e. a copy of latest Electricity Bill / Telephone Bill / Driving Licence / 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.
- 10) Members are requested to bring with them their copy of the Annual Report to the meeting.
- 11) 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.
- 12) Queries relating to Accounts or other items on the Agenda are to be forwarded to reach the Registered Office of the Company on or before September 15, 2015.
- 13) 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.
- 14) 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.
- 15) 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 1994-95 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 1994-95 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.
- 16) Members who have not encashed the dividend warrants for the financial year 2009-10, 2010-11, 2011-12 and 2012-13 are requested to claim from the Company by communicating to the Registered Office of the Company.
  - 17) 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.
  - 18) As per the provisions of the Companies Act, 2013, the facility for making nominations is now available to the shareholders in respect of the equity shares held by them. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or from the website of the Company at [www.sugalshare.com](http://www.sugalshare.com).
  - 19) Members are requested to send all communications relating to transfer of physical shares / demat, etc., directly to the Registrars and Share Transfer Agents, M/s. Cameo Corporate Services Limited, 'Subramanian Building' (V Floor), No.1, Club House Road, Chennai - 600 002.
  - 20) In compliance with Section 108 of the Companies Act 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management & Administration) Amendment, Rules 2015 & Clause 35 of the Listing Agreement, the company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facilities for voting, through the Ballot Paper, will also be available at the AGM & the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through Ballot Paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The Instructions for e-voting are annexed to the Notice.
  - 21) With a view to using natural resources more responsibly, we request shareholders to update their email addresses with their Depository Participants to enable the Company to send communications electronically.
  - 22) Copies of Annual Report 2014-15 are being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of Annual Report 2015 are being sent by the permitted mode.
  - 23) The instructions for e-voting have been annexed to this Annual Report. Sequence Number has been provided as "Sl No." in the Address label.
  - 24) Members may also note that the notice of the 22<sup>nd</sup> Annual General Meeting & the Annual Report 2014-15 will be available on the company's Website [www.sugalshare.com](http://www.sugalshare.com). The physical copies of the documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: [info.sdsbl@gmail.com](mailto:info.sdsbl@gmail.com)
  - 25) Additional information, pursuant to Clause 49 of Listing Agreement with the Stock Exchanges, in respect of the directors seeking appointment / re-appointment at the meeting is furnished as annexure to the notice. The directors have furnished Consent / Declaration for their appointment / re-appointment as required under Companies Act, 2013 & rules thereunder.

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE DATED AUGUST 4, 2015**

**Item No. 4 – Appointment of Ms. Dhanesh Mrinalini, Independent Director**

Ms. Dhanesh Mrinalini was appointed as an Additional Director of the Company w.e.f. March 31, 2015, pursuant to Section 161 of the Companies Act, 2013. Pursuant to provisions of Section 161 of the Companies Act, 2013, Ms. Dhanesh Mrinalini will hold office up to the date of ensuing General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Act from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Ms. Dhanesh Mrinalini as an Independent Director of the Company to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has also received from Ms. Dhanesh Mrinalini – i) consent in writing to act as Director in Form DIR-2 pursuant to rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under subsection (2) of Section 164 of the Companies Act, 2013, and iii) a declaration to the effect that she meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act, and iv) notice in writing in Form MBP-1 disclosing her concern or interest in other Companies and Bodies Corporate in terms of rule 9 of Companies (Meetings of Board and its Powers) Rules, 2014.

The resolution seeks approval of members for the appointment of Ms. Dhanesh Mrinalini as an Independent Director of the Company for a period up to March 31, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder. She will not be liable to retire by rotation.

In the opinion of the Board of Directors, Ms. Dhanesh Mrinalini, the Independent Director

proposed to be appointed, fulfills the conditions for appointment as Independent Director as specified in the Act and the rules made there under and she is independent of the Management. A copy of the draft letter for the appointment of Ms. Dhanesh Mrinalini as an Independent Director setting out the terms and conditions is available for inspection at the Registered Office of the Company. The said letter is also placed on the website of the Company at [www.sugalshare.com](http://www.sugalshare.com) under Investor Relations > Corporate Communications > Draft Letter of Appointment

No Director, Key Managerial Personnel or their relatives, except Ms. Dhanesh Mrinalini, to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the resolution set forth in the Item No. 4 for approval of the members.

**Item No. 5 – Re-Appointment of Mr. Mahesh Chandak as Whole Time Director**

Mr. Mahesh Chandak is a fellow member of the Institute of Chartered Accountants of India. He is a Whole Time Director of the Company, designated as Executive Director and was reappointed up to March 31, 2016. At the meeting of the Board held on August 4, 2015 he was reappointed as Whole Time Director of the Company, designated as Executive Director for a period of 3 (Three) years from October 1, 2015 to September 30, 2018.

Mr. Mahesh Chandak has over 20 years' experience in Share broking. Keeping in view his rich experience, the Board felt that it would be advantageous to the Company to reappoint Mr. Mahesh Chandak as Whole Time Director of the Company, designated as Executive Director

Payment of remuneration is approved by resolution passed by the Nomination and Remuneration Committee in its meeting dated August 4, 2015. As required by the Companies Act, 2013, approval of the members is being sought, for the re-appointment and remuneration of Mr. Mahesh Chandak, Whole Time Director.

## NOTICE |



The terms and conditions for re-appointment of Mr. Mahesh Chandak (DIN: 00050149) as the Company's Executive Director are summarised hereunder:

1. Mr. Mahesh Chandak (DIN: 00050149) shall be the Executive Director of the Company for a period of 3 (three) years with effect from October 1, 2015 to September 30, 2018 as decided by the Board of Directors.
2. Mr. Mahesh Chandak (DIN: 00050149) shall subject to the superintendence, control and direction of the Board of Directors of the Company have substantial powers of Management and shall perform the duties and exercise the powers in relation thereto and shall also perform such other duties and exercise such further powers as may from time to time be entrusted to or conferred upon him by the Board either alone or jointly with any other person or persons as the Board shall determine.
3. In consideration of his services as the Company's Executive Director, Mr. Mahesh Chandak (DIN: 00050149) shall be entitled to receive the following remuneration from the Company:

**Basic Salary:** Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) p.m. (i.e., Rs. 15,00,000/- p.a.)

**Allowance(s):**

**Special Allowance:** Rs. 5,000/- (Rupees Five Thousand only) p.m. (i.e., Rs. 60,000/- p.a.).

**Transportation Allowance:** Rs. 5,000/- (Rupees Five Thousand only) p.m. (i.e., Rs. 60,000/- p.a.).

**Perquisite(s):**

**Employer's Contribution to Provident Fund:** Rs. 15,000/- (Rupees Fifteen Thousand only) p.m. (i.e. Rs. 1,80,000/- p.a.).

4. In the absence or inadequacy of profits of the Company in any financial year during his term of re-appointment hereunder, he shall for that year receive the same remuneration as in clause 3

hereinabove specified, within the ceiling limits as laid down in Schedule V to the Companies Act, 2013.

5. Mr. Mahesh Chandak (DIN: 00050149) shall be entitled to reimbursement of other expenses actually and properly incurred by him in connection with the Company's business.

The terms and conditions of his service, including remuneration, may be varied, altered, increased, enhanced or widened from time to time by the Board as it may in its sole discretion deem fit without seeking further approval of the shareholders of the Company within the maximum amount payable to the Executive Director in accordance with the Act and Schedule V thereto.

The re-appointment and remuneration of Mr. Mahesh Chandak (DIN: 00050149) as the Company's Executive Director requires the approval of the members of the Company in General Meeting by passing a special resolution in terms of Schedule V read with sections 196, 197, Chapter XIII and other applicable provisions of the Companies Act, 2013.

The Board of Directors recommend the resolution for approval by the members of the Company by passing a special resolution.

Except Mr. Mahesh Chandak, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

**Item No. 6 – Adoption of Articles of Association of the Company as per Companies Act, 2013**

Sugal & Damani Share Brokers Limited was incorporated under the provisions of the Companies Act, 1956. The existing Articles of Association (“AOA”) are based on the Companies Act, 1956 and several clauses / regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and which are no longer in force.

The Existing regulations of the Articles of Association are replaced by the new set of



regulations and adopted as new set of Articles of Association as per the requirements of Table F of First Schedule in the Companies Act, 2013. The modification in Articles of Association is carried out to give effect to provisions of the Companies Act, 2013.

Consent of the shareholders by way of a Special Resolution is required in this regard. A copy of the proposed set of new Articles of Association of the Company would be available for inspection for the members at the Registered Office of the Company during the office hours on any working day, except Saturdays, between 11.00 a.m. to 6.00 p.m. The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise in passing of the said resolution.

**Item No. 7 - Approval for creation of charge on the asset(s) of the Company**

As the Shareholders are aware, the Company is engaged in the business of providing Share Broking Services. In order to be able to organize its business more proficiently and to focus on growth and track financial performance while achieving scale benefits, while continuing to provide it with the leadership of the Company, the Company may have to sell or lease or dispose of some of its assets including movable and immovable assets. Those transactions are expected to capture full potential of the services, bringing about greater transparency and increase in operational, management and knowledge efficiencies which would lead to operational excellence.

Upon enactment of the Companies Act, 2013 and more particularly by section 180(1)(a) and 180(1)(c) of the said Act and the rules made under the Act, it has become mandatory for every Company to obtain sanction by special resolution at a General Meeting of the Company to charge, hypothecate, mortgage, sell, lease or dispose of the assets of the Company in respect of any credit facility availed by the Company.

As you are aware that the Company in its ordinary course of business has to avail various financial

facilities from banks, financial institutions, bodies corporate and others for meeting its various term loans and working capital requirements, the Company would be required to give first mortgage of some / all of the movable and immovable properties of the Company both present and future.

Section 180(1)(a) of the Companies Act, 2013, provides, inter alia, that the Board of Directors of the Company shall not, without the consent of such Company in general meeting by a special resolution, create a charge, or hypothecate or mortgage or sell or lease or dispose of the assets of the Company.

Since mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the financial institution can be considered to be disposal of the Company's properties, it is necessary for the members to pass a special resolution under section 180(1)(a) of the Companies Act, 2013 before creation of the said mortgage/charge.

Hence it is necessary to obtain consent of the shareholders by way of special resolution in this connection. In view of the aforesaid provisions, you are requested to grant your consent to the special resolution as set out at Item No. 7 of the accompanying notice. The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise in passing of the said resolution.

**Item No. 8 – Approval of Limit of Borrowing Power**

With the applicability of the provisions of Section 180(1)(c) of the Companies Act, 2013, a company can borrow monies exceeding the aggregate of its paid up capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) with the approval of Members of the Company by way of a Special Resolution only. Therefore, it is proposed to authorise the Board of Directors & the Borrowing Committee of the Company to borrow money on behalf of the Company under Section 180(1)(c) of the Companies Act, 2013 up to Rs. 50.00 Crores



(Rupees Fifty Crores only) whether secured or unsecured.

The Board accordingly recommends the Special Resolution as mentioned at Item no. 8 of this Notice for your approval.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 8 of the Notice.

**Item No. 9 – Approval for Investments by the Company**

In terms of the provisions of Section 186(3) of the Companies Act, 2013, prior approval of the members by means of a special resolution is necessary where the giving of any loan to any person or other body corporate, giving of any guarantee, or providing of security in connection with a loan to any other body corporate or person and acquiring, by way of subscription, purchase or otherwise the securities of any other body corporate, exceeds 60% of the aggregate of the paid up share capital, free reserves and securities premium account or 100% of the free reserves and securities premium account of the company, whichever is more.

Further as per explanation to Rule 13 of the Companies (Meetings of Board and its Powers) Rules, 2014, it has been clarified that it would be sufficient compliance if such special resolution is passed within one year from the date of notification (being 1.4.2014) of section 186. Further as per Rule 22 sub rule 16 of the Companies (Management and Administration) Rules, 2014, the matter regarding giving loans or extending guarantee or providing security in excess of the limit specified under sub section (3) of section 186 of the Companies Act, 2013, shall be transacted only by means of voting through a postal ballot.

The Board of Directors of your Company also request you to ratify the transactions entered into by the Company exceeding the above limits during the period between the implementation of the

Companies Act, 2013 and more particularly from the enactment of section 186 of the Companies Act, 2013 till the date of Annual General Meeting, viz, September 25, 2015.

Accordingly, as required by the provisions of section 186(3) the Companies Act, 2013 including Rules made there under, as aforesaid, and keeping in view the opportunity for investment of surplus funds available with the Company and the obligations of the Company towards business requirements, it is considered desirable to fix the aggregate limit of Rs. 50.00 Crores (Rupees Fifty Crores only).

Up to which the Board of Directors & the Investment Committee of the Board are authorized to give any loans or guarantees or any security in connection with a loan or the acquisition of any securities, as aforesaid. The loan(s), guarantee(s) or security(ies) in connection with loans, or investment(s), as the case may be, shall be made in accordance with the applicable provisions of the Companies Act, 2013 including Rules made there under.

Accordingly, the Board of Directors recommends the resolution for your approval by way of a special resolution. None of the directors and key managerial personnel (including relatives of the directors or key managerial personnel) of the Company is concerned or interested, financially or otherwise, in this resolution, apart from their shareholding, if any, in the Company.

**Item No. 10 – Approval for Related Party Transactions**

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain prior approval of the Board of Directors and in certain cases prior approval of the shareholders by way of a

Special Resolution must be obtained:

1. Sale, purchase or supply of any goods or materials;
2. Selling or otherwise disposing of, or buying, property of any kind;
3. Leasing of property of any kind;
4. Availing or rendering of any services;
5. Appointment of any agent for purchases or sale of goods, materials, services or property;
6. Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company and

7. Underwriting the subscription of any securities or derivatives thereof, of the Company.

In the light of provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the related parties (as defined under section 2(76) of the Companies Act, 2013).

The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

Name of the related party	Name of the Director or Key Managerial Personnel who is related, if any	Nature of Relationship	Nature, material terms, monetary value and particulars of the contract or arrangement	Maximum Amount per annum (Amount in Rs. Lakhs)
N. Sugalchand Jain	S. Vinodh Kumar	Father	The Company is engaged in the business of providing demat services in respect of sale and purchase of securities held by the related parties. The Company in its ordinary course of business charges a brokerage fees which is at arm's length rate normally prevailing in the industry. The Company gives a facility of payment of brokerage fees after the settlement of transactions. In this course, there are chances of	25.00
Bhagwandas Chandak	Mahesh Chandak	Father		25.00
Dwarakadas Chandak	Mahesh Chandak	Brother		25.00
Savitha Chandak	Mahesh Chandak	Wife		25.00
Meena Kumari	Mahesh Chandak	Sister		25.00
Radhika Maheshwari	Mahesh Chandak	Daughter		25.00
Krishna Maheshwari	Mahesh Chandak	Daughter		25.00
Kishori Maheshwari	Mahesh Chandak	Minor Daughter		25.00
Ardhaya Maheshwari	Mahesh Chandak	Minor Daughter		25.00
Mahesh Chandak	Mahesh Chandak	Self		25.00
Nakthamal Bhagwandas Chandak HUF	Mahesh Chandak	Co-Parcener		25.00
Bhagwandas Mahesh Kumar Chandak HUF	Mahesh Chandak	Co-Parcener		25.00
S. Vinodh Kumar	S. Vinodh Kumar	Self		25.00
Prasan Chand Jain	Prasan Chand Jain	Self		25.00

Siyat Holdings Private Limited	Prasan Chand Jain S. Vinodh Kumar	Holding Substantial Interest	deferment in realization of brokerage fees. Although the transactions are not material in nature, but, with respect to good governance practice your Company seeks an approval from members for fixing the maximum amount of outstanding brokerage fees.	25.00
Prithvi Finsec Limited	Mahesh Chandak	Holding Substantial Interest		25.00
Prithvi Softech Limited	Mahesh Chandak	Holding Substantial Interest		25.00
Sugal Commodity Brokers Private Limited	Mahesh Chandak S. Vinodh Kumar	Holding Substantial Interest		25.00
Sugal Commodity Brokers Private Limited	Mahesh Chandak S. Vinodh Kumar	Holding Substantial Interest	The Company has taken on rent the premises owned by the said party for using the same in the ordinary course of business and for a rent at arm's length rate	5.00

The support and services being extended to the Company by the above related parties are towards the benefit of the Company. The respective agreements are entered on arm's length basis and all factors relevant to the respective contracts have been considered by the Board.

The members are further informed that no member(s) of the Company being a related party or having any

interest in the resolution as set out at item No. 10 shall be entitled to vote on this special resolution.

The Board of Directors recommends the resolution set forth in item No. 10 for approval of the Members.

All the Directors of the Company are concerned or interested in passing of this resolution.

**By Order of the Board**  
**For SUGAL & DAMANI SHARE BROKERS LTD**

**Regd Office:**

'City Center Plaza', (1 Floor)  
No. 7, Anna Salai, Chennai – 600 002  
Place: Chennai  
Date: August 4, 2015

**Mahesh Chandak**  
(Executive Director)  
**DIN – 00050149**  
No. 28, Barnaby Road, Kilpauk, Chennai - 10

**Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, following information are furnished about the Directors proposed to be appointed / re-appointed vide items No. 2, 4 and 5 of the Notice dated August 4, 2015**

Name of the Director	Mr. Prasan Chand Jain	Ms. Dhanesh Mrinalini	Mr. Mahesh Chandak
Date of Birth	09.05.1967	23.12.1975	15.06.1964
Director's Identification Number	00050081	05118819	00050149
Date of appointment on the Board as Director	28.07.2010	31.03.2015	24.10.2008
Date of last appointment / reappointment as Director	31.07.2013	-	31.07.2014
Expertise in specific functional areas	About 15 years of experience in Share Broking	Entrepreneurial experience of over 10 years. Former Chairperson of FICCI Ladies Organisation, Chennai	Over 20 years of experience in Share Broking
Qualification	H.S.L.C.	M.B.A	F.C.A
List of outside Directorships held	1.Sugal Tourism Development Private Ltd 2.SDN Agro Farms Limited 3.Sugal Infotech Private Ltd 4.Ansu Builders Private Ltd 5.Ankur Foundations Private Ltd 6.Sugal & Damani Utility Services Private Ltd 7.Skill Lotto Solutions Private Ltd 8.Spatium Developers Private Ltd 9.Skilrock Technologies Private Ltd 10.Saiyyam Developers Private Limited	1. Krish Resorts Private Limited	1.Prithvi Finsec Ltd 2.Swasitik Lotteries P.Ltd 3.Sugal Commodity Brokers P.Ltd
Chairman / Member of the Committees of Board of Directors of the Company	Nil	Nil	Member of Stakeholders' Relationship Committee
Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director	Nil	Nil	Nil
Relationship between Directors Inter-se	Brother of Mr. S. Vinodh Kumar	Nil	Nil
Shareholding in the Company	9,48,185 Equity Shares	Nil	3,54,001 Equity Shares

## DIRECTORS' REPORT

Your Directors would like to present the Twenty-Second Annual Report together with the Audited Accounts for the year ended March 31, 2015. The financial highlights of your Company for the year 2014-15 are as follows:

	<b>2014 – 2015 (Rs. in Lakhs)</b>	<b>2013 – 2014 (Rs. in Lakhs)</b>
Gross Income	653.68	343.93
Profit before Interest, Depreciation and Tax	216.91	38.83
<b>Less: Interest</b>	53.69	19.62
<b>Less: Depreciation</b>	9.08	6.79
<b>Net Profit before Tax</b>	<b>154.14</b>	<b>12.42</b>
<b>Less: Tax and other prior period adjustment</b>	46.64	2.60
Net Profit for the period after prior period adjustment	107.50	9.82
<b>Less : Proposed Dividend &amp; Tax</b>	-	-
<b>Less: Transitional Depreciation</b>	25.74	-
<b>Add: Profit brought forward from the previous year</b>	116.77	106.95
<b>Profit carried forward</b>	<b>198.53</b>	<b>116.77</b>
<b>Earnings per Share</b>		
Basic:	<b>1.72</b>	<b>0.16</b>
Diluted:	<b>1.72</b>	<b>0.16</b>

### DIVIDEND

The Company's operations resulted only in a nominal profit for the year 2014-15. Due to working capital requirements, your Directors have not recommended any dividend on the Equity Capital of the Company for the year ended March 31, 2015.

### BRIEF DESCRIPTION OF THE COMPANY'S AFFAIRS

India's Real GDP growth picked-up to 7.3% in FY 2015 (source: www.mospi.nic.in) and is likely to improve further in the current fiscal year. The Company has been conducting the following operational activities during the year:

- i. Buying, Selling and dealing in shares and other Securities in Secondary Markets.
- ii. Identifying investment avenues and advising on portfolio management of cash and assets.

In the case of FPOs, we take up underwriting and broking.

**RESERVES**

The Company has not transferred any amount to the Reserves.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

No material changes and commitments have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report that affect the financial position of the company.

**DIRECTORATE**

Mr. Prasan Chand Jain (DIN – 00050081), Director, retires by rotation and, being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Ms. Dhanesh Mrinalini (DIN – 05118819), has been appointed as an Additional Director in the category of Women Director pursuant to Section 149 of the Act w.e.f. March 31, 2015 who holds office up to the date of the ensuing Annual General Meeting of the Company.

**DECLARATION OF INDEPENDENCE BY DIRECTORS**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

**MEETINGS OF THE BOARD OF DIRECTORS**

The Company had 4 Board meetings during the financial year under review. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. For further details please refer report on Corporate Governance of this Annual Report.

**EXTRACT OF THE ANNUAL RETURN**

The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **MGT-9** and is attached to this Report in **Annexure A**

**BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an Annual Performance Evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee and other committees.

In compliance with the provisions of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement with the Stock Exchanges, the Independent Directors held a meeting on February 4, 2015, and:

- Reviewed the performance of non-independent directors and the Board as a whole.



- Assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board, which is necessary for the Board to effectively and reasonably perform their duties.

**FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

Pursuant to Clause 49 of the Listing Agreement, the Company shall familiarize the Independent Directors with the Company and their roles, rights, responsibilities in the Company, nature of industry in which the company operates, business model of the Company etc.

However, the Independent Directors have been a part of the Board for a few years now, and so no separate sessions for familiarization have been conducted during the year.

**REMUNERATION POLICY**

Your Board has a remuneration policy for selection and appointment of Directors, Senior Management and their remuneration. The remuneration policy forms a part of the Corporate Governance Report annexed to this report.

**DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

The company neither has any subsidiary nor any joint venture(s) during the year. However M/s. Sugal Commodity Brokers P. Ltd. is an associate of the Company as per Section 2(6) of the Companies Act, 2013.

**AUDITOR**

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

The Company has received letter from Mr. R. Mugunthan to the effect that his re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013, and that he is not disqualified for re-appointment.

**AUDITORS' REPORT**

The Auditor, in his report, has made a reservation that the Company has not deposited Income Tax Dues of Rs. 55.62 Lacs (for Asst. Year 2010-11) and Rs. 4.24 Lacs (for Asst. Year 2012-13). The dues have not been deposited as the same is being contested by the Company and the dispute is pending before the Commissioner of Income Tax (Appeals). The observation in the report of the Auditor and the Annexure appended thereto is self-explanatory and does not call for any further comments.

**SECRETARIAL AUDIT REPORT**

In terms of Section 204 of the Act and Rules made there under, Mr. R. Sivasekaran, Practicing Company Secretary, has been appointed Secretarial Auditor of the Company. The report of the Secretarial Auditor is given as **Annexure B** to this report.

The Secretarial Auditor in his audit report observed that there has been a general delay in filing the returns with the Registrar and the resolution for considering and adopting its unaudited quarterly accounts for the quarter ended 30<sup>th</sup> June, 2014 has not been filed. It was noted by the Board that it was an accidental omission and caused inadvertently due to oversight, without prejudice to the interests of the Shareholders of the Company and the General Public.

It has also been pointed out that the Company has not framed any vigil mechanism / whistle blower policy as required in terms of sub-section (9) of section 177 of the Companies Act, 2013 and clause 49 of the listing agreement. However, a Whistle Blower Policy & Vigil Mechanism has now been adopted by the company and the same has been placed on the website of the Company viz., [www.sugalshare.com](http://www.sugalshare.com).

It has also been pointed out that the Company has not appointed a Company Secretary as its Key Managerial Personnel under section 203 of the Companies Act, 2013 and as its Compliance Officer under clause 47(a) of the listing agreement. However, the Company has not been able to appoint a suitable candidate in this connection and has placed multiple advertisements in the English and regional newspapers.

Your Directors have now taken note of the qualifications and are making provisions for complying with the same. The Company had taken appropriate steps to avoid such instances in future.

#### **INTERNAL AUDIT & CONTROLS**

The Company continues to engage Mr. Sudhir Jain, Chartered Accountant as its Internal Auditor. His scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

#### **VIGIL MECHANISM**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.sugalshare.com](http://www.sugalshare.com) under Investor Relations > Company Policies > Whistle Blower and Vigil Mechanism.

#### **RISK MANAGEMENT POLICY**

The company is primarily exposed to credit risk, interest rate risk, liquidity risk and operational risks. The Board oversees and approves the Company's enterprise wide risk management framework. It reviews credit and operational risks and policies in relation to investment strategy and other risks like interest rate risk and liquidity risk. The Company's management monitors and reports principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The company's management systems, organisational structures, processes, standards and code of conduct together form the risk management governance system of the company.

Your company has a robust Risk Management Methodology which has been implemented effectively outlining the exposure given to the Clients of the Company and ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit and compliance with the law and relevant standards.

**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.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Details of loans, guarantees or investments under section 186 of the Companies Act, 2013 are annexed to this report in **Annexure C**.

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

Related Party Transaction entered into during the year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives which could have had a potential conflict with the interests of the Company.

**MANAGEMENT DISCUSSION AND ANALYSIS**

Indian GDP has advanced 7.5 percent year-on-year in the first quarter of 2015, up from a downwardly revised growth of 6.6 percent in the previous period supported by a strong expansion in manufacturing and services sectors wherein financial services were up by 10.2 percent. Growth prospects are likely to improve in the current fiscal, driven by the government's development initiatives and pick-up in business cycle.

**(a) Industry Structure and Developments**

Indian equities are likely to continue its bullish run this year on the back of improved corporate earnings. The market trends will be determined by various domestic and international factors like global market movements, strengthening of US dollar, RBI's policy and visible improvement in corporate earnings of domestic firms.

The year 2014 witnessed a spurt of around 35% in the BSE's benchmark index - Sensex. Besides, mid-and small-cap indices have been even better performers with the BSE Mid-cap index gaining more than 50% and the BSE Small-cap index rising as high as around 70%. In 2014, Rs 39,127 Crore was raised from the public equity market. A similar flurry of Initial Public Offerings (IPOs) from growth-starved companies and those backed by private equity investors is expected to start hitting the market in 2015.

**(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, 2015 the Company operated only in one segment of business viz, Share Broking.

**(d) Outlook**

The secondary markets are expected to remain buoyant and the bull-run is expected to continue, a pre-requisite for revival of the primary markets. Lot of Foreign Direct Investment approval is expected with the much-awaited change of government reviving the investor sentiment.

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

In the opinion of your Directors, Internal Control Systems in the Company are adequate.

**(f) Financial Performance**

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

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

The number of people employed has become 22 and the employer-employee relations have been cordial throughout the year.

**(h) Risks and concerns**

The stock market is witnessing heightened activities and is increasingly gaining importance. The company is aware that it operates in an environment which is acutely vulnerable to several kinds of risks. The financial sector is vulnerable to a range of risks from economic, capital market and regulatory risks. Strategies, policies and limits are designed to ensure that risks are prudently diversified. Risk mitigating activities are reviewed periodically by senior management.

As far as external risks are concerned, the company takes every precaution to ensure that it is not caught exposed to sudden changes in its operating environment. The continuous diversification of our businesses is meant to guard against any precipitous decline in income from broking. The company is also migrating towards providing state of the art trading platforms.

**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.

**OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

In order to prevent Sexual Harassment of Women at Workplace the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on December 9, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee. Company has adopted a policy for Prevention of Sexual Harassment of Women at Workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of Harassment.

**PARTICULARS OF EMPLOYEES**

There was no employee whose particulars as per the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are to be reported.

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in this report in **Annexure D**.

**INFORMATION REQUIRED UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013**

The consumption of electricity during the year was minimal. Management is taking conscious efforts to conserve energy. Your Company has no activity with regard to technology absorption. Your Company does not have any foreign exchange earnings or outgo during the year.

**CORPORATE GOVERNANCE**

The Corporate Governance regulations as per the Listing Agreement have been fully complied with. The Report of your Directors on the practices of Corporate Governance forms part of this report in **Annexure E**. A Certificate from the Auditor of the Company regarding compliance with the Code of Corporate Governance, certification by CEO / CFO and Declaration of Compliance with Code of Conduct form a part of the Corporate Governance Report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As required by Section 134(5) of the Companies Act, 2013, your Directors confirm:

- (a) that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (b) 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 March 31, 2015, and of the profit / loss of the Company for that year;

- (c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
  - (d) that the Directors have prepared the annual accounts on a going concern basis;
  - (e) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively;
- and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**APPLICATION FOR COMPOUNDING OF OFFENCES**

The Company has filed an application under Regulation 40(1) of the Company Law Board Regulations, 1991 and Section 621A of the Companies Act, 1956 for compounding of offences u/s. 372A of the Companies Act, 1956. The Company has also filed an application under Regulation 40(1) of the Company Law Board Regulations, 1991 and Section 621A of the Companies Act, 1956 for compounding of offences u/s. 295 of the Companies Act, 1956.

The said applications are pending for hearing before the Company Law Board.

**LISTING WITH STOCK EXCHANGES**

Shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai, P.J. Towers, Dalal Street, Mumbai – 400 001 (Stock Code – 511654). Listing fee to the Stock Exchange has been paid up to date.

The Shares of the Company were also listed on Madras Stock Exchange (“MSE”). However, Securities Exchange Board of India (“SEBI”) has passed an Order on May 14, 2015 providing the exit to Madras Stock Exchange Limited (“MSE”).

**ACKNOWLEDGMENT**

Your Directors would like to sincerely thank the Company's banker's viz., Axis Bank Ltd., HDFC Bank Ltd., & Karur Vysya Bank Ltd., and the shareholders of the Company. We also thank the employees of the Company for their co-operation and support.

*By order of the Board*  
**For SUGAL & DAMANI SHARE BROKERS LTD.**

*Place: Chennai*  
*Date: May 29, 2015*

**Mahesh Chandak**  
*Executive Director*  
*DIN – 00050149*

**S. Kannadasan**  
*Director*  
*DIN - 00050177*



**ANNEXURE A  
FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN  
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2015**  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	<b>CIN:-</b>	L65991TN1993PLC028228
ii)	<b>Registration Date</b>	May 7, 1993
iii)	<b>Name of the Company</b>	SUGAL & DAMANI SHARE BROKERS LTD.
iv)	<b>Category / Sub-Category of the Company</b>	Company Limited by Shares
v)	<b>Address of the Registered office and contact details</b>	City Centre Plaza (I Floor) 7, Anna Salai Chennai – 600 002 Phone Nos.: 2858 7105 <b>Website:</b> www. sugalshare.com <b>Email :</b> sugalshare@sugalshare.com
vi)	<b>Whether listed company</b>	Yes / <del>No</del>
vii)	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Cameo Corporate Services Limited No. 1, Subramanian Building, V Floor Club House Road Chennai - 600 002 Ph: 044 28461173

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Share Broking	67120	100

**III. Particulars of Holding, Subsidiary & Associate Companies**

S. No	Name & Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	Sugal Commodity Brokers Private Limited Regd Office: City Centre Plaza (I Floor), No.7, Anna Salai, Chennai - 2	U70101TN19 96PTC035394	Associate	34.99	2(6)

**IV. SHARE HOLDING PATTERN**

(Equity Share Capital Breakup as percentage of Total Equity)

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	3309392	2700	3312092	52.99	3597202	2700	3599902	57.60	4.61
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Others	840000	-	840000	13.44	840000	-	840000	13.44	-
Sub Total (A)(1)	4149392	2700	4152092	66.43	4437202	2700	4439902	71.04	4.61
(2) Foreign									
a) NIR - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoters (A) = (A)(1)+(A)(2)	4149392	2700	4152092	66.43	4437202	2700	4439902	71.04	4.61
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-

## ANNEXURE TO DIRECTORS' REPORT |



b) Banks / FI	100	-	100	-	100	-	100	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	100	-	100	-	100	-	100	-	-
(2) Non – Institutions									
(a) Bodies Corp									
i) Indian	164563	17200	181763	2.91	179540	17200	196740	3.15	0.24
ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
i) Individual share holders holding nominal share capital up to Rs. 1 lakh	696758	475552	1172310	18.76	692746	472952	1165698	18.65	(0.11)
ii) Individual share holders holding nominal share capital in excess of Rs 1 lakh	657357	28500	685857	10.97	359112	28500	387612	6.20	(4.77)
(c) Others (specify)									
Hindu Undivided Families	27885	-	27885	0.44	29755	-	29755	0.47	0.03
NRI	-	30000	30000	0.47	-	30000	30000	0.47	-
Clearing Members	-	-	-	-	200	-	200	0.00	0.00
Sub-total (B)(2)	1546563	551252	2097815	33.57	1261353	548652	1810005	28.96	(4.61)
Total Public Shareholding (B)= (B)(1)+(B)(2)	1546663	551252	2097915	33.57	1261453	548652	1810105	28.96	(4.61)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Total (A+B)	5696055	551252	6250007	100	5698655	548652	6250007	100	-
Grand Total (A+B+C)	5696055	551252	6250007	100	5698655	548652	6250007	100	-

## (ii) Shareholding of Promoters

Sl. No.	Share holder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Pramod. P	1100	0.0175	-	1100	0.0175	-	-
2	Kalavathy V	200	0.0031	-	200	0.0031	-	-
3	Prasan Chand Jain	1300	0.0207	-	1300	0.0207	-	-
4	Nirmala. P	100	0.0015	-	100	0.0015	-	-
5	S. Prasanchand Jain	140900	2.2543	-	140900	2.2543	-	-
6	Pramodh Kumar	276000	4.4159	-	-	-	-	-
7	S. Prasanchand Jain	300000	4.7999	-	-	-	-	-
8	Spatium Developers Private Limited	840000	13.4399	-	840000	13.4399	-	-
9	Vinodh Kumar S	1268101	20.2895	-	1448601	23.1775	-	2.89
10	Maresh B Chandak	354001	5.6640	-	354001	5.6640	-	-
11	Bhagwandas Chandak	8501	0.1360	-	8501	0.1360	-	-
12	Dwarkadas Chandak	310001	4.9600	-	310001	4.9600	-	-
13	Meena Chandak	10000	0.1599	-	10000	0.1599	-	-
14	V. Kalavathy	7001	0.1120	-	7001	0.1120	-	-
15	Pramodh Kumar P	32110	0.5137	-	308110*	4.9297	-	-
16	Prasan Chand Jain S	540875	8.6539	-	948185*	15.1709	-	1.72
17	Prasan Chand & Sons (HUF)	1	0.0000	-	1	0.0000	-	-
18	Vinodh Kumar (HUF)	1	0.0000	-	1	0.0000	-	-
19	Chandrabai Prasanchand (HUF)	7900	0.1263	-	7900	0.1263	-	-
20	Sugalchand Prasanchand (HUF)	54000	0.8639	-	54000	0.8639	-	-
	<b>TOTAL</b>	<b>4152092</b>	<b>66.4333</b>	<b>-</b>	<b>4439902</b>	<b>71.0383</b>		

\* Increase in Number of shares due to transfer from one Demat A/c to another

\* Increase in number of shares due to transfer from one Demat A/c to another as well as OffMarket purchase  
(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Name of the Promoter	Share holding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Pramod. P</b>				
	At the beginning of the year	1,100	0.02	1,100	0.02
	At the End of the year	1,100	0.02	1,100	0.02
2	<b>Kalavathy V</b>				
	At the beginning of the year	200	0.00	200	0.00
	At the End of the year	200	0.00	200	0.00
3	<b>Prasan Chand Jain</b>				
	At the beginning of the year	1,300	0.02	1,300	0.02
	At the End of the year	1,300	0.02	1,300	0.02
4	<b>Nirmala. P</b>				
	At the beginning of the year	100	0.00	100	0.00
	At the End of the year	100	0.00	100	0.00
5	<b>S. Prasanchand Jain</b>				
	At the beginning of the year	1,40,900	2.25	1,40,900	2.25
	At the End of the year	1,40,900	2.25	1,40,900	2.25
6	<b>Spatium Developers Private Limited</b>				
	At the beginning of the year	8,40,000	13.44	8,40,000	13.44
	At the End of the year	8,40,000	13.44	8,40,000	13.44
7	<b>Vinodh Kumar S</b>				
	At the beginning of the year	12,68,101	20.29	12,68,101	20.29
	Bought during the year – 01.07.2014	60,500	0.97	13,28,601	21.26
	Bought during the year – 31.07.2014	1,20,000	1.92	14,48,601	23.18
	Sold during the year	-	-	14,48,601	23.18
	At the End of the year	14,48,601	23.18	14,48,601	23.18
8	<b>Mahesh B Chandak</b>				
	At the beginning of the year	3,54,001	5.66	3,54,001	5.66
	At the End of the year	3,54,001	5.66	3,54,001	5.66
9	<b>Bhagwandas Chandak</b>				
	At the beginning of the year	8,501	0.14	8,501	0.14
	At the End of the year	8,501	0.14	8,501	0.14
10	<b>Dwarkadas Chandak</b>				
	At the beginning of the year	3,10,001	4.96	3,10,001	4.96
	At the End of the year	3,10,001	4.96	3,10,001	4.96

11	<b>Meena Chandak</b>				
	At the beginning of the year	10,000	0.16	10,000	0.16
	At the End of the year	10,000	0.16	10,000	0.16
12	<b>V. Kalavathy</b>				
	At the beginning of the year	7,001	0.11	7,001	0.11
	At the End of the year	7,001	0.11	7,001	0.11
13	<b>Pramodh Kumar P</b>				
	At the beginning of the year	3,08,110	4.93	3,08,110	4.93
	At the End of the year	3,08,110	4.93	3,08,110	4.93
14	<b>Prasan Chand Jain S</b>				
	At the beginning of the year	8,40,875	13.45	8,40,875	13.45
	Bought during the year – 01.07.2014	60,000	0.96	9,00,875	14.41
	Bought during the year – 31.07.2014	47,310	0.76	9,48,185	15.17
	Sold during the year	-	-	9,48,185	15.17
	At the End of the year	9,48,185	15.17	9,48,185	15.17
15	<b>Prasan Chand &amp; Sons (HUF)</b>				
	At the beginning of the year	1	0.0000	1	0.0000
	At the End of the year	1	0.0000	1	0.0000
16	<b>Vinodh Kumar (HUF)</b>				
	At the beginning of the year	1	0.00	1	0.00
	At the End of the year	1	0.00	1	0.00
17	<b>Chandrabai Prasanchand (HUF)</b>				
	At the beginning of the year	7,900	0.13	7,900	0.13
	At the End of the year	7,900	0.13	7,900	0.13
18	<b>Sugalchand Prasanchand (HUF)</b>				
	At the beginning of the year	54,000	0.86	54,000	0.86
	At the End of the year	54,000	0.86	54,000	0.86

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Names of Top 10 Shareholders	Share holding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Lalith Chandak</b>				
	At the beginning of the year	1,43,550	2.30	1,43,550	2.30
	At the End of the year	1,43,550	2.30	1,43,550	2.30
2	<b>Atul Dalichand Doshi / Minal Atul Doshi</b>				



	At the beginning of the year	1,20,000	1.92	1,20,000	1.92
	Sold during the year	120000	1.92	-	-
	At the End of the year	-	-	-	-
3	<b>Vallabh Chandak</b>				
	At the beginning of the year	87,092	1.39	87,092	1.39
	At the End of the year	87,092	1.39	87,092	1.39
4	<b>Naresh Mangal</b>				
	At the beginning of the year	60,500	0.97	60500	0.97
	Sold during the year	60,500	0.97	-	-
	At the End of the year	-	-	-	-
5	<b>Brijwasi Securities Private Limited</b>				
	At the beginning of the year	60,000	0.96	60,000	0.96
	At the End of the year	60,000	0.96	60,000	0.96
6	<b>Shubham Vijay</b>				
	At the beginning of the year	60,000	0.96	60000	0.96
	Sold during the year	60,000	0.96	-	-
	At the End of the year	-	-	-	-
7	<b>Kailash Kumari B</b>				
	At the beginning of the year	47,310	0.76	47,310	0.76
	Sold during the year	47,310	0.76	-	-
	At the End of the year	-	-	-	-
8	<b>S U Securities Private Limited</b>				
	At the beginning of the year	32,800	0.52	32,800	0.52
	At the End of the year	32,800	0.52	32,800	0.52
9	<b>Ashok Kumar</b>				
	At the beginning of the year	29,680	0.47	29,680	0.47
	At the End of the year	29,680	0.47	29,680	0.47
10	<b>Prithvi Softech Limited</b>				
	At the beginning of the year	28,530	0.46	28,530	0.46
	At the End of the year	28,530	0.46	28,530	0.46
11	<b>Sakti Dhar</b>				
	At the beginning of the year	28,500	0.46	28,500	0.46
	At the End of the year	28,500	0.46	28,500	0.46
12	<b>Prasun Kumar Medhatia</b>				
	At the beginning of the year	21,000	0.34	21,000	0.34
	At the End of the year	21,000	0.34	21,000	0.34
13	<b>Dharam Chand Jain</b>				
	At the beginning of the year	19,000	0.30	19,000	0.30
	At the End of the year	19,000	0.30	19,000	0.30
14	<b>Veenaben Ashwinbhai Bagdai</b>				
	At the beginning of the year	18,900	0.30	18,900	0.30
	At the End of the year	18,900	0.30	18,900	0.30

## (v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of Directors	Share holding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>S. Prasanchand Jain</b>				
	At the beginning of the year	8,40,875	13.45	8,40,875	13.45
	Bought during the year	1,07,310	1.72	9,48,185	15.17
	Sold during the year	-	-	9,48,185	15.17
	At the End of the year	9,48,185	15.17	9,48,185	15.17
2	<b>S. Vinodh Kumar</b>				
	At the beginning of the year	12,68,101	20.29	12,68,101	20.29
	Bought during the year	1,80,500	2.89	14,48,601	23.18
	Sold during the year	-	-	14,48,601	23.18
	At the End of the year	14,48,601	23.18	14,48,601	23.18
3	<b>Mahesh Chandak</b>				
	At the beginning of the year	3,54,001	5.66	3,54,001	5.66
	At the End of the year	3,54,001	5.66	3,54,001	5.66

## V. INDEBTEDNESS

## Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	53,92,254.00	3,60,67,981.00	-	4,14,60,235.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	53,92,254.00	3,60,67,981.00	-	4,14,60,235.00
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	48,26,36,916.00	-	48,26,36,916.00
• Reduction	3,72,678.00	43,99,99,136.00	-	44,03,71,814.00
Net Change	(3,72,678.00)	4,26,37,780.00	-	4,22,65,102.00
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	50,19,576.00	7,87,05,761.00	-	8,37,25,337.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	50,19,576.00	7,87,05,761.00	-	8,37,25,337.00

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S. No	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		S. Vinodh Kumar	Mahesh Chandak	
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,00,000	15,00,000	30,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	15,00,000	15,00,000	30,00,000
	<b>Ceiling as per the Act*</b>	<b>30,00,000</b>	<b>30,00,000</b>	<b>60,00,000</b>

\*Computed as per Schedule V of the Companies Act, 2013.

**B. Remuneration to other directors:**

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		S. Kanna dasan	Babulal Surana	Rajesh Wadhwa	Dhanesh Mrinalini	
1	Independent Directors					Rs.
	* Fee for attending board committee meetings	24,000.00	6,000.00	18,000.00	-	48,000.00
	* Commission	-	-	-	-	-
	* Others, please specify	-	-	-	-	-
	<b>TOTAL (1)</b>	<b>24,000.00</b>	<b>6,000.00</b>	<b>18,000.00</b>	<b>-</b>	<b>48,000.00</b>

2	Other Non-Executive Directors	<b>Prasan Chand Jain</b>	<b>TOTAL</b>
	* Fee for attending board committee meetings	5,000.00	5,000.00
	* Commission		
	* Others, please specify	-	-
	TOTAL (2)	5,000.00	5,000.00
	<b>TOTAL (B) = (1 + 2)</b>	<b>53,000.00</b>	<b>53,000.00</b>
	<b>Total Managerial Remuneration</b>	<b>30,53,000.00</b>	
	<b>Overall Ceiling as per the Act</b>		<b>60,00,000.00</b>

The Non-executive Directors are entitled only to the sitting fees for attending Board / Committee Meetings. They are not paid any Commission.

#### C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	-	-	-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	Section 372A of Companies Act 1956 – Inter Corporate Loans and Investments	The Company being an NBFC at the relevant time, had in the ordinary course of business, lent a sum of Rs. 25,00,000/- to a Company in which one of its Director was considered to be interested exceeding the limits prescribed under the said section. Later on, the said loan was called back and was settled completely before 31.03.2007.	The Applications are pending hearing before the Registrar of Companies, Chennai and the Company Law Board.		
	Section 295 of Companies Act, 1956 – Loan to Directors	The Company being an NBFC at the relevant time, had in the ordinary course of business, lent a sum of Rs. 25,00,000/- to a Company in which one of its Director was considered to be interested. Later on, the said loan was called back and was settled completely before 31.03.2007. The said position is also re-iterated in the notice issued by the ROC stating that the loan was repaid in full as on 31.03.2007.			
<b>B. Directors</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. Other officers in default</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**Annexure B**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

For the financial year ended 31<sup>st</sup> March, 2015

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

**The Members,**

**M/s. SUGAL & DAMANI SHARE BROKERS LIMITED**

City Centre Plaza,

No. 7, Anna Salai, 1<sup>st</sup> Floor,

**CHENNAI – 600 002.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. SUGAL & DAMANI SHARE BROKERS LIMITED** (hereinafter called "*the Company*"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of **SUGAL & DAMANI SHARE BROKERS LIMITED's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company, my responsibility is to verify the content of the documents produced before me, make objective evaluation of the content in respect of compliance and report thereon. I have examined on test check basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before me for the financial year ended **March 31, 2015**, as per the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) During the year under review, the Company has not made any Foreign Direct Investment, Overseas Direct Investment nor any External Commercial Borrowings and accordingly the compliance of the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder does not arise;
- (v) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) During the year under review, the Company has not issued any securities and accordingly the compliance of the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 does not arise;
  - (d) During the year under review, the Company has not issued any securities or options to its employees and accordingly the compliance of the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 does not arise;
  - (e) During the year under review, the Company has not issued and listed any debt securities and accordingly the compliance of the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 does not arise;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) During the year under review, the Company has not delisted its securities from any of the stock exchanges in which it is listed and accordingly the compliance of the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 does not arise; *however, upon exit of the Madras Stock Exchange Limited (MSE) and its consequential transfer of listed securities to the dissemination board of the National Stock Exchange of India Limited (NSE), the Company is yet to receive any direction from MSE. The Company, however, continues to be listed on the Bombay Stock Exchange Limited (BSE).*



- (h) During the year under review, the Company has not bought back any securities and accordingly the compliance of the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 does not arise;
- (vi) The Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992.

With respect to fiscal laws such as Income Tax Act and Service Tax and labour laws such as Provident Fund, Gratuity, Insurance, Prevention of Sexual Harassment and Compensation based on the information and explanations provided by the Company and also on verification of reports of other professionals, I report that adequate systems are in place to monitor and ensure compliance of fiscal and labour laws as mentioned above.

I have also examined compliance with applicable clauses of the following;

- (1) The Secretarial Standards on Board and General Meetings issued by the Institute of Company Secretaries of India and as prescribed under sub-section 10 of section 118 of the Companies Act, 2013 as are applicable with effect from 1<sup>st</sup> July, 2015. However, the Secretarial Standards 1 and 2 relating to board meetings and general meetings which were issued by the ICSI as recommendatory have been, *prima facie*, complied by the Company;
- (2) The Listing Agreements entered into by the Company with the Madras Stock Exchange Limited (MSE) and the Bombay Stock Exchange Limited (BSE).

**During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:**

- 1. *At few instances, there was a delay in filing the returns with the Registrar of Companies and the Company had taken appropriate steps to avoid such instances in future.*
- 2. *The Company has not filed the Resolution for considering and adopting its unaudited quarterly accounts for the quarter ended 30<sup>th</sup> June, 2014.*
- 3. *The Company has not framed any vigil mechanism / whistle blower policy as required in terms of sub-section (9) of section 177 of the Companies Act, 2013 and clause 49 of the listing agreement entered into by the Company.*
- 4. *The Company has not appointed a Company Secretary as its Key Managerial Personnel under section 203 of the Companies Act, 2013 and as its Compliance Officer under clause 47(a) of the listing agreement entered into by the Company.*

I further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and Woman Director. The changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a reasonable system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were carried through with the consent of all the Directors / Committee members present and hence there were no instances of dissent by the members.

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

During the audit period there were no specific events/ actions having a major bearing on the Company's Affairs.

Place: Chennai  
Date: 29.05.2015

**R. SIVASEKARAN**  
COMPANY SECRETARY IN PRACTICE  
FCS 4390 C.P.NO.4677

Note : This report is to be read along with our letter of even date annexed along with this report.

**Annexure to  
Secretarial Audit Report**

To,

The Members,

**M/s. SUGAL & DAMANI SHARE BROKERS LIMITED**

City Centre Plaza,

No. 7, Anna Salai, 1<sup>st</sup> Floor,

**CHENNAI – 600 002.**

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**R. SIVASEKARAN**

COMPANY SECRETARY IN PRACTICE

FCS 4390 C.P.NO.4677

Place: Chennai

Date: 29.05.2015

Annexure – C

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER  
SECTION 186 OF THE COMPANIES ACT, 2013**

**Details of Loans:**

SL No	Date of making loan	Details of Borrower	Amount	Purpose for which the loan is to be utilized by the recipient	Time period for which it is given	Date of BR	Date of SR (if reqd)	Rate of Interest	Security
NIL									

**Details of Investments:-**

SL No	Date of investment	Details of Investee	Amount	Purpose for which the proceeds from investment is proposed to be utilized by the recipient
1	26.04.2014	Tata Power Limited	11,700.00	Investment in Quoted Securities
2	01.10.2014	Bharat Textiles & Proofing Industries Ltd	2,470.00	Investment in Quoted Securities
3	10.03.2015	Canfin Homes Ltd	2,250.00	Investment in Quoted Securities
		<b>TOTAL</b>	<b>16,420.00</b>	

**Details of Guarantee / Security Provided:**

SL No	Date of providing security / guarantee	Details of recipient	Amount	Purpose for which the security/ guarantee is proposed to be utilized by the recipient	Date of BR	Date of SR (if any)	Commission
NIL							

**ANNEXURE D**

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

S.No.	Particulars	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	Mr. S. Vinodh Kumar, Executive Director	8.2x
		Mr. Mahesh Chandak, Executive Director	8.2x
2	The percentage increase in remuneration of each director, in the financial year	Mr. S. Vinodh Kumar, Executive Director	-
		Mr. Mahesh Chandak, Executive Director	-
3	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the FY had increased by 14.66%. The calculation of % increase in Median Remuneration is done based on comparable employees. For this the employees who were not eligible for any increment have been excluded.	
4	The number of permanent employees on the rolls of the Company	The Company had 28 employees on the rolls as on March 31, 2015	
5	The explanation on the relationship between average increase in remuneration and Company performance	While recommending increase in remuneration, the Company takes into account various factors like financial performance of the Company and the group, comparison with peers, industry bench marking and consideration towards cost of living adjustments and inflation The Company follows holistic performance review mechanism to ensure that the increase is commensurate with the performance of employee and company.	
6	Comparison of the remuneration of the KMP against the performance of the Company	Please refer Pt. No. 9 below.	
7	Variations in the market capitalization of the Company	The Market Capitalisation of the Company as on March 31, 2015 was Rs. 4.54 Crores as compared to Rs. 7.09 Crores as on March 31, 2014.	

	<p>Price earnings ratio as at the closing date of the current FY and previous FY</p> <p>% increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.</p>	<p>The price earnings ratio of the Company was 1.72 as at March 31, 2015 and was 0.16 as at March 31, 2014.</p> <p>Not Applicable</p>						
8	<p>Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;</p>	8.91%						
9	<p>Comparison of the each remuneration of the KMP against the performance of the Company</p>	<table border="1"> <thead> <tr> <th>Particulars</th> <th>% of PAT for FY 2014-15</th> </tr> </thead> <tbody> <tr> <td>Mr. S. Vinodh Kumar, Executive Director</td> <td>14%</td> </tr> <tr> <td>Mr. Mahesh Chandak, Executive Director</td> <td>14%</td> </tr> </tbody> </table>	Particulars	% of PAT for FY 2014-15	Mr. S. Vinodh Kumar, Executive Director	14%	Mr. Mahesh Chandak, Executive Director	14%
Particulars	% of PAT for FY 2014-15							
Mr. S. Vinodh Kumar, Executive Director	14%							
Mr. Mahesh Chandak, Executive Director	14%							
10	<p>The key parameters for any variable component of remuneration availed by the directors.</p>	<p>The broad factors and guidelines considered for the variable remuneration of directors are:</p> <p>(a) Annual Performance Review of the Directors; and</p> <p>(b) Financial outcomes and profitability of the Company</p>						
11	<p>The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year</p>	Not applicable						
12	<p>Affirmation that the remuneration is as per the remuneration policy of the Company</p>	<p>It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.</p>						

**ANNEXURE E**  
**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. There are 4 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 March 31, 2015, is tabulated hereunder:

Director	No. of Board Meetings attended	Attendance at previous AGM on 31.07.2014	No. of outside Directorships held	No. of membership /Chairmanship in other Board Committees	Executive / Non- Executive / Independent
Mr. S. Kannadasan	4	Not Present	Nil	Nil	Non-Executive & Independent
Mr. S. Prasanchand Jain	1	Not Present	10	Nil	Non-Executive
Mr. Babulal Surana	1	Present	11	Nil	Non-Executive & Independent
Mr. S. Vinodh Kumar Executive Director	3	Present	11	Nil	Executive
Mr. Mahesh Chandak Executive Director	4	Present	3	Nil	Executive
Mr. Rajesh Gurdas Wadhwa	3	Not Present	1	Nil	Non-Executive & Independent
Ms. Dhanesh Mrinalini	N.A	N.A	1	Nil	Non-Executive & Independent*

\* Inducted on Board w.e.f. 31.03.2015



- \* Mr. S. Prasanchand Jain and Mr. S. Vinodh Kumar are brothers.
- \* Mr. S. Prasanchand Jain, Mr. S. Vinodh Kumar and Mr. Mahesh Chandak are a part of the Promoter Group.

### **Responsibilities:**

#### **Executive Directors**

Mr. S. Vinodh Kumar and Mr. 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 / Nomination and 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 four Independent Directors are Non-Executive and have access to all the information of the Company.

#### **Selection of Independent Directors**

Considering the requirement of skill sets on the Board, people having an independent standing in their respective field / profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of directorships and memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

#### **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 / re-appointment 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. Mr. S. Vinodh Kumar

At the Board Meeting held on 27.01.2011, Mr. S. Vinodh Kumar was re-appointed as Whole time Director of the Company, designated as Executive Director 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 Mr. 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 Mr. 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 Mr. 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.

At the Board Meeting of May 29, 2015, Mr. S. Vinodh Kumar expressed to the Board and the Nomination & Remuneration Committee his desire to waive off the remuneration paid to him by the company w.e.f. June 1, 2015. The Board took note of the same.

#### 2. Mr. Mahesh Chandak

At the Board Meeting held on 27.01.2011, Mr. Mahesh Chandak was re-appointed as Whole time Director of the Company, designated as Executive Director 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 Mr. 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 Mr. 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 Mr. 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.

**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 and Audit Committee attended. The total sitting fees paid to them for attending the meetings in 2014-15 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 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**

Mr. Prasan Chand Jain, Non-Executive Director, holds 9,48,185 Equity Shares of Rs. 10/- each in the Company. All other Non-Executive Directors do not hold any shares in the Company.

### Board Meetings held during the Financial Year 2014 - 15

During the year 2014-15, 4 Board Meetings were held on May 26, 2014, July 31, 2014, October 25, 2014 and February 4, 2015. The gap between two meetings did not exceed 4 months.

### 3) Audit Committee

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

The Member of the Audit Committee, Mr. Babulal Surana, was present at the Annual General Meeting held on July 31, 2014 to answer shareholders' queries.

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 fulfill the requirements of Section 177 of the Companies Act, 2013 also.

During the period under review, the Audit Committee had 4 meetings on May 26, 2014, July 31, 2014, October 25, 2014 and February 4, 2015. Attendance at the Audit Committee Meetings was as under:

<b>Date of Meeting</b>	<b>Members attended</b>
May 26, 2014	Mr. S. Kannadasan Mr. Rajesh Gurdas Wadhwa
July 31, 2014	Mr. S. Kannadasan Mr. Babulal Surana
October 25, 2014	Mr. S. Kannadasan Mr. Rajesh Gurdas Wadhwa
February 4, 2015	Mr. S. Kannadasan Mr. Rajesh Gurdas Wadhwa

#### 4) Nomination and Remuneration Committee

Adhering to the requirements of the Companies Act, 2013, and Clause 49 of the Listing Agreement, the Board of the Company has constituted Nomination and Remuneration Committee. The terms of reference of the 'Remuneration Committee' were conferred on the Nomination and Remuneration Committee and consequently, the Remuneration Committee was dissolved.

The Committee consists of Mr. S. Kannadasan (Chairman), Mr. Babulal Surana and Mr. Rajesh Gurdas Wadhwa, all Non-Executive & Independent Directors.

During the financial year under review the Committee had a meeting in July 31, 2015.

The terms of reference to this Committee include:

- Formulation of policy relating to, and fixation of remuneration payable and other service terms and conditions applicable to the Executive Directors; and
- 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, 2013.
- Such other functions as required or recommended by Board or under the provisions of the Listing agreement.

#### Remuneration of Directors for 2014 - 15

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

\* Inclusive of allowances.

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

The Company does not have any Stock Option Scheme.

#### 5) Stakeholders' Relationship Committee

The Board has constituted Stakeholders' Relationship Committee in accordance with the provisions of the Companies Act, 2013, and Clause 49 of the Listing Agreement. The terms of reference of Shareholders' / Investors' Grievance (SIG) Committee was conferred on the Stakeholders' Relationship Committee and consequently, the SIG Committee was dissolved.

The Committee consists of Mr. S. Kannadasan (Chairman), Non-Executive Director, and Mr. 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 9 times during the year under review. The Committee members attended all the 9 meetings.

During the year 2014-15, no complaint was received from Shareholders. 7 valid request for transfer of 700 shares and 3 valid request for transmission of 300 shares were received. All requests for transfer / transmission and / or issue of duplicate share certificate(s) 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
2014	City Centre Plaza, I Floor, No. 7, Anna Salai, Chennai – 600 002	31.07.2014	11 A.M	NIL
2013	City Centre Plaza, I Floor, No. 7, Anna Salai, Chennai – 600 002	31.07.2013	11 A.M	NIL
2012	City Centre Plaza, I Floor, No. 7, Anna Salai, Chennai – 600 002	31.07.2012	11 A.M	NIL

## 7) Disclosures

- I. The particulars of transactions between the Company and its Related Parties as defined in AS-18 are set out in Notes on Financial Statement for the year ended March 31, 2015 (Clause 27).

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.

- 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 Ethics & Business Conduct for Directors and senior management on its website [www.sugalshare.com](http://www.sugalshare.com) under Investor Relations > Company Policies > Ethics & Business Conduct.

### 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 Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has formulated Code of Conduct & Internal Procedures for regulating, monitoring & reporting of Trading by Insiders. Mr. T. Balasubramanian has been designated as the Compliance Officer responsible for compliance of policies, procedures, maintenance of records, etc for the adherence to the said Policy.

### No Harassment Policy

No Harassment Policy drafted as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 & the rules made there under was adopted by the Board at its meeting held on January 31, 2014.

## 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. The Company has also been placing its results on its website, viz., [www.sugalshare.com](http://www.sugalshare.com). There was no official news release and no presentations were made to analysts during the financial year 2014-15.

### **Management Discussion and Analysis**

The Directors' Report includes Management Discussion and Analysis.

### **9) General Information for Shareholders**

Annual General Meeting

Date and Time: **September 25, 2015 at 11.00 a.m.**

Venue: **City Centre Plaza, (I Floor)**

**7, Anna Salai**

**Chennai – 600 002**

Financial Calendar: (tentative)

**First Quarter: July, 2015.**

**Second Quarter & Half-yearly: October, 2015.**

**Third Quarter: January, 2016.**

**Fourth and last quarter: May, 2016.**

Date of Book Closure: **11.09.2015 to 25.09.2015 (both days inclusive).**

The Company has no outstanding ADRs/GDRs/Warrants or any convertible instruments.

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

Shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai, P.J. Towers, Dalal Street, Mumbai – 400 001. (Stock Code – 511654). Listing fee to the Stock Exchange has been paid up to date.

The Shares of the Company were also listed on Madras Stock Exchange (“MSE”). However, Securities Exchange Board of India (“SEBI”) has passed an Order on May 14, 2015 providing the exit to Madras Stock Exchange Limited (“MSE”).

**Market Price Data:** High / Low in each month of Financial Year 2014-15 on Bombay Stock Exchange:

Month	High Rs.	Low Rs.	Month	High Rs.	Low Rs.
Apr, 2014	11.98	10.75	Oct, 2014	9.43	8.92
May, 2014	11.39	9.30	Nov, 2014	9.81	8.22
June, 2014	11.82	9.03	Dec, 2014	9.36	8.10
July, 2014	11.35	9.47	Jan, 2015	10.36	8.00
Aug, 2014	13.90	10.20	Feb, 2015	11.41	9.04
Sept, 2014	10.50	8.42	Mar, 2015	8.66	7.26

### Registrars and Transfer Agents, Share Transfer System

#### **M/s. Cameo Corporate Services Ltd.**

*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 dematerialization 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 **INE 309D01011**.

Categories of Shareholding as on March 31, 2015:

Category	No. of shares	% of total shares
Promoters and Associates	44,39,902	71.04
Nationalised banks	100	0.00
NRIs	30,000	0.47
Others <i>(includes holding of Corporate Bodies)</i>	17,80,005	28.48
<b>TOTAL</b>	<b>62,50,007</b>	<b>100.00</b>

Distribution of shareholding as on March 31, 2015:

No. of shares	No. of Share holders	% of total share holders	No. of shares	% of total shares
Up to 500	3,413	87.67	5,05,816	8.09
501 to 1000	250	6.42	2,11,657	3.38
1001 to 2000	115	2.95	1,76,510	2.82
2001 to 3000	38	0.97	95,558	1.52
3001 to 4000	16	0.41	54,890	0.87
4001 to 5000	17	0.43	81,814	1.30
5001 to 10000	20	0.51	1,68,435	2.69
10001 and above	24	0.61	49,55,327	79.28
<b>TOTAL</b>	<b>3,893</b>	<b>100.00</b>	<b>62,50,007</b>	<b>100.00</b>

**Dematerialisation of Shares:** 56,98,655 shares (91.18%) of the Company have been dematerialised as on March 31, 2015.

**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 Executive Director**

*Sugal & Damani Share Brokers Limited*

*(Formerly known as Sugal & Damani Finlease Ltd.)*

*City Centre Plaza, (1 Floor)*

*7, Anna Salai, Chennai - 600 002*

Phone Nos. 2858 7105 - 08 | Fax No: 4215 5285

E-mail for Investors: [sugalshare\\_2008@rediffmail.com](mailto:sugalshare_2008@rediffmail.com)

The email ID for redressal of grievances has been changed from [grievancereg@sugalshare.com](mailto:grievancereg@sugalshare.com) to [info.sdsbl@gmail.com](mailto:info.sdsbl@gmail.com). The stakeholders are requested to take note of the same.

**(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.  |
| <hr/>   |   |
| (b) Shareholders' 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 | <p>As the Company's half-yearly results are published in an English Newspaper and in a Tamil Newspaper, the same are not sent to the shareholders of the Company.</p> <p>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 share holders through the Annual Report.</p> |



## CEO / CFO CERTIFICATION

THE BOARD OF DIRECTORS,  
SUGAL & DAMANI SHARE BROKERS LIMITED  
CHENNAI

### Re.: Financial Statements for the year 2014 - 15 - 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, 2015 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 contain 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, 2015 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 Auditor 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: May 29, 2015*

*(Mahesh Chandak)*  
*Executive Director*  
*DIN 00050149*

*(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 Managerial Personnel have affirmed compliance with the Code of Conduct and Ethics for the current year.

*Place: Chennai*  
*Date: May 29, 2015*

*(Mahesh Chandak)*  
*Executive Director*  
DIN 00050149

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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 AGREEMENT.**

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 on March 31, 2015 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 of effectiveness with which the management has conducted the affairs of the Company.

Place : Chennai  
Date : May 29, 2015

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





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

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

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Sugal & Damani Share Brokers Ltd**

### **Report on the Financial Statements**

I have audited the accompanying financial statement of Sugal & Damani Share Brokers Ltd ('the Company') which comprises the Balance sheet as at 31<sup>st</sup> March, 2015, 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**

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ( “the Act”)with respect to 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 principles generally accepted in India, including the accounting standards specified under section 133 of the act, read with rule 7 of the companies (Accounts) Rules, 2014.This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made there under.

I conducted my audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that I comply with 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 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 of the financial statements that give true and fair view 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 companies directors, 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 on the financial statements.

### **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 31<sup>st</sup> March, 2015;
- (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 section 143(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 our 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 our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements,
  - ii. In my opinion and as per the information and explanations provided to me, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses, and
  - iii. In my opinion and as per the information and explanations provided to me, there are no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Chennai  
Date : 29.05.2015

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

### Annexure to the Auditor's Report

The Annexure referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of my report of even date to the members of Sugal & Damani Share Brokers Limited for the year ended 31<sup>st</sup> March 2015. I report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) As explained to us, the fixed assets are physically verified in a phased periodical manner, which, in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets and no material discrepancies were noted on such verification;
- (ii) (a) The Inventory has been Physical verified during the year by the Management.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification as compared to the book records.
- (iii) As informed to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the sub-clauses (a) and (b) are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits in terms of directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) The Provision relating to maintenance of Cost Records under sub section (1) of Section 148 of the Companies Act, is not applicable to the company.
- (vii) (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and we have been informed that there are no arrears of outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are following dues of which have not been deposited on account of dispute and the same is being contested by the Company:

Sl. No.	Name of the Statute	Nature of the Dues	Amount in Lacs	Period to which the amount relates	Forum where dispute is pending
01.	Income Tax Act, 1961	Income Tax	Rs.55.62	Asst year 2010-11	CIT APPEALS
02.			Rs.4.24	Asst year 2012-13	CIT APPEALS

- (c) In my opinion and according to the information and explanations given to me, there are no amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The company has no accumulated losses and it has not incurred any cash loss in the year or in the immediately preceding financial year.
- (ix) Based on my audit procedures and according to the information, the company has not defaulted in repayment of dues to Bank(s) or Financial Institution(s).
- (x) During the year, the Company has not given guarantees for loans taken by others from bank(s) or financial institution(s).
- (xi) In my opinion and according to the information and explanations given to me, the Company has not borrowed any Term Loan(s) during the year.
- (xii) According to the information and explanations given to me, no material fraud on or by the Company has been noticed or reported during the course of my audit.

Place : Chennai  
Date : 29.05.2015

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



**Sugal & Damani Share Brokers Limited**  
**Balance Sheet as at 31<sup>st</sup> March 2015**

Particulars	Schedule	31.03.2015	31.03.2014
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	1	62,500,070.00	62,500,070.00
(b) Reserves and Surplus	2	20,007,508.00	11,831,511.01
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings		--	--
(b) Deferred tax liabilities (Net)	3	1,206,224.96	1,292,624.96
(c) Other Long term liabilities		--	--
(d) Long term provisions	4	1,718,590.00	1,570,690.00
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	5	83,725,337.00	41,460,235.30
(b) Trade payables	6	45,688,467.00	74,181,015.00
(c) Other current liabilities	7	4,439,933.00	2,122,824.00
(d) Short-term provisions		--	--
<b>Total</b>		<b>219,286,129.96</b>	<b>194,958,970.27</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
<i>(a) Fixed assets</i>			
(i) Tangible assets	8	1,922,825.22	5,118,288.48
(ii) Intangible assets	8	5,27,899.38	727,239.47
(b) Non-current investments	9	6,994,819.17	9,580,268.12
(c) Deferred tax assets (net)		--	--
(d) Long term loans and advances	10	11,522,302.00	16,497,902.00
<b>(2) Current assets</b>			
(a) Current Investments	11	71,876,392.00	39,500,000.00
(b) Stock In Trade	12	1,687,629.00	1,687,629.00
(c) Trade receivables	13	73,212,354.00	77,599,027.00
(d) Cash and cash equivalents	14	43,729,785.19	30,374,757.20
(e) Short-term loans and advances	15	7,812,124.00	13,873,859.00
(f) Other current assets	16	--	--
<b>Total</b>		<b>219,286,129.96</b>	<b>194,958,970.27</b>
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

Place : Chennai  
Date : 29.05.2015

(Mahesh Chandak)  
Executive Director

(S. Kannadasan)  
Director



**Sugal & Damani Share Brokers Limited**  
**Profit and Loss statement as on 31<sup>st</sup> March 2015**

Particulars	Schedule	31.03.2015	31.03.2014
I. Revenue from operations	17	52,371,594.00	25,768,659.00
II. Other Income	18	12,996,766.00	8,624,294.00
<b>III. Total Revenue (I +II)</b>		<b>65,368,360.00</b>	<b>34,392,953.00</b>
<b>IV. Expenses:</b>			
Cost of Services	19	25,597,948.00	13,696,232.00
Employee Costs	20	10,687,565.00	11,541,867.00
Financial costs	21	5,369,316.00	1,962,406.00
Depreciation & amortisation	22	9 08,112.00	779,193.00
Establishment & Other Expenses	23	7,391,688.89	5,171,542.82
<b>Total Expenses</b>		<b>49,954,629.89</b>	<b>33,151,240.82</b>
V. Profit before exceptional and extraordinary items and tax(III-IV)		15,413,730.11	1,241,712.18
VI. Exceptional Items		--	--
VII. Profit before Extra ordinary items & Tax(V-VI)		15,413,730.11	1,241,712.18
VIII. Extra ordinary item		--	--
IX. Profit before tax(VII-VIII)		15,413,730.11	1,241,712.18
X Tax expense:			
(1) Current tax		4,750,000.00	425,000.00
(2) Mat Credit Entitlement Reversed			(176,852.00)
(3) Deferred tax		(86,400.00)	172,942.00
(4) Earlier year Tax Refund Written back -		--	--
(5) Mat Credit Entitlement Previous Year		--	(161,152.00)
XI. Profit/(Loss) for the period from continuing operation(IX-X)		10,750,130.11	981,774.18
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)		10,750,130.11	981,774.18
XVI. Earning per equity share:			
(1) Basic & Diluted		1.72	0.16
Significant Accounting Policies	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

Place : Chennai  
Date : 29.05.2015

(Mahesh Chandak)  
Executive Director

(S. Kannadasan)  
Director

**Sugal & Damani Share Brokers Limited**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31-3-2015**

Particulars	2015		2014	
<b>A: CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit before tax as per Profit and Loss Account		15413730		1241712
Adjusted for:				
Profit / Loss on Sale of Assets	-191		232243	
Depreciation and Amortisation Expense	908112		779193	
Net gain on Sale of Investments	634747		0	
Dividend Income	-50213		-65466	
Interest Income	-8883147		-7182493	
Finance Costs	5369316	-2021376	1962406	-4274117
Operating Profit before Working Capital Changes		13392354		-3032405
Adjusted for:				
Trade and Other Receivables	14042876		-6397975	
Inventories	-		21600	
Trade and Other Payables	-26027539	-11984663	37481152	31104777
Cash Generated from Operations		1407691		28072372
Taxes Paid	-3368868	-3368868	-395531	-395531
Net Cash from Operating Activities (A)		-1961177		27676841
<b>B: CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Fixed Assets	-333250		-1406316	
Sale of Fixed Assets	246000		8000	
Purchase of Investments	-900985		-2556229	
Sale of Investments	2851687		0	
Current Investments	-32376393		-39500000	
Interest Income	8883147		7182493	
Dividend Income	50213	-21579581	65466	-36206586
Net Cash (used in) Investing Activities (B)		-21579581		-36206586
<b>C: CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from Long Term Borrowings	-		-	
Repayment of Long Term Borrowings	-		-	
Short Term Borrowings (net)	42265102		15440612	
Dividends Paid (including dividend distribution tax)	-		-1452782	
Interest Paid	-5369316	36895786	-1962406	12025424
Net Cash (used in) / from Financing Activities (C)		36895786		12025424
<b>D : Net Increase in Cash and Cash Equivalents = (A+B+C)</b>		<b>13355028</b>		<b>3495679</b>
Opening Balance of Cash and Cash Equivalents		30374757		26879078
Closing Balance of Cash and Cash Equivalents		<b>43729785</b>		<b>30374757</b>
<b>Cash and Cash Equivalents comprises</b>				
(a) Cash on Hand	-		1693	
(b) Balance with Bank In Current Account	12151112		8439374	
(c) Balance With Bank In Dividend Account	376785		377335	
(d) Fixed Deposit with Maturity period more than 1 year	31201888		21556355	

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 : 29.05.2015

(Mahesh Chandak)  
Executive Director

(S. Kannadasan)  
Director



## **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, 2013.

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) As per the instruction Under Schedule of Depreciation to the Companies Act, 2013 the company has charged depreciation on assets at the revised rates. As a result of the change in the depreciation rates, the Profits Before Taxes for the year ending 31<sup>st</sup> March 2015 has decreased by sum of **Rs.2.62 lakhs** Further the amount of Transitional depreciation on the assets as per the aforesaid revised depreciation rates before the financial year 2014-15 has been adjusted with the reserves and surplus as shown at Schedule no 2. on notes on financial statement for the year ended 31.03.2015. As a result of the said adjustment of past depreciation, the amount of Reserves & Surplus as on 31<sup>st</sup> March 2015 has reduced by **Rs.25.74 lakhs**.

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 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, CONTIGENT LIABILITIES AND CONTIGENT 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.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-3-2015.**

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

**1. SHARE CAPITAL**

<b>1. SHARE CAPITAL</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
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
<b>Total</b>	<b>62,500,070.00</b>	<b>62,500,070.00</b>

<b>1(a)</b>	Out of the above shares allotted as Bonus Shares in the last 5 years out of capitalisation of Reserves	<b>NIL</b>		<b>NIL</b>	
<b>1(b)</b>	Out of the above shares allotted in the last 5 years pursuant to various schemes of amalgamations without payment being received in cash	<b>3,250,007</b>		<b>3,250,007</b>	
<b>1(c)</b>	The Details of Shareholders holding more than 5% Share	<b>No.of Shares</b>	<b>%</b>	<b>No of Shares</b>	<b>%</b>
	Name of the Shareholder				
	Spatium Developers Pvt Limited (Promoter Group)	<b>840000</b>	<b>13.44</b>	<b>840000</b>	<b>13.44</b>
	Vinodh Kumar S (Promoter Group)	<b>1448601</b>	<b>23.18</b>	<b>1268101</b>	<b>20.29</b>
	S. Prasanchand Jain (Promoter Group)	<b>948185</b>	<b>15.17</b>	<b>840875</b>	<b>13.45</b>
	Mahesh B.Chandak (Promoter Group)	<b>354001</b>	<b>5.66</b>	<b>354001</b>	<b>5.66</b>
<b>1(d)</b>	The Reconciliation of Number of Shares Outstanding is given below:	<b>No of Shares</b>		<b>No of Shares</b>	
	Equity Shares at the beginning of the year	<b>6250007</b>		<b>6250007</b>	
	Add: Shares Issued during the year	<b>NIL</b>		<b>NIL</b>	
	Less: Shares cancelled on Buy Back of Shares	<b>NIL</b>		<b>NIL</b>	
	Equity Shares at the end of the Year	<b>6250007</b>		<b>6250007</b>	

**2. RESERVES & SURPLUS**

<b>2</b>	<b>RESERVES &amp; SURPLUS</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
	a) General Reserve	154,485.00	154,485.00
	b) Profit & Loss		
	Opening Balance	11,677,026.01	10,695,251.83
	(+) Current year profit trf	10,750,130.11	981,774.18
	Less: Appropriation		
	(-) Transitional Depreciation	2,574,133.12	0.00
	(-) Proposed Dividend	0.00	0.00
	Dividend Tax	0.00	0.00
	<b>Total (B)</b>	<b>19,853,023.00</b>	<b>11,677,026.01</b>
	<b>Grand Total (A+B)</b>	<b>20,007,508.00</b>	<b>11,831,511.01</b>

### 3. DEFERRED TAX LIABILITY

<b>DEFERRED TAX LIABILITY</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
Opening Balance	1,292,624.96	1,119,682.96
Add/Less: provided During the year	(86,400.00)	172,942.00
<b>Closing Balance</b>	<b>1,206,224.96</b>	<b>1,292,624.96</b>

#### 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 31<sup>st</sup> March 2015 is as under:

<b>Particulars</b>	<b>Deferred tax Liability Rs.</b>	<b>Deferred tax Liability Rs.</b>
Opening DTL as 01.04.2014	1,292,624.96	1,119,682.96
DTA on Book and Tax Depreciation	(86,400.00)	172,942.00
Closing DTL as on 31.3.15	1,206,224.96	1,292,624.96

### 4. LONG TERM PROVISION

<b>LONG TERM PROVISION</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
Provision for Gratuity	1,718,590.00	1,570,690.00
<b>Total</b>	<b>1,718,590.00</b>	<b>1,570,690.00</b>

### 5. SHORT TERM BORROWING

<b>SHORT TERM BORROWING</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
<b>1) SECURED LOAN</b>		
Bank Overdraft Against Shares and FDR	5,019,576.00	5,392,254.30
<b>Total</b>	<b>5,019,576.00</b>	<b>5,392,254.30</b>
<b>2) UNSECURED LOAN</b>		
a) Loans & advances from other parties (ICD)	0.00	0.00
b) Loans & advances from related parties (ICD)	78,705,761.00	36,067,981.00
<b>Total</b>	<b>83,725,337.00</b>	<b>41,460,235.30</b>

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

**6. TRADE PAYABLES.**

<b>TRADE PAYABLE</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
Due to Micro, small and Medium Enterprises		
Due to Others	45,688,467.00	74,181,015.00
<b>Total</b>	<b>45,688,467.00</b>	<b>74,181,015.00</b>

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

**7. OTHER CURRENT LIABILITIES.**

<b>OTHER CURRENT LIABILITIES</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
Unclaim Dividend F.Y. 2009-10	131,017.00	130,967.00
Unclaim Dividend F.Y. 2010-11	136,870.00	137,120.00
Unclaim Dividend F.Y. 2011-12	36,196.00	36,246.00
Unclaim Dividend F.Y. 2012-13	72,702.00	73,002.00
Franchisee & Client Deposit	3,757,448.00	1,446,448.00
Other Payables *	305,700.00	299,041.00
<b>Total</b>	<b>4,439,933.00</b>	<b>2,122,824.00</b>

\* Includes statutory dues & Cdsl service Tax.

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

**08. (i) TANGIBLE ASSET**

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK					NET BLOCK		
	AS AT 01.04.2014	ADDITIONS	DELETIONS	AS AT 31.03.2015	UP TO 31.03.2014	Transitional Provision of Depreciation 31.03.2014	DEP WITHDRAWN	Depreciation For the year 31.03.2015	UPTO 31.03.2015	AS AT 31.03.2015	AS AT 31.03.2014
Air Conditioner	1,036,922.23	-	410,900.00	626,022.23	348,674.24	395,057.45	354,837.48	72,171.12	461,065.33	164,956.90	688,247.97
Computers	1,603,359.36	180,250.00	-	1,783,609.36	1,278,983.08	148,239.41	-	83,207.21	1,510,429.70	273,179.66	324,376.28
U P S & Battery	843,182.00	-	-	843,182.00	148,729.88	514,662.27	-	79,519.92	742,912.07	100,269.93	694,452.12
Furniture	1,671,963.07	-	-	1,671,963.07	772,229.68	440,799.18	-	167,196.31	1,380,225.17	291,737.90	899,733.39
Electric & Fittings	1,279,226.54	-	-	1,279,226.54	447,049.22	494,107.01	-	127,922.63	1,069,078.86	210,147.68	832,177.32
Fax Machine	74,515.00	-	-	74,515.00	43,050.03	23,887.51	-	1,380.00	68,317.54	6,197.46	31,464.97
Vehicle	1,849,672.00	143,500.00	572,305.00	1,420,867.00	717,147.50	158,002.93	382,558.82	128,021.79	620,613.40	800,253.60	1,132,524.51
Television	141,095.70	-	-	141,095.70	52,520.34	58,049.09	-	14,109.57	124,679.00	16,416.70	88,575.36
Epbx and Telephones	177,787.00	-	-	177,787.00	46,324.55	107,946.44	-	12,068.53	166,339.52	11,447.48	131,462.45
Locker	26,070.00	-	-	26,070.00	8,960.28	15,806.22	-	-	24,766.50	1,303.51	17,109.73
Coffee Machine	12,938.00	-	-	12,938.00	4,034.33	8,256.77	-	-	12,291.10	646.90	8,903.67
Printer	217,439.00	-	-	217,439.00	57,643.95	143,138.22	-	3,517.67	204,299.84	13,139.16	159,795.05
Scanner	14,150.00	-	-	14,150.00	3,684.25	9,758.37	-	-	13,442.62	707.38	10,465.75
Franking Machine	106,875.00	-	-	106,875.00	15,187.96	48,761.36	-	21,375.00	85,324.32	21,550.68	91,687.04
CAMERA	8,283.00	-	-	8,283.00	970.13	3,114.64	-	1,656.60	5,741.37	2,541.63	7,312.87
Tablet	-	9,500.00	-	9,500.00	-	-	-	1,171.33	1,171.33	8,328.67	-
<b>Total</b>	<b>9,063,477.90</b>	<b>333,250.00</b>	<b>983,205.00</b>	<b>8,413,522.90</b>	<b>3,945,189.43</b>	<b>2,569,586.87</b>	<b>737,396.30</b>	<b>713,317.68</b>	<b>6,490,697.68</b>	<b>1,922,825.22</b>	<b>5,118,288.48</b>

<b>(ii) INTANGIBLE ASSET</b>											
PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK					NET BLOCK		
	AS AT 01.04.2014	ADDITIONS	DELETIONS	AS AT 31.03.2015	UP TO 31.03.2014	Transitional Provision of Depreciation 31.03.2014	DEP WITHDRAWN	Depreciation For the year 31.03.2015	UPTO 31.03.2015	AS AT 31.03.2015	AS AT 31.03.2014
Software	5,492,211.00	-	-	5,492,211.00	4,764,971.53	4,546.25	-	194,793.84	4,964,311.62	527,899.38	727,239.47
<b>Total</b>	<b>5,492,211.00</b>	<b>-</b>	<b>-</b>	<b>5,492,211.00</b>	<b>4,764,971.53</b>	<b>4,546.25</b>	<b>-</b>	<b>194,793.84</b>	<b>4,964,311.62</b>	<b>527,899.38</b>	<b>727,239.47</b>
<b>GRAND TOTAL</b>	<b>14,555,688.90</b>	<b>333,250.00</b>	<b>983,205.00</b>	<b>13,905,733.90</b>	<b>8,710,160.96</b>	<b>2,574,133.12</b>	<b>737,396.30</b>	<b>908,111.52</b>	<b>11,455,009.30</b>	<b>2,450,724.60</b>	<b>5,845,527.95</b>

**9. NON CURRENT INVESTMENT - (LONG TERM INVESTMENT)**
**i) Investment in Equity Shares – NON TRADE - Quoted**

<b>a) Investment in Associates Company</b>	Nil	Nil
<b>b) Investment in Other Companies</b>		
<b>Scrip Name</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
10000(10000) shares of ISMT Ltd of Rs.5/- each	0.00	452,400.00
19000(19000) shares of Jsw Energy Ltd of Rs.10/- each	0.00	2,034,372.95
3000(3000) Shares of Shriram EPC Ltd of Rs.10/- each	900,000.00	900,000.00
1232 Share of Sundaram Investment Limited of Rs.5/- Each	0.00	59,136.00
540(600) shares of Wabco Ltd of Rs.5/- each	121,500.00	135,000.00
1123 Share of City Union Bank Limited of Rs.1/- each	0.00	22,460.00
25000(25000) Shares of MMTC Ltd of Rs. 1/- each	2,524,999.17	2,524,999.17
(1000) Share of Coromandel Engineering Company Ltd of Rs. 10/- each	0.00	20,000.00
195 Shares of Tata Power Limited of Rs 1/- each	11,700.00	0.00
200 Shares of Bharat Textile & Proofing Industries Ltd. of Rs10/- each	2,470.00	0.00
5 Shares Canfin Homes Limited of Rs10/- each	2,250.00	0.00
<b>TOTAL</b>	<b>3,562,919.17</b>	<b>6,148,368.12</b>

**ii) Investment in Equity Shares - Unquoted**

<b>a) Investment in Associates Company</b>		
<b>Scrip Name</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
343190(343190) share of Sugal Commodity Brokers P. Ltd of Rs.10/- each	3,431,900.00	3,431,900.00
<b>TOTAL</b>	<b>3,431,900.00</b>	<b>3,431,900.00</b>
<b>b) Investment in Other Company</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Investments</b>	<b>6,994,819.17</b>	<b>9,580,268.12</b>

Aggregate amount of Quoted Investments	3,562,919.17	6,148,368.12
Market Value of Quoted Investments	4,549,791.00	4,035,080.00
Aggregate amount of Unquoted Investments	3,431,900.00	3,431,900.00

**10. LONG TERM LOAN & ADVANCES**

<b>LONG TERM LOANS &amp; ADVANCES</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
Deposit with Exchange	10,917,200.00	15,917,200.00
Other Deposit	605,102.00	580,702.00
<b>Total</b>	<b>11,522,302.00</b>	<b>16,497,902.00</b>

**11. CURRENT INVESTMENTS**

<b>CURRENT INVESTMENTS</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
11649.64(12723.99) units of Reliance Liquid Fund Treasury Plan Growth Plan Growth Option	37,239,945.00	39,000,000.00
0(258.09) Units of SBI Premier Liquid Fund Regular Plan Growth	0.00	500,000.00
8958.62 Units of Reliance Liquid Fund Cash Plan Direct Growth Plan	20,000,000.00	0.00
72498.95 Units of Icici Prudential Liquid Fund	14,636,447.00	0.00
<b>TOTAL</b>	<b>71,876,392.00</b>	<b>39,500,000.00</b>

\* Current Investment in the Mutual Fund is made towards margin requirement of NSE & BSE and Market Value of Current Investment Rs. 74,931,693.00 as on 31.03.2015.

**12. INVENTORIES**

<b>INVENTORIES</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
Stock In Trade	1,687,629.00	1,687,629.00
<b>Total</b>	<b>1,687,629.00</b>	<b>1,687,629.00</b>

**13. TRADE RECEIVABLE**

<b>TRADE RECEIVABLE</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
Trade receivables: (Unsecured)		
Debts Due for More than 6 Months - Considered Good	16,272,562.00	18,665,933.00
Others Debts Considered Good	56,939,792.00	58,933,094.00
<b>Total</b>	<b>73,212,354.00</b>	<b>77,599,027.00</b>

**14. CASH AND BANK BALANCES**

<b>CASH &amp; CASH EQUIVALENT</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
Cash in Hand	0.00	1,693.00
Balance with Scheduled Banks - In Current Accounts *	12,151,112.00	8,439,373.71
Balance with Bank In Dividend Account – In Current Accounts	376,785.00	377,335.00
In Fixed Deposits	31,201,888.19	21,556,355.49
<b>Total</b>	<b>43,729,785.19</b>	<b>30,374,757.20</b>



**15. SHORT TERM LOANS AND ADVANCES**

<b>SHORT TERM LOANS &amp; ADVANCES</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
Accrued Interest	1,238,813.00	983,778.00
Income Tax Less Provision	1,670,018.00	3,051,150.00
Deposit with Exchange	2,600,000.00	7,600,000.00
<b>Other Advances - Unsecured</b>		
considered good	2,303,293.00	2,238,931.00
considered doubtful	674,377.00	674,377.00
	2,977,670.00	2,913,308.00
Less: provision for doubtful advances	674,377.00	674,377.00
<b>Total</b>	<b>7,812,124.00</b>	<b>13,873,859.00</b>

**16. OTHER CURRENT ASSET**

<b>OTHER CURRENT ASSET</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
Deffered Revenue Expenditure:		
Opening balance	0.00	100,000.00
Add: Transferred during the Year	0.00	0.00
	0.00	100,000.00
Less : Written off during the year		100,000.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

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**

<b>REVENUE FROM OPERATIONS</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
<b>Income from Services</b>		
Cdsl Dp Charges	770,238.00	446,214.00
Cdsl Amc Charges	1,226,863.00	1,274,776.00
Kra Registration Chgs Recd	2,600.00	15,050.00
Comm on sale of IPO	1,998.00	53,286.00
Brokerage Realised	50,369,895.00	23,979,333.00
<b>Total</b>	<b>52,371,594.00</b>	<b>25,768,659.00</b>

**18. OTHER INCOME**

<b>OTHER INCOME</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
<b>Interest received</b>	<b>8,883,147.00</b>	<b>7,182,493.00</b>
From Current Investments	0.00	0.00
From Long Term Investments (TDS Rs. 257160/-)	2,884,106.00	1,805,625.00
From Others (TDS Rs. 10670/-)	5,999,041.00	5,376,868.00
<b>Dividend received</b>	<b>50,213.00</b>	<b>65,466.00</b>
From Current Investments	4,096.00	44,062.00
From Long Term Investments	46,117.00	21,404.00
Profit on sale of Investment - Long Term	0.00	0.00
Profit on sales of Assets	191.00	0.00
Short Term Capital Gain	3,398,181.00	5,105.00
Bad debts recovered	189,202.00	0.00
Profit on sale of shares	475,832.00	1,371,230.00
<b>Total</b>	<b>12,996,766.00</b>	<b>8,624,294.00</b>

**19. COST OF SERVICES**

<b>Cost of Services</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
Annual Maintenance Charges	1,699,101.00	1,446,644.00
Branch Expenses	180,000.00	420,000.00
Sub brokerage	21,295,482.00	10,142,987.00
Trading Expenses	2,423,365.00	1,686,601.00
<b>TOTAL</b>	<b>25,597,948.00</b>	<b>13,696,232.00</b>

**20. EMPLOYEE REMUNERATION & BENEFITS**

<b>EMPLOYEE REMUNERATION &amp; BENEFITS</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
Director Remuneration	3,000,000.00	3,000,000.00
Employer's contribution to provident Fund	307,240.00	273,050.00
Employer's contribution to Employees State Insurance	75,442.00	110,467.00
Gratuity Expenses	217,245.00	494,358.00
Salaries and Allowances	7,087,638.00	7,663,992.00
<b>Total</b>	<b>10,687,565.00</b>	<b>11,541,867.00</b>

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>31-03-2015</u>	<u>31-03-2014</u>
Contribution to Employees Provident Fund	<b>307,240.00</b>	<b>273,050.00</b>
Contribution to ESIC	<b>75,442.00</b>	<b>110,467.00</b>

**Defined Benefit Plan**

Provision of Gratuity amounting to Rs 2.17 lakhs (PY Rs.4.95 Lakhs) was made on the basis of Actuarial Valuation Report dated 29.04.2015 Disclosure in respect of AS-15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2007:

<b>A.</b>	<b>Expense recognized during the year</b>	<b>Gratuity Provision 2014-15 (Rs. In '000)</b>	<b>Gratuity Provision 2013-14 (Rs. In '000)</b>
	1. Current Service Cost	290	388
	2. Interest Cost	141	99
	3. Actuarial Gain/Loss	(214)	8
	4. Expenses recognized in the Profit & Loss A/c.	217	495
<b>B.</b>	<b>Net Asset/(Liability) recognized in Balance Sheet</b>		
	1. Present value of Obligation at the beginning of the Year	1571	1076
	2. Current Service Cost	290	388
	3. Interest Cost	141	99
	4. Actuarial Gain/Loss	(214)	8
	5. Net Asset/Liability Recognized	1788	1571
<b>C.</b>	<b>Reconciliation</b>		
	1. Net Liability at the beginning of the Year	1571	1076
	2. Net Expenses in P&L A/c	217	495
	3. Benefits Paid	(69)	0
	4. Net Liability as the end of the Year	1719	1571
<b>D.</b>	<b>Assumptions</b>		
	1. Interest Rate (liabilities)	8%	9.20%
	2. Return on Assets	NA	NA
	3. Mortality Table	IALM(06-08) Ult	IALM(06-08) Ult
	4. Resignation Rate per Annum	10%	5%
	5. Salary Escalation Rate	10%	10%

**21. FINANCIAL CHARGES**

	<b>FINANCIAL CHARGES</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
	Interest paid	5,186,416.00	1,758,740.00
	Interest on Bank Overdraft	182,900.00	203,666.00
	<b>Total</b>	<b>5,369,316.00</b>	<b>1,962,406.00</b>

**22. DEPRECIATION & AMORTISATION EXPENSES**

<b>Depreciation &amp; Amortisation Expenses</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
Depreciation	908,112.00	679,193.00
Deferred Revenue Expenses Written off	0.00	100,000.00
<b>Total</b>	<b>908,112.00</b>	<b>779,193.00</b>

**23. OTHER EXPENSES**

<b>Other Expenses</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
Advertisement Expenses	120,778.00	57,920.00
AGM Expenses	125,857.00	114,517.00
Auditor's Remuneration	60,000.00	60,000.00
Bad Debts Written off	1,132,971.00	28,889.00
Bank Charges	30,324.00	56,701.00
Bank Guarantee Commission	662,500.00	460,000.00
Consultancy Charges	7,000.00	12,000.00
Directors Sitting Fees	53,000.00	48,000.00
Donations	20,000.00	0.00
Electricity charges	796,425.00	557,879.00
Insurance Charges	20,088.00	7,738.00
Legal and Professional charges	935,483.00	729,518.00
Loss on sale of asset	0.00	232,243.00
Loss on Long Term Investments	601,584.00	0.00
Newspaper & Periodicals	0.00	842.00
Office Expenses	140,473.00	172,878.00
Postage & Telephone	464,186.00	453,466.00
Printing & stationery	355,646.00	284,383.00
Rent Rates & Taxes	797,097.00	631,138.00
Repairs & maintenance	190,795.00	136,101.00
Roc Filling Expenses	24,265.00	5,940.00
Travelling & Conveyance	119,687.00	104,194.00
Trading Expenses	4,575.00	14,360.00
Business Expenses	728,954.89	1,002,835.82
<b>Total</b>	<b>7,391,688.89</b>	<b>5,171,542.82</b>

### 23.1 Remuneration to auditors

	31.03.2015	31.03.2014
For Audit	40000	40000
Taxation	15000	15000
Others	5000	5000
Service Tax	7416	7416
<b>Total</b>	<b>67416</b>	<b>67416</b>

### 24. Basic and diluted earning per share

Particulars	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014
Net Profit for the year (In Rs.)	Rs.10750130	Rs. 981774
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.)	1.72	0.16

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 in respect of Related Parties pursuant to AS-18

#### (a) List of Related Parties

Related parties with whom transactions are taken place during the year.

##### (i) Associates

Sugal Commodity Brokers Private Limited

##### (ii) Key Managerial personnel and their Entities

(a) Mr. S. Vinodh Kumar Jain – Executive Director

(b) Mr. Mahesh Chandak – Executive Director

##### (iii) Relatives of Key Managerial Personnel and their Entities

(a) Siyat Holdings Private Limited

(b) N. Sugalchand Jain

(c) S. Prasan Chand Jain

(d) Bhagwandas Chandak

(e) Dwarakadas Chandak

(f) Savitha Chandak

(g) Radhika Maheshwari

(h) Meena Kumari

(i) Krishna Maheshwari

(j) Kishori Maheshwari – (minor) daughter of Mr. Mahesh Chandak

(k) Ardhaya Maheshwari – (minor) daughter of Mr. Mahesh Chandak

(l) Nakthamal Bhagwandas Chandak HUF

(m) Bhagwandas Mahesh Kumar Chandak HUF

(n) Prithvi Finsec Limited

(o) Prithvi Softech Limited

**(b) Transaction with Related Parties :**

	Associates		Key Managerial personnel & their Entities		Relative of Key Managerial Personnel & their Entities	
	2015	2014	2015	2014	2015	2014
(a) Brokerage Received	40081	3876	7933	756	1954504	571461
(b) Remuneration & Salary Paid	Nil	Nil	3000000	3000000	588000	588000
(c) Interest Paid	Nil	Nil	Nil	Nil	5136916	1758102
(d) Loan Received	Nil	Nil	Nil	Nil	477500000	193000000
(e) Loan Repaid	Nil	Nil	Nil	Nil	439485444	181763607
(f) Interest Received from debtors.	Nil	Nil	Nil	Nil	153256	138918
(g) Balance Loan Amount	Nil	Nil	Nil	Nil	78705761	36067981
(h) Trade Receivable	Nil	Nil	3536	Nil	3938124	502846
(i) Trade Payable	5590	5463252	Nil	53688	2596076	1975206
(j) Rent paid	135000	Nil	Nil	Nil	Nil	Nil

**(c) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties.**

Particulars	Transactions	
	March 31, 2015	March 31, 2014
<b>(I) Brokerage Received</b>		
(a) SIYAT HOLDINGS PRIVATE LIMITED	1,019,131.00	135,713.00
(b) NAKTHAMAL BHAGWANDAS CHANDAK HUF	348,639.00	119,462.00
(c) N. SUGALCHAND JAIN	157,583.00	132,971.00
(d) PRITHVI SOFTECH LIMITED	198,102.00	137,743.00
<b>(ii) Interest Received</b>		
(a) BHAGWANDAS MAHESH CHANDAK HUF	135,619.00	137,205.00
<b>(iii) Interest Payment</b>		
(a) SIYAT HOLDINGS PRIVATE LIMITED	5,136,916.00	1,758,102.00
<b>(iv) Remuneration Paid</b>		
(a) S. VINODH KUMAR JAIN	1,500,000.00	1,500,000.00
(b) MAHESH CHANDAK	1,500,000.00	1,500,000.00
<b>(v) Salary Paid</b>		
(a) BHAGWANDAS CHANDAK	588,000.00	588,000.00
<b>(vi) Rent Paid</b>		
(a) SUGAL COMMODITY BROKERS PVT LIMITED	135,000.00	-
<b>(vii) Trade Receivable</b>		
(a) SIYAT HOLDINGS PRIVATE LIMITED	406,285.00	-

(b) NAKTHAMAL BHAGWANDAS CHANDAK HUF	2,149,288.00	400,595.00
(c) BHAGWANDAS MAHESH CHANDAK HUF	1,350,407.00	-
(d) DWARAKADAS CHANDAK	29,925.00	83,248.00
<b>(viii) Trade Payable</b>		
(a) N. SUGALCHAND JAIN	1,793,966.00	12,655.00
(b) RADHIKA MAHESHWARI	707,362.00	
(c) BHAGWANDAS MAHESH CHANDAK HUF	-	812,807.00
(d) PRITHVI SOFTECH LIMITED	-	811,316.00
<b>(ix) Loan Received</b>		
(a) SIYAT HOLDINGS PRIVATE LIMITED	482,636,916.00	194,758,102.00
<b>(x) Loan Repaid</b>		
(a) SIYAT HOLDINGS PRIVATE LIMITED	439,999,136.00	181,763,607.00
<b>(xi) Balance Loan Amount</b>		
(a) SIYAT HOLDINGS PRIVATE LIMITED	78,705,761.00	36,067,981.00

## 28. Contingent 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 gone on appeal and the matter is pending before the Commissioner of Income Tax Chennai. Since the company hopes that the appeal will be in favour of company, hence no provision has been made in the accounts.
- B) A sum of Rs. 4,24,460/- has been demanded towards Income Tax liability for the A.Y 2012 - 2013 and the same has not been accepted by the company and gone on appeal and the matter is pending before the Commissioner of Income Tax Chennai. Since the company hopes that the appeal will be in favour of company, hence no provision has been made in the accounts.
- C) Guarantees given on behalf of the company by banks to NSE, BSE amounting to Rs.6.85 Crores Outstanding as on 31.03.2015 is secured on the Fixed Deposits with banks, Investment in Shares belonging to the company and Investment in Shares belonging to the 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

(Mahesh Chandak)  
Executive Director

(S. Kannadasan)  
Director

Place : Chennai  
Date : 29.05.2015

ADMISSION SLIP |



**SUGAL & DAMANI SHARE BROKERS LIMITED**

**CIN: L65991TN1993PLC028228**

'City Center Plaza', (I Floor),

No. 7, Anna Salai, Chennai – 600 002

**TWENTY SECOND ANNUAL GENERAL MEETING**

Name of the Member(s):

Name of the Proxy(s):

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

Folio No. / Client ID / DP ID:

No. of Shares held:

I hereby record my presence at the Twenty Second Annual General Meeting of the Company at 'City Centre Plaza' ( First Floor), No. 7, Anna Salai, Chennai – 600 002, on Friday, September 25, 2015 at 11 A.M.

\_\_\_\_\_  
*Signature of the member / proxy*

Notes:

1. *Members/Proxy(s) are requested to bring the Admission Slips to the Meeting and hand over at the entrance duly signed.*



**PROXY FORM |**



*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

**SUGAL & DAMANI SHARE BROKERS LIMITED**

**CIN: L65991TN1993PLC028228**

'City Center Plaza', (I Floor),  
No. 7, Anna Salai, Chennai – 600 002

Name of the Member(s):
Registered Address:
E-Mail ID
Folio No/Client Id:
DP ID:

I/We, being the member(s) holding ..... shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_ E-mail: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Signature: \_\_\_\_\_  
or failing him,
2. Name: \_\_\_\_\_ E-mail: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Signature: \_\_\_\_\_  
or failing him,
3. Name: \_\_\_\_\_ E-mail: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Second Annual General Meeting of the Company, to be held on Friday, the 25<sup>th</sup> day of September, 2015 at 11.00 a.m. at City Centre Plaza, I Floor, No. 7 Anna Salai, Chennai – 600 002 and at any adjournment thereof in respect of such resolutions as are indicated below:

PROXY FORM |



Resolution No.	Resolution	Vote		
		For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1.	Audited Balance Sheet as at March 31, 2015, and Profit & Loss Account for the period ended on that date and the Reports of Directors and Auditor thereon			
2.	Appointment of Director in place of Mr. Prasan Chand Jain (DIN 00050081) who retires by rotation and, being eligible, offers himself for reappointment			
3.	Re-appointment of Mr. R. Mugunthan, Chartered Accountant, as the Auditor of the Company			
<b>SPECIAL BUSINESS</b>				
4.	Appointment of Ms. Dhanesh Mrinalini as an Independent Director up to March 31, 2020			
5.	Re-Appointment of Mr. Mahesh Chandak as Whole Time Director for a period of 3 (Three) years from October 1, 2015 to September 30, 2018			
6.	Adoption of Articles of Association of the Company as per Companies Act, 2013			
7.	Approval for creation of charges on the asset(s) of the Company u/s. 180(1)(a) of the Companies Act, 2013			
8.	Approval of Limit of Borrowing Power u/s. 180(1)(c) of the Companies Act, 2013			
9.	Approval for Investments by the Company u/s. 186 of the Companies Act, 2013			
10.	Approval of Related Party Transaction u/s. 188 of the Companies Act, 2013			

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

Affix Revenue Stamp
---------------------------

\_\_\_\_\_  
Signature of Member

\_\_\_\_\_  
Signature of Proxy holders(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**



**SUGAL & DAMANI**  
SHARE BROKERS LIMITED

**Powered by Trust, Driven by Commitment**

**Members : NSE, BSE, MCX (SX) & CDSL Depository**

### Services Offered

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

**Sugal Commodity Brokers Pvt. Ltd.**  
**Members : MCX**

### **Sugal & Damani Share Brokers Limited**

**CIN : L65991TN1993PLC028228**  
**City Centre Plaza, I Floor, No.7, Anna Salai, Chennai 600 002**  
**Tel No: 2858 7105 / 108, Fax: 91-044-4215 5285**  
**Web : [www.sugalshare.com](http://www.sugalshare.com)**