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JAISAL SECURITIES LIMITED

Annual Report 2009



JAISAL SECURITIES LIMITED

Board of Directors

Mr. Srikanth Ramanathan
Managing Director

Mr. A. Balasubramanian

Mr. V. Ganapathi Subramanian

Mr. K.S. Vaidyanathan

Chief Financial Officer & Company Secretary

Mr. S. Arun Kumar

Registered Office

New No. 15, Old No. 6
Besant Avenue, Adyar
Chennai - 600020
Tel: 044 - 42187785 / 42187794
Fax: 044 - 42187803
www.jaisal.net

Bankers

The Lakshmi Vilas Bank Limited
ICICI Bank Limited
State Bank of India

Auditor

Mr. R. R. Rajkumar
Chartered Accountant
164/1, T.T.K. Road
Alwarpet, Chennai - 600018

Registrar and Share Transfer Agent

Cameo Corporate Services Limited
"Subramanian Building"
1, Club House Road, Chennai - 600002

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 15th Annual General Meeting of the Members of Jaisal Securities Limited will be held on Wednesday, the 23rd day of September 2009 at 10 A.M. at the Registered Office of the Company situated at New No. 15, Old No. 6, Besant Avenue , Adyar, Chennai – 600 020, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2009 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. A. Balasubramanian, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. R. R. Rajkumar, Chartered Accountant, Chennai, be and is hereby appointed as the Statutory Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company”.

SPECIAL BUSINESS

4. Alteration of Articles of Association of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force), the articles of association of the Company be altered as under:

Article 45 be deleted

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient or proper to give effect to this resolution and to settle any questions, difficulties, or doubts that may arise in this regard at any stage, without requiring the Board to secure any further consent or approval of the members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution”.

By Order of the Board of Directors

Place: Chennai

Date: June 30, 2009

S. Arun Kumar

Chief Financial Officer and Company Secretary

NOTES:

1. APPOINTMENT OF PROXY

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on poll to vote instead of himself. The proxy need not be a member of the Company. A blank form of proxy is enclosed herewith and, if intended to be used, it should be returned duly completed at the registered office of the Company not less than forty-eight hours before the scheduled time of the commencement of Annual General Meeting.

2. APPOINTMENT OF AUTHORISED REPRESENTATIVES

No person shall be entitled to attend or vote at the meeting as a duly authorized representative of any body corporate which is a shareholder of the Company, unless a copy of the resolution appointing him/her as a duly authorized representative, certified to be a true copy by the Chairman of the meeting at which it was passed.

3. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business item 4 above is annexed hereto.

4. Information under Clause 49 of the listing agreement(s) regarding appointment/ re-appointment of Director(s) is annexed hereto.

5. CLOSURE OF REGISTER OF MEMBERS

The Register of Members and Share Transfer Books of the Company will remain closed from September 21, 2009 to September 23, 2009 (both days inclusive).

6. COMPULSORY TRADING OF SHARES OF THE COMPANY IN DEMATERIALISED (DEMAT) FORM

The shares of the Company are compulsorily traded in dematerialized mode. The Company has signed agreements with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL).

7. INSPECTION OF REGISTERS AND DOCUMENTS

All the documents referred to in the accompanying notice, explanatory statement and the Register of Directors' shareholding and the Register of Contracts maintained under Sections 307 and 301 of the Companies Act, 1956, respectively, are open for inspection at the registered office of the Company up to the date of Annual General Meeting. Register of Directors' shareholding shall be open for inspection up to 3 days after the Annual General Meeting.

8. Shareholders may kindly note that no gifts/coupons will be distributed at the Annual General Meeting.

9. SHAREHOLDER QUERIES

In case you have any query relating to the enclosed Annual Accounts or about the operations of the Company you are requested to send the same to the Chief Financial Officer and Company Secretary at the Registered Office of the Company at least seven days before the date of Annual General Meeting so that the information can be made available at the meeting.

10. REGISTRAR AND SHARE TRANSFER AGENT

Cameo Corporate Services Limited (Cameo) is the Registrar & Share Transfer Agent of the Company. All investor related communication may be addressed to Cameo at the following address:

Cameo Corporate Services Limited
"Subramanian Building"
1, Club House Road, Chennai - 600 002
Contact Person : Mr. R.D. Ramasamy, Director
Tel: 044 – 28460390 / 391 / 392 / 393
Email: cameo@cameoindia.com

11. For effecting changes in address/bank details/ECS (Electronic Clearing Service) mandate; members are requested to notify:

(i) the Registrar & Share Transfer Agent of the Company, viz. Cameo, if shares are held in **physical** form; and

(ii) their respective Depository Participant (DP), if shares are held in **demat** form.

12. Members/Proxies are requested to kindly take note of the following:

(i) copies of Annual Report will not be distributed at the venue of the meeting.

(ii) Attendance Slip, as sent herewith, is required to be brought at the venue duly filled in and signed, for attending the meeting.

(iii) entry to the hall will be strictly on the basis of the entrance slip, which shall be provided at the counters at the venue, in exchange of duly completed and signed Attendance Slips.

(iv) Folio No./DP & Client ID No. may please be quoted in all correspondence with the Company and/or the Registrar & Share Transfer Agent.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out all material facts relating to item no 4 of the accompanying notice:

Item No: 4

As you are aware, the Company has been taken over by a new management. The erstwhile Managing Director and one of the erstwhile promoters of the Company Mr. Mahesh Chandak has resigned as Director of the Company w.e.f. February 6, 2009.

Article 45 of the Articles of Association of the Company provides for Mr. Mahesh Chandak as a permanent Director of the Company. Consequent to the resignation of Mr. Mahesh Chandak and change in the promoter group of the Company, it is proposed to delete Article 45 which gives the names of the permanent Directors of the Company.

As per the provisions of the Companies Act, 1956, any alteration to the Articles of Association of the Company requires approval of Shareholders by means of a Special Resolution. The Special Resolution as setout in the notice is recommended for approval of the shareholders.

None of the Directors of your Company is concerned or interested in the said resolution.

By Order of the Board of Directors

Place: Chennai
Date: June 30, 2009

S. Arun Kumar
Chief Financial Officer and Company Secretary

Brief particulars of Director being appointed/ re-appointed are as under:

Name of the Director	Mr. A. Balasubramanian
Date of Appointment	September 1, 2008
Age	32 years
Qualification	B.A. (Corp. Secretaryship) & MBA (Finance)
Brief profile covering experience, achievements, etc	Over 9 years of experience in Finance and Company Secretarial aspects
Directorships held in other Companies	NIL
Memberships/ Chairmanships of Committees across other Public Companies	NIL
Shares held in the Company	NIL

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the report on the business and operations for the year ended March 31, 2009.

A. Results of operation

Particulars	31.03.2009 (In Rs.)	31.03.2008 (In Rs.)
Operating and Other Income	1,174,946.66	11,021,813.01
Income from Software Services and Products	9,728,200.00	-
Total Income	10,903,146.66	11,021,813.01
Total Expenditure	7,772,374.79	594,462.73
Profit Before Depreciation	3,130,771.87	10,427,350.28
Less: Depreciation	12,426.84	13,614.00
Profit Before Tax	3,118,345.03	10,413,736.28
Less : Provision for Taxation	2,049,671.15	1,224,339.00
Deferred Tax Liability / (Asset)	(677,078.42)	1,853.00
MAT Credit Entitlement	-	(48,344.00)
Profit After Tax	1,745,752.30	9,235,888.28
Less: Transfer to Statutory Reserve	349,150.00	1,847,178.00
	1,396,602.30	7,388,710.28
Add : Balance brought from last year	15,125,326.79	7,736,616.51
Balance Carried to Balance Sheet	16,521,929.09	15,125,326.79
Basic and Diluted Earning per share (in Rs.)	0.36	3.08

B. Management Discussion and Analysis report

Your Company has ceased its operations in relation to investment consulting and other related activities and has recently diversified into activities relating to IT Solutions and Consulting services.

Industry structure and developments *

The year saw a lot of transformations in the Indian Information Technology-Business Process Outsourcing (IT-BPO) sector. The sector has revamped itself to face the challenges presented

by a macro-economic environment which witnessed substantial volatility in commodity prices, inflation, and decline in GDP rates, cross-currency movement, finally culminating in the economic downturn. The Indian economy has also been impacted by the recessionary trends.

The Indian IT industry has displayed resilience and tenacity in countering the unpredictable conditions. Consequently, India has retained its leadership position in the global sourcing market. The industry is expected to witness sustainable growth over a two-year horizon. While the industry has significant headroom for growth, competition is increasing, with a number of countries creating enabling business environments aimed at replicating India's success in the IT industry. Hence, concerted efforts are required by all stakeholders to address the current challenges, to ensure that India realizes its potential, and maintains its leadership position.

India's fundamental advantages - abundant talent and cost are sustainable over the long term. With a young demographic profile, where over 3.5 million graduates and postgraduates are added annually to the talent base, no other country offers a similar mix and scale of human resources. India enjoys a cost advantage of around 60-70 per cent as compared to source markets.

Timely government policies and increased public-private participation have played a key role in developing an enabling business environment for the Indian IT-BPO industry. Establishment of Software Technology Parks of India (STPI) stands out as a seminal policy action, specifically targeted towards encouraging, promoting and boosting the export of software and services from India.

Opportunities and Threats *

It is an observed trend that the global technology companies, in order to reduce the time for introducing new products and services, are increasingly outsourcing their software development and research activities. The size of the opportunity in hand can be gauged from the fact that India currently accounts for just over 4 per cent of worldwide technology related spend. Additionally, growth in global sourcing is estimated to be almost four times that of technology related spend. Your company views this as a major opportunity, as India is the preferred destination for technology outsourcing.

Your Company aims at providing future-proof and future adaptable technologies to its clients. Your Company has the range of expertise and experience spread across various business models and platforms, to exploit the opportunities presented.

Segment-wise performance

Your company has diversified into Information Technology solutions and consultancy business in 2009. Prior to this, your company was carrying on financial services business. Consequent to this diversification, your company has approached RBI for surrender of its registration as a Non Banking Financial Company (NBFC), vide letter dated June 19, 2009. The segment wise performance is as below:

Particulars	Financial Services	Information Technology
	31.03.2009 (in Rs.)	31.03.2009 (in Rs.)
Segmental Revenues (net)	(4,430,225.49)	9,728,200.00
Identifiable operating expenses (including depreciation)	2,500,657.18	2,923,521.27
Segmental operating income	(6,930,882.66)	6,804,678.73
Capital Employed	36,401,801.16	11,298,869.41
Capital Expenditure	-	571,000.00

Future Business Outlook *

While the 2009 outlook for global technology related spending is affected by the recessionary environment, a rebound is expected from 2010 onwards. Worldwide adoption of outsourcing is also expected to rise significantly in the coming years. Sustained demand, robust fundamentals and a supportive business environment will help realise the significant potential the IT-BPO industry offers, both for exports and the domestic market.

During 2008-09, your Company had obtained the rights over the intellectual properties rights (IPRs) of the software developed by Intek Systems Private Limited, Maldives. Using these IPRs, your Company develops customised software in line with the specific requirements of the Clients and the same is implemented at their end. This business is being carried on by a separate division of the Company named Intekk. Your Company currently caters to the needs of the Customers/clients based at Maldives and also plans to venture into other markets like Mauritius, South Africa, U.A.E., Singapore, among others.

Your Company also plans to increase its revenue generation by venturing into IT solutions & IT consulting like logistics, supply chain, product solutions, ERP solutions, etc.

Risks and concerns

Our revenues from Information Technology business are derived in US Dollar while more than 50% of the costs are in Indian rupees. The exchange rate between the rupee and US Dollar has fluctuated significantly in recent years and may continue to fluctuate in the future. Currency fluctuations can adversely affect our revenues and gross margins.

In an economic slowdown, many Companies may reduce or postpone their technology spending significantly. Reduction in spending on IT services may lower the demand for our services and negatively affect our revenues and profitability.

Further, any significant decrease in the growth of the Tourism and resorts industry, on which we currently focus, may reduce the demand for our services and negatively affect our revenues and profitability.

We are favorably positioned due to our quality leadership, our ability to create client loyalty and our expertise in select markets.

* Excerpts from Executive Summary of the Strategic Review 2009, NASSCOM

Internal control systems and their adequacy

The Company adopts strong internal control systems to ensure optimal utilization and protection of assets, timely compliance with the statutory provisions and facilitate accurate and timely compilation of financial statements and other reports to the management. The entire evaluation of internal controls of your company is carried out by the Chief Financial Officer. The Audit Committee on a periodic basis, reviews the adequacy of Internal Control Systems.

Discussion on financial performance with respect to operational performance

Share Capital

During the year 2008-09, the Authorised Share Capital of the Company was increased from Rs. 4 Crores to Rs. 10 Crores comprising One Crore equity shares of Rs. 10/- each.

Paid-up Capital

The Company has a paid-up capital of Rs. 8.68 Crores, an increase of Rs. 5.68 Crores, consequent to the capital raised by the Company via the preferential issue during the Financial year 2008 - 09.

Share Premium

The Company made a preferential issue of shares during December 2008 at a premium of Rs. 40 per share. The balance in the share premium account of Rs. 22.72 Crores represents the premium on the shares issued on preferential basis during the year.

Reserves

The Company has transferred 20% of its Profits during the year to the statutory reserves as per the applicable Norms for NBFCs. The balance in the statutory reserves as on March 31, 2009 is Rs. 41.68 lakhs.

Revenue & Profitability

The Net profit during the financial year 2008-09 was Rs. 17.45 lakhs. This being the first year of operations with regard to the new line of business, your Company believes that with the abundant available opportunities in the market, the profitability of your company would grow manifold.

Your Company had a negative revenue of Rs. 44.30 lakhs from financial services business mainly on account of loss of Rs. 58.78 lakhs sustained due to sale of investments in shares, share trading and equity derivative transactions. The interest earned on loans advanced by your company during the year was Rs. 13.49 lakhs.

The Income from Information Technology business during 2008-09 stood at Rs. 97.28 lakhs.

Other Income of Rs. 56.05 lakhs represents significant portion from interest on Fixed Deposits.

The major component of the expenditure represents employee cost.

Fixed Assets

The company made an addition of Rs. 5.71 lakhs towards fixed assets which represent significant

amount of capital expenditure incurred on purchase of Computers for the new line of business activities of your Company. The depreciation in respect of all assets have been provided in accordance with the requirements of Companies Act, 1956.

Debtors

Sundry Debtors represent amounts due from clients towards Sale of Software Services and Products. Sundry Debtors stood at Rs. 97.28 lakhs as at March 31, 2009.

Cash and Bank Balance

The Cash and Bank balance represents Cash in hand, Bank Balance and amounts placed in Fixed Deposits with Banks. The Cash and Bank balances have increased from Rs. 9.87 lakhs to Rs. 2866.12 lakhs. The increase is primarily on account of the funds raised through the preferential issue, which have been placed in Fixed Deposits. These funds would be deployed for business, at an opportune time.

Loans and Advances

Loans and advances as at March 31, 2009 stood at Rs. 4.39 Crores up from Rs. 3.74 Crores in the previous year. The increase is mainly due to additional loans extended and interest accrued on the same. Also an advance of Rs. 30.90 lakhs has been given to M/s. Intek Systems Private Limited, Maldives ("Intek"), as per the terms of the Business Transfer Agreement entered into with Intek.

Current Liabilities and Provision

Current Liabilities and Provisions as at March 31, 2009 stood at Rs. 67.75 lakhs up from Rs. 17.45 lakhs in the previous year. The increase is mainly due to the provision of Rs. 23.53 lakhs made for Non performing assets. The sundry creditors and other liabilities also increased to Rs. 29.90 lakhs due to increase in the business activities of the Company.

Material developments in Human Resources / Industrial Relations front, including number of people employed

With the available abundant experience and expertise of our employees, your Company believes that Human Resource is the major asset of the Company. The Company has a long term strategy to attract and retain the best talents. Development of human resources will be a key challenge as your Company ventures into the new line of business. As at March 31, 2009, the Company had 61 employees on its rolls.

C. Dividend

In view of the tremendous growth potential in the Information Technology sector, your Directors have decided to utilize the internal accruals for future growth. Hence, your Directors have not recommended any dividend for the financial year 2008 - 09. The Directors believe that this will increase the long-term shareholder value.

D. Change in Management & Directors

Mr. V. M. Veeraraghavan, Mr. Deepak M. Bhattad & Mr. N. C. Rangarajan, resigned as Directors w.e.f. December 19, 2008. Mr. Mahesh Chandak resigned as Managing Director w.e.f. February 6, 2009. Mr. Dwaraka Das Chandak resigned as Director w.e.f. February 6, 2009

Your Company has recently been taken over by a new management.

Mr. K. S. Vaidyanathan & Mr. V. Ganapathi Subramanian were appointed as additional Directors by the Board w.e.f. December 19, 2008. The shareholders have at the Extra-ordinary General Meeting held on May 4, 2009, appointed Mr. K. S. Vaidyanathan & Mr. V. Ganapathi Subramanian as Directors of the Company.

Mr. Srikanth Ramanathan was appointed as Managing Director of the Company for a period of 3 years, w.e.f. February 6, 2009. His appointment as Managing Director was approved by the shareholders at the Extra-ordinary General Meeting held on May 4, 2009. The Company has also made an application to the Central Government seeking its approval under the Companies Act, 1956, for appointment and payment of remuneration to the Managing Director.

Your Company currently has 4 Directors on the Board of which 3 are independent Directors. Mr. Srikanth Ramanathan, Managing Director and one of the promoters of the Company, has around 15 years of diverse experience in the areas of Sales & Marketing, Business Development and Operations, Information & Technology Consulting Services and Administration. He is in charge of the overall operations and day to day Management of the Company.

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr. A. Balasubramanian, Director, retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

E. Increase in share capital

For the purpose of financing the new line of business, your Company came out with a preferential issue of equity shares. Since the shares under the preferential issue was to be allotted to the new promoters which would result in change in control, the new promoter group came out with an open offer in accordance with the requirements of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997. Through the preferential issue, your Company raised funds to the tune of Rs. 28.40 Crores including the share premium.

F. Auditors

Mr. R. R. Rajkumar, Chartered Accountant, Chennai, retires as Auditor of the Company at the forthcoming Annual General Meeting and is eligible for re-appointment. The Directors recommend that Mr. R. R. Rajkumar, be appointed as the Company's auditor to hold office until the conclusion of the next Annual General Meeting. The Company has received confirmation that his appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

G. Directors Responsibility Statement

Your Directors hereby confirm in terms of Section 217(2AA) of the Companies Act, 1956 that:

1. In the preparation of the annual accounts for the year ended March 31, 2009, the applicable accounting standards have been followed;
2. The accounting policies listed in Schedule XII to the Notes on Accounts have been selected and applied consistently and judgements and estimates that are reasonable and prudent made so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year on March 31, 2009 and of the profit of the Company for that year;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. The annual accounts for the year ended March 31, 2009, have been prepared on a going concern basis.

H. Public Deposits

Your Company has not accepted any Public Deposits and as such, no amount on account of principal or interest on Public Deposits was outstanding as on the date of the Balance Sheet.

I. Subsidiaries

Since your Company had no subsidiaries during the financial year 2008-09, provisions of Section 212 of the Companies Act, 1956 is not applicable.

J. Corporate Governance

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, a Corporate Governance Report is made part of this Annual Report.

A certificate from a practising Company Secretary regarding compliance of the conditions stipulated for Corporate Governance under Clause 49 of the Listing Agreement is attached to this report.

The declaration by the Managing Director addressed to the members of the Company pursuant to Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct by the Members of the Board and by the Members of the Senior Management Personnel of the Company is also attached to this Report.

K. Particulars of Employees

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the name and other particulars of the employees are set out in the Annexure to the Director's Report.

L. Conservation of Energy, Technology Absorption and Research & Development

Your Company's power requirements are very minimal. Your Company however takes every possible step to make optimum utilization of energy and avoid unnecessary wastage of power.

Your Company keeps itself updated with the latest technology available in the market. Your Company constantly strives to enhance state-of-the-art development standards to meet the ever growing challenges of the corporate world. Your company aims at providing future-proof and future adaptable technologies to all its clients.

M. Foreign Exchange Earnings and Outgo

Your Company exports software to clients at Republic of Maldives. The Company also plans to venture into other markets like Mauritius, South Africa, U.A.E., Singapore, among others. The Company continuously explores and evaluates opportunities to enter into new markets. The Earnings from these exports are realized in convertible foreign exchange (i.e. US Dollar). The earnings in foreign currency during the current year was Rs. 97.28 lakhs. The total foreign currency expenditure was Rs. 8.84 lakhs.

N. Appreciation

Your Directors wish to place on record their appreciation to all shareholders, customers, suppliers and bankers for their co-operation and support extended to the Company.

Your Directors also place on record their appreciation of the efforts and contribution during 2008-09 of the Company's employees.

For and on behalf of the Board of Directors

A. Balasubramanian
Chairman

Chennai, June 30, 2009

Addendum to Directors Report

Investment in overseas subsidiary

During July 2009, the Company has acquired 100% stake in M/s. Dicetek Sing Pte Limited, Singapore for US\$ 4.5 million. This investment had been approved by the Shareholders under Section 372A of the Companies Act, 1956, at the Extra-ordinary General Meeting held on May 4, 2009. Consequent to this, M/s. Dicetek Sing Pte. Limited, Singapore and its Subsidiaries namely, M/s. Dice Technologies Inc, U.S.A. and M/s. Dicetek LLC., Dubai, have become subsidiaries of the Company with effect from July 28, 2009.

Approval from Ministry of Corporate Affairs

The Company has received approval under Sections 269, 198, 309, 316, 317 and 637AA of the Companies Act, 1956, from the Ministry of Corporate Affairs, New Delhi, vide letter no. SRN A61306718-CL-VII dated August 19, 2009, for appointment of Mr. Srikanth Ramanathan as Managing Director of the Company for a period of 3 years with effect from February 6, 2009 and for payment of remuneration, as approved by the shareholders at the Extra-ordinary General Meeting held on May 4, 2009.

For and on behalf of the Board of Directors

A. Balasubramanian
Chairman

Chennai, August 24, 2009

Particulars of Employee

Annexure to Directors' Report

Information Pursuant to Section 217(2A) of the Companies Act, 1956

- a. Employed throughout the year and in receipt of remuneration aggregating Rs. 24,00,000 or more per annum - NIL
- b. Employed for part of the year and in receipt of remuneration aggregating Rs. 2,00,000 or more per month.

Name	Age (Yrs)	Designation	Gross Remuneration (Rs.)	Qualification	Experience in years	Date of Joining	Previous Employer & Position Held
Mr. Srikanth Ramanathan	39	Managing Director	Rs. 422,581.00	B.Com, MBA	15	February 6, 2009	Duke Consulting, Inc., USA, President

Notes :

Gross Remuneration includes salary, house rent allowance, special allowance, contribution to Provident Fund, Medical reimbursement and other benefits evaluated under Income-Tax Rules.

REPORT ON CORPORATE GOVERNANCE

A. COMPANY'S PHILOSOPHY

Good Corporate Governance is the key to business growth and is also an important tool for investor protection. Good Corporate Governance ensures transparency in all corporate matters and decisions. The Company consistently subjects itself to the highest levels of Corporate Governance and aims at enhancing the value of all stakeholders concerned. Your Company complies with the Corporate Governance requirements set out in Clause 49 of the listing agreement.

B. BOARD OF DIRECTORS

Composition of the Board

The Board currently consists of four members. Other than the Managing Director, all the other members of the Board are Non-Executive and Independent Directors. The Chairman of the Board is a Non-Executive Independent Director.

The Board Members have collective experience in diverse fields like finance, legal and business administration. The Directors are elected based on their qualification and experience in varied fields as well as Company's business needs.

Directorships held during the year

The details of the Directors, as at March 31, 2009 including the details of their other Board Directorship reckoned in line with Clause 49 of the listing agreement, committee membership are given below:

Director	Category	Other Directorships \$	Membership of other Board Committees *
Mr. A. Balasubramanian	Independent & Non-Executive	NIL	NIL
Mr. Srikanth Ramanathan	Promoter & Executive	NIL	NIL
Mr. V. Ganapathi Subramanian	Independent & Non-Executive	NIL	NIL
Mr. K.S. Vaidyanathan	Independent & Non-Executive	NIL	NIL

* Includes only membership in Audit and Investor Grievance Committee

\$ Excludes Alternate Directorships and Directorships of Private Limited Companies and Foreign Companies, wherever applicable.

Board Meetings

The Board of Directors meet at regular intervals with a formal schedule of matters specifically reserved for its attention to ensure that it exercises full control over significant strategic, financial, operational and compliance matters. The Board is regularly briefed and updated on the key activities of the business and is provided with briefings and presentations on other matters concerning the company on a need basis.

Attendance Record of the Directors

Eleven Board Meetings were held during the year from April 01, 2008 to March 31, 2009. The dates on which meetings were held are April 28, 2008, June 28, 2008, July 24, 2008, September 1, 2008, September 18, 2008, October 22, 2008, December 5, 2008, December 19, 2008, January 28, 2009, February 6, 2009 and March 1, 2009. The time gap between any two meetings did not exceed 4 months. The attendance record of all the Directors, during their tenure as Directors of the Company, is as follows:

Director	No. of Board Meetings		Last AGM attendance
	Held	Attended	
Mr. Mahesh Chandak *	10	10	YES
Mr. Dwarakadas Chandak *	10	10	YES
Mr. V. M. Veeraraghavan \$	8	8	YES
Mr. Deepak M. Bhattad \$	8	8	YES
Mr. N. C. Rangarajan \$	8	8	YES
Mr. A. Balasubramanian #	8	8	YES
Mr. K.S. Vaidyanathan @	4	4	N.A.
Mr. V. Ganapathi Subramanian @	4	4	N.A.
Mr. Srikanth Ramanathan &	2	2	N.A.

* Resigned from the Board with effect from February 6, 2009

appointed as Director with effect from September 1, 2008

\$ Resigned from the Board with effect from December 19, 2008

@ appointed as Additional Director with effect from December 19, 2008

& appointed as Managing Director with effect from February 6, 2009

The full details of Directors seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the meeting of the Shareholders.

Membership Term

As per the provisions of the Companies Act, 1956, one-third of the Board members (other than Managing Director) who are subjected to retirement by rotation shall retire every year, and the approval of the shareholders is sought for the re-appointment of the retiring members who are so eligible. The Managing Director is appointed by the shareholders for a maximum period of three years at a time, but is eligible for re-appointment upon completion of the term.

Changes in the Board Constitution

During the year ended March 31, 2009, Mr. V. M. Veeraraghavan, Mr. Deepak M. Bhattad, Mr. N. C. Rangarajan, Mr. Mahesh Chandak and Mr. Dwarkadas Chandak stepped down from their position as Directors. Mr. A. Balasubramanian, Mr. K.S. Vaidyanathan, Mr. V. Ganapathi Subramanian and Mr. Srikanth Ramanathan were appointed as Directors.

Availability of Information to the Board of Directors

In terms of the Corporate Governance philosophy, all statutory and other significant material informations are placed before the Board of Directors to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

Committees of the Board

Various Committees of the Board have been constituted to assist the Board in discharging its responsibilities. There are three Committees constituted by the Board - the Audit Committee, Share Transfer and Investors' Grievance Committee and the Remuneration Committee. The Board at the time of constitution of each committee fixes the terms of reference for the Committee and also delegates powers from time to time. Various recommendations of the Committees are submitted to the Board for approval. The minutes of the meetings of all the Committees are circulated to the Board for its information.

The Quorum for meetings is either two members or one - third of the members of the Committee, whichever is higher.

Shareholding of Directors

The shares held by Directors as on March 31, 2009 are given below:

S.No.	Name(s) the Director(s)	Number of Shares
1	Mr. A. Balasubramanian	NIL
2	Mr. Srikanth Ramanathan	30,000
3	Mr. K.S. Vaidyanathan	NIL
4	Mr. V. Ganapathi Subramanian	NIL

There are no other shares or convertible instruments held by any other Director(s)

The Company does not have Stock Options in Force.

C. AUDIT COMMITTEE

The Company has constituted an Audit Committee comprising of Non-Executive Directors.

The terms of reference of the Committee covers all applicable matters specified under Clause 49 of the Listing Agreements dealing with Corporate Governance and Section 292A of the Companies Act, 1956.

Terms of Reference of the Audit Committee include:

a. A review of:

- Financial statements before submission to the Board
- Draft financial statements and Auditors' Report (before submission to the Board)
- Accounting policies and practices
- Risk management policies and practices
- Compliance with stock exchange and legal requirements concerning financial Statements.
- Related party transactions
- Internal Control systems

b. Recommending the appointment of Auditors and fixing their fee

Composition of the Audit Committee

The Committee currently comprises of Mr. A. Balasubramanian as the Chairman, Mr. K.S. Vaidyanathan and Mr. V. Ganapathi Subramanian as its members.

The composition of the Audit Committee meets the stipulated minimum number of independent Directors. The Company's Chief Financial Officer, and its statutory auditor are permanent invitees to the Committee's meetings. The Company Secretary is Secretary to the Committee.

Meetings of the Audit Committee

There were six meetings of the Audit Committee held during the year on April 28, 2008, June 28 2008, July 24, 2008, September 1, 2008 , October 22, 2008 and January 28, 2009 and not more than four months elapsed between any two meetings.

Attendance of the members to the Audit Committee Meetings

The number of meetings attended by each Director, during their tenure as member of the Audit Committee is as follows:

Director	No. of meetings held	No. of meetings attended
Mr. A. Balasubramanian #	2	2
Mr. K.S. Vaidyanathan @	1	1
Mr. V. Ganapathi Subramanian @	1	1
Mr. V. M. Veeraraghavan *	5	5
Mr. Deepak M. Bhattad \$	4	4
Mr. N. C. Rangarajan *	5	5

Appointed as Member of the Audit Committee with effect from September 1, 2008

@ Appointed as Member of the Audit Committee with effect from December 19, 2008

* Ceased to be Member of the Audit Committee with effect from December 19, 2008

\$ Ceased to be Member of the Audit Committee with effect from September 1, 2008

The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 30, 2008.

D. REMUNERATION COMMITTEE

Remuneration Policy

The Company has set up a Remuneration Committee in accordance with the requirements of Schedule XIII of the Companies Act, 1956 for the purpose of fixation of Remuneration payable to the Managing Director. The Board of Directors has authorised the Remuneration Committee for fixation of the remuneration payable to the Managing Director.

a. For Managing Director

The Remuneration Committee determines the remuneration payable to the Managing Director on the basis of his performance as well as the Company's performance, subject to consents as may be required.

The resolutions for the appointment and remuneration payable to the Managing Director are approved by the shareholders of the Company. The remuneration to the Managing Director consists of a fixed salary and other perquisites. The leave travel allowance is paid as per the Company rules. Provident fund is provided for as per the Company's policy. Wherever applicable, the perquisites are considered a part of remuneration and taxed as per income tax laws.

b. For Non - Executive Directors

The Non-Executive Directors are not paid any remuneration for attending the Board Meetings or any of its Committee meeting. There is no pecuniary relationship or transactions between any of the Non-Executive Directors and the Company.

Composition of the Committee

The Remuneration Committee which was re-constituted on February 6, 2009, currently comprises of Mr. K.S. Vaidyanathan, Mr. V. Ganapathi Subramanian and Mr. A. Balasubramanian all of them are Non-Executive Independent Directors. The Committee deals with all elements of remuneration package of the Managing Director. One meeting of the Remuneration Committee was held during 2008-09, on February 6, 2009.

Attendance of the members to the Remuneration Committee Meeting

Name of the Director	No.of Meetings held	No.of Meetings attended
Mr. A. Balasubramanian	1	1
Mr. V. Ganapathi Subramanian	1	1
Mr. K.S. Vaidyanathan	1	1

E. SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE

The Company's shares are compulsorily traded in dematerialized form.

Composition of the Committee

At present, the Share Transfer and Investors' Grievance Committee functions under the Chairmanship of Mr. A. Balasubramanian, a Non-Executive Independent Director. The other member of the Committee is Mr. Srikanth Ramanathan.

Mr. S. Arun Kumar, Company Secretary is the Compliance Officer of the Company.

Terms of Reference

The terms of reference of the Share Transfer and Investors' Grievance Committee includes transfer of shares, transmission, dematerialization, re-materialization, split of shares, consolidation, issue of duplicate share certificate, etc., and looking into the redressing of shareholders grievances and determining, monitoring and reviewing the standards for resolution of shareholder's grievances.

The Committee also reviews the performance of the Company's Registrar & Transfer Agent (R&TA) M/s. Cameo Corporate Services Limited, and their system of dealing with and responding to correspondence from all categories of shareholders. The manner and timeliness of dealing with complaint letters received from Stock Exchanges/ SEBI / Ministry of Corporate Affairs (MCA) etc., and the responses thereto, are reviewed by this Committee.

During the year 2008-09, the Company has not received any complaints from Shareholders.

Attendance of the members to the Share Transfer and Investors' Grievance Committee Meetings

The number of meetings attended by each Director, during their tenure as members of the Share Transfer and Investors' Grievance Committee is as follows :

Name of the Director	No.of Meetings held	No.of Meetings attended
Mr. Veeraraghavan \$	4	4
Mr. Mahesh Chandak *	10	10
Mr. A. Balasubramanian #	7	7
Mr. Srikanth Ramanathan @	1	1

\$ Ceased to be Member of the Committee with effect from September 1, 2008

* Ceased to be Member of the Committee with effect from February 6, 2009

Appointed as Member of the Committee with effect from September 1, 2008

@ Appointed as Member of the Committee with effect from February 6, 2009

F. GENERAL BODY MEETINGS

The details of Annual General Meetings / Extra-Ordinary General Meetings held since 2006, are given below:

Year	AGM / EGM	Date	Time	Venue	Special Resolutions Passed / Proposed
2009	EGM	May 4, 2009	10.00 A.M.	R.K. Mini Convention Hall 154/313, 3 rd Floor, T.T.K. Road, Royapettah, Chennai - 600 014	<ol style="list-style-type: none"> 1. Appointment of Mr. Srikanth Ramanathan as Managing Director of the Company 2. Increase in Limits for FII Investments 3. Increase in Limits for NRI Investments 4. Investment under section 372A of the Companies Act, 1956.
2008	AGM	September 30, 2008	11.30 A.M.	Hotel Prasan Sandeepha, 97, T.T.K. Road, Alwarpet, Chennai - 600 018	<ol style="list-style-type: none"> 1. Alteration of Articles of Association 2. Preferential issue of Equity Shares 3. Increase in Borrowing Limits u/s 293(1)(d) of the Companies Act, 1956 4. Creation of Mortgage and charges u/s 293(1)(a) of the Companies Act, 1956 * 5. Inter corporate Loans and investments u/s 372A of the Companies Act, 1956 *
2007	AGM	September 27, 2007	11.15 A.M.	Nahar hall, Desa Bandhu Plaza, 47, Whites Road, Royapettah, Chennai - 600 014	NIL
2006	AGM	September 30, 2006	11.30 A.M.	Radha Kunj, G 10A, Salmanthi Street, Brindavan Nagar, Koyembedu, Chennai - 600 092	NIL

All the proposed resolutions, including special resolutions (other than those marked *), were passed unanimously by the shareholders as set out in their respective Notices.

The Special Resolutions marked *, were deferred.

No resolutions were put through postal ballot during the year 2008 - 09.

G. CODE OF CONDUCT

The Board of Directors has approved Code of Conduct, applicable to Directors and to employees of the Company. These are posted on the Company's website. The Company has obtained declarations from all its Directors and employees affirming their compliances with the applicable Code of Conduct. The declaration by the Managing Director under Clause 49 affirming compliance of the code of conduct by all members of the Board and the Senior Management Personnel for the year ended March 31, 2009 is attached to this Corporate Governance report.

I. DISCLOSURES

- No transaction of material nature conflicting with the Company's interest was entered into by the Company with related parties.
- The particulars of transactions between the Company and its related parties, as defined in Accounting Standard 18, is set out in Note 4 to Schedule XII to the financial statements.
- There have been no instances of non-compliance by the Company. During the last three years no penalties or strictures have been imposed on the Company on any matter related to the capital markets by Stock Exchanges or SEBI or any statutory authority.
- Presently the Company does not have a whistleblower policy. No employee has been denied access to approach the Audit Committee to report any serious concerns.
- No differential treatment from the Accounting Standards was followed in the preparation of the financial statements of the Company.
- The Company complies with all mandatory requirements and has also adopted some of the non-mandatory requirements as detailed below.

I. MEANS OF COMMUNICATION

The Company's quarterly financial results, after their approval by the Board of Directors, are promptly issued to all the Stock Exchanges with whom the Company has Listing arrangements. These financial results, in the prescribed format, are published in leading local and national newspapers viz., "The NEWS TODAY" in English and in "MAKKAL KURAL" in Tamil and are also posted on the Company's website viz., www.jaisal.net. Key developments are communicated to the Stock Exchanges, as and when they occur.

A Management Discussion and Analysis Report, forming part of the Directors' Report, is included in the Annual Report.

J. CEO / CFO CERTIFICATION

As required under Clause 49 of the Listing Agreement, a Certificate duly signed by Mr. Srikanth Ramanathan, Managing Director (CEO) and Mr. S. Arun Kumar, Chief Financial Officer & Company Secretary was placed at the meeting of the Board of Directors held on June 30, 2009.

K. CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

Certificate from Mr. Aashish Kumar Jain, Practising Company Secretary, affirming compliance with the conditions of Corporate Governance, is enclosed along with this Annual Report.

L. GENERAL SHAREHOLDER INFORMATION

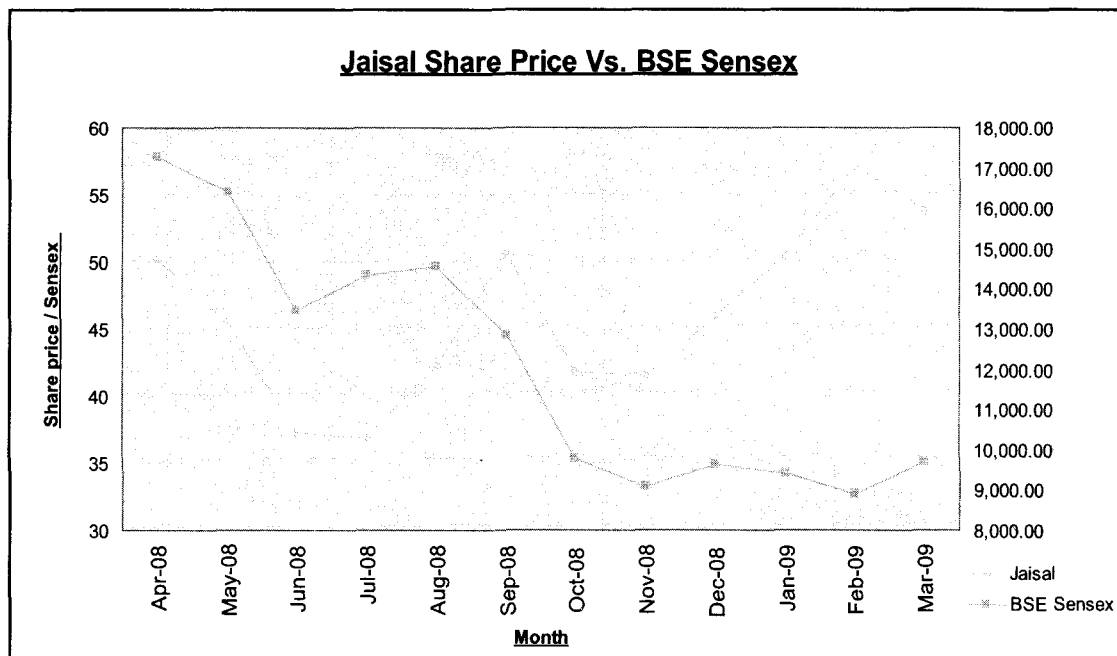
1	Registered Office Address	New No.15, Old No.6, Besant Avenue Adyar, Chennai - 600 020 Tamil Nadu, India
2	15 th Annual General Meeting Date Time Venue	September 23, 2009 10.00 A.M. New No. 15, Old No. 6, Besant Avenue , Adyar, Chennai – 600 020
3	Financial Year	April to March
4	Dates of Book Closure	September 21, 2009 to September 23, 2009 (both days inclusive)
5	Dividend	The Board of Directors has not recommended any dividend for the financial year 2008-09
6	Approval of Financial Result Proposed Quarter Ending June 30 , 2009 Quarter Ending September 30, 2009 Quarter Ending December 31, 2009 Year Ending March 31, 2010	Last Week of July 2009 Last Week of October 2009 Last Week of January 2010 Last Week of June 2010
7	Listing on Stock Exchanges: The Equity Shares of Rs.10/- each are listed at	Bombay Stock Exchange Limited New Trading Ring, Rotunda Building Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai - 400 001, Maharashtra, India Tel : 91-22-2272 1233, 2272 1234, Fax : 91-22-2272 1919 Madras Stock Exchange Limited New No. 30, Second Line Beach Chennai - 600 001 Tel : 91-44-2522 8951 Fax : 91-44-2524 4897
8	Listing Fees	Listing Fees have been paid for all the above stock exchanges for 2009 – 2010

9	Stock Exchange Security Code and other related information	BSE 530885 Depository ISIN INE600D01013 CIN L65921TN1994PLC026958
10	Dematerialization of Shares	The Shares of the Company are available for trading in both the depository systems namely Central Depository Services (India) Limited and National Securities Depository Limited
11	No. of Shares Dematerialized as on 31 st March 2009	7645295 shares; 88.08% of Total shares of the Company
12	Depository Participants for shares	National Securities Depository Limited Trade World, A Wing, 4 th & 5 th Floors Kamala Mills Compound, Lower Parel Mumbai – 400 013 Tel : (022) 2499 4200 Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers 16 th Floor, Dalal Street, Mumbai – 400 001 Tel : (022) 2272 3333

13. Stock Market Price Data & Stock Performance

The high and low of the share prices of the Company and the BSE Sensex is given below:

Month	BSE		BSE Sensex	
	High	Low	High	Low
Apr-08	52.20	50.20	17,480.74	15,297.96
May-08	51.20	45.50	17,735.70	16,196.02
Jun-08	44.60	36.70	16,632.72	13,405.54
Jul-08	37.50	34.90	15,130.09	12,514.02
Aug-08	44.85	36.15	15,579.78	14,002.43
Sep-08	54.30	43.10	15,107.01	12,153.55
Oct-08	50.60	41.90	13,203.86	7,697.39
Nov-08	42.50	39.25	10,945.41	8,316.39
Dec-08	50.25	41.80	10,188.54	8,467.43
Jan-09	50.85	45.10	10,469.72	8,631.60
Feb-09	57.20	51.50	9,724.87	8,619.22
Mar-09	56.10	53.95	10,127.09	8,047.17



14. Registrar and ShareTransfer Agents

Cameo Corporate Services Ltd
 "Subramanian Building"
 No.1, Club House Road
 Chennai – 600 002
 Contact Person : Mr. R.D. Ramasamy, Director
 Tel: 044 – 28460390 / 391 / 392 / 393
 Email: cameo@cameoindia.com

Shareholders are requested to correspond with the Registrar and Share Transfer Agent for transfer / transmission of shares, change of address, queries pertaining to their shareholding at their address given above.

15. Share Transfer System

Share transfers are processed and approved, subject to receipt of all requisite documents. The Company seeks to ensure that all transfers are approved for registration within the stipulated period. With a view to expediting the approval process, the Board of Directors has authorized the Share Transfer & Investors' Grievance Committee to approve the transfer of shares.

16. Distribution of shareholding as on 31st March 2009

Shareholding	No. of Shareholders	% of total shareholders	Number of Shares	% of total shares
Up to 500	307	70.25	63011	0.73
501-1000	44	10.07	36812	0.42
1001-2000	19	4.35	30280	0.35
2001-3000	4	0.92	10563	0.13
3001-4000	6	1.37	21041	0.24
4001-5000	6	1.37	28737	0.33
5001-10000	8	1.83	65374	0.75
10001 and above	43	9.84	8424182	97.05
TOTAL	437	100.00	8680000	100.00

17. Shareholding pattern as on 31st March 2009

Particulars	Number of Shares Held	% of Share holding
A. Promoter Holding		
1. Promoters		
a) Indian Promoters	2470257	28.46
b) Foreign Promoters	30000	0.35
Sub - Total (1)	2500257	28.80
B. Non- Promoter Holding		
2. Institutional Investors		
a) Foreign Institutional Investors (FIIs)	2750000	31.68
Sub - Total (2)	2750000	31.68
3. Others		
a) Private Corporate Bodies	99367	1.14
b) Indian Public (Resident Individuals)	2322376	26.76
c) Non Resident Indians	208000	2.40
d) Overseas Corporate Bodies	800000	9.22
Sub - Total (3)	3429743	39.51
Grand Total (1+2+3)	8680000	100.00

18. Outstanding GDRs / ADRs	None
19. Branch	Kaviraja Towers, 2 nd Floor 1191 – 1194, Trichy Road Coimbatore - 641018
20. Address for correspondence	Mr. S. Arun Kumar Chief Financial Officer & Company Secretary Jaisal Securities Limited New No. 15, Old No. 6, Besant Avenue Adyar, Chennai – 600 020 Tel : 91 44 42187785 / 42187794 Fax: 91 44 42187803 E-mail: sarun@jaisal.net

M. SECRETARIAL AUDIT REPORT

A Qualified Practising Company Secretary has carried out Secretarial Audit every quarter to reconcile the admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares with NSDL and CDSL.

N. DESIGNATED E- MAIL ADDRESS FOR INVESTOR'S COMPLAINTS

In terms of Clause 47(f) of the Listing Agreement, the designated e-mail address for investor's complaints is sarun@jaisal.net

O. NON-MANDATORY REQUIREMENTS

The non mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

Chairman's office

The need for implementing this non-mandatory requirement has not arisen.

Remuneration Committee

The Company has constituted a Remuneration Committee. The Terms of Reference of the Committee have been described elsewhere in the Corporate Governance Report.

Shareholders rights

The quarterly results of the Company are published in newspapers and on the Company's website viz., www.jaisal.net. These results are not sent to shareholders individually.

Audit Qualifications

The auditors have issued an unqualified opinion on the statutory financial statements of the Company.

Training of Board Members/Mechanism for evaluating Non-Executive Directors

All the Non-Executive Directors have rich experience and expertise in functional areas and attend various programmes in their personal capacities that keep them abreast of relevant developments. Consequently, in the opinion of the Board, they do not require any other training. There is no formal system of evaluating individual Directors.

Whistle Blower policy

Presently the Company does not have a whistleblower policy. No employee has been denied access to approach the Audit Committee to report any serious concerns.

P. REQUEST TO INVESTORS

Investors holding shares in physical form are requested to communicate change of address, if any, directly to the share transfer agent of the Company at the above address.

Investors holding shares in electronic form are requested to deal only with their respective depository participant for change of address, nomination facility, bank account number, etc.

For and on behalf of the Board of Directors

Chennai, June 30, 2009

A. Balasubramanian
Chairman

Code of Conduct Certification

To
The Members

The Board of Jaisal Securities Limited has laid down a code of conduct for all Board members and senior management. The code of conduct has been posted on the Company's website viz., www.jaisal.net.

All the Board members and the senior management have affirmed compliance of the code for the financial year 2008-09.

Place: Chennai
Date: June 30, 2009

Srikanth Ramanathan
Managing Director

Certificate on Corporate Governance

To

The Shareholders of
Jaisal Securities Limited

We have examined the compliance of conditions of Corporate Governance by **Jaisal Securities Ltd.**, for the year ended **31st March, 2009**, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreements.

We state that no investor grievances have been received by the Company during the year ended **31st March, 2009**, as per the records maintained by the Company and presented to the Share Transfer & Investors' Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Aashish Kumar Jain & Associates**
Company Secretary in practice

Aashish Kumar Jain
164, Linghi Chetty Street,
2nd Floor, Parrys, Chennai - 1
Membership No.20164
CP No. 7353
Date : 30.06.2009

Auditors Report

To the Members of M/s Jaisal Securities Limited

1. I have audited the attached Balance Sheet of M/s Jaisal Securities Limited (the company) as at March 31, 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto, which I have signed under reference to this report. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I have conducted the audit in accordance with auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, (the Act), I enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to my comments in the Annexure referred to in paragraph 3 above, I report that:
 - (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the 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 appears from my examination of those books;
 - (c) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In my opinion, the Balance sheet and the Profit and Loss account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2009 from being appointed as a Director under Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date;
 - (f) In my opinion and to the best of my information and according to the explanations given to me, the said accounts together with Significant Accounting Policies and Notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2009;
 - (ii) in the case of the Profit and Loss account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

Place: Chennai
Date: 30th June 2009

R.R.Rajkumar
Chartered Accountant
M.No: 209877

Annexure to the Auditors Report:

The Annexure referred to in the auditors report to the members of Jaisal Securities Limited (the Company) for the period ended March 31, 2009. I report that:

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The company has a regular programme of physical verification of its fixed assets. No material discrepancies were noticed on such verification.
2. The Company is a Non Banking Financial Company and has also ventured into Software business primarily rendering information technology services. The Company does not hold any physical inventories. Accordingly, paragraph 4(ii) of the Order is not applicable.
3. The Company has granted unsecured loans to two parties covered in the register maintained under Section 301 of the Companies Act, 1956 and the year end balance loans given to such parties were Rs.133.75 lacs inclusive of interest. According to the information and explanations given, to me, in my opinion, the rate of interest and other conditions of such loans are not prima facie prejudicial to the interest of the company. The repayment of principal and interest are regular and there are no overdues at the year end. The company has not taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under Section 301 of the companies act, 1956.
4. In my opinion and according to the information and explanations given to me, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and the sale of services. The activities of the company do not involve purchase of inventory and the sale of goods. Further on the basis of my examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India, and according to the information and explanations given to me, I have neither come across nor have I been informed of any continuing failure to correct major weaknesses in the internal control system.
5. In my opinion, and according to the information and explanations given to me, the transactions that need to be entered into the register required to be maintained u/s 301 of the Companies Act, 1956, have been so entered and the transactions during the year in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public during the year and consequently, the directive issued by the Reserve Bank of India and the provisions of Sec 58A and 58AA of the Companies Act, 1956, and rule framed there under are not applicable.

7. The company has no internal audit department as such. However, its control procedures ensure reasonable internal checking of its financial and other records which commensurate with the size and nature of its business.
8. As per the information and explanation given to me, the company is not required to maintain cost records as prescribed by the Central Government under the Section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the company. Accordingly, paragraph 4(viii) of the Order is not applicable.
9. According to the information and explanations given to me and on the basis of my examination of the books of accounts, the company, during the year have been regular in depositing, undisputed statutory dues including Income tax, sales tax, service tax, customs duty, cess and other material statutory dues, wherever applicable, with the appropriate authorities.

According to the records of the company and the information and explanations given to me, the following are the particulars of disputed dues on accounts of income tax that have not been deposited as on 31.3.09:

Name of the Statue	: Income Tax Act, 1961
Nature of Due	: Income Tax
Amount	: Rs 4.99 lacs
Period to which amount relates	: 1996 – 1997
Forum where dispute pending	: CIT (Appeals)

According to the records of the company and the information and explanations given to me, there are no dues of sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited with the appropriate authorities on account of any dispute.

10. The company does not have any accumulated losses as at 31st March, 2009 and has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
11. In my opinion and according to the information and explanations given to me, the Company has not availed any loan from Banks, Financial Institutions or issued any debentures.
12. In my opinion and according to the information and explanations given to me, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, paragraph 4(xii) of the Order is not applicable.

13. In my opinion and according to the information and explanations given to me, the company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, paragraph 4(xiii) of the Order is not applicable.
14. In my opinion according to the information and explanations given to me, the company is maintaining proper records of the transaction and contracts about the dealings in securities & investments and has made timely entries in records. The share, securities, debentures and other securities have been held by the company in its own name.
15. According to the information and explanations given to me, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to me, the company has not taken any term loans.
17. In my opinion, the company has not raised any short term funds.
18. The Company during the year had made preferential allotment of shares, however, none of the parties to whom shares were allotted are covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year. Accordingly, paragraph 4(xix) of the Order is not applicable.
20. The Company has not raised any money by public issue during the year. Accordingly paragraph 4(xx) of the Order is not applicable.
21. During the course of my examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to me, I have neither come across any instance of fraud on or by the company, noticed or reported during the year under report nor have I been informed of such case by the management.

Place: Chennai
Date: 30th June 2009

R.R.Rajkumar
Chartered Accountant
M.No: 209877

BALANCE SHEET AS AT 31.03.2009

Particulars	Schedule	As at 31.03.2009 (In Rs.)	As at 31.03.2008 (In Rs.)
I. SOURCES OF FUNDS			
1. SHAREHOLDERS FUNDS			
a. Share Capital	I	86,800,000.00	30,000,000.00
b. Reserves and Surplus	II	247,890,276.09	18,944,523.79
2. LOAN FUNDS			
a. Secured Loans		-	-
b. Unsecured Loans		-	-
3. Deferred Tax Liability (NET)		-	-
Total		334,690,276.09	48,944,523.79
II. APPLICATION OF FUNDS			
1. FIXED ASSETS	III		
Gross Block		571,000.00	236,824.57
Less: Depreciation		2,221.58	174,492.89
Net Block		568,778.42	62,331.68
2. Investments	IV	-	12,228,605.06
3. Deferred Tax Asset		684,561.42	7,483.00
4. Current Assets, Loans & Advances			
a. Current Assets			
Inventories		-	34,707.71
Sundry Debtors	V	9,728,200.00	-
Cash & Bank Balances	VI	286,612,109.14	987,649.87
b. Loans and Advances	VII	43,871,545.96	37,368,926.23
		340,211,855.10	38,391,283.81
Less: Current Liabilities and Provisions	VIII	6,774,918.85	1,745,179.76
Net Current Assets		333,436,936.25	36,646,104.05
5. Miscellaneous Expenditure		-	-
Total		334,690,276.09	48,944,523.79
Significant Accounting Policies and Notes on Accounts	XII		

Schedules referred herein above and annexed hereto form part of the Balance Sheet

As per my Report of even date attached

For and on Behalf of the Board

R. R. RAJKUMAR

SRIKANTH RAMANATHAN

A. BALASUBRAMANIAN

Chartered Accountant

Managing Director

Director

Membership No. 209877

Place : Chennai

S. ARUN KUMAR

Date : June 30, 2009

Chief Financial Officer & Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

Particulars	Schedule	For the year ended 31.03.2009 (In Rs.)	For the Year ended 31.03.2008 (In Rs.)
INCOME			
Operating and Other Income	IX	1,174,946.66	11,021,813.01
Income from Software Services and Products	X	9,728,200.00	-
		10,903,146.66	11,021,813.01
EXPENDITURE			
Operative & Administrative Expenses	XI	5,419,377.99	594,462.73
Provision for Non Performing Assets		2,352,996.80	-
		7,772,374.79	594,462.73
Profit before Depreciation		3,130,771.87	10,427,350.28
Less : Depreciation	III	12,426.84	13,614.00
Profit Before Tax		3,118,345.03	10,413,736.28
Less : Provision for Taxation			
Current Year		2,043,409.27	1,177,370.00
Previous Year		-	43,566.00
Fringe Benefit Tax		6,261.88	3,403.00
Deferred Tax Liability / (Asset)		(677,078.42)	1,853.00
MAT Credit Entitlement		-	(48,344.00)
		1,372,592.73	1,177,848.00
Profit After Tax		1,745,752.30	9,235,888.28
Less: Transfer to Statutory Reserve		349,150.00	1,847,178.00
		1,396,602.30	7,388,710.28
Add : Balance brought from last year		15,125,326.79	7,736,616.51
Balance Carried to Balance Sheet		16,521,929.09	15,125,326.79
Basic and Diluted Earning Per Share (in Rs.)		0.36	3.08
Significant Accounting Policies and Notes on Accounts	XII		

Schedules referred herein above and annexed hereto form part of the Profit & Loss Account

As per my Report of even date attached

For and on Behalf of the Board

R. R. RAJKUMAR
Chartered Accountant
Membership No. 209877

SRIKANTH RAMANATHAN
Managing Director

A. BALASUBRAMANIAN
Director

Place : Chennai
Date : June 30, 2009

S. ARUN KUMAR
Chief Financial Officer & Company Secretary

SCHEDULES

	As at 31.03.2009 (In Rs.)	As at 31.03.2008 (In Rs.)
Schedule I : SHARE CAPITAL		
Authorised 10,000,000 (2008 - 4,000,000) Equity Shares of Rs. 10/- each	100,000,000.00	40,000,000.00
Issued, Subscribed & paid up 8,680,000 (2008 - 3,000,000) Equity Shares of Rs.10/- each	86,800,000.00	30,000,000.00
	86,800,000.00	30,000,000.00
Schedule II : RESERVES & SURPLUS		
Statutory Reserves		
Opening Balance	3,819,197.00	1,972,019.00
Add: Transferred from P&L a/c	349,150.00	1,847,178.00
Closing Balance	4,168,347.00	3,819,197.00
Profit & Loss Account	16,521,929.09	15,125,326.79
Share Premium Account	227,200,000.00	-
	247,890,276.09	18,944,523.79
Schedule IV : INVESTMENTS		
Shares in Indian Companies		
Quoted at Cost	-	11,310,605.06
Unquoted at Cost	-	918,000.00
	-	12,228,605.06
Market Value of the Quoted Securities	-	6,832,619.30
Schedule V : SUNDRY DEBTORS		
Unsecured and Outstanding for less than six months		
(a) Considered Good	9,728,200.00	-
(b) Considered Doubtful	-	-
	9,728,200.00	-
Schedule VI: CASH AND BANK BALANCES		
1. Cash in Hand		
Indian Currency	160,834.80	237,699.28
Foreign Currency	-	11,800.00
2. Balance with Scheduled Banks		
in Current Accounts	3,210,670.34	738,150.59
in Deposit Accounts	283,240,604.00	-
	286,612,109.14	987,649.87

SCHEDULE III : FIXED ASSETS

(In Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2008	Additions	Deletions	As at 31.03.2009	Upto 01.04.2008	For the year	Deletions	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
Air Conditioner	30,000.00	-	30,000.00	-	18,950.50	1,068.75	20,019.25	-	-	11,049.50
Furnitures & Fixtures	101,119.57	14,750.00	101,119.57	14,750.00	90,869.39	4,821.11	95,670.04	20.46	14,729.54	10,250.18
Computers	75,205.00	556,250.00	75,205.00	556,250.00	52,455.00	5,088.99	55,342.87	2,201.12	554,048.88	22,750.00
Safe	26,000.00	-	26,000.00	-	10,818.00	1,234.35	12,052.35	-	-	15,182.00
Fax	4,500.00	-	4,500.00	-	1,400.00	213.64	1,613.64	-	-	3,100.00
Total	236,824.57	571,000.00	236,824.57	571,000.00	174,492.89	12,426.84	184,698.15	2,221.58	568,778.42	62,331.68
Previous year figures	211,707.37	26,605.00	1,487.80	236,824.57	162,366.69	13,614.00	1,487.80	174,492.89	62,331.68	

	As at 31.03.2009 (In Rs.)	As at 31.03.2008 (In Rs.)
Schedule VII: LOANS, ADVANCES AND DEPOSITS		
Advances recoverable in Cash or in kind for value to be received		
Loans - Unsecured & Considered Good	37,959,791.70	35,893,393.36
Advances & Deposits	3,733,671.34	143,213.87
MAT Credit Entitlement	-	618,454.00
SDSSBL - Trading A/c	1,009,131.92	-
Tax Deducted at Source	1,168,951.00	713,865.00
	43,871,545.96	37,368,926.23
Schedule VIII : CURRENT LIABILITIES AND PROVISIONS		
a. Current Liabilities		
Sundry Creditors - Expenses	1,475,838.40	306,864.00
Sundry Creditors - Others	293,750.00	257,700.57
Other Liabilities	1,221,116.50	-
	2,990,704.90	564,564.57
b. Provisions		
Income Tax	2,043,409.27	1,177,370.19
Less: MAT Credit Availed	(618,454.00)	-
	1,424,955.27	1,177,370.19
Fringe Benefit Tax	6,261.88	3,245.00
Provision for Non Performing Assets	2,352,996.80	-
	6,774,918.85	1,745,179.76
Schedule IX : OPERATING AND OTHER INCOME		
(i) OPERATING INCOME		
Income from Forex Dealings		
Sales	1,310,895.80	17,732,998.03
Closing Stock	-	11,800.00
	(A) 1,310,895.80	17,744,798.03
Opening Stock	11,800.00	74,870.00
Purchases	1,288,848.00	17,519,790.30
	(B) 1,300,648.00	17,594,660.30
Income from Forex	(A-B) 10,247.80	150,137.73
Commission & Other Receipts	7,364.54	51,540.46
Profit / (Loss) on Sale of Shares	(143,966.48)	100,443.05
Profit / (Loss) on Open Contract	-	21,575.00
Profit / (Loss) on Futures & Options	(100,966.07)	(759,382.00)
Interest on Loans and Advances	1,349,521.70	4,187,725.00
Profit / (Loss) on Sale of Investments	(5,633,664.98)	7,247,653.77

	As at 31.03.2009 (In Rs.)	As at 31.03.2008 (In Rs.)
Dividend Receipts	81,238.00	22,120.00
	(4,430,225.49)	11,021,813.01
(ii) OTHER INCOME		
Interest on Fixed Deposits	5,547,424.57	-
Profit / (Loss) on Sale of Fixed Assets	(32,126.42)	-
Miscellaneous Income	89,874.00	-
	5,605,172.15	-
(i) + (ii)	1,174,946.66	11,021,813.01
Schedule X: INCOME FROM SOFTWARE SERVICES AND PRODUCTS		
Sale of Computer Software	9,728,200.00	-
	9,728,200.00	-
Schedule XI : OPERATIVE AND ADMINISTRATIVE EXPENSES		
Rent	397,985.86	48,000.00
Rates and Taxes	370,455.00	102,990.37
Salaries, Wages and Bonus	1,796,563.07	183,600.00
Contributions to Provident Fund	55,175.00	-
Repairs and Maintenance - Others	9,552.00	30,554.00
Printing and Stationery	12,737.81	30,197.00
Telephone Expenses	80,737.55	15,585.00
Travelling, Hotel Boarding and Lodging	182,562.38	19,735.00
Vehicle Maintenance and Fuel	23,957.00	15,635.50
Audit and Certification Fee	99,579.00	16,854.00
General Expenses	2,000.00	9,420.01
Electricity Expenses	76,045.85	6,599.00
Consultancy Expenses	1,884,100.00	3,000.00
Advertisement	18,700.00	23,021.00
Registrar and Transfer Agent Fee	27,092.59	26,960.00
Processing Fees	69,664.00	-
Annual Maintenance Contract	5,833.00	-
Books and Periodicals	8,178.00	-
Office Maintenance	34,771.37	8,231.75
Water Expenses	21,023.26	-
Work Permit	24,732.44	-
Food Expenses	72,131.02	-
Bank Charges	12,843.72	21,165.10
Other Expenses	132,958.07	32,915.00
	7,772,374.79	594,462.73

Schedule - XII - Notes to Accounts

1. Background

Jaisal Securities Limited was incorporated in March 1994. The Shares of the Company are Listed on the Bombay and Madras Stock Exchanges.

The Company was initially engaged in Investment Consultancy having its own Portfolio of Investments besides advising Clientele on Investments and other related matters.

The Company was also engaged in the business of Full-Fledged Money Changer (FFMC). During the Financial Year 2008-09, the Company has ceased its activities in relation to Money Changing and has also surrendered its FFMC license to Reserve Bank of India. The Reserve Bank of India has also confirmed the cancellation of the FFMC license vide its letter dated September 18, 2008.

The Company has during the financial year 2008-09, ceased its Operations in relation to Investment Consulting and other related activities and has diversified into activities relating to IT Solutions and Consulting for which it is empowered by its existing Object Clause of Memorandum of Association. Consequent to this, the Company has written to the Reserve Bank of India vide its letter dated June 19, 2009 for surrender of its NBFC license which is subsequent to Balance sheet date (i.e. March 31, 2009).

2. Significant Accounting Policies

a. Basis of preparation of the Financial Statements

The accompanying Financial Statements are prepared and presented under the Historical Cost Convention, on the accrual basis of accounting and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 to the extent applicable. The Financial Statements are presented in Indian Rupees.

b. Use of Estimates

The preparation of the Financial Statements in conformity with the Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amount of Assets, Liabilities (including Contingent Liabilities) as of the date of the Financial Statement and the reported Revenues and Expenses during the reporting period. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

c. Revenue Recognition

i. Revenue from Information Technology Business is primarily derived from Software Development and Related Services. The contracts with the Customers for the implementation of the Customised Software Products and

the Related Services are on Fixed Price basis. Accordingly, the Revenue from the Sale of the Software is recognised when there is no uncertainty as to the measurement or collectability of the consideration. Where there is uncertainty as to measurement or collectability, Revenue Recognition is postponed until such uncertainty is resolved.

- ii. Interest on Fixed Deposits and Interest on Loans and Advances are accounted on accrual basis. In case of Non-performing Assets, the Interest is recognised on actual receipt.
- iii. Dividend and other receipts are accounted when it is received.
- iv. Profit / (Loss) on Sale of Investment is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the investment. Profit / (Loss) on sale of securities held as stock-in-trade is determined based on the weighted average cost of the securities sold. The Profit / (Loss) on stock/index derivative transactions is accounted on final settlement or squaring-up of contracts and the profit / (Loss) is computed as the difference between the settlement/squaring-up price and contract price. As at the balance sheet, there are no open positions in stock/index derivatives.

d. Expenditure

Expenses are accounted on accrual basis. As a matter of prudence, provisions are made for all known losses and liabilities.

e. Fixed Assets and Depreciations

Fixed Assets are stated at cost less accumulated depreciation. The cost of the Fixed Assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on Straight-Line basis from the date the assets have been installed and put to use. In respect of Assets sold, depreciation is provided upto the date of disposal. Depreciation is charged at the rates prescribed in Schedule XIV to the Companies Act, 1956 as given below:

Air Conditioner	4.75%
Furniture & Fixtures	6.33%
Computers	16.21%
Safe	6.33%
Fax	6.33%

All Fixed Assets individually costing less than Rs. 5,000 are fully depreciated in the year of installation.

f. Intangible Assets

The Company does not have any Intangible Assets.

g. Inventories

The securities acquired with the intention of short-term holding and trading positions are considered as Inventories and disclosed as Current Assets. The securities held as Inventories under current assets are valued at cost.

As on the Balance Sheet date, the Company does not have any inventories.

h. Investments

Investments are classified into long term investments and current investments. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments. Long term investments are carried at cost less other than any temporary diminution in value, determined separately for each investment. Current investments are carried at lower of cost or fair value.

As on the balance sheet date, the Company does not have any Investments.

i. Foreign Currency Transactions

Foreign Currency Transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any, arising out of transactions settled during the year are recognised in the Profit and Loss Account. Monetary Assets and Liabilities denominated in Foreign Currencies as at the Balance Sheet date are translated at the closing Exchange Rates on that date. The exchange differences, if any, are recognised in the Profit and Loss Account and related Assets and Liabilities are accordingly restated in the Balance Sheet.

j. Employee Benefits

i. All Short Term Employee Benefits payable including Salaries and other allowances are recognised on accrual basis, in the manner provided in AS - 15.

ii. The Company contributes to a Recognised Provident Fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the Profit and Loss Account.

iii. No provision has been made for leave encashment benefit for the period as the terms of employment does not provide for such obligation on the Company.

iv. The company at present does not have any obligation for payment of

gratuity as none of the employees have completed 5 years of continuous service as prescribed under the Payment of Gratuity Act. Hence, no provision has been made for Gratuity liability for the period

k. Taxation

The accounting treatment for Income-Tax in respect of Company's income is based on the Accounting Standard 22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India.

Income Tax: Provision for current Income-Tax is made on the Taxable Income for the year as is determined in accordance with the provisions of the Income-Tax Act, 1961.

Deferred Tax: Deferred Tax Assets and Liabilities are recognized at substantively enacted Tax Rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Fringe Benefit Tax: Fringe Benefit Tax (FBT) is accounted for on the estimated value of Fringe Benefits for the period as per the related provision of the Income-Tax Act.

l. Earnings Per Share

The Company reports Basic and Diluted Earnings Per Share in accordance with Accounting Standard 20 - Earnings Per Share prescribed by the Companies (Accounting Standards) Rules, 2006. Basic Earnings per Share is computed by dividing the Net Profit After Tax by the weighted average number of Equity Shares outstanding during the year. The Company does not have any outstanding securities convertible into Equity Shares of the Company and hence there is no dilution in the Earnings per Share.

m. Provisions and Contingencies

The Company creates a provision when there is present or legal constructive obligations as a result of a past events, that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

Provisions on unsecured loans for Non-performing Assets have been made in accordance with the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Contingent assets are not recognised in the Financial Statements since this may result in the recognition of income that may never be realised.

n. Share Issue Expenses: Share issue expenses has been debited to the Profit and Loss account based on Management's decision.

o. Cash Flows

Cash Flows are reported using the indirect method, whereby Profit Before Tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash Flows from regular revenue generating, financing and investing activities of the Company are segregated.

3. Segment Reporting

Business Segment

The Company's business is organised and management reviews the performance, based on the business segments as mentioned below:

Business Segment

Activities covered

i) Information Technology

Sale of customised Computer Software and other related Services

ii) Financial Services

Forex, Financing and Share Trading

(in Rs.)

Particulars	Financial Services		Information Technology		Total	
	31.3.2009	31.3.2008	31.3.2009	31.3.2008	31.3.2009	31.3.2008
Revenues (net)	(4,430,225.49)	11,021,813.01	9,728,200.00	-	5,297,974.51	11,021,813.01
Identifiable Operating Expenses (including Depreciation)	2,500,657.18	608,076.73	2,923,521.27	-	5,424,178.42	608,076.73
Segmental Operating Income	(6,930,882.66)	10,413,736.28	6,804,678.73	-	(126,203.93)	10,413,736.28
Unallocated Expenses					2,360,623.18	-
Operating Income					(2,486,827.11)	10,413,736.28

Other Income / Expenses (net)		5,605,172.15	-
Profit Before Tax		3,118,345.03	10,413,736.28
Provision for Tax		1,372,592.73	1,177,848.00
Profit After Tax		1,745,752.30	9,235,888.28

Carrying amount of Segment Assets	38,974,797.96	50,689,703.55	13,978,275.42	-	52,953,073.38	50,689,703.55
Carrying amount of Segment Liabilities	2,572,996.80	1,745,179.76	2,679,406.01	-	5,252,402.81	1,745,179.76
Capital Expenditure	-	26,605.00	571,000.00	-	571,000.00	26,605.00
Depreciation	10,205.26	13,614.00	2,221.58	-	12,426.84	13,614.00

Geographical Segments

In relation to the financial services business, the Company carries on its operation only in India and caters only to the needs of the Indian market.

In relation to the information technology business, the Company's revenues are derived from sale of software products and related services to its clients in the Republic of Maldives

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Expenses which relate to the enterprise as a whole and not allocable to segments on a reasonable basis have been included under the heading "unallocated expenses"

4. Related Party Transactions

i. Party exercising Substantial control

Shripathee Investments Private Limited - Principal Shareholder - Holds 28.46% of the paid up equity share capital of the Company as on March 31, 2009.

ii. Key Managerial personnel

- a. Mr. Mahesh Chandak, Managing Director upto February 6, 2009
- b. Mr. Srikanth Ramanathan, Managing Director w.e.f. February 6, 2009

iii. Relatives of Key Managerial Personnel which whom the Company has transacted

- a. Mr. Bhagwandas Dwarkadas - Father of Mr. Mahesh Chandak, erstwhile Managing Director
- b. Ms. Uma Chandak - Sister of Mr. Mahesh Chandak, erstwhile Managing Director

iv. Companies in which Key Managerial Personnel and their relatives exercise significant influence

Sugal & Damani Share & Stock Broker Private Limited - Mr. Mahesh Chandak, erstwhile Managing Director is an Executive Director.

During the Financial Year, Sugal & Damani Share & Stock Broker Private Limited has merged with Sugal & Damani Finlease Ltd.

(In Rs.)

Nature of Transaction	(i)	(ii)	(iii)	(iv)
Equity contribution (including premium)				
a. Shripathee Investments Private Limited	100,000,000.00 (-)	- (-)	- (-)	- (-)
Loans (Amount Receivable)				
a. Sugal & Damani Share & Stock Broker Private Limited	- (-)	- (-)	- (-)	8,279,234.00 (-157.00)
b. Uma Chandak	- (-)	- (-)	5,096,021.24 (-)	- (-)
Interest Income				
a. Sugal & Damani Share & Stock Broker Private Limited	- (-)	- (-)	- (-)	431,073.00 (366,959.00)
b. Uma Chandak	- (-)	- (-)	61,021.24 (-)	- (-)
Sale of Shares				
a. Uma Chandak	- (-)	- (-)	500,000.00 (-)	- (-)
Remuneration				
a. Mr. Srikanth Ramanathan	- (-)	422,581.00 (-)	- (-)	- (-)
Rent & Office Maintenance				
a. Mr. Bhagwandas Dwarkadas	- (-)	- (-)	18,000.00 (20,000.00)	- (-)

Note: Figures in brackets represent previous year's figures

Trading in Shares & Derivatives have been done through Sugal & Damani Share & Stock Broker Private Limited, where the Managing Director is an Executive Director.

5. Deferred Tax

The primary component that give rise to Deferred Tax Asset / Liability (DTA / DTL) is as follows:

Particulars	2009 (In Rs.)		2008 (In Rs.)	
	DTA	DTL	DTA	DTL
As at 1 st April	7,483.00	-	9,336.00	-
<i>Tax effect of the timing differences on account of:</i>				
a. Difference between Book and Tax Depreciation	-	49,997.59	-	1,853.00
b. Provision for Non-performing Assets	727,076.01	-	-	-
For the year	677,078.42	-	-	1,853.00
As at 31st March	684,561.42	-	7,483.00	-

6. Earnings Per Share

The Basic and Diluted Earning per Share as per Accounting Standard 20 issued by the Institute of Chartered Accountant of India:

Particulars	2009 (In Rs.)	2008 (In Rs.)
Profit / (Loss) After Taxation	Rs. 1,745,752.30	Rs. 9,235,888.28
Weighted average no. of Equity Shares	4820712	3000000
Nominal value of the Equity Shares	Rs. 10	Rs. 10
Basic and Diluted Earnings per Share	Rs. 0.36	Rs. 3.08

7. Foreign Currency Transactions

The Company has undertaken the following transactions in Foreign Currency:

	2009 (In Rs.)	2008 (In Rs.)
Expenditure incurred in Foreign Currency (on accrual basis)		
Operative & Administrative Expenses	884,357.51	-
Income earned in Foreign Currency (on accrual basis)		
Income from Software Services and Products	9,728,200.00	-

8. Managerial Remuneration

	2009 (In Rs.)	2008 (In Rs.)
Salaries	408,304.00	-
Company's Contribution to Provident Fund	12,000.00	-
Perquisites	2,277.00	-
	422,581.00	-

9. Auditors' Remuneration

Auditors' remuneration includes:

	2009 (In Rs.)	2008 (In Rs.)
Statutory Audit Fees	75,000.00	10,000.00
Tax - Audit Fees	-	5,000.00
Certification Fee	15,000.00	-
Service-tax	9,579.00	1,854.00
	99,579.00	16,854.00

10. Contingent Liability

The Company has not provided any liability in respect of the following contested claim:

Name of the Statute	:	Income Tax Act, 1961
Nature of Dues	:	Income Tax
Amount	:	Rs. 4.99 lakhs
Period to which amount relates	:	1996-97
Forum where dispute pending	:	CIT (Appeals)

The Company is of the opinion that the above demand is not sustainable and expects to succeed in its appeal.

11. The Company did not have any outstanding dues to any Micro or Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 at any point during the year that were outstanding for a period of more than 45 days from the date of acceptance.
12. Previous years figures have been regrouped / reclassified wherever necessary. Accordingly, amounts and other disclosure for the previous year are included as an integral part of the current year's Financial Statement and are to be read in relation to the amounts and other disclosures relating to the current year.

13. SCHEDULE TO THE BALANCE SHEET OF A NON DEPOSIT TAKING NON-BANKING FINANCIAL COMPANY

(As required in terms of Paragraph 13 of Non - Banking Financial (Non-deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

(Rs. In Lakhs)

PARTICULARS		As at 31.03.2009	
(1)	<u>Liabilities Side</u>		
	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :	Amount Outstanding	Amount Overdue
	(a) Debentures		
	- Secured	NIL	NIL
	-Unsecured (other than falling within the meaning of Public Deposits *)	NIL	NIL
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans	NIL	NIL
	(d) Intercorporate Loans & Borrowings	NIL	NIL
(e) Commercial Paper	NIL	NIL	
(f) Other Loans	NIL	NIL	
(2)	<u>Assets Side</u>		
	Break-up of loans and Advances including bills receivable (other than those included in (4) below) :		
	(a) Secured	NIL	
(b) Unsecured	379.60		
(3)	Break-up of lease assets and stock on hire and hypothecation loans counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial Lease	NIL	
	(b) Operating Lease	NIL	
	(ii) Stock on hire including hirecharges under sundry debtors:		
	(a) Assets on hire	NIL	
	(b) Repossessed assets	NIL	
	(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	NIL		
(b) Loans other than (a) above			

<p>(4)</p> <p>1</p> <p>2</p>	<p>Break-up of Investments :</p> <p>Current Investments :</p> <p>Quoted :</p> <p>(i) Shares</p> <p>(a) Equity</p> <p>(b) Preference</p> <p>(ii) Debentures and bonds</p> <p>(iii) Units of Mutual funds</p> <p>(iv) Government Securities</p> <p>(v) Others (please specify)</p> <p>Unquoted :</p> <p>(i) Shares</p> <p>(a) Equity</p> <p>(b) Preference</p> <p>(ii) Debentures and bonds</p> <p>(iii) Units of Mutual funds</p> <p>(iv) Government Securities</p> <p>(v) Others (please specify)</p>	<p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p>
<p>1</p> <p>2</p>	<p>Long-term Investments :</p> <p>Quoted :</p> <p>(i) Shares</p> <p>(a) Equity</p> <p>(b) Preference</p> <p>(ii) Debentures and bonds</p> <p>(iii) Units of Mutual funds</p> <p>(iv) Government Securities</p> <p>(v) Others (please specify)</p> <p>Unquoted :</p> <p>(i) Shares</p> <p>(a) Equity</p> <p>(b) Preference</p> <p>(ii) Debentures and bonds</p> <p>(iii) Units of Mutual funds</p> <p>(iv) Government Securities</p> <p>(v) Others (please specify)</p>	<p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p>

(5)	Borrower group-wise classification of assets financed as in (2) and (3) above: *Please see note 2 below			
	Category	Amount of net provisions		
		Secured	Unsecured	Total
1	Related Parties **			
	(a) Subsidiaries	NIL	NIL	NIL
	(b) Companies in the same group	NIL	NIL	NIL
	(c) Other related parties	NIL	NIL	NIL
2	Other than related parties	NIL	379.60	379.60
	Total	NIL	379.60	379.60

(6)	Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted): *Please see note 3 below		
	Category	Market value/ break-up or fair value or NAV	Book value (net of provisions)
1	Related Parties **		
	(a) Subsidiaries	NIL	NIL
	(b) Companies in the same group	NIL	NIL
	(c) Other related parties	NIL	NIL
2	Other than related parties	NIL	NIL
	Total	NIL	NIL
	** As per Accounting Standard of ICAI (Please see Note3)		

(7)	Other information	Amount
	Particulars	
	(i) Gross non-performing assets	
	(a) Related Parties	NIL
	(b) Other than related parties	235.30
	(ii) Net non-performing assets	
	(a) Related Parties	NIL
	(b) Other than related parties	211.77
	(iii) Assets acquired in satisfaction of debts	NIL

Signature to Schedules I to XII

As per my Report of even date attached

For and on Behalf of the Board

R. R. RAJKUMAR**SRIKANTH RAMANATHAN****A. BALASUBRAMANIAN**

Chartered Accountant

Managing Director

Director

Membership No. 209877

Place : Chennai

S. ARUN KUMAR

Date : June 30, 2009

Chief Financial Officer & Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009

Particulars	31.03.2009 (In Rs.)	31.03.2008 (In Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	3,118,345.03	10,413,736.28
Adjustments for		
Depreciation	12,426.84	13,614.00
Interest on tax	37,426.17	-
Provision for Non Performing Assets	2,352,996.80	-
(Profit) / Loss on sale of Investments	5,633,664.98	(7,247,653.77)
(Profit) / Loss on sale of Fixed assets	32,126.42	-
Interest on Fixed Deposits	(5,547,424.57)	-
Dividend Income	(81,238.00)	(22,120.00)
Operating Cash Flow Before Working Capital Changes	5,558,323.67	3,157,576.51
Adjustments for		
(Increase) / Decrease in Loans and Advances	(6,665,988.09)	(3,154,227.87)
(Increase) / Decrease in Sundry Debtors	(9,728,200.00)	-
(Increase) / Decrease in Stock in trade	34,707.71	4,360.99
Increase / (Decrease) in Current Liabilities and Provision	2,426,140.33	(1,887,762.07)
Cash generated from / (used in) operations	(8,375,016.38)	(1,880,052.44)
Income Taxes paid during the year	(1,673,127.00)	(1,595,575.00)
Net cash generated from / (used in) operating activities during the year - A	(10,048,143.38)	(3,475,627.44)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(571,000.00)	(26,605.00)
Proceeds from sale of fixed assets	20,000.00	-
Sale / (purchase) of Investments	6,594,940.08	1,933,371.30
Dividend Income	81,238.00	22,120.00
Interest on Fixed Deposits	5,547,424.57	-
Net cash generated from / (used in) investing activities during the year - B	11,672,602.65	1,928,886.30

Particulars	31.03.2009 (In Rs.)	31.03.2008 (In Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital including premium	284,000,000.00	-
Net cash generated from financing activities during the year - C	284,000,000.00	-
Net increase / (decrease) in cash and cash equivalents (A + B + C)	285,624,459.27	(1,546,741.14)
Cash and Cash Equivalent as at the beginning of the year	987,649.87	2,534,391.01
Cash and Cash Equivalent as at the end of the year (Refer Note 1)	286,612,109.14	987,649.87

- Note: 1. Cash and Cash Equivalents represent Cash, Balances with Banks in Current Account and Fixed Deposits placed with Banks
2. Figures in brackets indicate Cash outgo
3. Figures for the previous year have been regrouped / rearranged wherever found necessary

As per my Report of even date attached

For and on Behalf of the Board

R. R. RAJKUMAR
Chartered Accountant
Membership No. 209877

SRIKANTH RAMANATHAN
Managing Director

A. BALASUBRAMANIAN
Director

Place : Chennai
Date : June 30, 2009

S. ARUN KUMAR
Chief Financial Officer & Company Secretary

**BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE AS REQUIRED
UNDER PART IV OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956**

I.	Registration Details	Regd. No. & State Code	2	6	9	5	8			1	8				
	Balance Sheet Date				3	1	0	3	2	0	0	9			
II.	Capital Raised During the Year (Rs. In '000s)	Public Issue										NIL			
		Right Issue										NIL			
		Bonus Issue										NIL			
		Private Placement				2	8	4	0	0	0				
III.	Mobilisation and Deployment of Funds (Rs. In '000s)	Total Liabilities				3	3	4	6	9	0				
		Total Assets				3	3	4	6	9	0				
		Paid up Capital					8	6	8	0	0				
		Reserves & Surplus					2	4	7	8	9	0			
		Secured Loans										NIL			
		Unsecured Loans										NIL			
		Net Fixed Assets									5	6	9		
		Investments											NIL		
		Net Current Assets					3	3	3	4	3	7			
		Deferred Tax Asset									6	8	4		
		Miscellaneous Expenditure											NIL		
		Accumulated Losses											NIL		
IV.	Performance (Rs. In '000s)]	Turnover								1	0	9	0	3	
		Total Expenditure									7	7	8	4	
		Profit / Loss Before Tax									3	1	1	8	
		Profit / Loss After Tax										1	7	4	6
		Earning Per Share in Rs.										0		3	6
		Dividend Rate %													NIL
V.	Generic Names														
1	Item Code No.(ITC Code)		N A												
2	Product Description		I N V E S T M E N T S												
3	Item Code No.(ITC Code)		N A												
4	Product Description		F O R E X												
5	Item Code No.(ITC Code)		N A												
6	Product Description		C O M P U T E R S O F T W A R E												
			S E R V I C E S												

For and on Behalf of the Board

SRIKANTH RAMANATHAN
Managing Director

A. BALASUBRAMANIAN
Director

Place : Chennai
Date : June 30, 2009

S. ARUN KUMAR
Chief Financial Officer & Company Secretary

JAISAL SECURITIES LIMITED
Regd. Office : New No. 15, Old No. 6, Besant Avenue, Adyar, Chennai - 600020
ANNUAL GENERAL MEETING

ADMISSION SLIP

Please hand over this admission slip at the entrance of meeting hall

I hereby record my presence at the Annual General Meeting of the Company held at the registered office of the Company at New No. 15, Old No. 6, Besant Avenue, Adyar, Chennai - 600 020 on Wednesday, September 23, 2009 at 10.00 A.M.

Name of the Member (in block letters): _____

Name of the Proxy: _____
(To be filled in if the proxy attends instead of the member)

Folio No. / DP ID & Client ID: _____

No of Shares held: _____

Signature of the Member / Proxy

JAISAL SECURITIES LIMITED
Regd. Office : New No. 15, Old No. 6, Besant Avenue, Adyar, Chennai - 600020
ANNUAL GENERAL MEETING

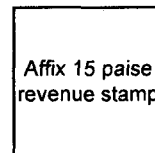
PROXY FORM

I/Weof.....
in the district ofbeing a Member of JAISAL SECURITIES LIMITED
hereby appointof..... in the district
of or failing
himof..... in the
district of as my / our Proxy to vote for me
/ us and on my / our behalf at the Annual General Meeting of the Company to be held on
Wednesday, September 23, 2009 and at any adjournment thereof.

Signed this..... day of.....

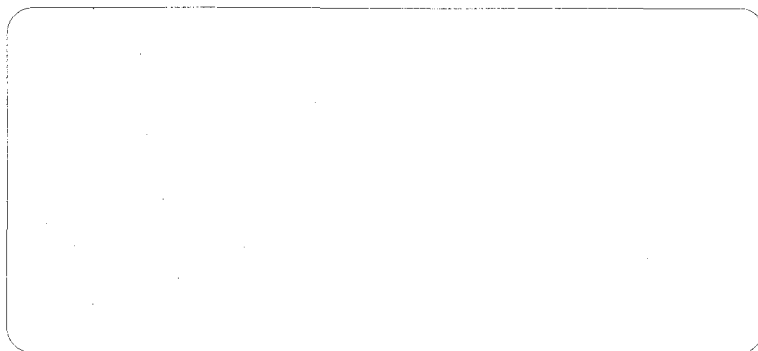
Folio No / DP Id & Client ID

Number of shares held



Signature

Book Post



If undelivered please return to :

**JAISAL SECURITIES LIMITED
New No : 15 (Old No : 6), Besant Avenue,
Adyar, Chennai - 600 020 INDIA**