

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

SIXTEENTH ANNUAL REPORT 2008 - 2009

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

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



SUGAL & DAMANI SHARE BROKERS LIMITED

(Formerly known as Sugal & Damani Finlease Limited)
REGISTERED OFFICE: 'CITY CENTRE PLAZA', 1 FLOOR
7, ANNA SALAI, CHENNAI – 600 002

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE SIXTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD AT REGISTERED OFFICE OF THE COMPANY AT CITY CENTRE PLAZA, 1 FLOOR, 7, ANNA SALAI, CHENNAI – 600 002, ON SATURDAY, 25TH JULY, 2009, AT 11 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31.03.2009 and Profit & Loss account for the period ended on that date and the reports of directors and auditors thereon.
2. To appoint a director in place of Shri S. Kannadasan who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Shri P.J. Sreedharan who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditor to hold the office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

In this connection, the Company has received intimation from M/s. S.L. Gadhiya & Co., Chartered Accountants, to the effect that they are unwilling to be reappointed as Statutory Auditors of the Company at the ensuing 16th Annual General Meeting. In this regard it is proposed to consider and if thought fit, to pass with or without modification the following resolution as ordinary resolution based on a special notice received under Section 190 of the Act from a member of the company.

“RESOLVED THAT Mr. R. Mugunthan, Chartered Accountant, be and is hereby appointed as Statutory Auditor of the Company in place of M/s. S.L. Gadhiya & Co., Chartered Accountants, the retiring Statutory Auditors, to hold the office till the conclusion of the next Annual General Meeting of the Company, on such terms and conditions and on such remuneration as may be decided by the Board.

“RESOLVED FURTHER THAT the appointment shall be in accordance with the limits specified in sub-section 1(B) of Section 224 of the Companies Act, 1956.”

SPECIAL BUSINESS:

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



"RESOLVED THAT Shri S. Vinodh Kumar Jain, who was appointed as an Additional Director by the Board of Directors with effect from 24.10.2008 and who holds office as such up to the date of Sixteenth Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri S. Vinodh Kumar Jain as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Shri Mahesh B. Chandak, who was appointed as an Additional Director by the Board of Directors with effect from 24.10.2008 and who holds office as such up to the date of Sixteenth Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri Mahesh B. Chandak as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation."

By Order of the Board
For Sugal & Damani Share Brokers Limited
N. Sugalchand Jain
(Managing Director)

Place: Chennai

Date: 28th May, 2009

Notes:

- 1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and a proxy need not be member of the Company.**
2. The instrument appointing proxy should be deposited at the Registered Office of the Company at City Centre Plaza, (I Floor), 7, Anna Salai, Chennai - 600 002, not less than forty eight hours before the commencement of the meeting.
3. The Register of Members and the share transfer books of the Company will remain closed from 21.07.2009 to 25.07.2009 (both days inclusive).
4. Members are requested to intimate to the Company their change of address, if any.
5. Members are requested to bring with them their copy of the Annual Report to the meeting.
6. Members/Proxies are requested to bring the attendance slip, duly filled in and signed, and hand over the same at the entrance of the hall.



7. Queries relating to the accounts or other items on the Agenda are to be forwarded to reach the Registered Office of the Company at City Centre Plaza (I Floor), 7, Anna Salai, Chennai - 600 002, on or before 19.07.2009.
8. Members, who are holding shares in identical order of names in more than one folio, are requested to write to the Company to consolidate their holdings in one folio.
9. All documents referred to in the above Notice are open for inspection at the Registered office of the Company between 11.00 A.M and 1.00 P.M. on all working days including the date of meeting.
10. As per Sections 205A and 205C of the Companies Act, 1956, the dividends unclaimed relating to the years 1996-97 and 1997-98 were transferred on 28.01.2005 and 24.11.2005 respectively to the Investor Education and Protection Fund. Members who have not encashed the dividend warrants for the financial year 1994-1995 are requested to claim from the Registrar of Companies, Tamilnadu, Shastri Bhavan, No.26, Haddows Road, Chennai - 600 006, since the unclaimed dividend relating to the financial year 1994-1995 had been transferred to the General Revenue Account of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956.
11. In case of joint holders, if more than one holder intends to attend the meeting, they must obtain additional admission slips on request from the Registered Office of the Company.
12. As per the provisions of the Companies Act, 1956, the facility for making nominations is now available to the shareholders in respect of the equity shares held by them. Members who desire to avail of this facility may send their requisite nomination in the prescribed Form 2B, duly filled in and signed, to the Company. The facility would be made available folio wise to individual shareholders, including joint holders.
13. The shares of the Company are eligible to be held in dematerialised form in Central Depository Services (India) Limited and National Securities Depository Limited.
14. Members are requested to send all communications relating to change of address, physical shares for transfer/demat, etc. direct to the Registrars and Share Transfer Agents, M/s. Cameo Corporate Services Limited, 'Subramanian Building' (Vth Floor), No.1, Club House Road, Chennai - 600 002.
15. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956,
ANNEXED TO THE NOTICE DATED 28.5.2009

Item No. 4

The Company's Auditors, M/s. S.L. Gadhiya & Co., Chartered Accountants, retire at the Annual/General Meeting of the Company to be held on 25th July, 2009. However, M/s. S.L. Gadhiya & Co. have intimated to the Company to the effect that they are unwilling to be reappointed as Statutory Auditors of the Company at the 16th Annual General Meeting due to their other commitments.

The Company has received a special notice under sections 190 & 225 of the Companies Act, 1956 from one of the members of the Company proposing a resolution to appoint Mr. R. Mugunthan, Chartered Accountant, Chennai as Statutory Auditor of the Company as a result of vacancy caused due to inability to continue as expressed by the retiring auditors, M/s. S.L. Gadhiya & Co.

In view of the above and based on the recommendations of the Audit Committee, the Board of Directors has at its meeting held on 28.05.2009 proposed the appointment of Mr. R. Mugunthan, Chartered Accountant, as the Statutory Auditor in place of M/s. S.L. Gadhiya & Co. for the financial year 2009-2010.

Hence item 4 is placed before the members for their approval. None of the Directors is concerned or interested in the resolution.

Item No. 5

The Board of Directors of the Company appointed Shri S. Vinodh Kumar Jain as Additional Director with effect from 24.10.2008. Under Section 260 of the Companies Act, 1956 read with Article 80 of the Articles of Association of the Company, Shri S. Vinodh Kumar Jain holds office only till the date of the forthcoming Annual General Meeting. A notice has been received from a member as required under Section 257 of the Companies Act, 1956 together with requisite deposit proposing Shri S. Vinodh Kumar Jain as a candidate for the office of Director.

Shri S. Vinodh Kumar Jain (aged about 39 years) is a Commerce graduate.

He has to his credit about 10 years' experience in Share broking.

He is a Director of other Companies as under:

1. Sugal Finance P. Ltd
2. Sugal & Damani Agro Farms P. Ltd
3. SDN Farm Developers P. Ltd
4. Siyat Property P. Ltd



5. SDN Housing & Resorts P. Ltd
6. SDN Agro Farms Ltd
7. Singhvi Property P. Ltd
8. Steadfast Solutions P. Ltd
9. Sugal Share Credits P. Ltd
10. Ankur Foundations P. Ltd
11. Ansu Builders P. Ltd
12. Sugal Commodity Brokers P. Ltd
13. Srishti Warehousing P. Ltd
14. Snazzy Properties P. Ltd
15. Padmavathi Developers P. Ltd
16. Spine Properties P. Ltd

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

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

Item No. 6

The Board of Directors of the Company appointed Shri Mahesh B. Chandak as Additional Director with effect from 24.10.2008. Under Section 260 of the Companies Act, 1956 read with Article 80 of the Articles of Association of the Company, Shri Mahesh B. Chandak holds office only till the date of the forthcoming Annual General Meeting. A notice has been received from a member as required under Section 257 of the Companies Act, 1956 together with requisite deposit proposing Shri Mahesh B. Chandak as a candidate for the office of Director.

Shri Mahesh B. Chandak (aged about 44 years) is a Fellow Member of the Institute of Chartered Accountants of India.

He has to his credit over 10 years' experience in Share broking.

He is a Director of other Companies as under:

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



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

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

All documents referred to in this Explanatory statement are open for inspection at the Regd. office of the Company between 11.00 a.m. and 1.00 p.m. on all working days including the date of meeting.

By Order of the Board
For Sugai & Damani Share Brokers Limited
N. Sugalchand Jain
(Managing Director)

Regd. Office:
'City Centre Plaza', I Floor
No. 7, Anna Salai,
Chennai – 600 002
Date: 28th May, 2009



PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE, FOLLOWING INFORMATION ARE FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE REAPPOINTED/APPOINTED VIDE ITEMS NO. 2, 3, 5 AND 6 OF THE NOTICE DATED 28.05.2009.

Name of the Director	Shri S. Kannadasan	Shri P.J. Sreedharan	Shri S. Vinodh Kumar Jain	Shri Mahesh B. Chandak
Date of Birth	01.07.1966	06.03.1947	18.09.1969	15.06.1964
Date of appointment on the Board as Director	21.01.2006	26.01.2004	24.10.2008	24.10.2008
Date of last reappointment as Director	---	29.07.2006	---	---
Expertise in specific functional areas	Experience for over a decade in Finance & Taxation.	Practising Chartered Accountant with over 3 decades of experience in Taxation and Finance	About 10 years in share broking	Over 10 years in share broking
Qualification	A.C.A.	F.C.A	B.Com	F.C.A
List of outside Directorships held	Nil	Embee Consultants P. Ltd	<ol style="list-style-type: none"> 1. Sugal Finance P. Ltd 2. Sugal & Damani Agro Farms P. Ltd 3. SDN Farm Developers P. Ltd 4. Siyat Property P. Ltd 5. SDN Housing & Resorts P. Ltd 6. SDN Agro Farms Ltd 7. Singhvi Property P. Ltd 8. Steadfast Solutions P. Ltd 9. Sugal Share Credits P. Ltd 10. Ankur Foundations P. Ltd 11. Ansu Builders P. Ltd 12. Sugal Commodity Brokers P. Ltd 13. Srishti Warehousing P. Ltd 14. Snazzy Properties P. Ltd 15. Padmavathi Developers P. Ltd 16. Spine Properties P. Ltd 	<ol style="list-style-type: none"> 1. Prithvi Finsec Ltd 2. Sugal Commodity Brokers P. Ltd 3. Sugal Share Credits P. Ltd 4. Swasthik Lotteries P. Ltd



Chairman / Member of the Committees of Board of Directors of the Company	Chairman of Shareholders / Investors Grievance Committee Chairman of Audit Committee Chairman of Remuneration Committee	Member of Audit Committee Member of Remuneration Committee	Nil	Nil
Chairman / Member of the Committees of the Board of Directors of other Companies in which he is a Director	Nil	Nil	Nil	Nil
Relationship between Directors inter-se	Nil	Nil	Son of Shri N. Sugachand Jain, Managing Director	Nil

Note: Shri S. Kannadasan and Shri P.J. Sreedharan, non-executive Directors, do not hold any shares in the Company.



DIRECTORS' REPORT

Your Directors would like to present the Sixteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2009. The financial highlights of your Company for the year 2008-2009 are as follows:

	2008-09 (Rupees in Lakhs)	2007-08 (Rupees in Lakhs)
Gross Income	620.08	67.98
Profit/(Loss) before Interest, depreciation and Tax	47.12	47.88
Less: Interest	78.74	15.04
Less: Depreciation	15.47	0.14
Net Profit/(Loss) before Tax	(47.09)	32.70
Less: Tax and other prior period adjustment	4.58	10.43
Net Profit/(Loss) for the period after prior period adjustment	(51.67)	22.27
Add: Profit/(Loss) brought forward from the previous year	71.55	45.17
Profit/(Loss) available for appropriation	19.88	67.44
Less: Transfer to Special Reserve as per RBI Directions	-	4.45
Profit/(Loss) carried forward	19.88	62.99

The Company's operations resulted in loss for the year 2008-2009. Your directors are not in a position to recommend any dividend on the equity share capital of the Company for the year ended 31.3.2009.

AMALGAMATION OF SUGAL & DAMANI SHARE & STOCK BROKERS P. LTD., AND TWO OTHER COMPANIES WITH THE COMPANY

Sugal & Damani Share & Stock Brokers P. Ltd., Sugal & Damani Securities (Madras) P. Ltd. and Sugal & Damani (Chennai) Share Broking Ltd. (hereinafter referred to as the Transferor Companies) have been amalgamated with the Company (hereinafter referred to as the Transferee Company). The Scheme of Amalgamation was approved by the Hon'ble High Court of Judicature at Madras vide its order dated 12.09.2008. The Scheme became effective on 08.10.2008, the appointed date of the Scheme being 01.04.2007.

In accordance with the Scheme of Amalgamation, the name of the Company was changed from 'Sugal & Damani Finlease Limited' to 'Sugal & Damani Share Brokers Limited' as per fresh Certificate of Incorporation issued by the Registrar of Companies, Tamilnadu, Chennai, on 23.12.2008.



Since the appointed date under the Scheme is 01.04.2007, it has become necessary to present the consolidated accounts after amalgamation.

When the Scheme became fully effective, the Authorised Share Capital of the Transferor Companies stood combined with the Authorised Share Capital of the Transferee Company. Accordingly, the Authorised Share Capital of the Company is Rs. 9,05,00,000/- (Rupees Nine Crore Five Lakhs only) divided into 90,50,000 equity shares of Rs. 10/- each.

Allotment of 32,50,007 shares to the members of the erstwhile Transferor Companies i.e., members of promoter group, pursuant to the Scheme of Amalgamation was made on 20.11.2008. Accordingly, the paid up capital of the Company stood increased from Rs. 3,00,00,000/- to Rs. 6,25,00,070/-. The newly allotted shares were also listed on Bombay Stock Exchange w.e.f. 12.12.2008.

Consequent upon the amalgamation, the shareholding of the promoter group has undergone change as under:

Pre-amalgamation: 6,02,985 shares (20.10%)

Post-amalgamation: 38,52,992 shares (61.65%)

On Amalgamation, the Company has obtained Trading Membership of NSE and BSE.

For the purpose of getting SEBI Registration as a Trading Member of MSE, Dealer of OTCEI and Depository Participant of CDSL, the Company has completed all the formalities and is awaiting the Registration Certificates from SEBI.

MANAGEMENT DISCUSSION AND ANALYSIS

(a) Industry Structure and Developments

There are a large number of share brokers in the country and as such the industry structure is fragmented. There are few large share broking companies having major share of trading volumes/clientele. Due to the substantial decline in indices in the secondary market the volumes of most of the brokers have declined during the financial year 2008-09. Due to subdued market conditions not many mergers and acquisitions took place in the share broking industry. Most of the brokers have increased the number of franchisees as it helps increase in income without much of fixed expenses.



(b) Opportunities and Threats

In the recent few months, the market indices have appreciated by nearly 50% primarily driven by FII investment inflows. Market participants are therefore expecting improvement in sentiments. If this trend continues the retail segment also may re-enter the secondary market. This presents good opportunity for the company. The company has obtained SEBI approval for operating Portfolio Management Services (PMS).

On the other hand, if the sentiment changes adversely due to unfavourable trends in the US market or any other factors then the volume of business would be affected.

(c) Segment-wise or Product-wise Performance

During the financial year ended March 31, 2009 the company operated only in one segment of business viz, share broking.

(d) Outlook

The outlook for the company is totally dependent on the market trends. If the secondary market revives, the outlook would be positive for the company. The sharp fall in commodity prices including crude prices which reduced to around \$40/barrel levels helped in fall in inflation. Domestically, the markets would be driven by the sentiments pursuant to the elections and it would to a large extent depend on the policies of the new Government. Corporate results of many companies are awaited. The sentiment would be also impacted by the results shown by the companies. Falling inflation, less pressure to tighten monetary policy and a bounce back in economic and corporate sector profit growth over the next couple of years would help in the revival of secondary market.

During the financial year ended March 2009 the company became a member of the Currency Futures segment of NSE. The company would be launching the PMS Scheme soon. These measures would augment the revenue of the company.

(e) Risks and Concerns

Share broking companies face the inherent risk of client defaults which is tackled with appropriate measures, checks and balances.

Due to competitive market conditions, overall there is decline in broking charges. Increase in client base accompanied by increase in trading volumes is required to improve the overall income.



(f) Internal Control Systems and their adequacy

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

(g) Financial Performance

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

(h) Human Resources/Industrial Relations

After amalgamation of Sugul & Damani Share & Stock Brokers P. Ltd. and other two companies with the Company, the number of people employed has become 60 and the employer-employee relations have been cordial throughout the year.

DEPOSITS

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

RBI CERTIFICATE OF REGISTRATION

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

DIRECTORATE

Shri S. Kannadasan and Shri P.J. Sreedharan, Directors, retire by rotation and, being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

Shri P. Jayaraman, Shri P. Lalith Kumar Jain and Shri K.S. Kannan, Directors, resigned from the Board with effect from 26.07.2008, 24.10.2008 and 30.01.2009 respectively. The Board places on record its appreciation of services rendered by the above named directors during their tenure.

Shri S. Vinodh Kumar Jain and Shri Mahesh B. Chandak were appointed as Additional Directors at the Board Meeting held on 24.10.2008. The two Additional Directors are eligible for appointment as Directors at the ensuing Annual General Meeting. Accordingly, it is proposed to appoint them as Directors at the ensuing Annual General Meeting

Shri S. Vinodh Kumar Jain and Shri Mahesh B. Chandak were also appointed as Whole time Directors designated as Executive Directors at the Board Meeting held on 24.10.2008 and the shareholders'



approval for the appointment of the two Whole time Directors and remuneration payable to them was obtained at the Extra-ordinary General Meeting held on 27.11.2008.

Shri P.J. Sreedharan was appointed as Chairman of the Board at the Board Meeting of 30.01.2009.

There was no other change in the directorate during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
 - (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2009 and of the profit / loss of the Company for that year;
 - (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- and
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

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

LISTING WITH STOCK EXCHANGE

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



AUDITORS

M/s. S. L. Gadhiya & Co, Chartered Accountants, Chennai, are the retiring auditors. They have expressed their unwillingness to be reappointed as Statutory Auditors at the forthcoming Annual General Meeting due to their other commitments.

The Company has received a Special Notice from a shareholder proposing Mr. R. Mugunthan, Chartered Accountant, Chennai, for appointment as Statutory Auditor, in place of M/s. S. L. Gadhiya & Co. at the ensuing Annual General Meeting. Mr. R. Mugunthan, Chartered Accountant, Chennai, has sent his consent to act as Statutory Auditor of the Company.

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

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

PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGMENT

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

By order of the Board
For Sugals & Damani Share Brokers Limited
N. Sugalchand Jain
Managing Director

Mahesh B. Chandak
Executive Director

Place: Chennai
Date: 28.05.2009



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

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

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

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



ANNEXURE TO DIRECTORS' REPORT

CORPORATE GOVERNANCE

(A) MANDATORY REQUIREMENTS:

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

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

2) BOARD OF DIRECTORS

Presently, your Board consists of 8 Directors, out of which 5 are non-executive Directors. Thus, the number of Non-executive Directors is more than 50% of the total number of Directors. The Company has a Non-executive Chairman. There are 3 Independent Directors.

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

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

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

Above information as on 31st March, 2009 is tabulated hereunder:

Director	No. of Board Meetings attended	Attendance at previous AGM on 26.07.2008	No. of outside Directorships held	No. of membership / Chairmanship in other Board Committees	Executive / Non-Executive / Independent
Shri G. N. Damani *	Nil	Not Present	6	Nil	Non-Executive
Shri N. Sugalchand Jain * <i>Managing Director</i>	5	Not Present	4	Nil	Executive
Shri P. Jayaraman #	Nil	Not Present	Nil	Nil	Non-Executive & Independent
Shri R.N. Damani	3	Present	12	Nil	Non-Executive
Shri P. Lalith Kumar Jain @	3	Present	1	Nil	Non-Executive
Shri K.S. Kannan \$	3	Present	Nil	Nil	Non-Executive & Independent
Shri Hastimal Surana	2	Not Present	5	Nil	Non-Executive & Independent
Shri P.J. Sreedharan % <i>Chairman</i>	3	Not Present	1	Nil	Non-Executive & Independent
Shri S. Kannadasan	4	Not Present	Nil	Nil	Non-Executive & Independent
Shri S. Vinodh Kumar Jain ** <i>Executive Director</i>	4	N.A.	16	Nil	Executive
Shri Mahesh B. Chandak ** <i>Executive Director</i>	4	N.A.	4	Nil	Executive



* Shri G. N. Damani and Shri N. Sugalchand Jain are promoters.

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

Shri P. J. Sreedharan is son of Shri P. Jayaraman.

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

Resigned from the Board w.e.f. 26.07.2008.

@ Resigned from the Board w.e.f. 24.10.2008

** Inducted into the Board w.e.f. 24.10.2008.

\$ Resigned from the Board w.e.f. 30.01.2009

% Appointed as Chairman of the Board w.e.f. 30.01.2009

Responsibilities:

Managing Director:

Shri N. Sugalchand Jain, Managing Director of the Company, is responsible for the overall management of the company. He appraises the Board about the performance of the Company.

Executive Directors

Shri S. Vinodh Kumar Jain and Shri Mahesh B. Chandak, Executive Directors of the Company, are responsible for the day to day management of the Company. They keep the Managing Director informed of the details of day to day activities.

Independent Directors:

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

Board Procedure:

A detailed agenda folder is sent to each director in advance of Board and Committee meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director briefs the Board members at every meeting on the overall company performance. A report on compliance of all laws applicable to the company including requirements of Listing Agreement with BSE is placed at every Board Meeting.

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



Remuneration of Directors:

Remuneration of Managing Director:

The total salary and allowances paid to Managing Director during the year ended 31.03.2009 are given elsewhere in this report.

Shri N. Sugalchand Jain had been reappointed as the Managing Director by the Board at the meeting held on 30.01.2008 for a further period of 3 years on the following terms and conditions.

Consolidated Salary (inclusive of Basic Salary & allowances) : Rs 60,000/- (Rupees Sixty Thousand only) per month (i.e. Rs 7,20,000/- per annum).

Perquisites:

(1) Medical Reimbursement: Reimbursement of Medical expenses incurred for the Managing Director and his wife subject to a ceiling of Rs 1,00,000/- (Rupees one lac only) per annum.

(2) Leave travel concession: Leave Travel Concession of Rs 3,00,000/- (Rupees three lacs only) per annum for the Managing Director and his wife.

The Remuneration Committee at the meeting held on 30.01.2008 also approved the reappointment of the Managing Director and the remuneration payable to him. Consent of the shareholders of the Company to the re-appointment of Managing Director and the remuneration payable to him was obtained at the Annual General Meeting held on 26.07.2008.

Shri N. Sugalchand Jain, Managing Director, vide his letter dt. 28.05.2009 expressed his desire not to accept any remuneration with effect from 01.06.2009 but he would continue to function as the Managing Director of the company. Accordingly, the Board has decided at the meeting held on 28.05.2009 not to pay any remuneration to the Managing Director with effect from 01.06.2009.

Remuneration of Executive Directors:

1. Shri S. Vinodh Kumar Jain

Shri S. Vinodh Kumar Jain has been appointed as Executive Director by the Board at the meeting held on 24.10.2008 for a period of 2 years 5 months and 7 days commencing from 24.10.2008 and ending on 31.03.2011 on the following terms, conditions and remuneration:

Basic Salary: Rs. 60,000/- (Rupees Sixty thousand only) per month (i.e., Rs. 7,20,000/- per year).



Allowances:

Special Allowance: Rs. 2,050/- (Rupees Two thousand fifty only) per month (i.e., Rs. 24,600/- per year).

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

Perquisites:

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

Employer's Contribution to Provident Fund: Rs. 7,200/- (Rupees Seven thousand two hundred only) per month (i.e. Rs. 86,400/- per year).

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

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

Explanation:

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

The Remuneration Committee at the meeting held on 24.10.2008 also approved the appointment of Shri S. Vinodh Kumar Jain, Executive Director, and the remuneration payable to him. Consent of the shareholders of the Company to the appointment of Shri S. Vinodh Kumar Jain as Executive Director and the remuneration payable to him was obtained at the Extra-ordinary General Meeting held on 27.11.2008.

2. Shri Mahesh B. Chandak:

Shri Mahesh B. Chandak has been appointed as Executive Director by the Board at the meeting held on 24.10.2008 for a period of 2 years 5 months and 7 days commencing from 24.10.2008 and ending on 31.03.2011 on the following terms, conditions and remuneration:

Basic Salary: Rs. 60,000/- (Rupees Sixty thousand only) per month (i.e., Rs. 7,20,000/- per year).

Allowances:

Special Allowance: Rs. 2,050/- (Rupees Two thousand fifty only) per month (i.e., Rs. 24,600/- per year).

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



Perquisites:

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

Employer's Contribution to Provident Fund: Rs. 7,200/- (Rupees Seven thousand two hundred only) per month (i.e. Rs. 86,400/- per year).

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

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

Explanation:

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

The Remuneration Committee at the meeting held on 24.10.2008 also approved the appointment of Shri Mahesh B. Chandak, Executive Director, and the remuneration payable to him. Consent of the shareholders of the Company to the appointment of Shri Mahesh B. Chandak as Executive Director and the remuneration payable to him was obtained at the Extra-ordinary General Meeting held on 27.11.2008.

Remuneration of non-executive directors:

The non-executive directors do not draw any remuneration from the company. They are entitled only to sitting fees for every meeting of the Board, Audit Committee and Remuneration Committee attended. The sitting fees paid to them for attending the meetings in 2008-2009 are given elsewhere in this report.

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

- @ Rs. 3,000/- per director for every meeting of the Board attended.
- @ Rs. 1,000/- per director for every meeting of the Audit Committee and the Remuneration Committee attended.

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

Shares held by non-executive Directors:

100 shares still continue to be registered in the name of Shri G.N. Damani, one of the non-executive directors. Though he had sold the shares long back, the transfer documents have not been submitted by the buyer to the Company till date.



All other non-executive directors do not hold any shares in the company.

Board Meetings held during the Financial Year 2008 – 2009:

During the year 2008 - 2009, 6 Board Meetings were held on 24.05.2008, 26.07.2008, 24.10.2008, 31.10.2008, 20.11.2008 and 30.01.2009. The gap between two meetings did not exceed 4 months.

3) AUDIT COMMITTEE

Your Company has an Audit Committee. It consisted of Shri K.S. Kannan (Chairman), Shri P. Jayaraman and Shri S. Kannadasan. It was reconstituted on 26.07.2008 due to resignation of Shri P. Jayaraman. It then consisted of Shri. K. S. Kannan (Chairman), Shri. S. Kannadasan and Shri P.J. Sreedharan.

It was again reconstituted on 30.01.2009 due to resignation of Shri K.S. Kannan. Presently, the Committee consists of Shri S. Kannadasan (Chairman), Shri P.J. Sreedharan and Shri Hastimal Surana, all Non-executive & Independent Directors. Shri S. Kannadasan and Shri P.J. Sreedharan are Chartered Accountants. All members of the Audit Committee are financially literate and two members of the Committee have accounting or related financial management expertise.

The then Chairman of the Audit Committee, Shri K.S. Kannan, was present at the Annual General Meeting held on 26.07.2008 to answer shareholders' queries.

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

The terms of reference of the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement and sec. 292A of the Companies Act, 1956.

During the period under review, the Audit Committee had 4 meetings on 24.05.2008, 26.07.2008, 24.10.2008 and 30.01.2009. Attendance at the Audit Committee Meetings was as under:

Date of Meeting	Members attended
24.05.2008	Shri K.S. Kannan Shri S. Kannadasan
26.07.2008	Shri K.S. Kannan Shri S. Kannadasan
24.10.2008	Shri K.S. Kannan Shri P.J. Sreedharan Shri S. Kannadasan
30.01.2009	Shri S. Kannadasan Shri P.J. Sreedharan

4) REMUNERATION COMMITTEE

Your Company has a Remuneration Committee. It consisted of Shri K.S. Kannan (Chairman), Shri S. Kannadasan and Shri Hastimal Surana. It was reconstituted on 30.01.2009 due to resignation of Shri K.S. Kannan. Presently, it consists of Shri S. Kannadasan (Chairman), Shri P.J. Sreedharan and Shri Hastimal Surana, all Non-executive & Independent Directors.



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

There was one meeting of the Remuneration Committee held on 24.10.2008 during the period under review. All the three members of the Committee attended the meeting.

The terms of reference to this Committee include:

- a) formulation of policy relating to, and fixation of remuneration payable and other service terms and conditions applicable to the Executive Directors;

and

- b) remuneration (sitting fees) payable to the non-executive directors for meetings of the Board and/or various committees attended.

Remuneration of Directors for 2008 - 2009

Name of Director	Sitting Fee (Rs.)	Salaries (Rs.)	Total (Rs.)
Shri N. Sugalchand Jain	Nil	*7,20,000/-	7,20,000/-
Shri G.N. Damani	Nil	Nil	Nil
Shri P. Jayaraman	Nil	Nil	Nil
Shri R.N. Damani	9,000/-	Nil	9,000/-
Shri P. Lalith Kumar Jain	9,000/-	Nil	9,000/-
Shri K.S. Kannan	13,000/-	Nil	13,000/-
Shri Hastimal Surana	7,000/-	Nil	7,000/-
Shri P.J. Sreedharan	11,000/-	Nil	11,000/-
Shri S. Kannadasan	17,000/-	Nil	17,000/-
Shri S. Vinodh Kumar Jain	Nil	*3,35,195/-	3,35,195/-
Shri Mahesh B. Chandak	Nil	*3,35,195/-	3,35,195/-

* Inclusive of allowances.

Besides Salary and allowances, Shri S. Vinodh Kumar Jain was paid Rs. 1,04,665/- for housing and Rs. 37,680/- towards employer's contribution to Provident Fund.

Besides Salary and allowances, Shri Mahesh B. Chandak was paid Rs. 1,04,665/- for housing and Rs. 37,680/- towards employer's contribution to Provident Fund.

There is no notice period or severance fee provided in the terms of appointment of the Managing Director and the Executive Directors.

The Company does not have any Stock Option Scheme.



5) SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Your Company has a Shareholders/Investors Grievance Committee. Earlier, the Committee consisted of Shri P. Lalith Kumar Jain (Chairman), non-executive Director, and Shri N. Sugalchand Jain, Managing Director. The Committee was reconstituted on 24.10.2008 due to resignation of Shri P Lalith Kumar Jain. Presently, it consists of Shri S. Kannadasan (Chairman), non-executive Director, and Shri N. Sugalchand Jain, Managing Director. The Committee looks into shareholders' and investors' grievances and also deals with transfer, transmission and transposition of shares.

The Committee met 22 times during the year under review. The Committee members attended all the 22 meetings.

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

During the year 2008 - 2009, no complaint was received from shareholders. 56 valid requests for transfer of 16330 shares were received during the year 2008 - 2009. There was no transmission of shares. Transposition of 1 share was effected during the period under review. All requests for transfer and transposition have been acted upon by the company and no transfer/transposition is pending.

6) GENERAL BODY MEETINGS

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

Year	Venue	Date	Time	Number of Special resolutions passed
2008	No. 11, Ponnappa Lane, Triplicane, Chennai - 600005	26.07.2008	12 Noon	\$1
2007	-do-	28.07.2007	12 Noon	#1
2006	-do	29.07.2006	11:30 A.M	*1

* A special resolution was passed by show of hands at the Annual General Meeting held on 29.07.2006 for approval of reappointment of Managing Director and remuneration payable to him.

POSTAL BALLOT

A special resolution relating to alteration of Object Clause in Memorandum of Association of the Company in terms of Section 17 of the Companies Act, 1956 was passed by Postal Ballot for which purpose notice dated 29.05.2007 was issued to the shareholders. The Board appointed Shri J.P. Mundhara, Practising Company Secretary, Chennai as Scrutinizer for the Postal Ballot and had acted accordingly. There were 1109795 votes in favour of the resolution. No votes were cast against the resolution. The result of the Postal Ballot was announced at the Annual General Meeting held on 28th July, 2007.

No resolution is proposed to be passed by postal ballot this year.



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

COURT CONVENED MEETING OF MEMBERS

A Court Convened Meeting of members of the Company was held on 16-02-2008 at 12 Noon at No. 11, Ponnappa Lane, Triplicane, Chennai 600005, in terms of the order dated 18.12.2007 of the Hon'ble High Court of Judicature at Madras for obtaining the requisite approval of the members for Amalgamation of Sugal & Damani Share & Stock Brokers P. Ltd., Sugal & Damani Securities (Madras) P. Ltd. and Sugal & Damani (Chennai) Share Broking Ltd. with the Company. 81 members holding 12,81,360 shares voted in favour of the resolution approving the Amalgamation, while no vote was cast against the resolution.

EXTRA-ORDINARY GENERAL MEETING OF MEMBERS

An Extra-ordinary General Meeting of the members of the Company was held on 27.11.2008 at 11 a.m. at City Centra Plaza, (I Floor), 7, Anna Salai, Chennai – 600 002, for approving the change of name of the Company from "SUGAL & DAMANI FINLEASE LIMITED" to "SUGAL & DAMANI SHARE BROKERS LIMITED". Approval was also given for appointment of Shri S. Vinodh Kumar Jain and Shri Mahesh B. Chandak as Executive Directors and for holding an office or place of profit by Shri Bhagwandas Chandak in the Company. All these transactions were approved by means of Special resolutions.

7) DISCLOSURES

(I) The particulars of transactions between the Company and its related parties as defined in AS18 are set out in Notes on Accounts (Sch 13 Clause 8) forming part of the financial statements.

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

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

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

CODE OF CONDUCT

The company has posted the code of conduct for directors and senior management on its website www.sugalshare.com.



POLICY ON RISK MANAGEMENT:

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

Code for prevention of Insider Trading

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

8) MEANS OF COMMUNICATION

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

The Quarterly, Half-yearly and Annual Results are generally published by the Company in "News Today" and "Malai Sudar", Chennai. The Half-yearly reports are not sent to household of shareholders. The Company's results are sent to Bombay Stock Exchange for putting on their web-site. The Company has also been placing its results on the website of the company www.sugalshare.com. The Company also regularly posts the information on the Electronic Data Information Filing and Retrieval System launched by SEBI. There was no official news release and no presentations were made to Analysts during the financial year 2008 - 2009.

Management discussion and analysis:

The Directors' Report includes Management discussion and analysis.

9) GENERAL INFORMATION FOR SHAREHOLDERS

Annual General Meeting

Date and Time : 25th July, 2009 at 11.00 a.m.

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

Financial Calendar: (tentative)

First Quarter: July, 2009

Second Quarter & Half-yearly: Oct., 2009

Third Quarter: Jan., 2010

Fourth and last quarter: April, 2010

Date of Book Closure: 21.07.2009 to 25.07.2009 (both days inclusive).

Dividend payment Date: Not applicable as no dividend recommended.

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



Listing on Stock Exchange and Stock Code

Shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai, P.J. Towers, Dalal Street, Mumbai – 400 001 (Stock Code 511654).

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

Market Price Data: High/Low in each month of Financial Year 2008-09 on Bombay Stock Exchange:

Month	High Rs. p.	Low Rs. p.	Month	High Rs. p.	Low Rs. p.
Apr'08	20.00	16.00	Oct'08	21.60	14.60
May'08	21.90	17.75	Nov'08	21.55	17.05
June'08	19.90	15.95	Dec'08	19.35	12.35
July'08	18.05	14.30	Jan'09	12.35	6.61
Aug'08	17.50	14.60	Feb'09	7.24	6.33
Sept'08	16.20	13.75	Mar'09	6.50	5.75

Registrars and Transfer Agents, Share transfer system

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

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

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

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

Categories of Shareholding as on 31st March, 2009

Category	No. of shares	% of total shares
Promoters and associates	3852992	61.65
Nationalised banks	100	0.00
NRIs	30600	0.49
Others (includes holding of Corporate Bodies)	2366315	37.86
TOTAL	6250007	100.00



Distribution of shareholding as on 31st March, 2009

No. of shares	No. of Shareholders	% of total shareholders	No. of shares	% of total shares
Up to 500	3475	87.03	555497	8.89
501 to 1000	282	7.06	238666	3.82
1001 to 2000	119	2.98	184065	2.95
2001 to 3000	38	0.95	95582	1.53
3001 to 4000	13	0.32	45727	0.73
4001 to 5000	23	0.58	110877	1.77
5001 to 10000	18	0.45	146973	2.35
10001 and Above	25	0.63	4872620	77.96
TOTAL	3993	100.00	6250007	100.00

Dematerialisation of shares: 56,28,755 shares (90.06%) of the Company have been dematerialised as on 31st March, 2009.

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

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

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

(B) NON-MANDATORY REQUIREMENTS

(a) Whether Chairman of the Board is entitled to maintain a Chairman's office at Company's expense and also incurred in performance of his duties.

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

(b) Remuneration Committee

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



(c) Shareholder's Rights – The half yearly declaration of financial performance including summary of the significant events in last 6 months should be sent to each household of shareholders.

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

(d) Audit Qualifications

The auditor's report on the statements of account for the year ended 31.03.2009 does not contain qualifications.

(e) Training of Board Members

(f) Mechanism for evaluating non-Executive Board Meetings

(g) Whistle Blower Policy

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



CEO/CFO CERTIFICATION:

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

Re.: Financial Statements for the year 2008 - 09 - Certification by CEO and CFO

We, N. Sugalchand Jain, Managing Director, and G. Vimal Kumar, Accounts Manager, of Sugal & Damani Share Brokers Limited, on the basis of the review of the financial statements and the cash flow statement for the financial year ended March 31, 2009 and to the best of our knowledge and belief, hereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2009 which are fraudulent, illegal or violative of the company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:-
 - a) there have been no significant changes in internal control over financial reporting during this year
 - b) there have been no significant changes in accounting policies during this year
 - c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Chennai
Date : 28th May, 2009

(N. Sugalchand Jain)
Managing Director

(G. Vimal Kumar)
Accounts Manager



Declaration of Compliance with the Code of conduct

To

The members of Sugals & Damani Share Brokers Ltd

I, N. Sugalschand Jain, Managing Director of Sugals & Damani Share Brokers Ltd., to the best of my knowledge and belief, declare that all the members of the Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31.03.2009.

Place: Chennai

Date : 28th May, 2009

(N. Sugalschand Jain)

Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF SUGAL & DAMANI SHARE BROKERS LIMITED (FORMERLY KNOWN AS SUGAL & DAMANI FINLEASE LIMITED)

We have examined the compliance of conditions of corporate governance by SUGAL & DAMANI SHARE BROKERS LIMITED (FORMERLY KNOWN AS SUGAL & DAMANI FINLEASE LIMITED), for the year ended on 31st March 2009, as stipulated in clause 49 of the listing agreement of said company with stock exchanges.

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 the conditions of the 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 in the above mentioned listing agreement.

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

Place: Chennai

Date : 28.05.2009

For S.L.Gadhiya & Co.,
Chartered Accountants
(SHANTILAL GADHIYA)
Partner

Membership No.:19663



AUDITORS' REPORT

TO THE MEMBERS OF
SUGAL & DAMANI SHARE BROKERS LIMITED
(FORMERLY KNOWN AS SUGAL & DAMANI FINLEASE LIMITED)

1. We have audited the attached Balance Sheet of **SUGAL & DAMANI SHARE BROKERS LIMITED (FORMERLY KNOWN AS SUGAL & DAMANI FINLEASE LIMITED)** ("the company") as at 31st March, 2009 and also the Profit and loss Account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Company (Auditor's Report) Order, 2003 issued by the Department of Company Affairs, in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraph 4 and 5 of the said Order to the extent applicable.
4. We report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;



- v) On the basis of the written representations received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with 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:
- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009 and;
- b) In the case of the Profit and Loss Account, of the profit or loss for the year ended on that date.
- c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

For S.L. Gadhiya & Co.
Chartered Accountants

Shantilal Gadhiya
Partner
Membership No.: 19663

Place: Chennai
Date: 28/05/2009



ANNEXURE TO AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

- i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) Fixed Assets have been physically verified by the management at reasonable intervals. As informed to us, no material discrepancies were noticed by the management on such verification.
- c) During the year, in our opinion, a substantial part of fixed assets has not been disposed of by the company.
- ii) The company is basically a Share Broking company, Hence, the question of physical verification of Inventory and maintenance of Records for inventory does not arise except, in case of shares purchased on misdeal & wrong purchase shown as stock and are valued at acquisition cost. Proper records have been maintained for such stock.
- iii) a) The Company has granted unsecured loans to the parties covered in the register maintained under section 301 of the Companies Act, 1956. The Details of the same are available in the Notes to Accounts.
- b) In our opinion and according to the information and explanations given to us, the rate of interest, whenever applicable and other terms and conditions of the unsecured loans given by the Company are not prima facie, prejudicial to the interest of the Company.
- c) In our opinion and according to the information and explanations given to us, the Company to whom loans are granted are regular in repaying Interest and principal.
- d) In our opinion and according to the information and explanations given to us, there is no overdue amount of loans taken from or granted to companies, firms of other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- iv) a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- b) According to the information and explanations given to us, we are of the opinion that the transactions made in pursuance of such contracts or arrangements exceeding the value of five lakhs, have been made at prices, which are reasonable having regard to the prevailing market price at the relevant time.
- v) In our opinion and according to the information and explanations given to us, there are adequate internal control procedure as regards purchase of plant & machinery, equipments



and other assets, commensurate with size and nature of business carried out by the Company. During the course of our audit, we have not observed any major weaknesses in internal controls.

- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the rules framed thereunder.
- vii) The company has no formal Internal Audit department as such. However, its control procedures ensure internal checking of its Financial and other records.
- viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Act in respect of the products manufactured by the Company.
- ix) a) According to the records of the company, the company is regular in depositing the undisputed statutory dues including PF, Investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, cess and any other statutory dues with the appropriate authority subject to Note No. 13 of Schedule 13.
b) According to the information and explanations given to us, details of statutory dues which have not been deposited on account of any dispute are given in Note No.13 of Schedule 13.
- x) There are no accumulated losses as at the end of the year. The Company has incurred losses during the current year. The Company has no incurred any cash losses in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii) We are of the opinion that the company has maintained adequate records where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. However in the course of business, the company has invested in quoted and unquoted shares on account of misdeal and wrong purchases, the same in the nature of current asset classified as stock in trade and valued at its acquisition cost. All other investments in the shares & securities are held in the company's name.



- xv) In our opinion and according to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) In our opinion and according to information and explanations given to us, the Company has not raised any term loans.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that funds raised on short-term basis have not, prima facie, been used during the year for long-term investment other than temporary deployment pending application.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures and hence question of creating securities or charge in respect thereof does not arise.
- xx) During the year under audit the company has not made any public issue. However, The Hon'ble High Court at Madras has, vide its order dt. 12-09-2008, sanctioned the Scheme of Amalgamation of Sugal & Damani Share & Stock Brokers Private Limited, Sugal & Damani Securities (Madras) Private Limited and Sugal & Damani (Chennai) Share Broking Ltd, with the Company, with 01-04-2007 as appointed date; hence the company has issued additional equity shares towards purchase consideration as prescribed in the sanctioned scheme.
- xxi) To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For S.L. Gadhiya & Co.
Chartered Accountants

Place: Chennai
Date: 28/05/2009

Shantilal Gadhiya,
Partner
Membership No.: 19663



SUGAL & DAMANI SHARE BROKERS LTD
(Formerly known as Sugul & Damani Finlease Ltd)
BALANCE SHEET AS ON 31-03-2009

PARTICULARS	Schedule	Amt in Rupees	
		Current Year	Previous Year
SOURCES OF FUNDS			
Share Holders' Funds			
a. Share Capital	1	62500070	30000000
b. Reserves & Surplus	2	2142817	8987189
		64642887	38987189
Secured Loan	3	30379311	11840682
Deferred Tax Liability		1740401	28759
Total		96762599	50856630
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	15386036	87125
Less: Provision for Depreciation		3826899	56357
Net Block		11559137	30768
Investments	5	18983305	20654509
Current Assets, Loans & Advances			
Current Assets	6	69206020	26687216
Loans & Advances		38487882	5138884
		107693902	31826100
Less: Current Liabilities & Provisions			
Current Liabilities	7	44362330	3554
Provisions		71415	1651193
Net Current Assets		63260157	30171353
Miscellaneous Expenditure: Preliminary Expenses Not Written off		2960000	
Total		96762599	50856630
Significant Accounting Policies	12		
Notes on Accounts	13		

As per our attached report of even date.
For S.L. Gadhiya & Co.,
Chartered Accountants

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

(SHANTILAL GADHIYA)
Partner
Membership No: 19663

(N.SUGAL CHAND JAIN)
Managing Director

(MAHESH B CHANDAK)
Executive Director

PLACE: CHENNAI
DATE : 28.05.2009

(R.VAIDYANATHAN)
Company Secretary

(G.VIMAL KUMAR)
Accounts Manager



SUGAL & DAMANI SHARE BROKERS LTD.
(Formerly Known as Sugul & Damani Finlease Ltd)
PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31-03-2009

PARTICULARS	Schedule	Amt in Rupees	
		Current Year	Previous Year
INCOME			
Income from Stock Broking (b)		51051910	32902
Income from DP Services (a)		2292913	
Interest received		8528323	4842691
Bad Debts Recovered		134617	187894
Profit On Sale of investment			1446893
Provision For Sub Standard Assets			196419
Provision For Doubtful Assets			91022
		62007763	6797821
EXPENDITURE			
Trading Expenses	8	7214784	56150
Subbrokerage		11463004	
Employee Remuneration & Benefits	9	19575419	1033031
Administrative Expenses	10	12194446	849265
Interest Payment		7873560	1503676
Financial Charges	11	1586877	302
Bad Debts written Off		2765793	
Depreciation	4	1547288	14123
Others			71509
Provision For Doubtful Assets 1 year			519442
Provision For Doubtful Assets 3 year			91022
Provision For Sub Standard Assets			5097
Loss on Sale of Assets		107268	
Loss on sale of Shares		2388193	
		66716632	4143617
Profit before tax		(4708869)	2654204
I T Provision Reversal (Fy 06 to 07)			(138320)
Provision For Gratuity		66462	66462
Provision for Taxation - Current			494174
Provision for Taxation- Deferred		230547	2291
Provision for Taxation - FBT		161444	2950
Profit after tax		(5167322)	2226647
Brought Forward Profits		7155654	4517593
Surplus available for appropriation		1988332	6744240
Special Reserve To RBI			445329
Balance transferred to Balance Sheet		1988332	6298911

As per our attached report of even date
 For S.L. Gadhiya & Co.,
 Chartered Accountants

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

(SHANTILAL GADHIYA)
 Partner
 Membership No: 19663

(N.SUGAL CHAND JAIN)
 Managing Director

(MAHESH B CHANDAK)
 Executive Director

PLACE: CHENNAI
 DATE : 28.05.2009

(R.VAIDYANATHAN)
 Company Secretary

(G.VIMAL KUMAR)
 Accounts Manager



SUGAL & DAMANI SHARE BROKERS LTD
(Formerly known as Sugā & Damani Finlease Ltd)

Schedules 1 to 13 annexed to and forming part of Balance Sheet as at 31-03-2009
and the Profit and Loss account for the period ended 31-03-2009

Schedule	PARTICULARS	Amt in Rupees	
		Current Year	Previous Year
1	SHARE CAPITAL		
	Authorised capital: 9050000(7000000) Shares of Rs. 10 Each .	90500000	70000000
	Issued and paid-up capital 6250007(3000000) shares of Rs. 10 Each	62500070	30000000
	Total	62500070	30000000
2	RESERVES & SURPLUS		
	Revenue Reserve:		
	a) General Reserve	154485	154485
	b) Profit & Loss Account	1988332	6298911
c) Special Reserve (RBI Act)		2533793	
Total	2142817	8987189	
3	SECURED LOAN		
	HDFC Bank (Secured by way of Lien on Fixed Deposit With Bank)	30379311	11840682
Total	30379311	11840682	
5	INVESTMENTS (Long Term, Unquoted, At Cost)		
	Investment :		
	Quoted	16601305	20654509
	Unquoted	2382000	
Total	18983305	20654509	
6	CURRENT ASSETS, LOANS & ADVANCES		
	(A) Current Assets:		
	Stock In Trade	10340688	
	Cash in Hand		2962
	Balance with Scheduled Banks - In Current Accounts	28097768	14808
	- In Fixed Deposits	30767564	26400000
	Total	69206020	26417770
	(B) Loans & Advances :		
	Accrued Interest	1019190	251796
	Advance Income Tax		
	Fringe Benefit Tax Paid		
	Income Tax Refund Due (i)	2484223	820001
	TDS Receivable	1024555	589056
	Loans & Advances (f)	4949430	3606333
Deposits With Exchange (g)	27372200		
Other Deposits (h)	1638284	141143	
Total	38487882	5408329	

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



Schedule	PARTICULARS	Amt in Rupees	Amt in Rupees
		Current Year	Previous Year
7	CURRENT LIABILITIES AND PROVISIONS		
	(A) Current Liabilities		
	Sundry Creditors:		
	Due to Others	27338794	
	Other Liabilities (j+k+l)	17023536	1157019
	Total	44362330	1157019
	(B) Provisions:		
	Provision For Taxation (m)	71415	494174
	Total	71415	494174
8	TRADING EXPENSES		
	Business Expenses (d)	5511826	56150
	Brokers Contingency Fund	250000	
	Connectivity Charges	-165000	
	CDSL and NSDL Fee	4495	
	V - Sat expenses	163248	
	NSE Expenses	3937	
	BSE Expenses	103176	
	Depository Charges	1167144	
	SEBI Registration Fees	3000	
	SEBI Turnover Fees	172958	
	Total	7214784	56150
9	EMPLOYEE REMUNERATION & BENEFITS		
	Directors Remuneration	3522330	420000
	Salaries and Allowances (c)	15712419	607905
	Employer's contribution to provident Fund	199304	5126
	Employer's contribution to Employees State Insurance	141366	
	Total	19575419	1033031
10	ADMINISTRATIVE EXPENSES		
	Advertisement Expenses	195698	72998
	AGM Expenses	3683	19937
	Auditor's Remuneration	38605	
	Branch Expenses (e)	4435000	
	Consultancy Charges:	145941	
	Directors Sitting Fees	72000	68000
	Electricity Charges	807202	110102
	Insurance Charges	70509	
	Legal and Professional charges	261559	86375
	Newspaper & Periodicals	16177	4164
	Office Expenses	1009692	45577
	Postage & Telephone	1932562	215136
	Printing & stationery	750262	118170
	Rent, Rates & Taxes	1838459	101250
	Repairs & maintenance	73034	1750
	Travelling & Conveyance	544063	5806
	Total	12194446	849265
11	FINANCIAL CHARGES		
	Interest on Bank Overdraft		87
	Bank Charges	1586877	215
	Total	1586877	302



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

	PARTICULARS	Amt in Rupees	Amt in Rupees
		Current Year	Previous Year
a)	Income From DP Services		
	CDSL DP Charges	706212	
	CDSL Amc Charges	1586701	
	Total	2292913	
b)	Income From Stock broking		
	Other Receipts	140000	3664
	Other Charges	89704	
	Form Charges Recd		
	TWS Charges Recd	78659	
	Dividend Income	362635	29238
	Comm on sale of IPO	43225	
	Brokerage Realised	50337687	
Total	51051910	32902	
c)	Salary and Allowances:		
	Salary and Staff Welfare	10585859	607905
	Incentive to Managers	2777809	
	Managerial Remuneration	2348751	
Total	15712419	607905	
d)	Business Expenses		
	Adhesive Stamps	351558	
	Admission fees	250000	
	Amalgamation Expenses	73240	
	Annual Maintenance Chgs	1235635	
	Annual subscription	114000	
	Brokerage Reversal Account	57062	
	Business promotion expenses	118649	
	Computer Maintenance	26981	
	Donations	40000	
	Front & Back office Misdeal Expenses	131611	
	General Expenses	403456	4161
	Internet Charges	836877	
	Lease Line NSE	155915	
	Professional Tax	2430	5010
	Preliminary Expenses	740000	
	Rate Difference	53194	
	Registration Charges	365000	
	Security Charges	218689	
	Service Charges	57634	46979
Software Charges	58771		
Transaction Charges (Turnover Tax)	192490		
Vehicle Maintenance	28634		
Total	5511826	56150	
e)	Branch Expenses	4435000	
	Total	4435000	

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



	PARTICULARS	Amt in Rupees	Amt in Rupees
		Current Year	Previous Year
f)	Other Loans And Advances:		
	Asian Cerc Inforamtion Tech Ltd	18672	
	Print Intelligent Media Works	702	
	Cameo corporate service Ltd	1032	
	CDSL Parties a/c	954264	
	CDSL Depository Charges	4910	
	CENVAT Credit Receivable	147362	
	Loan Against Shares Finlease	1409178	1492262
	Loans Un secured	1866374	1966935
	Salary Advance	16000	27000
	Fin - HP Loan & Advances	246163	102486
	Sowcarpet branch Advance	1727	
	Sec - Service Tax	8174	
	Sugal Share Credits Ltd.,	228000	
	Trading A/c (Investment Finlease)		17650
	Vinodhji Advance	39275	
Viratech software & Communication	2597		
Travelling Advance	5000		
	Total	4949430	3606333
g)	Deposits With Exchange:		
	CDSL - Security deposit	250000	
	BSE Membership Deposits	12000000	
	F & O Segment- Security Deposits	2500000	
	FOP ABC	5000000	
	IL&FS Ifst (Currency Trading)	1000000	
	II&FS Mcx Deposit	100000	
	MCX Deposit	42200	
	NSCCL Base Capital Currency	200000	
	NSE- F S T M Security Deposit	800000	
	NSE- Interest free Sec. Deposit	4500000	
	Sec- MSE Deposit	100000	
	Che- OTC Cash Margin	100000	
	Che - OTC Deposit	500000	
	V sat Lease Line	280000	
	Total	27372200	
h)	Other Deposits:		
	Electricity Deposit	118128	12828
	Jilaba Infosys Pvt Ltd	25000	
	Portfolio Deposit	335000	
	Rental Advance	955000	75000
	Telephone Deposit	183826	41985
	Sec- settlement Guarantee fund	10000	
	Fin- Sales Tax Deposit Karnat	3200	3200
	Fin- Security Deposit	4250	4250
	Fin- CC plaza owner Association	3880	3880
		Total	1638284



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

	PARTICULARS	Amt in Rupees	
		Current Year	Previous Year
i)	IT Refund Due		
	IT REFUND DUE F.Y 96 -97	9315	
	IT REFUND DUE 2000-2001	17279	
	IT REFUND DUE 2003 -2004	230346	
	IT REFUND DUE 2004 -2005	234791	
	IT REFUND DUE 97 -98	10724	
	IT REFUND DUE FOR 2006 - 2007	651386	
	IT REFUND DUE FOR 2007 - 2008	285169	
	Sec- IT Refund	94986	
	Sec- IT Refund 05-06	9287	
	Sec- IT Refund 06-07	5596	
	Fin- Interest Tax Refund Due 97-98	31620	31620
	Fin- IT Refund 98-99	121010	121010
	Fin- IT Refund 02-03	43588	43588
	Fin- IT Refund 03-04	171945	171945
	Fin- IT Refund 04-05	142598	142598
	Fin- IT Refund 06-07	309240	309240
	Fin- IT Refund 07-08	94882	
	CHE- IT Refund 02-03	10457	
	CHE- IT Refund 06-07	1273	
	CHE- IT Refund 97-98	8731	
	Total	2484223	820001
j)	CURRENT LIABILITIES:		
	Arun Kumar Betala Remuneration A/c	4550	
	Arun Kumar Betala Expense A/c	13764	
	Arun Kumar Betala Incentive A/c	288	
	Anand Chandak Mohanalal Incentive	3592	
	Anand Chandak Mohanalal Expenses A/c	13970	
	Anand Chandak Remuneration A/c	27508	
	Bharanidharan M Expenses	4382	
	Bharat Harish Malpani Incentive A/c	3664	
	Bharat Harish Malpani Expenses A/c	9794	
	Bharat Harish Malpani Remuneration A/c	7000	
	Brijlatha Jawandhiya Remuneration A/c	8225	
	Brijlatha Jawandhiya Incentive A/c	434	
	Champalal Expenses A/c	3744	
	Champalal Incentive A/c	5540	
	Chella Chockalingam Remuneration A/c	41548	
	Chella Chockalingam Expenses A/c	18867	
	Chella Chockalingam Incentive A/c	13574	
	Durai Rajan Remuneration A/c	35383	
	Durai Rajan Incentive A/c	14235	
	Ebrahim Remuneration A/c	40805	
	Govindaraj Remuneration A/c	8061	
	Govindaraj Incentive A/c	(748)	
	Hemanthji Remuneration A/c	8943	
	Hemanthji Expenses	52949	
	Hemanthji Incentive A/c	15521	
	Hullash Incentive A/c	(83071)	
	IL&FS Expenses	37425	
	Jaisal Securities Loan A/c	8279234	
	Jayalakshmi Ganesan Exp	4485	
	Jayalakshmi Ganesan Incentive	-260	
	Jayalakshmi Ganesan Remuneration	8807	

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



PARTICULARS	Amt in Rupees	Amt in Rupees
	Current Year	Previous Year
Jayaprakash incentive A/c	(135138)	
Jayaprakash Remuneration A/c	4428	
Jeevanmal Betala Expenses A/c	4588	
Jeevanmal Betala Incentive A/c	521	
Kamalakkannan Expenses	4485	
Kamalakkannan Incentive	47046	
Kamalakkannan Remuneration	10445	
Kamal Arora	2500000	
Kannabiran Expenses A/c	(206)	
Kadhiravan Incentive A/c	1624	
Kadhiravan Expenses A/c	(4768)	
Kuppa Rao M R Expenses A/c	73146	
Karpagaraj Expenses A/c	(506553)	
Lingamalla Surya Remuneration A/c	5648	
Lakshmikanthan incentive A/c	557	
Mahesh Jethwani Expenses	57528	
Manoj Kumar Remuneration A/c	24161	
Manoj Kumar Incentive A/c	12556	
Manoj Kumar Expenses A/c	8764	
Manoharan C Incentive A/c	453	
Manoharan C Exp A/c	4279	
Mohammed Baraj Remuneration a/c	62835	
Mohammed Baraj Expenses a/c	39176	
Mohammed Baraj Incentive	1818	
Mohan R Expenses A/c	4073	
Mohan R Incentive A/c	(5091)	
Mohan R Remuneration A/c	3750	
Mohan Raj A Expenses	(721)	
Mohan Raj A Incentive A/c	(3213)	
Mohan Raj A Remuneration a/c	3500	
Mukeshji Remuneration A/c	14000	
Mukeshji Incentive A/c	17868	
Mukeshji Expenses A/c	5258	
Neetha Expenses A/c	(50562)	
Neelakandan Branch Expenses	252790	
Padmanaban Remuneration A/c	20212	
Padmanaban Incentive a/c	(13836)	
Prasan.Chand Jain loan A/C	8847	
Purasaiwakkam Expenses	5000	
R D Dangayach Remuneration	27390	
Rajesh Remuneration a/c	10500	
Rajesh Incentive a/c	2323	
Rajesh Expenses A/c	12414	
Rajagopal Expenses A/c	5000	
Rajhib Lodh Expenses A/c	(577)	
Rekhchand Remuneration/a/c	21000	
Rekhchand Incentive a/c	(25124)	
Renuka Remuneration a/c	4875	
Renuka Expenses	(1854)	
Renuka Incentive A/c	(74398)	
Senthil Kumar C incentive A/c	332	
Senthil Kumar Adambakkam Remuneration A/c	7000	
Senthil Kumar C Expenses	5000	
Sheena Agarwal-incentive A/c	14225	
Sheena Agarwal Remuneration A/c	4509	
Saravanan K incentive	(160675)	



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

	PARTICULARS	Amt in Rupees	
		Current Year	Previous Year
	Saravanan K Remuneration	86257	
	Saravanan K Tanjore incentive	1566	
	Saravanan K Tanjore Remuneration	2935	
	Sathish Kumar Incentive A/c	6470	
	Sridharan Remuneration A/c	1	
	Sridharan incentive A/c	3718	
	Sridharan Expenses A/c	8867	
	Sudhakar Remuneration A/c	52336	
	Sudhakar Expenses	342022	
	Sudhakar incentive A/c	413	
	Suresh kumar Jain remuneration	8404	
	Suresh Kuamr Jain Expensese A/c	82424	
	Suresh kumar Jain Incentive	15521	
	Swathi Maheshwari Remuneration	(10683)	
	Swathi Maheshwari Incentive	(1468)	
	Swathi Maheshwari Expenses	(515)	
	Seema luniya incentive	(142937)	
	Seema luniya remuneration	15016	
	Santhosh Baid Expenses A/c	90000	
	Shantilal Remuneration	20000	
	Shakuntal Devi Expenses	62752	
	Sugal Commodity Brokers	609365	
	Sugal & Damani (Ludhiana)	10171	
	Sal -Mahesh B Chandak	(3500)	
	Tarun Aggarwal Expenses	7528	
	Thenali Expenses	18867	
	Thenali incentive	584	
	Uma Maheshwari Remuneration A/c	26194	
	Uma Maheshwari incentive A/c	5348	
	Uma Maheshwari Expenses A/c	13867	
	Veerappan incentive A/c	2175	
	Veerappan Expenses	23558	
	Veerappan Remuneration A/c	27881	
	Vinay Agency expenses A/c	(3914)	
	Vijjappu Praveen kumar Expenses A/c	10000	
	Vijjappu Praveen kumar Incentive A/c	4601	
	Total	12329765	
k)	Clients And Branch Deposits:		
	Client Deposit	469000	
	Akola 2 Cash Deposit	50000	
	Akola 3 Cash Deposit	50000	
	Amaravathi 2 Cash Deposit	50000	
	Chrompet Cash Deposit	100000	
	Coimbatore Cash Deposit	50000	
	Janarthan Anna Nagar Cash deposit	50000	
	Jolarpet Cash Deposit	50000	
	Kanchi Cash Deposit	50000	
	Kamala Kannan insider franchishee Deposit	50000	
	Manoj Kumar Cash Deposit	50000	
	Mohammed baraj Cash Deposit	50000	
	Nasrathpettai Cash Deposit	50000	
	Nutan Agency Cash Deposit	50000	
	Palani cash Deposit	50000	
	Parrys cash Deposit	50000	
	Patiala Cash Deposit	50000	

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



	PARTICULARS	Amt in Rupees	
		Current Year	Previous Year
	Pollachi Cash Deposit	50000	
	Poonamallee Shakund Cash Deposit	50000	
	Pondy Inside Franchishee Cash Deposit	25000	
	Purasaiwakkam cash Deposit	50000	
	Rajesh cash deposit (Puras)	100000	
	Renuka Cash Deposit	50000	
	Rajhib Lodh Cash Deposit	50000	
	Sowcarpet Betala Cash Deposit	50000	
	Sivagangai licence Fee Deposit	15000	
	T.Nagar Cash Deposit	50000	
	Thambaram Cash Deposit	50000	
	Thenali Cash Deposit	50000	
	Trivallur Franchisee Deposit	50000	
	Triuvannamalai Franchisee Deposit	50000	
	Tumkur 2 Cash Deposit	50000	
	Vizak Inside Fram Cash Deposit	50000	
	Total	2109000	
i)	PROVISIONS:		
	ESI Payable	15005	
	PF Payable	51630	
	Provision for MAT	(12875)	
	Professional Tax Payable	31688	
	Audit Fees Payable	37213	35275
	Fin - Dividend Refundable	31688	
	Fin - Interest Tax Provision 93 -94	62474	62474
	Fin - interest Tax Provision 95 -96	205383	205383
	Fin -Pro For Doubtful Debts	500848	610465
	Fin - Pro For Gratuity	271385	204923
	Fin - Pro For income tax	33402	33402
	Fin - Pro For Sub Standard Assets	5097	5097
	Outstanding Expenses	1034313	
	Service Tax Payable	2440	
	CDSL Service Tax Payable	84902	
	TDS Payable	230178	
	Total	2584771	1157019
m)	Provision for Tax		
	Fringe Benefit Tax Payable _ Fin	71415	
	Income Tax		494174
	Total	71415	494174



SUGAL & DAMANI SHARE BROKERS LIMITED

(Formerly known as Sugal & Damani Finlease Ltd.)

SCHEDULE 4 - FIXED ASSETS

AS ON 31.03.2009

PARTICULARS	GROSS BLOCK AS ON 01.04.2008	ADD DURING THE YEAR	DEL DURING THE YEAR	GROSS BLOCK AS ON 31.03.2009	DEP UP TO 01.04.2008	DEP %	DEP ADJ	DEP FOR THE YEAR	TOTAL DEP UP TO 31.03.2009	NET BLOCK AS ON 31.03.2009	NET BLOCK AS ON 31.03.08
Air Conditioner	1177491.33	55310.00		1232801.33	84808.68	4.75%		57558.00	142366.68	1090434.65	1092682.45
Computers	2477245.12	418136.00		2895381.12	488228.54	16.21%		441325.00	929553.54	1965827.59	1963786.00
U P S & Battery	1313869.30	415745.00		1729614.30	270528.16	4.75%		76730.00	347258.16	1382356.14	1043341.14
Furniture	1973189.44	120391.00		2093580.44	161253.71	6.33%		130127.00	291380.71	1802199.72	1811935.72
Electric & Fittings	1289722.54			1289722.54	83884.47	4.75%		61261.82	145146.29	1144576.25	1205838.07
Fax Machine	67615.00			67615.00	23135.03	4.75%		3211.71	26346.74	41268.26	44479.98
Vehicle	1173770.00	525250.00	468548.00	1230472.00	290539.46	9.50%	111280.00	77344.00	256603.46	973868.55	883230.55
Television	164595.70	15800.00		180395.70	13804.19	4.75%		8344.00	22148.19	158247.51	150790.51
Xerox Machine	82820.00			82820.00	16718.85	4.75%		3933.95	20652.80	62167.20	66101.15
Software	4080110.00	91540.00		4171650.00	948851.00	16.21%		667556.83	1616407.83	2555242.17	3125721.00
Epbex and Telephones	79187.00			79187.00	4995.18	4.75%		3761.38	8756.57	70430.44	74191.82
Locker	26070.00			26070.00	1530.33	4.75%		1238.33	2768.65	23301.35	24539.68
Coffee Machine	12938.00			12938.00	347.00	4.75%		614.56	961.56	11976.45	12591.00
Printer	225651.00	47438.00		273089.00	1914.00	4.75%		13298.00	15212.00	257877.00	223737.00
Scanner	15300.00			15300.00	116.00	4.75%		726.00	842.00	14458.00	15184.00
Modem	5400.00			5400.00	235.00	4.75%		257.00	492.00	4908.00	5165.00
Total	14164974.43	1689610.00	468548.00	15386036.43	2390889.58		111280.00	1547287.58	3826897.16	11559139.27	11743315.06



SUGAL & DAMANI SHARE BROKERS LTD
(Formerly known as Sugal & Damani Finlease Ltd)

Schedule 5 - INVESTMENTS
Quoted Shares

Security Name	Qty	Amount (Rs)	Market Value
AHMEDNAGAR FORGINGS	2000	478427	66000
ASIAN ELECTRONICS	7000	1418020	140000
CINEVISTA COMMUNICAT	25000	414857	91500
ELECTROTHERM INDIA	1500	730959	147225
FINOLEX CABLES	5000	270550	96500
GRANULES IND	6000	541799	228000
IDBI BANK LTD	3000	462502	146400
ISMT LTD	13000	1297500	264550
IVR PRIME URBAN	1000	446863	30950
JKLAKSHMI CEMENT LTD	5000	413350	216000
KANORIA CHEMICALS	6000	328860	93600
KEC INTERNATIONAL	1000	824650	150250
LAKSHMIVILAS BANK	2000	161721	124900
MOTHERSON SUMI SYS	5741	557268	356803
PRITH SOFT (OCTAGON)	228008	1397035	1342967
PRITHVI	5000	768581	251250
RADICO KHAIT	1000	178763	64950
REL PET	1000	168940	95600
RELIANCE POWER LTD	4011	1522253	440408
ROMAN TARMAT LIMITED	2000	276480	58500
SHRIRAM EPC LIMITED	6060	1818000	584487
SUNDARAM CLAYTON	1500	1233347	115050
SUNDARAM FASTENERS	2000	127660	29660
THE JEYPORE SUGAR	200	65659	16800
VIDEOCON LEASING	500	129946	46475
VIKAS W S P	200	12164	1818
LAKSHMIVILAS BANK	200	11510	12630
TSL RIGHT ISSUE	134	6600	27604
USHITA TRADING	32000	535441	535441
VANIK INVESTMENT		1600	1600
Total	367054	16601305	5777918

Unquoted Share	Qty	Amount (Rs)
SUGAL COMMODITY BROKERS PVT LTD	238200	2382000
Total	238200	2382000



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

12. SIGNIFICANT ACCOUNTING POLICIES:

I. SYSTEM OF ACCOUNTING:

The Company has been consistently following the accrual method in accounting its income and expenditure.

- a. Dividend receipts are accounted on cash basis as and when received.
- b. Interest receipts are accounted on accrual basis except in those cases where there is uncertainty in the receipts and loan classified as Non Performing Assets, The Interest for the same are accounted on a receipt basis.

II. USE OF ESTIMATES:

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

III. FIXED ASSETS:

Fixed Assets are stated at cost less depreciation

IV. DEPRECIATION:

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

V. INVESTMENTS:

Current investments are carried at the lower of cost or quoted / fair value, computed category wise. Long Term investments are stated at cost. Provision for diminution in the value of long – term investments is made only if such a decline is other than temporary.

VI. INVENTORIES:

Shares repossessed from loan against shares are taken as stock and stated at the acquisition cost.

VII. MISCELLANEOUS EXPENDITURE:

(To the extent not written off or adjusted)

Preliminary expenses are written off in equal installments over a period of 5 accounting years.

VIII. TAXATION:

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

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

The company has made provisions for the Fringe Benefit Tax (FBT) under the income taxes in accordance with the guidance note issued by the Institute of Chartered Accountants of India (ICAI).



IX. EMPLOYEE RETIREMENT BENEFITS:

Leave encashment benefits are charged to revenue Account on the basis of actual and Gratuity benefit is provided on accrual basis.

X. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent asset are neither recognized nor disclosed in the financial statements.

XI. EARNINGS PER SHARE

Basic earning per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. The number of equity shares used in computing the dilutive equity earnings per share comprises the weighted average number of equity shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares, unless they are anti-dilutive.

XII. QUANTITATIVE DETAILS

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

13. NOTES ON ACCOUNTS:

1. Change Of Name

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

2. Amalgamation

The Hon'ble High Court at Madras has, vide its order dt. 12-09-2008, sanctioned the Scheme of Amalgamation of Sugal & Damani Share & Stock Brokers Private Ltd, Sugal & Damani Securities (Madras) Private Ltd and Sugal & Damani (Chennai) Share Broking Ltd, with the Company with 01-04-2007 as appointed date. These Companies were engaged in Share Broking and other related ancillary activities, and were members of recognized stock exchanges. The company has followed pooling of interest method as specified in the approved scheme of amalgamation. The Company has given effect to the Scheme by passing necessary Accounting entries.

Consequent to approval of the scheme of Amalgamation, the Authorised Share Capital of the company is increased to Rs 9, 05, 00,000 (Rupees Nine Crores Five Lacs only) divided into 90, 50,000 Equity Shares of Rs.10/- (Rupees Ten) each. The company has allotted shares amounting to Rs 3, 25, 00,070 (Rupees Three Crore Twenty Five Lacs and Seventy only) divided into 32, 50,007 Equity Shares of Rs.10/- (Rupees Ten) each as total purchase consideration for the scheme of amalgamation.



The scheme of Amalgamation is as under –

Transferor Company	Allotted to every member of Transferor Company whose names appear in the Register of Members of the Transferor Company on the Record Date
Sugal & Damani Share & Stock Brokers Private Limited	3 (Three) Equity Shares of face value of Rs. 10/- each of Sugal & Damani Finlease Limited credited as fully paid-up in respect of every 1 (One) Equity Share of face value of Rs. 10/- each fully paid up held by him/ her/ it in Transferor Company.
Sugal & Damani Securities (Madras) Private Limited	1 (One) Equity Share of face value of Rs. 10/- each of Sugal & Damani Finlease Limited credited as fully paid-up to each shareholder of the Transferor Company irrespective of the number of shares held by him/ her/ it in Transferor company
Sugal & Damani (Chennai) Share Broking Limited	1 (One) Equity Share of face value of Rs. 10/- each of the Sugal & Damani Finlease Limited credited as fully paid-up in respect of every 1 (One) Equity Share of face value of Rs. 10/- each fully paid up held by him/ her/ it in Transferor company.

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

4. Remuneration to auditors

	31.03.2009	31.03.2008
For audit	20000	20000
Taxation	10000	10000
Others	5000	5000
Service Tax	4326	4326

5. **Deferred Tax:**

The company has provided deferred tax in accordance with Accounting standard 22 Accounting for Taxes on Income issued by the " Institute of Chartered Accountants of India ". The Breakup of net deferred tax liability as on 31st March 2009 is as under:

Particulars	Deferred tax Liability Rs.	Deferred tax Assets Rs.
Difference between books	230547(2291)	-
Depreciation & Tax Depreciation		

Amount in bracket represents previous year figure

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

7. **Management Remuneration:**

- a. Salary payment includes house rent allowances, transportation and leave encashment.



8. RELATED PARTY DISCLOSURE

- (a) Remuneration paid to Managing Director Shri N. Sugal Chand Jain : Rs.720000/- (Rs.420000/-)
 - (b) Remuneration paid to Executive Director Shri S. Vinod Kumar Jain: Rs. 10,81,290/- inclusive of remuneration received by him from Sugal & Damani Share & Stock Brokers P. Ltd., being the Transferor company.
 - (c) Remuneration paid to Executive Director Shri S. Mahesh B Chandak: Rs. 16,31,290/- inclusive of remuneration received from Sugal & Damani Share & Stock Brokers P. Ltd., being the Transferor company
 - (d) The company has received temporary Loan from Shri N. Sugalchand Jain, Managing Director, and the Closing Balance as on 31.03.2009 is Rs.9283800/-Cr (Rs.65543341/-)
 - (e) Remuneration paid to Vice President Shri. Bhagawandas Chandak Rs.527240/-, a relative of Director, inclusive of remuneration received by him from Sugal & Damani Share & Stock Brokers P. Ltd., being the Transferor company.
 - (f) The Company has received advance for purchase of shares from Savitha Chandak, a relative of the Director and the closing Balance as on 31.03.2009 is Rs. Nil (100923.70Dr). Interest Paid Rs.48493/-
 - (g) The company has received temporary Loan from M/s. Sugal Commodity Brokers Private Ltd, an enterprises in which Directors have Significant influence. The amount outstanding as on 31.03.2009 is Rs. 6, 09,365.14 Cr (Rs.15, 67,067.14 CR). Interest Paid Rs.1,62,010/-
 - (h) The Company has received advance for purchase of shares from Shri. Prasanchand Jain, a relative of director, The amount outstanding as on 31.03.2009 is Rs. Nil. Interest Paid Rs.9,863/-
 - (i) The Company has received advance for purchase of shares from Mr.Bhagawandas Chandak, a relative of director. The amount outstanding as on 31.03.2009 is Rs. Nil. Interest Paid Rs.36,263/-
 - (j) The Company has received advance for purchase of shares from Smt. Kalavathy, a relative of director. The amount outstanding as on 31.03.2009 is Rs.Nil. Interest Paid Rs.19906/-
 - (k) Sugal & Damani Share & Stock Brokers Private Ltd (Transferor Company), prior to amalgamation, has given temporary Loan to M/s. Sugal Share Credits Pvt Ltd, an enterprise in which Directors have significant influence. The amount outstanding as on 31.03.2009 is Rs.228000/-Dr.
9. The Company has received Rs.362635/- (Rs.330171/-) as dividend from various listed companies on shares held in Demat Account, which include dividend on investment made by and shares held as security for loans, of which Rs. Nil (Nil) being the dividend on shares held as security against loan is transferred to concerned loan parties.



10. Basic and diluted earning per share

Particulars	31 st March 2009	31 st March 2008
Net Profit for the year (In Rs.)	Rs.(5167322)	Rs.2226647
Weighted Average number of equity shares	6250007	3000000
Nominal value of shares	Rs.10 per share	Rs.10 per share
Basic & diluted earning per share (In Rs.)	(0.83)	0.742

11. Previous year figures are regrouped and rearranged wherever necessary to match the current year classification.

12. Value of Investment in shares as on 31.03.2009 is Rs.18983305/- (Rs.20654509/-) and market value of stock in hand as on 31.03.2009 is Rs. 8382630/- (Rs.14001777/-)

13. Contingent Liability

As required by AS29 for provision towards contingent liability a sum of Rs. 2, 05,383/- was provided during the Financial Year 1998-99 against the interest tax liability for the Asst. Year 1995-96 as per the Asst. order of ACIT dated 31.03.1999 and a sum of Rs.62, 474/- was provided during the financial year 1999-2000 against the interest tax liability for the Asst. Year 1994-95 as per the Asst. order of ACIT dated 02.02.1998. The company has preferred an appeal against the orders. Hence the tax liability is not paid. However the same is taken as provision for contingent liability as required by AS29.

14. Prior Period Comparatives

The Hon'ble High Court at Madras has, vide its order dt. 12-09-2008 sanctioned the Scheme of Amalgamation of Sugal & Damani Share & Stock Brokers Private. Ltd, Sugal & Damani Securities (Madras) Private. Ltd and Sugal & Damani (Chennai) Share Broking Ltd with the Company with 01-04-2007 as appointed date; The Company has given effect to the Scheme by passing necessary accounting entries. Consequently, the previous year figures are incomparable.

15. Disclosure of Micro, Small and Medium Enterprises

The Management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of medium and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such medium and small enterprises as at 31st March 2009 has been made in the financial statements to the extent of the information available with the company.

Signatures to Schedule 1 to 13

As per our attached report of even date
For **S.L. Gadhiya & Co.**,
Chartered Accountants

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

(SHANTILAL GADHIYA)
Partner

(N.SUGAL CHAND JAIN)
Managing Director

(MAHESH B CHANDAK)
Executive Director

Membership No: 19663

PLACE: CHENNAI
DATE : 28.05.2009

(R.VAIDYANATHAN)
Company Secretary

(G.VIMAL KUMAR)
Accounts Manager

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



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2009

PARTICULARS	FOR THE YEAR ENDED 31.03.2009	FOR THE YEAR ENDED 31.03.2008
A.CASH FLOW FROM OPERATION ACTIVITIES:		
Net Profit Before Tax & Extra ordinary items	(4708869.00)	2651254
Adjustments for		
Depreciation & Provisions	1547288.00	342243
Accrued Interest	0.00	
Profit & loss on Sale of Investments	2388193.00	(1446893)
Loss on Sale of Fixed Assets	107268.00	
Operations Profit Before Working Capital Charges	(666120.00)	1546604
Adjustments for		
Trade and other Receivables	0.00	(9943975)
Loans and Advances	(33348998.00)	22473595
Inventories	(10340688.00)	
Trade Payables	44358776.00	1348
Other Current Asset	(6065387.00)	
Cash Generated from Operations	(6062417.00)	14077572
Direct Taxes Paid	(90029.00)	(589056)
Cash Flow Before Extra Ordinary items	(6152446.00)	13488516
Extra ordinary items	0.00	0
Net cash From Operating Activities	(6152446.00)	13488516
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(15767459.00)	0
Sale/Disposal of Fixed Asset	250000.00	0
Purchase of Investments	0.00	(20107558)
Sale of Investments	1671204.00	1446893
Net cash Generated/(Used)/in Investing Activities	(13846255.00)	(18660665)
C.CASH FLOW FROM FINANCIAL ACTIVITIES		
Issue of Shares	32500070.00	
Preliminary Exp	(2960000.00)	
Proceeds from bank OD	18538629.00	5053582
Net Cash Used in financing Activities	48078699.00	5053582
Net increase/(Decrease) in cash & Cash equivalents	28079998.00	(118567)
Cash & Cash Equivalents (Opening Balance)	17770.00	136337
Cash & Cash Equivalents (Closing Balance)	28097768.00	17770

As per our attached report of even date
For **S.L. Gadhiya & Co.,**
Chartered Accountants

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

(SHANTILAL GADHIYA)
Partner

(N.SUGAL CHAND JAIN)
Managing Director

(MAHESH, B CHANDAK)
Executive Director

Membership No: 19663

PLACE: CHENNAI
DATE : 28.05.2009

(R.VAIDYANATHAN)
Company Secretary

(G.VIMAL KUMAR)
Accounts Manager



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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(As per Part IV of Schedule VI to the Companies Act, 1956).

I. REGISTRATION DETAILS:

Registration No: State Code:
Balance Sheet Date (Refer Code list 1)

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

Public Issue Rights Issue
Bonus Issue Private Placement
(Issue on Amalgamation)

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS:

(Amount in Rs. Thousands):
Total Liabilities Total Assets

SOURCES OF FUNDS:

Paid up Capital Reserve & Surplus
Secured Loans Unsecured Loans

APPLICATION OF FUNDS

Net Fixed Assets Investments
Net Current Assets Miscellaneous Expenditure
Accumulated Losses

IV. PERFORMANCE OF COMPANY (Amount in thousands):

Turnover Total Expenditure
Profit / Loss before Tax Profit / Loss After Tax
(Please tick appropriate box (+) for Profit & (-) for Loss)
Earning per share in Rs. Dividend Rate (%)

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

Item Code No. (ITC Code)
Product Description: Share Broking

For **S.L. Gadhiya & Co.,**
Chartered Accountants

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

(SHANTILAL GADHIYA)
Partner

(N.SUGAL CHAND JAIN)
Managing Director

(MAHESH B CHANDAK)
Executive Director

Membership No: 19663

PLACE: CHENNAI
DATE : 28.05.2009

(R.VAIDYANATHAN)
Company Secretary

(G.VIMAL KUMAR)
Accounts Manager

Note : Because of Amalgamation New shares are issued

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



Schedule to the Balance Sheet as on 31.03.2009 of SUGAL & DAMANI SHARE BROKERS LTD (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank Directions, 2007)		
PARTICULARS	(Rs.in Lakhs) As on 31-03-2009	
Liabilities side:		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	AMOUNT OUTSTANDING	AMOUNT OVERDUE
(a) Debentures		
--Secured		
--Unsecured (other than falling within the meaning of Public deposits*)		
(b) Deferred credits		
(c) Term loans		
(d) Intercorporate loans and borrowings		
(e) Commercial paper		
(f) Other loans(specify nature) Bank OD	303.79	
* Please see Note 1 below		
Assets Side		
Amount Outstanding		
(2) Break-up of loans and advances including bills receivables (other than those included in(4) below):		
(a) Secured		
(b) Unsecured		
(3) Break up of leased assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease		
(b) Operating lease		
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire		
(b) Repossessed assets		
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed		
(b) Loans other than (a) above		
(4) Break-up of Investments:		
Current Investments:		
1. Quoted :		
(i) Shares		
(a) Equity		
(b) Preference		
(ii) Debentures and bonds		
(iii) Units of mutual funds		
(iv) Government Securities		
(v) Others(please specify)		
2. Unquoted:		
(i) Shares		
(a) Equity		
(b) Preference		
(ii) Debentures and bonds		
(iii) Units of mutual funds		
(iv) Government Securities		
(v) Others(please specify)		
Long-term investments:		
1. Quoted :		
(i) Shares		
(a) Equity		
(b) Preference		
(ii) Debentures and bonds		
(iii) Units of mutual funds		
(iv) Government Securities		
(v) Others(please specify)		
	166.01	



2. Unquoted:		23.82	
(i) Shares (a) Equity (b) Preference (ii) Debentures and bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify)			
(5) Borrowing group-wise classification of assets financed as in (2) and (3) above: Please see Note 2 below			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries			
(b) Companies in the same group		2.28	2.28
(c) Other related parties			
2. Other than related parties		47.21	47.21
Total		49.49	49.49
(6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted): Please see note 3 below			
Category	Market value/ break-up or fair value of NAV	Book value (net of provisions)	
1. Related Parties **			
(a) Subsidiaries			
(b) Companies in the same group			
(c) Other related parties			
2. Other than related parties			
Total			
** As per Accounting Standard of ICAI (Please see Note 3)			
(7) Other information			
Particulars	Amount		
(i) Gross non-performing assets			
(a) Related parties			
(b) Other than related parties			
(ii) Net non-performing assets			
(a) Related parties			
(b) Other than related parties			
(iii) Assets acquired in satisfaction of debt			
Notes:			
(1) As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998			
(2) Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007			
(3) All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break-up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long-term or current in column(4) above.			

For **S.L. Gadhiya & Co.**,
Chartered Accountants

(SHANTILAL GADHIYA)
Partner

Membership No: 19663

PLACE: CHENNAI
DATE : 28.05.2009

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

(N.SUGAL CHAND JAIN)
Managing Director

(MAHESH B CHANDAK)
Executive Director

(R.VAIDYANATHAN)
Company Secretary

(G.VIMAL KUMAR)
Accounts Manager



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

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

SIXTEENTH ANNUAL GENERAL MEETING
ADMISSION SLIP

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

I hereby record my presence at the Sixteenth Annual General Meeting of the Company at 'City Centre Plaza' (First Floor), No. 7, Anna Salai, Chennai – 600 002, on Saturday, July 25, 2009 at 11.00 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)

SIGNATURE OF THE MEMBER / PROXY _____

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

DP ID: _____

Notes:

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



SUGAL & DAMANI SHARE BROKERS LIMITED
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PROXY FORM

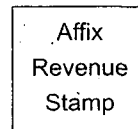
I/We _____ of _____ in the district of _____ being a Member/Members of SUGAL & DAMANI SHARE BROKERS LIMITED hereby appoint _____ of _____ in the district of _____ or failing him/her _____ of _____ in the district of _____ as my/our proxy to vote for me/ us on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held on Saturday, July 25, 2009 and at any adjournment thereof.

Signed this _____ day of _____ 2009

Member's Folio No / Client ID _____

DPID: _____

No. of shares held: _____



Signature of Member

BOOK POST
PRINTED MATTER

If Undelivered, please return to :
Sugal & Damani Share Brokers Limited
(Formerly known as Sugal & Damani Finlease Limited)
City Centre Plaza (I Floor)
7, Anna Salai,
Chennai - 600 002