

ANNUAL REPORT
(FY 2009-2010)

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a process that aims to meet shareholders aspirations and societal expectations. It is a commitment that is backed by the fundamental belief of maximizing shareholders value, transparency in functioning, values and mutual trust amongst all the constituents of organization. It's not a discipline imposed by a Regulator, rather a culture that guides the Board, management and employees to function towards best interest of stakeholders. It involves essentially a creative, generative and positive thinking activity that adds value to the various stakeholders that are served as end customers of the corporate entity.

In our Company, Corporate Governance philosophy stems from our belief that corporate governance is key element in improving efficiency and growth as well as enhancing investor confidence. We are making continuous efforts to adopt the best practices in corporate governance and we believe that the practices, we are putting into place for the Company shall go beyond adherence to regulatory framework. Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance Philosophy.

II. BOARD OF DIRECTORS

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

Composition

The composition of the Board of Directors of the Company is balanced one, comprising Executive and Non- Executive Directors, the latter includes independent professionals. Directors are appointed/re-appointed with the approval of the shareholders and all are liable to retire by rotation. The present strength of the Board of Directors is 5, of which two are Executive Directors.

Composition of the Board of Directors as on 31st March 2010:

Category	No. of Directors	Percentage to total no. of Directors
Executive Directors	2	40
Non- Executive Independent Directors	3	60
Total	5	100

Directors

The Board constitution, the attendance of the Directors at the meetings of the Board held during the financial year and at the last Annual General Meeting (AGM), numbers of other Directorship/ Committee Membership held by them during the year 2009-2010 are tabulated below:

Name of Director	Designation	Number of Board Meeting		Attendance in the Last Annual General Meeting	No. of Directors in other Public Companies	No. of Other Committee position as Member	No. of Other Committee position as Chairman
		Held *	Attended				
Mr. Manoj Kumar Bansal***	Chairman cum Executive Director	9	9	Yes	None	One	One
Mr. Ramesh Kumar Dudhani	Executive Director	9	9	No	None	One	None
Mr. Atma Ram Bansal	Independent Non-Executive Director	9	9	Yes	None	None	One
Mr.*** Shervon Chhajer	Independent Non-Executive Director	9	9	Yes	None	One	None
Mr. Ghanshyam Prashad Gupta**	Independent Non-Executive Director	3	3	No	None	None	None
<p>* Denotes number of meetings held during the tenure of directorship of each director. ** Mr. Ghanshyam Prashad Gupta has been appointed as Director of the Company with effect from 12.11.2009. ***Mr. Shervon Chhajer & Mr. Manoj Bansal, Directors are liable to retire by rotation and being eligible offers themselves for re-appointment.</p>							

None of the Directors on the Board is a member of more than 10 committees and chairman of more than 5 committees (as specified in clause 49 of the Listing Agreement), across all the companies in which he is a Director.

ADDITIONAL INFORMATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT ON DIRECTORS

Name of the Director	Mr.Shervon Chhajed	Mr. Manoj Bansal	Mr. Ghanshyam Prashad Gupta
Designation	Chairman cum Managing Director & Executive Promoter Director	Non Executive Independent Director	Non Executive Director
Date of Birth			15 th Jan, 1956
Nationality	Indian	Indian	Indian
Date of Appointment	29 th Aug. 2002	29 th Aug. 2002	12 th Nov., 2009
Qualifications & Experience	He has done his Bachellors in Commerce.	He has done his Bachellors in Commerce.	He is a Chartered Accountant, having very rich experience in Finance.
Shareholding in Sahyog Credits Limited as on 31-03-2010	5000 (.163%)	500 (.016%)	30000 (0.98%)
Directorship in other Companies and Memberships of Committees*	Nil	Nil	Nil
DIN	00509219	02122060	00287019

* Excludes the Directorships in Indian Private Limited Companies & Foreign Companies and Alternate Directorship.

Number of Board of Directors meeting held during the year

The Company has defined procedures for meetings of Board of Directors and Committees thereof so as to facilitate decision making in an informed and efficient manner. During the financial year 2009-2010, **9 (Nine)** Board Meetings were held and the gap between two meetings did not exceed four months. The following dates on which the Board Meeting were held:

(1) 30th April, 2009; (2) 31st July, 2009; (3) 20th August, 2009; (4) 15th October, 2009; (4) 31st October, 2009; (5) 10th November, 2009; (6) 12th November, 2009; (7) 12th December, 2009; (8) 21st December, 2009; (9) 31st January, 2010

Directors' Remuneration

The Company has not paid remuneration in any form to any Director of the Company during the financial year 2009-2010. However, Mr. Manoj Kumar Bansal & Mr. Ramesh Kumar Dudhani, Directors had been paid an annual remuneration of Rs. 81,000/- & Rs.1,20,000/- respectively during the financial year 2008-2009.

No sitting fee is paid to any Director.

Presently, the Company does not have a scheme for grant of stock options.

III. BOARD COMMITTEES

The Board has constituted two Committees – the Audit Committee and the Shareholders’/Investors’ Grievance Committee. The role and composition of these Committees, including the number of the meetings held and the related attendance are as follows:

1. Audit Committee

The terms of reference of Audit Committee are in accordance with Section 292A of the Companies Act, 1956 and as per the provisions of the Listing Agreement.

The Audit Committee is entrusted with the responsibility to supervise the Company’s financial control and reporting process and inter alia performs the following functions:

- Overseeing the Company’s financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending appointment and removal of statutory auditors, fixation of audit fee and approval of payment of fees for any other services;
- Reviewing with the management, the periodical financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices
 - Qualifications in the draft audit report
 - Significant adjustments arising out of audit
 - Compliance with Accounting Standards
 - Compliance with legal requirements concerning financial statements
 - Related party transactions;
- Reviewing with the management, statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management;
- Reviewing the adequacy of the internal audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- Reviewing reports of internal audit and discussion with internal auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors and the executive management’s response on matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors, before the audit commences, on nature and scope of audit as well as after conclusion of audit to ascertain any areas of concern and review the comments contained in their management letter;
- Reviewing the Company’s financial and risk management policies;
- Looking into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Considering such other matters as may be delegated by the Board from time to time.

Composition of Audit Committee

The Audit Committee comprises three Directors, with two of them being Independent Directors. The Head of Internal Audit and the representative of Statutory Auditors are Invitees to the Audit Committee.

All members of the Committee are financially literate and two members have accounting and financial expertise. The names of the members of the Audit Committee, including its chairman are as under:-

Name	Designation	Category
Mr. Atmaram Bansal	Chairman	Independent & Non-Executive Director
Mr. Shervan Chhajed	Member	Independent & Non- Executive Director
Mr. Manoj Kumar Bansal	Member	Executive Director

Role and Terms of reference

The role and terms of reference of the Audit Committee covers the areas mentioned under Clause 49 and Section 292A of the Companies Act, 1956 besides other matters as may be referred by the Board of Directors. This inter-alia includes review of Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible, reviewing annual and quarterly financial statement with the management before submission to the Board, reviewing the adequacy of internal control system with management, auditors and reviewing the Company's financial risk and management policies.

Meeting and Attendance

The meetings of the Committee were held under the chairmanship of Mr. Atmaram Bansal at regular intervals as required under Clause 49 of the Listing Agreement. The major discussions in the Committee meetings included reviewing, with the management, the quarterly financial statements for the financial year 2009-2010, the accounting policies of the Company and working of the Internal Control and Audit Systems.

Four Audit Committee Meetings were held during the year 2009-2010. The dates on which the said meetings held were as follows:

- (1) 30th April, 2009; (2) 31st July, 2009; (3) 31st October, 2009; & (4) 31st January, 2010.

The necessary quorum was present at the meetings.

2. Shareholders' Committee

As per the requirements of Clause 49 of the Listing Agreement a committee in the name of Shareholders Committee has been duly constituted. The main function of the committee is redressal of Shareholders' grievance pertaining to various issues viz. Transfer and Transmission of shares, non-receipt of Annual Report, non-receipt of dividends declared by the Company, etc. approval of transfers, transmissions, dematerialization and other related matters regarding the shares of the Company.

Composition of the Shareholders' Committee:

Mr. Manoj Kumar Bansal - Chairman
Mr. Ramesh Kumar Dudhani - Member

There are no pending share transfers or any complaints as on 31st March 2010.

Four Shareholder Committee Meetings were held during the year 2009-2010. The dates on which the said meetings held were as follows:

(1) 20th April, 2009; (2) 15th July, 2009; (3) 20th July, 2009; & (4) 25th July, 2009

The necessary quorum was present at the meeting.

IV. CODE OF CONDUCT

The code of conduct in line with the provisions of Clause 49 of the listing agreement has been framed/adopted by the Board is applicable to all members of the Board and Senior Management Executives. The members of Board and Senior Management of the Company have affirmed compliance with this code for the financial year 31st March, 2010.

Declaration as required under clause 49 of the Listing Agreement

As provided under Clause 49 of the Listing Agreement with the stock exchange, all the members of the Board and Senior Management Personnel have confirmed compliance of the Code of Conduct for the financial Year ended on March 31, 2010.

**For Sahyog Credits Limited
Sd/-**

Date: 23rd August, 2010

Place: New Delhi

**Manoj Kumar Bansal
Director**

V. GENERAL BODY MEETINGS

1. AGM for the Financial Year 2006-2007

- | | | |
|---------|------------------------------------|------------------------|
| ➤ Date | 29 th September, 2007 | No Special Resolution |
| ➤ Time | 11.30 A.M. | passed at the Meeting. |
| ➤ Venue | M-54, IInd Floor, Saket, New Delhi | |

2. AGM for the Financial Year 2007-2008

- | | | |
|---------|------------------------------------|------------------------|
| ➤ Date | 30 th September, 2008 | No Special Resolution |
| ➤ Time | 11.30 A.M. | passed at the Meeting. |
| ➤ Venue | M-54, IInd Floor, Saket, New Delhi | |

3. AGM for the Financial Year 2008-2009

- | | | |
|---------|---|------------------------|
| ➤ Date | 30 th September, 2009 | No Special Resolution |
| ➤ Time | 11.00 AM | passed at the meeting. |
| ➤ Venue | 197/21, IInd Floor, Prem Gali, Punja Shariff Kashmere Gate, Delhi | |

Postal Ballot

In last AGM as well as in the ensuing AGM, no resolution is proposed which require approval by way of Postal Ballot.

V. DISCLOSURES

- a. None of the transactions with any of the related parties were in conflict with the interest of the Company. Details of transactions with related parties are disclosed in Note No. 9 of Schedule 19 to the Accounts in the Annual Report. All related party transactions are negotiated at arms' length basis and intended to broaden the interest of the Company.
- b. In the preparation of the Financial Statements, the Company has followed the Accounting policies and practices as prescribed in the Accounting Standards and there is no change in the accounting treatment during the year under review.
- c. Management Discussion and Analysis Report is set out in a separate section included in this Annual Report which forms part of this Report.
- d. Proceeds from Public Issues, right issues, preferential issues etc. – Nil

VI. MEANS OF COMMUNICATION

1. The Company did not make any presentations to institutional investors or to the analyst during the year under review.
2. A Management Discussion and Analysis report, which forms a part of this Annual Report, is given by means of a separate Annexure and is attached to the Directors Report.
3. Timely disclosures of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end, the quarterly results of the Company were announced within a month of the end of each quarter for all four quarters. Such results are normally published in ' The Pioneer' and in a vernacular newspaper, ' Veer Arjun' from Delhi.

VII. COMPANY'S CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading in the shares and securities of the Company. The Code, inter alia, prohibits purchase/ sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company.

VIII. COMPLIANCE OFFICER

Mr. Ghanshyam Prasad Gupta, Director, is the Compliance officer of the Company as required under the Listing Agreement with the Stock Exchanges.

IX. GENERAL SHAREHOLDERS INFORMATION

1	Annual General Meeting: ➤ Date ➤ Time ➤ Venue	➤ 30 th September, 2010 ➤ 11:30 A.M. ➤ 5/5761, Dev Nagar, Karol Bagh, New Delhi-110005.		
2.	Financial Calendar for 2010-11: ➤ Accounting Period ➤ Unaudited financial results for the first three quarters ➤ Fourth quarter Results ➤ Annual General Meeting (Next Year)	➤ April 1, 2010 to March 31, 2011 ➤ Announcement within 45 days from the end of each quarter. ➤ Announcement of Audited Accounts on or before May 30, 2011 ➤ September, 2011 (Tentative)		
3.	Date of Book Closure	24 th September, 2010 to 30 th September, 2010 (both days inclusive).		
4.	Dividend payment date	No Dividend recommended by the Board of Directors of the Company for the financial year 2009 – 2010.		
5.	Listing on Stock Exchanges:	Address:		
	➤ The Delhi Stock Exchange Association Limited	DSE House, 3/1 Asaf Ali Road, New Delhi – 110002.		
	<i>Note: The listing fee for the year 2009-10 has been paid to the Delhi Stock Exchange within the stipulated time.</i>			
6.	Market Price Data for the financial year 2009-2010:	The shares of the Company are not actively traded in the Stock Exchanges during the current financial year.		
7.	Registrars and Transfer Agent	Not Yet Appointed		
8.	Distribution of Shareholding as on 31st March, 2010:			
	Share holding of nominal value	Share Holders	Share Amount	%age to Total
	Rs.	Number	% to Total	Rs.

Upto - 5000	79	32.65	395000	1.29
5001 - 10000	13	5.37	119000	0.39
10001 - 20000	40	16.53	649000	2.12
20001 - 30000	16	6.61	418000	1.37
30001 - 40000	6	2.48	231000	0.75
40001 - 50000	21	8.68	1028500	3.36
50001 - 100000	10	4.13	616000	2.02
1,00,001 and above	57	23.55	27143500	88.70
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	242	100.00	3,06,00,000	100.00

9. Categories of Shareholding as on 31st March 2010:

Sl. No.	Category	No. of Shares held	%
1.	Promoters & Promoter Group	35750	1.17%
2.	Foreign Institutional Investors	Nil	
3.	NRIs & Foreign Nationals	Nil	
4.	Mutual Funds & UTI	Nil	
5.	Banks, FIs & Insurance Companies	Nil	
6.	Bodies Corporate	Nil	
7.	Clearing Members	Nil	
8.	Public	3024250	98.83%

X. DEMATERIALISATION OF SHARES AND LIQUIDITY

The paid up capital of the Company is Rs.3,06,00,000 divided into 30,60,000 Equity Shares of Rs.10/- each. The Shareholders hold all the shares in the physical form. The Company has yet not applied to NSDL/ CDSL to obtain its International Securities Identification Number (ISIN) for De-mat Connectivity.

XI. ADDRESS FOR CORRESPONDENCE

Any correspondence related to any matter of the Company can be addressed to Mr.Ghanshyam Prashad Gupta, Director of the Company, at Registered Office of the Company at, 5/5761, Gali No. 2, Dev Nagar, Karol Bagh, New Delhi.

XII.COMPLIANCE CERTIFICATE OF THE AUDITORS

The Certificate from M/s Grover Ahuja & Associates, New Delhi, the Practicing Company Secretaries, as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges, that the Company has complied with the conditions of Corporate Governance is annexed to the Report of Directors & Management Discussion & Analysis.

This Certificate shall be forwarded to the Stock Exchanges along with the Annual Report of the Company.

**For and on behalf of the Board of
Sahyog Credits Limited**

Sd/-

**Manoj Kumar Bansal
Director**

**Place: New Delhi
Date: 23rd August, 2010**

CERTIFICATE OF COMPLIANCE AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of
Sahyog Credits Limited

We have examined the compliance of the conditions of Corporate Governance by Sahyog Credits Limited, for the year ended on 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement

We state that no investor grievance pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

**for Grover Ahuja & Associates
Company Secretaries**

**Place : New Delhi
Date : 23rd August, 2010**

**Sd/-
Atul Sharma
C. P. No. 8939**

Management's Discussion & Analysis

The Board takes immense pleasure in presenting before you the Company's **19th (Nineteenth)** Annual Report for the year 2009 – 2010 along with the Corporate Governance Report. The Management Discussion and Analysis Report forms part of the Corporate Governance Report.

Industry Structure and Developments

The Company is a Non Banking Finance Company. The main business of the Company is providing finance to Corporates and trading in shares & securities. The Management of the Company is very diligent in investing the funds and thus is progressing with the twin aim of ensuring liquidity and profitability. Due to rising rate of interest the Company is expecting very good returns in the near future.

Opportunities and Threats

- The Company has very diligently made the investment decisions and has invested in diversified projects in order to ensure minimum risk with maximum returns.
- The Company has made all efforts to encash the boom in the economy and has made profitable investment decisions.
- As the Company is investing in Shares & Securities and carrying on financing activities, which could be affected adversely due to change in the Government policies.

Outlook

- The Company is confident of increasing the profits in comparison to the previous year with the help of professional Human Resource.
- The Company is having adequate funds to meet the increasing demand of Finance.
- The Company is fully geared to take up the new business opportunities, which are expected to enhance the profits of the Company and increasing returns to the shareholders.

Risks and Concerns

- The main concern of the management is regarding the unforeseen changes in the policies of the government that may affect the investments of the Company.
- The Company must also be prepared for unpredictable losses that may occur to the Company due to non-payment of principal/ interest or delayed payments of principal/ interest by the Companies to whom advances have been made.
- Certain Assets that may become Non Performing Assets will affect the business.

Internal Control Systems and their adequacy

- The Company is having a very effective Internal Audit system. The Internal controls of the Company are periodically reviewed to ensure their adequacy and effectiveness. The Internal Audit is focused on independently evaluating the adequacy of all internal controls, for ensuring adherence to operating guidelines, regulatory and legal requirements, etc.
- The Assets of the Company are adequately guarded against all kinds of losses that may occur due to inefficient or unauthorized use / disposal. The Company has a professionally designed system of Internal Control to ensure that all the transactions are promptly reported and recorded in accordance with the generally accepted accounting principles and policies.
- The Internal Control system is designed in such a way that it ensures the adherence to the management policies and enhances the operational efficiency of the Company.

Discussion on Financial Performance with respect to Operational Performance

A detail relating to the financial performance of the Company, as given in the Directors' report, needs to be viewed in the above backdrop.

Developments in Human Resources / Industrial Relations

- Your Company recognizes the value of human resource, therefore, the human resource policies are framed in such fashion that they not only aim at achieving the organizational goal but also recognize and appreciate the individual interest of the employees. Thus, the Human Resource Development policies of the Company are in the best interest of the organization as well as employees of the Company
- The Management and the employees shared a cordial relationship throughout the year.
- The Company believes in healthy competition. The relations of the Company with other Companies in the same industry are also very good.

Cautionary Statement

Statement made in this report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might vary materially from those either expressed or implied.

For and on behalf of the Board
Sd/-
Manoj Kumar Bansal
(Chairman of the meeting)

Place: New Delhi
Date: 23rd August, 2010

CEO AND CFO CERTIFICATION

UNDER CLAUSE 49(V) OF THE LISTING AGREEMENT

I, Manoj Kumar Bansal, Director and Finance Controller responsible for the finance and overall functions of the Company certify that:

- a) I have reviewed the financial statements and cash flow statement for the year ended 31st March, 2010 and to the best of our knowledge and belief :
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) 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.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

For and on Behalf of the Board

Sd/-

**Manoj Kumar Bansal
Director & Finance Controller**

**Place: Delhi
Date: 23rd August, 2010**

SAHYOG CREDITS LIMITED

Regd Office: 5/5761, Gali No. 2, Dev Nagar Karol Bagh New Delhi-110005

NOTICE

Notice is hereby given that the 19th (Nineteenth) Annual General Meeting of the Shareholders of the Company will be held at 5/5761, Dev Nagar, Karol Bagh New Delhi -110005 on Thursday, the 30th day of September, 2010 at 11.30 A.M. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the period ended on that date together with report of Auditors and Directors thereon.
2. To appoint Director in place of Mr. Sarvan Chhajed, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Mr. Manoj Bansal, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint M/s R.K. Rathi & Co., Chartered Accountants, Delhi, the retiring Auditors, to hold office as Auditors from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration:

“RESOLVED THAT M/s R.K.Rathi & Co., Chartered Accountants be and are hereby appointed as Auditors of the company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as may be determined by the Directors.”

SPECIAL BUSINESS

5. Re-appointment of Grover Ahuja & Associates, Practicing Company Secretaries

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

“RESOLVED THAT M/s Grover Ahuja & Associates, Company Secretaries, New Delhi be and are hereby re-appointed for the purpose of issuing Compliance Certificate as required under Section 383A of the Companies Act, 1956, on such terms and conditions & remuneration to be decided mutually between the Board of Directors and the said Company Secretary Firm and they shall hold their appointment till the conclusion of the next Annual General Meeting.”

By order of the Board

**Sd/-
Director**

**Place: New Delhi
Date: 23rd August, 2010**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy from duly executed and properly stamped, in order to be effective, should reach the company at its registered office at least 48 hours before the schedule time of the meeting.
3. Only registered members carrying attendance slips and holders of valid proxies registered with the Company will be permitted to attend the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2010 to 29th September, 2010 (both days inclusive).
5. The Trading of the shares of the Company can be done at The Delhi Stock Exchange.

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956

Item No. 5

As per the provisions of Section 383A of the Companies Act, 1956, every Company having paid up share capital of Rs. 10,00,000/- or more but not exceeding Rs. 5 Crores is required to obtain a Secretarial Compliance Certificate from a Company Secretary in practice regarding the compliance of various provisions of the Companies Act, 1956.

Accordingly, the Company has obtained the Compliance Certificate for the financial year 2009-10 from **M/s Grover Ahuja & Associates, Company Secretaries, New Delhi**. The said Compliance Certificate forms part of the Director's Report and has been placed before the members for their consideration.

The Directors recommend their re-appointment for the issuance of the Compliance Certificate for the financial year 2010-11.

None of the Directors of the Company are in any way concerned or interested in this resolution.

By order of the Board

**Sd/-
Director**

**Place: New Delhi
Date: 23rd August, 2010**

SAHYOG CREDITS LIMITED

Regd Office: 5/5761, Gali No. 2, Dev Nagar Karol Bagh New Delhi-110005

DIRECTORS' REPORT

To
The Shareholders
SAHYOG CREDITS LIMITED

The Directors of your Company take immense pleasure in presenting before you the 19th (Nineteenth) Annual Report of the Company together with the Profit and Loss Account for the year ended 31st March 2010.

FINANCIAL RESULTS

During the financial year under review, the Company has earned profit of Rs.1,46,320/- as compared to Rs. 1, 33,394/earned in the previous year. The Management is making full efforts to improve the performance of the Company.

DIVIDEND

Taking into consideration the future plans & policies of the Company and subsequently requirements of the funds, the management is of the view that the Company earned the profit during the year must be retained and redeployed for the operations of the company , Therefore the Board of Director does not recommend any dividend for the year ended on March 31, 2010.

DIRECTORS

The Board of Directors of the Company is duly constituted and there been no change in its constitution during the year under review except **Mr. Ghanshaym Prashad Gupta** was appointed as a Director of the Company on 12th November, 2009. None of the Director of the Company is disqualified under the provision of Section 274(1)(g) of the Companies Act, 1956.

As on the date of report, Board consisted of following members:

S. No.	Name of Director	DIN	Designation	Date of Appointment
1.	Mr. Manoj Kumar Bansal	2122060	Director	29/08/2002
2.	Mr. Ramesh Kumar Dudhani	2313366	Director	29/08/2002
3.	Mr. Atma Ram Bansal	2312423	Director	29/08/2002
4.	Mr. Shervon Chhajed	509219	Director	29/08/2002
5.	Mr. Ghanshaym Prashad Gupta	00287019	Director	12/11/2009

Mr.Sarvan Chhajed & Mr. Manoj Kumar Bansal, Directors of the Company retire by rotation and being eligible offers himself for re-appointment.

Your director recommends his re-appointment.

AUDITORS

The Statutory auditors of the Company, **M/s R.K. Rathi & Co., Chartered Accountants, New Delhi**, retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment as the Statutory Auditors of the Company for the financial year ending 31st March 2011

Your Directors recommend their re-appointment.

AUDITOR'S REPORT

The observation made by the Auditors are self-explanatory and do not call for any further clarification.

COMPLIANCE CERTIFICATE

As per the requirements of Section 383A of the Companies Act, 1956, the Company has obtained a Compliance Certificate regarding compliances of Secretarial requirements of the Companies Act, 1956 from M/s Grover Ahuja & Associates, Company Secretaries for the year financial year ended on March 31, 2010 and the same is attached herewith, forming part of this report.

M/s Grover Ahuja & Associates, Company Secretaries shall hold office until the conclusion of the ensuing Annual General Meeting and the Directors recommend their re-appointment for the issuance of the Compliance Certificate for the year ending March 31, 2011.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

Directors confirm:

- (i). that in preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii). that the Directors have selected prudent accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii). that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv). that the Directors have prepared the Annual Accounts on a going concern basis.

PUBLIC DEPOSITS

The Company has not invited, accepted or renewed any deposits from the public covered under Section 58A of the Companies Act, 1956 during the year under review.

INFORMATION AS REQUIRED UNDER PHARAGRAPH 10 OF THE PART II OF NBFC (RB) DIRECTIOS 1977 OF RESERVE BANK OF INDIA.

- a. The total number of depositors of the company whose deposits have not been claimed by the depositors or paid by the company after the date on which the deposit become due for repayment or renewal as the case may be according to the contract with the depositors or the provision of these directions whichever may applicable.....NIL
- b. The total amount due to depositors and remaining unclaimed or unpaid beyond the date referred to in clause (a) as aforesaid.....NIL

INFORMATION PURSUANT OT SECTION 217 (2A) OF THE COMPANIES ACT, 1956

None of the employees is receiving remuneration in excess Rs. 24 Lacs Per annum and/or Rs. 2 Lacs per Month. Therefore the Company is not required to furnish any report in compliance of the provisions of Section 217 (2A) of the Companies act, 1956.

PARTICULARS REQUIRED TO BE FURNISHED IN TERMS OF COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:-

A. Conservation of Energy

The disclosure of particulars with respect of conservation of energy pursuant of Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company. However the company makes has made best efforts and adopted all relevant measures for conservation of the energy.

B. Technology Absorption

The Company has not carried out any specific research and development activities. Accordingly the information related to technology absorption, adaptation and innovation is reported to be NIL.

C. Foreign Exchange Earnings and outgo

There was no transaction of foreign exchange during the period under review.

ACKNOWLEDGEMENT

Your Directors highly appreciate the unconditional co-operation and support extended by the Bankers, other financial agencies, Customers and above all employees of the Company, without whom the Company would not have reached up to this level.

For and on behalf of the Board

Sd/-

**Place: New Delhi
Dated: 23rd August, 2010**

Chairman of the Meeting

AUDITOR'S REPORT

TO
THE SHAREHOLDERS
Sahyog Credits Limited

We have audited the attached Balance Sheet of Sahyog Credits Limited as at 31st March 2010 and the Profit & Loss Account annexed therein 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.

We have conducted our audit in accordance with Accounting 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 notified by the Central Government of India, in the Department of Company Affairs (vide Notification No. G.S.R. 480(E) dated 12.06.2003) in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (1 of 1956), we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph (1) above, we report that:-
 1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 2. 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;
 3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
 4. In our opinion the said Balance Sheet and Profit & Loss Account comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 in so far as they apply to the Company;
 5. On the basis of written presentations received from the Directors as on 31st March 2010, we report that none of the directors are disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.

For SAHYOG CREDITS LTD.


Auth. Sign./Director

6. In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and subject to notes appended thereto, give a true and fair view:

- (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and
- (ii) In the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date.
- (iii) In the case of Cash Flow Statement, of the cash flow of the company for the Year ended on the date.

**FOR R.K. RATHI & CO.
CHARTERED ACCOUNTANT**

Sd/-

**R.K. RATHI
PROPRIETOR**

**Place: New Delhi
Date: 23rd August, 2010**

Annexure to the Auditors Report on the Accounts of Sahyog Credits Limited.

(Referred to in Paragraph 1 of our report of even date on the accounts for the year ended 31st March, 2010.)

1. (a) The company has maintained proper records of fixed Assets showing full particulars including quantitative details and situation thereof
- (b) The Company has regular programmes of physical verification of its fixed assets which in our opinion is reasonable having regard to the size of the Company and nature of its fixed assets. In accordance with this programme, the management during the year physically verified certain assets and no discrepancies were noticed on such verification.
- (c) During the year, none of the fixed assets have been disposed off.
2. (a) As per information and explanation given to us, the management during the year at reasonable intervals has physically verified the stock of Securities & Shares.
- (b) The procedure of physical verification of stock of shares followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company is maintaining proper records of stock of shares and as explained to us, no discrepancy has been noticed on physical verification of shares as compared to book record.
3. (a) The Company has not granted any loans, secured and unsecured to /from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) Since the Company has not granted any loans, secured and unsecured to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 accordingly the provision requiring that, whether the rate of interest and other terms and conditions of loan given by the Company, secured and unsecured are prima facie prejudicial to the interest of the Company, is not applicable to the Company.
- (c) The Company has not granted any loans, secured and unsecured to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 accordingly the provision requiring that, whether the payment of principal amount and interest are also regular, is not applicable to the Company.
- (d) Since the Company has not granted any loans, secured and unsecured to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 accordingly the provision requiring that, if the overdue amount is more than Rs. 1 lac, whether reasonable steps have been taken by the Company for recovery of the principal and interest, is not applicable to the Company.
- (e) The Company has not taken any loans, secured and unsecured to /from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

- (f) Since the Company has not taken any loans, secured and unsecured to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 accordingly the provision requiring that, whether the rate of interest and other terms and conditions of loan taken by the Company, secured and unsecured are prima facie prejudicial to the interest of the Company, is not applicable to the Company.
- (g) The Company has not taken any loans, secured and unsecured to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 accordingly the provision requiring that, whether the payment of principal amount and interest are also regular, is not applicable to the Company.
4. In our opinion and according to the information and explanation given to us during the course of our audit, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business of trading in shares and securities. During the course of our audit, no major weakness has been noticed in the internal controls.
5. (a) Since the Company has not entered into any contracts or arrangements with any Company/Firm/other parties covered in the register maintained under section 301 of the Companies Act, 1956, thus the provision requiring that, whether contracts or arrangements that need to be entered into the register in pursuance of section 301 of the Act have been so entered, is not applicable to the Company.
- (b) Since the Company has not entered into any transaction with any Company/firm/other parties covered in the register maintained under section 301 of the Act, thus the provision requiring that, whether each of these transaction exceeding the value of Rs. 5,00,000/- in respect of any party and in any one financial year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, are not applicable to the Company.
6. Since the Company has not accepted any deposits from public accordingly the provision requiring that, whether the directives issued by the Reserve Bank of India and the provision of Section 58A and 58AA of the Act and the rules framed there under, were applicable have been complied with, is not applicable to the Company.
7. The Company has internal audit system commensurate with its size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956, in respect of products dealt with by the Company.
9. (a) The provisions of Provident Fund Act, Investor Education and Protection Fund, Employees State Insurance, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and cess etc. are not applicable to the Company. The Company is regular in depositing its statutory dues in respect of Income Tax with the appropriate authorities. The Company does not have any arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they become payable.
- (b) As per records of the Company, there are no undisputed amounts payable as at 31st March, 2010 in respect of Income Tax, Wealth Tax, Custom Duty & Excise Duty etc.

10. The Company has been registered for a period of more than five years and the Company has neither incurred any cash losses in such financial year nor incurred any cash losses in the financial year immediately preceding such financial year.
11. The Provisions requiring that, whether the Company has defaulted in repayment of dues to a financial institution or Bank or Debenture holders etc. are not applicable to the Company.
12. The Provisions requiring that, whether adequate documents and records are maintained, in cases where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities, are not applicable to the Company.
13. The Provisions requiring that, whether the provisions of any special statute applicable to chit fund have been duly complied with, are not applicable to the Company.
14. The Company is dealing in shares and securities. The Company has maintained proper records of the transactions and contracts and also has made timely entries of the transactions. We also report that the Shares, Securities, Debenture and other Securities have been held by the Company in its own name.
15. The Company has not given any guarantee for loans taken by others from Banks or financial institutions, hence the provisions requiring whether the terms and conditions whereof are prejudicial to the interest of the Company, are not applicable to the Company.
16. The provisions requiring that, whether term loans were applied for the purpose for which the loans were obtained, are not applicable to the Company.
17. The Provisions requiring that, whether the funds on short-term basis have been used for long term investment and vice-versa, are not applicable to the Company.
18. The Company has not made any preferential allotment of shares to Companies, firm or other parties covered in the Register maintained under section 301 of the Act. Accordingly, the provisions requiring that, the price at which shares have been issued is prejudicial to the interest of the Company are not applicable to the Company.
19. The provisions requiring that, securities have been created in respect of debentures issued, are not applicable to the Company.
20. The provisions requiring that, whether the management has disclosed the end use of money raised by public issues and the same has been verified, are not applicable to the Company.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**FOR R.K. RATHI & CO.
CHARTERED ACCOUNTANTS**

Sd/-

**R.K. RATHI
PROPRIETOR**

**Place: New Delhi
Date: 23rd August, 2010**

SAHYOG CREDIT LIMITED
Regd Office: M-54, 2nd Floor, Saket, New Delhi
Balance Sheet as at 31st March, 2010

<u>SOURCES OF FUNDS</u>	Schedule	2009-10 Rs.	2008-09 Rs.
1) Shareholder Funds			
a) Share Capital	1	30,600,000	30,600,000.00
b) Reserve & Surplus			
Total		30,600,000	30,600,000.00
 <u>APPLICATION OF FUNDS</u>			
1) FIXED ASSETS			
Gross Block	2	433,945.00	433,945.00
Less: Depreciation		333,491.00	310,044.00
Net Block		100,454.00	123,901.00
2) Investments	3	1,300,000.00	12,015,000.00
3) Current Assets Loans & Advances			
A) Cash & Bank Balance	4	100,255.00	522,763.00
B) Loans & Advances	5	29,007,215.00	18,150,724
Sub Total (A)		29,107,470.00	18,673,487.00
Less: Current Liabilities & Provisions	6		
a) Liabilities		19,854.00	464,717.00
b) Provisions		428,000.00	383,000.00
Sub Total (B)		447,854.00	847,717.00
Net Current Assets (A-B)		28,659,616.00	17,825,770.00
4) Deffered Tax Net		295,960.00	293,673.00
Profit & Loss Account		243,970.00	341,656.00
Total		30,600,000	30,600,000.00

NOTES ON ACCOUNTS:

Cash Flow Statement

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FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

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As per our report attached even date

GHANSHYAM PRASAD GUPTA Sd/-

MANOJ BANSAL Sd/-

DIRECTORS

FOR R.K.RATHI & CO.
CHARTERED ACCOUNTANTS

Sd/-

PROP.

Place: New Delhi

Date : 23TH AUGUST, 2010

For SAHYOG CREDITS LTD.

[Signature]
Auth. Sign./Director

SAHYOG CREDITS LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH, 2010

	2009-10 Rs.	2008-09 Rs.
<u>SCHEDULE - 1 : SHARE CAPITAL</u>		
<u>Authorised:</u>		
35,00,000 Equity shares of Rs. 10/- each	35,000,000.00	35,000,000.00
	<u>35,000,000.00</u>	<u>35,000,000.00</u>
<u>Issued, Subscribed & Paid up:</u>		
3060000 Equity Shares of Rs. 10/- each.	30,600,000.00	30,600,000.00
	<u>30,600,000.00</u>	<u>30,600,000.00</u>
 <u>SCHEDULE - 3: INVESTMENTS:</u>		
Investment in shares	1,300,000.00	12,015,000.00
	<u>1,300,000.00</u>	<u>12,015,000.00</u>
 <u>SCHEDULE - 4 CUREENT ASSETS, LOAN & ADVANCE</u>		
<u>CASH & BANK BALANCE</u>		
<u>Cash in Hand:</u>		
As certified by Directors	83,895.00	29,022.00
<u>Cash at Bank:</u>		
Balance With BANK (Scheduled Bank)	16,360.00	490,290.00
Balance With DENA BANK (Scheduled Bank)	-	3,451.00
	<u>100,255.00</u>	<u>522,763.00</u>
 <u>SCHEDULE - 5: LOANS & ADVANCES</u>		
<u>(Unsecured, Considered Goods Unless Otherwise Slated</u>		
<u>a) Advance recoverable in cash or in kind or value to be received</u>		
Loans & Advance	24,472,883.00	17,357,950.00
Advances	3,900,000.00	-
Tax deducted at source	634,332.00	792,774.00
	<u>29,007,215.00</u>	<u>18,150,724.00</u>

SCHEDULE - 2 FIXED ASSETS:

Particulars	RATE	Gross Block		Depreciation			Net Block		
	OF DEP. %	As at 31.3.09	Add/Sale During The year	As at 31.3.10	UP TO LAST YEAR	for the yr	UP TO THE YEAR	As at 31.3.10	As at 31.3.09
COMPUTERS	25.89	176,500	-	176,500	154,154	5,786	159,940	16,560	22,346
FURNITURE & FIXTURE	18.10	46,348	-	46,348	33,224	2,376	35,600	10,748	13,124
AIR CONDITIONER	13.91	79,500	-	79,500	41,208	5,326	46,534	32,966	38,292
CCTV	13.91	13,120	-	13,120	6,883	868	7,751	5,369	6,237
MOBILE PHONE	13.91	35,777	-	35,777	16,786	2,641	19,427	16,350	18,991
SCOOTER	25.89	82,700	-	82,700	57,789	6,450	64,239	18,461	24,911
Total		433,945	-	433,945	310,044	23,447	333,491	100,454	123,901
Previous Year		433,945	-	433,945	280,372	29,762	310,044	123,901	153,573

SAHYOG CREDITS LIMITED

SCHEDULE -6 CURRENT LIABILITIES & PROVISIONS

Current Liabilities

a) Sundry Creditors For Expenses & Other Liabilities

Sundry Expenses Payable	19,854.00	464,717.00
	<u>19,854.00</u>	<u>464,717.00</u>

Provisions:

Provision for Income Tax	428,000.00	383,000.00
	<u>428,000.00</u>	<u>383,000.00</u>

SCHEDULE :- 7

Income

Interest Received	1,542,940.00	921,574.00
Profit on Sale Of Investment	24,000.00	-
	<u>1,566,940.00</u>	<u>921,574</u>

SCHEDULE :- 8

Personal Expenses

Salary	537,500.00	96,000.00
Staff Welfare Expenses	64,186.00	12,392.00
Director Remuneration	-	201,000.00
	<u>601,686.00</u>	<u>309,392.00</u>

Significant Accounting Policies:

1. Financial Statements

The Financial Statement is prepared under the historical cost convention, on going Concern concept and in compliance with the relevant accounting principles, Accounting standards issued by the Institute of Chartered Accountants of India and relevant Provisions of the Companies Act, 1956. The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes.

2. Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of incidental expenses related thereto.

3. Revenue Recognition

Revenue from the sale is accounted for on the basis of billing of goods and providing services. Sales are net of sales tax.

4. Depreciation

The Company has provided depreciation on Fixed Assets on WDV method at the rates and the manner prescribed in schedule XIV of the Companies Act, 1956.

5. Taxes on Income

Provision for current tax is made after taking into consideration benefit admissible under the provision in Income Tax Act, 1961. Deferred tax resulting from timing differences between book and taxable profit is accounted for using the tax rules laws that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax assets is recognized and carried forwarded only to the extent that there is a reasonable certainty that assets will be realized in future.

Deferred Tax Asset has been recalculated during the financial year at the current rate of taxes in accordance with the accounting standard.

6. Impairment of Assets

No provision for impairment of assets is required since the management is of the opinion that the recoverable amount of fixed assets is equal to the amount at which they are stated in the Balance Sheet.

7. Borrowing Cost

The cost of borrowing is charged to revenue.

8 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provision are recognized only when there is a present obligation as result of past events and when a reliable estimate of the amount of the obligation can be made.

Contingent Liability / Assets

NIL

9. Accounting policies unless specifically stated to be otherwise are consistent and are in consonance with generally accepted accounting principles.

10. The valuation of closing stock if any has been done at its actual cost price on FIFO method, whereas the investments if any are stated at cost price of the same as taken, verified and certified by the management.

Notes Forming Part of the Accounts:

1. As per Regulation 6 of NBFC Prudential Norms (Reserve Bank) Directions, 1998 regarding accounting for investment:
 - (a) The Company values its current investments in unquoted equity shares at cost or break-up value, whichever is less.
 - (b) The Company values its long-term investments in unquoted equity shares in accordance with the accounting standard issued by ICAI. The Institute of Chartered Accountants of India has issued Accounting Standard "AS – 13" pertaining to Accounting for Investments.
2. As per Regulation 7 & 8 of NBFC Prudential Norms (Reserve Bank) Directions, 1998 regarding Asset Classifications and Provisioning requirements the Company is required to classify its loans and advances and other current assets as (i) Standard Assets; (ii) Sub-Standard Assets; (iii) Doubtful Assets and (iv) Loss Assets and make suitable provision as provided in the RBI's directions against sub-standard, doubtful and loss assets.

As the Company has no Sub-Standard, Doubtful or Loss Assets, the said provisions are not applicable to the Company.
3. In our opinion the Board and to the best of their knowledge, the value of the Current Assets, Loans and Advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.
4. The Balances of Sundry Creditors are subject to confirmation and reconciliation, if any. In the opinion of the Management, the value of current assets including Sundry Debtors and Advances are good for recovery to the extent stated in account and subject to subsequent clearing of cheques to be received later on.
5. As certified by the management, there was no contingent liability during the year.
6. The Current Tax has been determined as the amount of Tax Payable in respect of Taxable Income for the period based on applicable Tax Rates and Tax Laws under the I. T Act, 1961.
7. In terms of AS-22 'Accounting for Taxes of Income', The Deferred tax is recognized on all timing differences, subject to consideration of prudence in respect of Deferred Tax Assets; being the differences between the taxable income and the Accounting Income which originates in one period and capable of reversal in subsequent year(s).
8. The Deferred Tax Assets and Liabilities are attributable to following items and the calculation has been done accordingly: -

Particulars	01.04.2009	for the year	31.03.2010
D.T.L	Rs293673/-	2287/-	295960/-

9. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of part II of Schedule – VI to the Companies Act, 1956 are given hereunder: -

	31.03.2009	31.03.2010
a) Turnover/Sales	Rs. 9, 21,574/-	Rs. 15, 66,940/-
b) Closing Stock	Rs. NIL	Rs. NIL

10. Foreign Currency/Exchange Transactions

	31.03.2009	31.03.2010
a) Value of Imports on CIF Basis:	NIL	NIL
b) Earning in Foreign Exchange:	NIL	NIL
11. Auditors Remuneration (Including Service Tax)	Rs.19, 854/- (As Statutory Audit Fees)	Rs. 19,854/-
12. Payment to Directors	Rs.201000/-	NIL

13. The Schedules 1 to 10 form an integral part of the Balance Sheet and the Previous Years figures has been Re-grouped or Re-arranged wherever found necessary to make them comparable with current year figures and are rounded off to the nearest Rupee.

In terms of our attached report of even date.

For and on behalf of the Board

Sd/-
GHANSHYAM PRASAD GUPTA

Sd/-
MANOJ BANSAL
(DIRECTORS)

Place: New Delhi
Date: 23rd August, 2010

for R. K. RATHI & CO.
CHARTERED ACCOUNTANTS

Sd/-
R. K. RATHI
PROPRIETOR

For SAHYOG CREDIT CO. LTD.

Auth. Sign./Director

SAHYOG CREDITS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	For the year 31.03.2010	for the year 31.03.2009
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit after Tax and Depreciation	146320.00	133394.00
Add: Depreciation	<u>23447.00</u>	<u>29672.00</u>
Operating Profit before extraordinary items and Working capital charges	169767.00	163066.00
<u>A. Adjustment for working capital charges</u>		
Increase/Decrease in Inventories	0.00	0.00
Increase/Decrease in Trade and other receivables	-10856491.00	-818606.00
Increase/Decrease in Trade and other payable	<u>-444863.00</u>	<u>402717.00</u>
Cash Flow before Extra Ordinary items	-11301354.00	-415889.00
Extra Ordinary items	<u>-5921.00</u>	<u>0.00</u>
TOTAL WORKING CAPITAL	-11307275.00	-415889.00
Net cash flow from Operating Activities	-11137508.00	-252823.00
<u>B. Cash Flow From Investing Activities</u>		
Purchase of Fixed Assets & Investments	0.00	0.00
Sale of Investments & Fixed Assets	<u>10715000.00</u>	<u>385000.00</u>
Net Cash Flow from Investing Activities	10715000.00	385000.00
<u>C. Cash Flow from Financing Activities</u>		
Net cash flow from Financing Activities	NIL	NIL
Net Increase/Decrease in cash & cash Equivalents (A+B+C)	-422508.00	132177.00
Cash & Cash Equivalents Opening Balances	522763.00	390586.00
Cash & Cash Equivalents closing Balances	100255.00	522763.00
	For and on behalf of the Board SD/	SD/
	DIRECTOR	DIRECTOR

Place: New Delhi
Dated: 23rd August, 2010

AUDITORS CERTIFICATE

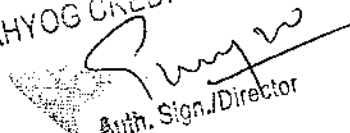
We have examined the attached Cash Flow Statement of M/S SAHYOG CREDITS LIMITED for the year ending 31.03.2010. The Statement has been prepared by the Company in accordance with the requirements of listing agreement clause number 32 with Stock Exchange and is based on in agreement with the correspondence Profit & Loss Account and Balance Sheet of the Company covered by our report of 23rd August 2010 to the members of the Company.

**FOR R.K. RATHI & CO.
CHARTERED ACCOUNTANTS**

SD/

**R.K. RATHI
PROPRIETOR**

Place: New Delhi
Date: 23rd August, 2010

For SAHYOG CREDITS

Auth. Sign./Director

SAHYOG CREDIT LIMITED

Regd Office :- M-54, Saket, New Delhi

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

<u>INCOME</u>	Schedule	2009-10 Rs.	2008-09 Rs.
Income	7	1,566,940.00	921,574.00
		<u>1,566,940.00</u>	<u>921,574.00</u>
<u>EXPENDITURE</u>			
Personnel Expenses	8	601,686.00	309,392.00
Administrative & Other Expenses	9	795,487.00	449,116.00
		<u>1,397,173.00</u>	<u>758,508.00</u>
Profit/Loss Before Depreciation & Taxes		169,767.00	163,066.00
Less:- Depreciation	2	23,447.00	29,672.00
Profit/Loss for the year before tax		<u>146,320.00</u>	<u>133,394.00</u>
Add:- Excess Provisions W/ Back			
A) Fbt pervious year		5,921.00	
Less: Provision for taxation		45,000.00	46,000.00
Deferred Tax(Net)		(2,287.00)	(3,462.00)
Profit/Loss After Tax		<u>97,686.00</u>	<u>90,856.00</u>
Balance brought forward from previous years		(341,655.55)	(432,511.55)
Balance being surplus carried over to Balance Sheet.		<u>(243,969.55)</u>	<u>(341,655.55)</u>

NOTES ON ACCOUNTS:

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FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

As per our report attached evcn date

GHANSHYAM PRASAD GUPTA

Sd/-

**For R.K.RATHI & CO.
CHARTERED ACCOUNTANTS**

MANOJ BANSAL Sd/-

DIRECTORS

Sd/-

Place: New Delhi

Date : 23TH AUGUST, 2010

PROP.

SAHYOG CREDIT LTD.

[Signature]
Auth. Sign./Director

SCHEDULE - 2 FIXED ASSETS:

Particulars	RATE	Gross Block		Depreciation			Net Block		
	OF DEP. %	As at 31.3.09	Add/Sale During The year	As at 31.3.10	UP TO LAST YEAR	for the yr	UP TO THE YEAR	As at 31.3.10	As at 31.3.09
COMPUTERS	25.89	176,500	-	176,500	154,154	5,786	159,940	16,560	22,346
FURNITURE & FIXTURE	18.10	46,348	-	46,348	33,224	2,376	35,600	10,748	13,124
AIR CONDITIONER	13.91	79,500	-	79,500	41,208	5,326	46,534	32,966	38,292
CCTV	13.91	13,120	-	13,120	6,883	868	7,751	5,369	6,237
MOBILE PHONE	13.91	35,777	-	35,777	16,786	2,641	19,427	16,350	18,991
SCOOTER	25.89	82,700	-	82,700	57,789	6,450	64,239	18,461	24,911
Total		433,945	-	433,945	310,044	23,447	333,491	100,454	123,901
Previous Year		433,945	-	433,945	280,372	29,762	310,044	123,901	153,573

SAHYOG CREDITS LIMITED

SCHEDULE -6 CURRENT LIABILITIES & PROVISIONS

Current Liabilities

a) Sundry Creditors For Expenses & Other Liabilities

Sundry Expenses Payable	19,854.00	464,717.00
	<u>19,854.00</u>	<u>464,717.00</u>

Provisions:

Provision for Income Tax	428,000.00	383,000.00
	<u>428,000.00</u>	<u>383,000.00</u>

SCHEDULE :- 7

Income

Interest Received	1,542,940.00	921,574.00
Profit on Sale Of Investment	24,000.00	
	<u>1,566,940.00</u>	<u>921,574</u>

SCHEDULE :- 8

Personal Expenses

Salary	537,500.00	96,000.00
Staff Welfare Expenses	64,186.00	12,392.00
Director Remuneration		201,000.00
	<u>601,686.00</u>	<u>309,392.00</u>

SAHYOG CREDITS LIMITED

SCHEDULE - 9: ADMINISTRATIVE & OTHER EXPENSES

Advertisement	8,640.00	-
Conveyance Expenses	47,636.00	18,137.00
Travelling Expenses	48,545.00	25,255.00
Printing & Stationery	88,314.00	29,506.00
Computer Repair & Maintenance	15,513.00	11,115.00
Legal & Professional Exp.	38,605.00	36,108.00
Listing fees	17,483.00	-
Scooter Running Expenses	48,755.00	14,015.00
Insurance Charges	580.00	-
Auditors Remuneration	19,854.00	19,854.00
AGM Expenses	21,500.00	16,000.00
Business Promotion Exp.	43,780.00	24,726.00
Office Expenses	82,472.00	33,442.00
Office Rent	120,000.00	120,000.00
Electricity & Water Expenses	90,265.00	52,200.00
Bank Charges	6,043.00	2,016.00
Courier Charges	15,273.00	9,937.00
Telephone Expenses	81,729.00	3,805.00
Filing fees	500.00	33,000.00
Total	<u>795,487.00</u>	<u>449,116.00</u>

Significant Accounting Policies:

1. Financial Statements

The Financial Statement is prepared under the historical cost convention, on going Concern concept and in compliance with the relevant accounting principles, Accounting standards issued by the Institute of Chartered Accountants of India and relevant Provisions of the Companies Act, 1956. The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes.

2. Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of incidental expenses related thereto.

3. Revenue Recognition

Revenue from the sale is accounted for on the basis of billing of goods and providing services. Sales are net of sales tax.

4. Depreciation

The Company has provided depreciation on Fixed Assets on WDV method at the rates and the manner prescribed in schedule XIV of the Companies Act, 1956.

5. Taxes on Income

Provision for current tax is made after taking into consideration benefit admissible under the provision in Income Tax Act, 1961. Deferred tax resulting from timing differences between book and taxable profit is accounted for using the tax rules laws that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax assets is recognized and carried forwarded only to the extent that there is a reasonable certainty that assets will be realized in future.

Deferred Tax Asset has been recalculated during the financial year at the current rate of taxes in accordance with the accounting standard.

6. Impairment of Assets

No provision for impairment of assets is required since the management is of the opinion that the recoverable amount of fixed assets is equal to the amount at which they are stated in the Balance Sheet.

7. Borrowing Cost

The cost of borrowing is charged to revenue.

8 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provision are recognized only when there is a present obligation as result of past events and when a reliable estimate of the amount of the obligation can be made.

Contingent Liability / Assets

NIL

9. Accounting policies unless specifically stated to be otherwise are consistent and are in consonance with generally accepted accounting principles.

10. The valuation of closing stock if any has been done at its actual cost price on FIFO method, whereas the investments if any are stated at cost price of the same as taken, verified and certified by the management.

Notes Forming Part of the Accounts:

1. As per Regulation 6 of NBFC Prudential Norms (Reserve Bank) Directions, 1998 regarding accounting for investment:
 - (a) The Company values its current investments in unquoted equity shares at cost or break-up value, whichever is less.
 - (b) The Company values its long-term investments in unquoted equity shares in accordance with the accounting standard issued by ICAI. The Institute of Chartered Accountants of India has issued Accounting Standard "AS - 13" pertaining to Accounting for Investments.

2. As per Regulation 7 & 8 of NBFC Prudential Norms (Reserve Bank) Directions, 1998 regarding Asset Classifications and Provisioning requirements the Company is required to classify its loans and advances and other current assets as (i) Standard Assets; (ii) Sub-Standard Assets; (iii) Doubtful Assets and (iv) Loss Assets and make suitable provision as provided in the RBI's directions against sub-standard, doubtful and loss assets.

As the Company has no Sub-Standard, Doubtful or Loss Assets, the said provisions are not applicable to the Company.

3. In our opinion the Board and to the best of their knowledge, the value of the Current Assets, Loans and Advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

4. The Balances of Sundry Creditors are subject to confirmation and reconciliation, if any. In the opinion of the Management, the value of current assets including Sundry Debtors and Advances are good for recovery to the extent stated in account and subject to subsequent clearing of cheques to be received later on.

5. As certified by the management, there was no contingent liability during the year.

6. The Current Tax has been determined as the amount of Tax Payable in respect of Taxable Income for the period based on applicable Tax Rates and Tax Laws under the I. T Act, 1961.

7. In terms of AS-22 'Accounting for Taxes of Income', The Deferred tax is recognized on all timing differences, subject to consideration of prudence in respect of Deferred Tax Assets; being the differences between the taxable income and the Accounting Income which originates in one period and capable of reversal in subsequent year(s).

8. The Deferred Tax Assets and Liabilities are attributable to following items and the calculation has been done accordingly: -

Particulars	01.04.2009	for the year	31.03.2010
D.T.L	Rs293673/-	2287/-	295960/-

9. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of part II of Schedule – VI to the Companies Act, 1956 are given hereunder: -

	31.03.2009	31.03.2010
a) Turnover/Sales	Rs. 9, 21,574/-	Rs. 15, 66,940/-
b) Closing Stock	Rs. NIL	Rs. NIL

10. Foreign Currency/Exchange Transactions

	31.03.2009	31.03.2010
a) Value of Imports on CIF Basis:	NIL	NIL
b) Earning in Foreign Exchange:	NIL	NIL

11. Auditors Remuneration (Including Service Tax)	Rs.19, 854/- (As Statutory Audit Fees)	Rs. 19,854/-
12. Payment to Directors	Rs.201000/-	NIL

13. The Schedules 1 to 10 form an integral part of the Balance Sheet and the Previous Years figures has been Re-grouped or Re-arranged wherever found necessary to make them comparable with current year figures and are rounded off to the nearest Rupee.

In terms of our attached report of even date.

For and on behalf of the Board

Sd/-

GHANSHYAM PRASAD GUPTA

Sd/-

MANOJ BANSAL
(DIRECTORS)


for R. K. RATHI & CO.
CHARTERED ACCOUNTANTS

Sd/-

R. K. RATHI
PROPRIETOR

Place: New Delhi
Date: 23rd August, 2010

For SAHYOG CREDIT


Auth. Sign./Director