



SUGAL & DAMANI FINLEASE LIMITED

FIFTEENTH ANNUAL REPORT 2007- 2008

CONTENTS

	Page Nos.
Notice to the Shareholders	1-6
Directors' Report	7-19
Auditors' Report	20-22
Balance Sheet	23
Profit & Loss Account	24
Schedules etc.	25-33 & 36-38
Cash Flow Statement	34
Balance Sheet Abstract and Company's General Business Profile	35

SUGAL & DAMANI FINLEASE LIMITED

BOARD OF DIRECTORS	: P. Jayaraman, F.C.A. Chairman N. Sugalchand Jain, B.A. Managing Director G.N. Damani K.S. Kannan, B.Sc, M.R.I.C, C.Ch., A.I.C. R.N. Damani P. Lalith Kumar Jain Hastimal Surana P.J.Sreedharan, F. C. A. S. Kannadasan, A.C. A.
CHIEF EXECUTIVE	: S. Vinodh Kumar Jain, B. Com.
COMPANY SECRETARY	: R. Vaidyanathan
BANKERS	: HDFC Bank Ltd.
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 (I Floor) No. 7, Anna Salai Chennai 600 002



SUGAL & DAMANI FINLEASE LIMITED

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE FIFTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD AT 11, PONNAPPA LANE, TRIPPLICANE, CHENNAI - 600 005, ON SATURDAY, 26TH JULY, 2008, AT 12 NOON TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31.03.2008 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 G. N. Damani who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Shri Hastimal Surana who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a director in place of Shri P. Lalith Kumar Jain who retires by rotation and being eligible offers himself for reappointment.
5. To appoint auditors to hold the office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Sections 198, 269, 309, 310 and 311 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") read with Schedule XIII to the Act, the Company hereby accords its approval for the reappointment of Shri N.Sugalchand Jain as the Managing Director of the Company for a further period of 3 years from 01.04.2008 to 31.03.2011 on the following remuneration by way of consolidated salary and perquisites:

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.

"RESOLVED FURTHER THAT consent of the company be and is hereby accorded for the payment of the same consolidated salary and perquisites as mentioned above to Shri N.Sugalchand Jain, Managing Director, as minimum remuneration in case of absence or inadequacy of profits in any financial year of the company during the said period.

"RESOLVED FURTHER THAT the Board of Directors/ Remuneration Committee of the Board be and is hereby authorised to enhance, enlarge, alter or vary the scope and quantum of remuneration of Shri N.Sugalchand Jain in the light of further progress of the company which revision should be in conformity with any amendments to the relevant provisions of the Act, and the rules and regulations made thereunder and /or such guidelines as may be announced by the Central Government from time to time.

"RESOLVED FURTHER THAT the Board of Directors/ Remuneration Committee of the Board be and is hereby authorised to take such steps as may be necessary and desirable to give effect to this resolution."

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

Place : Chennai

Date: 24th May,2008

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 11.07.2008 to 26.07.2008 (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 19.07.2008.
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 foliowise 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 in respect of Special Business specified in the notice is annexed hereto.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ANNEXED TO THE NOTICE DATED 24.05.2008 CONCERNING SPECIAL BUSINESS.

ITEM NO. 6

Shri N.Sugalchand Jain (aged about 64 years) is one of the core promoters. He has been a member of the Board of Directors from the incorporation date. He has been serving the company as the Managing Director from 24.6.1993. He has been reappointed by the Board as Managing Director for 3 years from 01.04.2008 on the following terms and conditions at the Board meeting held on 30.1.2008.

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.

He is an Arts graduate and has experience of more than 3 decades in finance business, including Hire Purchase, Leasing and share broking. The directors recommend his continuance as Managing Director keeping in view his knowledge and experience over long years in the Company and his insight into the financial affairs of the Company.

He is a member of Shareholders/Investors Grievance Committee of the company.

He is a Director of other companies, as under:

1. Sugal Finance P. Ltd.
2. Swastik Fininvest (Bombay) P. Ltd.
3. Sugal & Damani Share & Stock Brokers P. Ltd.
4. Sugal & Damani Agri System P. Ltd.
5. Sugal Commodity Brokers P Ltd.

Nature of expertise in specific functional area - Finance.

The reappointment of the Managing Director and the remuneration payable to him have been approved by the Remuneration Committee of the Board on 30.01.2008.

The remuneration proposed is within the permissible limits of Schedule XIII to the Companies Act, 1956.



The same remuneration shall be paid as the minimum remuneration to the Managing Director in case of absence or inadequacy of profits in any financial year of the company during the said period.

The Managing Director shall not be paid any sitting fee for attending the Meetings of the Board of Directors and Committees thereof.

In terms of Schedule XIII to the Companies Act, 1956, payment of remuneration to the Managing Director requires shareholders' approval. Accordingly, the Directors commend the Special Resolution for your approval.

Shri N.Sugalchand Jain is interested or concerned in the Resolution at Item No.6.

The documents referred to in this Explanatory Statement 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 other than Sundays and holidays.

Regd. Office :
'City Centre Plaza' (First Floor)
No. 7 , Anna Salai,
Chennai 600 002
Date : 24.05.2008

By Order of the Board
For Sugal & Damani Finlease Ltd.
(N.Sugalchand Jain)
Managing Director



PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE, FOLLOWING INFORMATION ARE FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE REAPPOINTED VIDE ITEMS NO. 2,3 AND 4 OF THE NOTICE DATED 24.05.2008.

Name of the Director	Shri G. N. Damani	Shri Hastimal Surana	Shri P.LalithKumarJain
Date of Birth	19.05.1943	30.03.1955	17.05.1966
Date of appointment on the Board as Director	07.05.1993	13.03.2003	31.01.2002
Date of last reappointment as Director	29.07.2006	29.07.2006	30.07.2005
Expertise in specific functional areas	Over 44 years experience in various business	Over 3 decades business experience in Textile Industry	Around 14 years experience in Tourism.
Qualification	Matric		Studied up to B.Com.
List of outside Directorships held	1. Arau Real Estate P. Ltd. 2. Saraswati Apartments P. Ltd. 3. Swastik Fininvest (Bombay) P. Ltd. 4. Sugal & Damani Agro Farms P. Ltd. 5. SDN Farm Developers P. Ltd. 6. SDN Housing & Resorts P. Ltd. 7. Saraswati Promoters P. Ltd. 8. SDN Agro Farms Ltd. 9. Swastik Apartments P. Ltd. 10. Southern Television P. Ltd.	1. Arihant Retail P. Ltd. 2. HVS Textiles P. Ltd. 3. Mahalakshmi Vidhyapeet P. Ltd. 4. Vidhyasagar Educational Inst. P. Ltd. 5. Gothi Surana Educational Inst. P. Ltd.	Sugal Tourism Development P. Ltd.
Chairman / Member of the Committees of Board of Directors of the Company	Nil	Member of Remuneration Committee	Chairman of Shareholders / Investors Grievance Committee
Chairman / Member of the Committees of the Board of Directors of other Companies in which he is a Director	Nil	Nil	Nil

Note :-

- 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.
- Shri P. Lalith Kumar Jain is holding 1000 shares in the company.



DIRECTORS' REPORT

Your Directors would like to present the Fifteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2008. The financial highlights of your Company for the year 2007-2008 are as follows:

	2007-2008 (Rupees in Lakhs)	2006-2007 (Rupees in Lakhs)
Gross Income	67.98	33.95
Profit before depreciation and Tax	26.68	8.05
Depreciation	0.14	1.09
Profit after depreciation and Tax	21.60	1.51
Add/Less: Prior period adjustment	(+) 0.67	(+) 0.78
Add: Profit/(Loss) brought forward from the previous year	45.17	43.34
Profit/(Loss) available for appropriation	67.44	45.63
APPROPRIATION		
Transfer to Special Reserve as per RBI directions	4.45	0.46
Profit/(Loss) carried forward	62.99	45.17

The Company's operations resulted in a very small profit for the year 2007-2008. Therefore, your directors are not in a position to recommend any dividend on the equity share capital of the Company for the year ended 31.3.2008.

The balance outstanding in loan against confirmations stands at Rs. 14.92 lakhs as on 31.03.2008 compared to Rs 23.35 lakhs as on 31.03.2007.

MANAGEMENT DISCUSSION AND ANALYSIS

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

The scheme for amalgamation of Sugal & Damani Share & Stock Brokers Private Limited, Sugal & Damani Securities (Madras) Private Limited and Sugal & Damani (Chennai) Share Broking Limited with the Company was approved by the shareholders of the Company at the Court Convened Meeting held on 16/02/2008.

Company petitions are being filed by the respective companies with the Hon'ble High Court of Madras, seeking sanction for the scheme of amalgamation with 1.04.2007 as appointed date. The scheme has not been given effect to in the books as it is yet to be sanctioned. The accounts for 2007 - 2008 are subject to change upon sanction of the aforementioned scheme.



On implementation of the amalgamation scheme, the company will engage itself in the business of Share broking and DP activity. In view of the proposed amalgamation the company altered the main objects clause of the Memorandum of Association vide Special resolution dated 28.07.2007 passed by Postal Ballot and removed the existing objects clause relating to fund based activity. Only one loan of Rs. 5 lacs against confirmation of shares was given by the Company in June, 2007 and no further loans could be disbursed during the year as the objects clause relating to fund based activity was removed

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

The Company has been operating with minimum work force since during the year the business activities of the Company have been at a low level.

DEPOSITS

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

COMPLIANCE WITH RBI GUIDELINES

As per the guidelines issued by the Reserve Bank of India under the Non-Banking Financial Companies (Reserve Bank) Directions, 1998, your Company has adequately complied with all the prescribed rules.

The Company is not a deposit taking Company. The Company continues to hold RBI Certificate of Registration No. B.07.00362 dt.13.10.03.

DIRECTORS

Shri G. N. Damani, Shri Hastimal Surana and Shri P. Lalith Kumar Jain, Directors, retire by rotation and, being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

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, 2008 and of the profit 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, retiring at the ensuing Annual General Meeting, are eligible for re-appointment.

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, HDFC Bank Limited, and the shareholders and the employees of the Company.

Place : Chennai

Date : 24.05.2008

By order of the Board
For Sugal & Damani Finlease Ltd.,
N. Sugalchand Jain
Managing Director
P. Lalith Kumar Jain
Director



ANNEXURE TO DIRECTORS' REPORT

CORPORATE GOVERNANCE

(A) MANDATORY REQUIREMENTS:

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

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

2) BOARD OF DIRECTORS

Presently, your Board consists of 9 directors, out of which 8 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 5 independent directors (i.e. more than 1/3rd of the total number of directors).

The non-executive directors are professional, 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, 2008 is tabulated hereunder:

Director	No. of Board Meetings attended	Attendance at previous AGM on 28.07.2007	No. of outside Directorships held	No. of membership / Chairmanship in other Board Committees	Executive / Non-Executive / Independent
Shri G. N. Damani *	Nil	Not Present	10	Nil	Non - Executive
Shri N.Sugalchand Jain*	4	Present	5	Nil	Executive
Shri P. Jayaraman	Nil	Not Present	Nil	Nil	Non - Executive & Independent
Shri R.N. Damani	2	Not Present	11	Nil	Non - Executive
Shri P. Lalith Kumar Jain	4	Present	1	Nil	Non - Executive
Shri K.S. Kannan	4	Present	Nil	Nil	Non - Executive & Independent
Shri Hastimal Surana	4	Present	5	Nil	Non - Executive & Independent
Shri P.J. Sreedharan	1	Not Present	1	Nil	Non - Executive & Independent
Shri S. Kannadasan	4	Present	Nil	Nil	Non - Executive & Independent

*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.



Responsibilities:

Managing Director:

Shri N. Sugalchand Jain, Managing Director of the Company, is responsible for the overall management of the company. He is the only full time executive representative from the Board of Directors. He apprises the Board about the performance of the Company.

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 five 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:

Except Shri N. Sugalchand Jain, Managing Director of the Company, none of the directors of the Board are paid any remuneration. The total salary and allowances paid to Managing Director during the year ended 31.03.2008 are given elsewhere in this report.

Shri N. Sugalchand Jain has been reappointed as the Managing Director by the Board at the meeting held on 30/01/2008 for a further period of 3 years from 1.4.2008 to 31.3.2011 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.



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 2007-2008 are given elsewhere in this report.

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

- @ Rs.3000/- per director for every meeting of the Board attended.
- @ Rs.1000/- per director for every meeting of the Audit Committee and the Remuneration Committee attended.

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

Shares held by non-executive Directors:

Shri P. Lalith Kumar Jain, one of the non-executive directors, is holding 1000 shares in the company.

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 2007 - 2008

During the year 2007 - 2008, 4 Board Meetings were held on 29.05.2007, 28.07.2007, 22.10.2007 and 30.01.2008. The gap between two meetings did not exceed 4 months.

3) AUDIT COMMITTEE

Your Company has an Audit Committee. The Committee consists of Shri K.S. Kannan(Chairman), Shri P. Jayaraman, and Shri S.Kannadasan, all non-executive & Independent directors. Shri P. Jayaraman and Shri S. Kannadasan 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 Chairman of the Audit Committee was present at the Annual General Meeting held on 28.07.2007 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.

During the period under review, the Audit Committee had 4 meetings on 29.05.2007, 28.07.2007, 22.10.2007 and 30.01.2008. Shri K. S. Kannan and Shri S. Kannadasan attended all the meetings.



4) REMUNERATION COMMITTEE

Your Company has a Remuneration Committee. The Committee consists of Shri K.S. Kannan (Chairman), Shri S. Kannadasan 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 during the period under review. The meeting was held on 30/01/2008. 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 Managing Director;

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 2007 - 2008

Name of Director	Sitting Fee (Rs.)	Salaries (Rs.)	Total (Rs.)
Shri N. Sugalchand Jain	Nil	*4,20,000	4,20,000
Shri G.N. Damani	Nil	Nil	Nil
Shri P. Jayaraman	Nil	Nil	Nil
Shri R.N. Damani	6,000/-	Nil	6,000/-
Shri P. Lalith Kumar Jain	12,000/-	Nil	12,000/-
Shri K.S. Kannan	17,000/-	Nil	17,000/-
Shri Hastimal Surana	13,000/-	Nil	13,000/-
Shri P.J. Sreedharan	3,000/-	Nil	3,000/-
Shri S. Kannadasan	17,000/-	Nil	17,000/-

*Inclusive of allowances.

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

The Company does not have any Stock Option Scheme.

5) SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

Your Company has a Shareholders/Investors Grievance Committee consisting of Shri P. Lalith Kumar Jain, non-executive Director (who chairs the Committee) 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 24 times during the year under review. Both the Committee members attended all the 24 meetings.

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

During the year 2007 - 2008, no complaint was received from shareholders. 170 valid requests for transfer of 44350 shares and 6 valid requests for transmission of 4100 shares were received during the year 2007 - 2008. No transposition was effected during the period under review. All requests for transfer and



transmission have been acted upon by the company and no transfer/transmission is pending.

6) GENERAL BODY MEETINGS

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

Year	Venue	Date	Time	Number of Special resolutions passed
2007	No. 11, Ponnappa Lane, Triplicane, Chennai - 600005	28.07.2007	12 Noon	**1
2006	-do-	29.07.2006	11:30 AM	*1
2005	City Centre Plaza (I Floor) No. 7, Anna Salai, Chennai – 600002	30.07.2005	11:45 AM	-

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 Private Limited, Sugal & Damani Securities (Madras) Private Limited and Sugal & Damani (Chennai) Share Broking Limited with the Company.

* 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. There was no other general body meeting in the last three years.

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 he 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.

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. 14 Clause 4) 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 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 market 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.sdfl.co.in.

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 the 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.sdfl.co.in. 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 2007 - 2008.

Management discussion and analysis:

The Directors' Report includes management discussion and analysis.

9) GENERAL INFORMATION FOR SHAREHOLDERS

Annual General Meeting

Date and Time : 26th July, 2008 - 12 Noon.

Venue : 11, Ponnappa Lane, Triplicane, Chennai-600 005.

Financial Calendar : (tentative)

First Quarter : July, 2008

Second Quarter & Half-yearly : Oct., 2008

Third Quarter : Jan., 2009

Fourth and last quarter : April, 2009



Date of Book Closure : 11.07.2008 to 26.07.2008 (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 2007-08 on Bombay Stock Exchange:

Month	High	Low	Month	High	Low
Apr.'07	11.00	8.41	Oct'07	28.85	21.70
May '07	10.90	8.80	Nov'07	37.90	23.10
June '07	14.12	9.46	Dec'07	41.60	30.00
July '07	13.07	10.19	Jan'08	50.85	29.75
Aug.'07	26.51	11.36	Feb'08	32.25	23.50
Sept.'07	40.50	24.60	Mar'08	26.80	14.30

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, 2008

Category	No.of shares	% of total shares
Promoters and associates	604585	20.15
Nationalised banks	100	-
NRI's	30100	1.00
Others(includes holding of Corporate Bodies)	2365215	78.84
TOTAL	3000000	100.00

Distribution of shareholding as on 31st March, 2008

No. of shares	No. of Shareholders	% of total shareholders	No. of shares	% of total shares
Upto 500	3516	87.29	568386	18.94
501 to 1000	291	7.22	248992	8.30
1001 to 2000	111	2.75	171880	5.73
2001 to 3000	37	0.92	93098	3.10
3001 to 4000	11	0.27	38348	1.28
4001 to 5000	23	0.57	111179	3.71
5001 to 10000	18	0.45	141781	4.73
10001 and Above	21	0.52	1626336	54.21
TOTAL	4028	100.00	3000000	100.00

Dematerialisation of shares: 2355048 shares (78.50%) of the Company have been dematerialised as on 31st March, 2008.

Plant location: Not applicable. SDFL is a Finance 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 Finlease Limited,
City Centre Plaza, (1st Floor)
7, Anna Salai, Chennai - 600 002.
Phone Nos. 2858 7105,06,07-09.
Fax No: 4215 5285
E-mail for Investors: sugalfinlease@rediffmail.com
E-mail for redressal of investors grievance : grievance@sdfli.co.in



(B) NON-MANDATORY REQUIREMENTS

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Whether Chairman of the Board is entitled to maintain a Chairman's office at Company's expense and also allowed reimbursement of expenses 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 share holders. | 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 31.03.2008 does not contain qualifications. |
| (e) Training of Board Members | } The Company has not so far adopted these non-mandatory requirements. |
| (f) Mechanism for evaluating non-Executive Board Members | |
| (g) Whistle Blower Policy | |

CEO/CFO CERTIFICATION

The Board of Directors
Sugal & Damani Finlease Limited
Chennai

Re.Financial Statements for the year 2007 - 08 - Certification by CEO and CFO

We, N. Sugalchand Jain, Managing Director, and S. Thiyagarajan, Accountant of Sugal & Damani Finlease Limited, on the basis of the review of the financial statements and the cash flow statement for the financial year ended March 31, 2008 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, 2008 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 :24.05.2008

(N.Sugalchand Jain)
Managing Director

(S. Thiyagarajan)
Accountant

Declaration of Compliance with the code of conduct

To
The members of Sugal & Damani Finlease Ltd.,

I, N.Sugalchand Jain, Managing Director of Sugal & Damani Finlease 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 31.03.2008.

Place: Chennai
Date : 24.05.2008

(N.Sugalchand Jain)
Managing Director

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE
TO THE MEMBERS OF SUGAL & DAMANI FINLEASE LTD.**

We have examined the compliance of conditions of corporate governance by SUGAL & DAMANI FINLEASE LIMITED for the year ended on 31st March 2008, 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 : 24.05.2008

For S.L. Gadhiya & Co.,
Chartered Accountants
(SHANTILAL GADHIYA)
Partner
Membership No.:19663



AUDITORS' REPORT

TO THE MEMBERS OF
SUGAL & DAMANI FINLEASE LIMITED

1. We have audited the attached Balance Sheet of **SUGAL & DAMANI FINLEASE LIMITED** ("the company") as at 31st March, 2008 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 Companies (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, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2008 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, 2008 and;
 - b) In the case of the Profit and Loss Account, of the profit 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

PLACE: CHENNAI
DATE: 24-05-2008

For **S.L. Gadhiya & Co.**
Chartered Accountants
Shantilal Gadhiya
Partner
Membership No.:19663



ANNEXURE TO AUDITORS' 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 Finance company, Hence, the question of physical verification of inventory and maintenance of records for inventory does not arise, except in case of shares repossessed from default loan debtors are shown as stock and are valued at acquisition cost proper records have been maintained for such repossessed 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 maximum amount involved during the year is Rs. 1.50 Crores and the year-end balance of loans granted to such parties was Rs. 20.69 Lakhs.
- 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 No11 of Schedule 14
- 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. 12 of Schedule 14
- (x) There are no accumulated losses as at the end of the year. The Company has not incurred any cash losses during the current year and 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, loan against security of shares/securities, the company acquires shares from defaulter and disposed of. All other investments in shares & securities are held in 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.
- (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.

PLACE: CHENNAI
DATE: 24-05-2008

For **S.L. Gadhiya & Co.**
Chartered Accountants
Shantilal Gadhiya
Partner
Membership No.: 19663



SUGAL & DAMANI FINLEASE LIMITED

BALANCE SHEET As ON 31/03/2008

PARTICULARS	Schedule	AS ON 31/03/2008 (In Rupees)	AS ON 31/03/2007 (In Rupees)
SOURCES OF FUNDS			
Shareholders fund			
Share Capital	1	30000000	30000000
Reserves and Surplus	2	8987189	6760542
Secured Loans	3	11840682	6787100
Total		<u>50827871</u>	<u>43547642</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	87125	87125
Less: Depreciation		<u>56357</u>	<u>42234</u>
Net block		<u>30768</u>	<u>44891</u>
Investments	5	20654509	546951
CURRENT ASSETS LOANS AND ADVANCES			
Current Assets	6	26687216	16863408
Loans and Advances	7	<u>5138884</u>	<u>27620972</u>
	(A)	<u>31826100</u>	<u>44484380</u>
CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	8	3554	2206
Provisions	9	<u>1651193</u>	<u>1499906</u>
	(B)	<u>1654747</u>	<u>1502112</u>
Net Current Assets (A)-(B)		<u>30171353</u>	<u>42982268</u>
		50856630	43574110
Deferred Tax Liability		(28759)	(26468)
Total		<u>50827871</u>	<u>43547642</u>
Significant Accounting Policies	13		
Notes on Accounts	14		

As per our attached report of even date

For **S.L. Gadhiya & Co**

Chartered Accountants

For and on behalf of the Board of Directors

Sugal & Damani Finlease Ltd.

(SHANTILAL GADHIYA)

Partner

Membership No.: 19663

(N.SUGALCHAND JAIN)

Managing Director

(P. LALITH KUMAR JAIN)

Director

PLACE: CHENNAI

DATE: 24-05-2008

(R. VAIDYANATHAN)

Company Secretary

(S. THIYAGARAJAN)

Accountant



SUGAL & DAMANI FINLEASE LIMITED
PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31/03/2008

PARTICULARS	Schedule	Year Ended 31/03/2008 (In Rupees)	Year Ended 31/03/2007 (In Rupees)
INCOME			
Interest received against loans		1983197	2219102
Bad debts Recovery		187894	
Interest Receipts		2859494	1135218
Others	10	32902	15054
Profit on sale of investment		1446893	26048
Provision for substandard assets		196419	
Provision for doubtful assets		91022	
		<u>6797821</u>	<u>3395422</u>
EXPENDITURE			
Interest		1503676	383009
Establishments	11	986997	722608
Administrative	12	951751	693289
Other expense		71509	180
Loss on Sale fixed assets			380744
Provision for doubtful assets 1 year		519442	26367
Provision for doubtful assets 3 year		91022	
Provision for substandard assets		5097	384313
		<u>4129494</u>	<u>2590510</u>
Profit before Depreciation		<u>2668327</u>	<u>804912</u>
Less: Depreciation		<u>14123</u>	<u>108809</u>
Profit before tax		2654204	696103
IT Provision reversal (FY 06 to 07)		(138320)	
Provision for Gratuity		66462	50884
Provision for tax		494174	544841
Provision for deferred tax		2291	(131856)
Fringe Benefit tax Expenses		2950	2890
Profit after tax		<u>2226647</u>	<u>229344</u>
Balance Brought forward		<u>4517593</u>	<u>4334118</u>
Profit for appropriation		6744240	4563462
APPROPRIATION			
Special Reserve for RBI purposes		445329	45869
Surplus carried forward		<u>6298911</u>	<u>4517593</u>

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

(SHANTILAL GADHIYA)
Partner
Membership No.: 19663

PLACE: CHENNAI
DATE: 24-05-2008

For and on behalf of the Board of Directors
Sugal & Damani Finlease Ltd.

(N.SUGALCHAND JAIN)
Managing Director

(P. LALITH KUMAR JAIN)
Director

(R. VAIDYANATHAN)
Company Secretary

(S. THIYAGARAJAN)
Accountant



SUGAL & DAMANI FINLEASE LIMITED
Schedules I to 14 annexed to and forming part of Balance Sheet as at 31-03-2008
and the Profit and Loss account for the period ended 31-03-2008

SCHEDULE	PARTICULARS	AS ON 31/03/2008 (In Rupees)	AS ON 31/03/2007 (In Rupees)
1.	SHARE CAPITAL		
	Authorised 7000000(7000000) shares of Rs. 10/- each	<u>70000000</u>	<u>70000000</u>
	Issued subscribed and paid up capital 3000000(3000000) shares of Rs.10/- each	<u>30000000</u>	<u>30000000</u>
	Total	<u>30000000</u>	<u>30000000</u>
2.	RESERVES & SURPLUS		
	General reserve	154485	154485
	Special Reserve (RBI ACT)	2533793	2088464
	Profit & Loss a/c	6298911	4517593
	Total	<u>8987189</u>	<u>6760542</u>
3.	SECURED LOANS		
	HDFC Loan Against Fixed Deposits	<u>11840682</u>	<u>6787100</u>
	Total	<u>11840682</u>	<u>6787100</u>
5	INVESTMENTS		
	Quoted Long-Term Investment in equity Annexure A	<u>20654509</u>	<u>546951</u>
	Total	<u>20654509</u>	<u>546951</u>



SUGAL & DAMANI FINLEASE LTD
SCHEDULE 4 - DETAILS OF FIXED ASSETS & DEPRECIATION
FOR THE PERIOD 1-4-2007 TO 31-03-2008
(in Rupees)

ITEM	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS AT 01-04-2007	ADDITIONS	DELETIONS	AS AT 31-03-2008	UP TO 31-03-2007	DEP FOR THE YEAR 2007 TO 2008	UP TO 31-03-2008	AS ON 31-03-2008	AS ON 31-03-2007
New Computers	71,375	-	-	71,375	34,575	11,570	46,145	25,230	36,800
Computer Software	15,750	-	-	15,750	7,659	2,553	10,212	5,538	8,091
Total	87,125	-	-	87,125	42,234	14,123	56,357	30,768	44,891



SUGAL & DAMANI FINLEASE LIMITED

SCHEDULE	PARTICULARS	AS ON 31/03/2008 (In Rupees)	AS ON 31/03/2007 (In Rupees)
6	CURRENT ASSETS		
	Accrued Interest on FD	251796	110887
	Fixed Deposit with banks	26400000	16500000
	Stock in hand		1600
	CASH & BANK BALANCES		
	Karnataka Bank	14808	14808
	Petty cash on hand	2962	121529
	SDSSBPL Trading A/c	17650	114584
	Total	<u>26687216</u>	<u>16863408</u>
7	LOANS & ADVANCES		
	Loans	3561684	26198411
	Tax deducted at source	589056	515845
	Interest tax refund due 1997-98	31620	31620
	Income Tax Refund Due 1998-99	121010	121010
	Income Tax Refund Due 2002-2003	43588	43588
	Income Tax Refund Due 2003-2004	171945	171945
	Income Tax Refund Due 2004-2005	142598	142598
	Income Tax Refund Due 2006 - 2007	309240	
	Others	141143	195955
	Advance Income tax		200000
	Salary Advance	27000	
	Total	<u>5138884</u>	<u>27620972</u>
8	CURRENT LIABILITIES		
	Outstanding Liabilites	3554	
	TDS Payable		2206
	Total	<u>3554</u>	<u>2206</u>



SUGAL & DAMANI FINLEASE LIMITED

SCHEDULE	PARTICULARS	AS ON 31/03/2008 (In Rupees)	AS ON 31/03/2007 (In Rupees)
9	PROVISIONS		
	Provision for doubtful debts	610465	91022
	Provision for substandard assets	5097	384313
	Provision for FBT		2890
	Audit & Legal Fees	35275	37120
	Income Tax provsn for earlier years	33402	33402
	Intt.tax provsn for the year 1994-95	62474	62474
	Intt.tax provsn for the year 1995-96	205383	205383
	Provn for Income Tax (current year)	494174	544841
	Provision for Gratuity	204923	138461
	Total	<u>1651193</u>	<u>1499906</u>
10	OTHER INCOME		
	Miscellaneous income	3664	2183
	Dividend Income	29238	12871
	Total	<u>32902</u>	<u>15054</u>
11	ESTABLISHMENT		
	Bonus - staff	17126	63510
	Leave Salary	15280	13934
	Directors Remuneration	420000	249600
	Salary	511155	374359
	Staff Welfare	18310	16948
	Provident Fund (Admn)	5126	4257
	Total	<u>986997</u>	<u>722608</u>



SUGAL & DAMANI FINLEASE LIMITED

SCHEDULE	PARTICULARS	AS ON 31/03/2008 (In Rupees)	AS ON 31/03/2007 (In Rupees)
12.	ADMINISTRATIVE EXPENSES:		
	Rent	101250	264600
	Advertisement & Publicity	72998	30434
	AGM & EGM Expenses	14937	11933
	Bank Charges	215	393
	Books & Periodicals	4164	4272
	Demat Charges		2634
	Directors Sitting Fees	68000	77000
	Electricity Charges	110102	76208
	Filing Charges	2308	2112
	General Expenses	4161	5626
	Insurance		540
	Legal & Professional Charges	62826	46060
	Listing Fees	10000	21684
	Postage & Telegrams	191136	33016
	Printing & Stationery	118170	35152
	Repairs & Maintenance	1750	9678
	Service Charges	46979	40075
	Telephone Charges	24000	24000
	Travelling Expenses	4281	7873
	Conveyance	1525	
	Leave Travel Allowance	46034	
	Professional Tax Paid	5010	
	Round off		(1)
	Annual Custody Fee	11241	
	Interest for IT 2006 - 2007	87	
	Office Exp	45577	
	Amalgamation Expense	5000	
	Total	951751	693289

SUGAL & DAMANI FINLEASE LIMITED



ANNEXURE (A) QUOTED LONG-TERM INVESTMENT IN EQUITY

SECURITY NAME	QTY	AMOUNT (Rs.)
LAKSHMI VILAS BANK LIMITED	200	11510
USHITHA TRADING LTD	32000	535441
TSL - RIGHTS ISSUE	22	6600
VANIK INVESTMENT LTD		1600
AGRO TECH FOODS LIMITED	1000	208670
AHMEDNAGAR FORGINGS LTD	2000	478427
ALLSEC TECHNOLOGIES LIMITED	4161	635539
AMTEK AUTO LTD	1000	415830
ASIAN ELECTRONICS LTD	2000	1006883
BIHAR CAUSTICS AND CHEMICALS LTD	7000	642193
BIOCON LIMITED	500	276675
CAIRN INDIA LIMITED	8000	822476
CASTROL INDIA LTD	1000	282764
CINEVISTA COMMUNICATION LTD	5000	414857
CIPLA LTD.	3000	637710
DEEPAK FERTILIZERS AND PETROCHEMICALS CORPORATION LTD	2000	289714
EASUN REYROLLE LTD	1425	297078
ELECTROTHERM (INDIA) LTD.	1000	571140
GATEWAY DISTRI PARKS LIMITED	2000	326570
GRANULES INDIA LIMITED	4000	440599
HCL TECHNOLOGIES LTD	2000	330560
HINDALCO INDUSTRIES LTD.	1000	187370
IDBI BANK LIMITED	18800	1325838
IFCI LIMITED	7000	470050
IGARASHI MOTORS INDIA LIMITED	1000	97190
ISM T LIMITED	10000	1170360
IVR PRIME URBAN DEVELOPERS LIMITED	1000	446863
JBF INDUSTRIES LTD.	1000	187363
JINDAL STAINLESS LIMITED	4000	653800
KANORIA CHEMICALS & INDUSTRIES LTD	2000	328860
KEC INTERNATIONAL LIMITED	1000	824650
LAKSHMI VILAS BANK LIMITED	5000	345591
MOTHERSON SUMI SYSTEMS LTD.	6000	557268
NTPC LIMITED	2000	464920
PANORAMIC UNIVERSAL LIMITED	5000	604865
PRITHVI INFORMATION SOLUTIONS LIMITED	2000	558161
RADICO KHAITAN LIMITED	2000	178763
RALLIS INDIA LTD.	1000	227891
ROMAN TARMAT LIMITED	2000	214430
SHIPPING CORPORATION OF INDIA LTD.	1500	265680
SPICE TELE LTD	2000	96600
STERLITE INDUSTRIES (INDIA) LIMITED	300	222107
SUNDARAM CLAYTON LTD	1500	1233347
SUNDARAM FINANCE LTD.	2000	127660
SWARAJ ENGINES LTD	500	181360
THE JEYPORE SUGAR LTD	200	65659
VIDEOCON LEASING LTD	500	320615
VIKAS WSP LTD	200	12164
WANBURY LIMITED	4000	652250
TOTAL	163808	20654509



SUGAL & DAMANI FINLEASE LIMITED

13. SIGNIFICANT ACCOUNTING POLICIES:

I. SYSTEM OF ACCOUNTING:

The Company has been consistently following the accrual method in accounting its income and expenditure. The Company follows prudential norms for income recognition and provisioning for non-performing assets as prescribed by Reserve Bank of India for Non-Banking Finance Companies.

- a. The same procedure is followed this year also.
- b. Dividend receipts are accounted on cash basis as and when received.
- c. 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 10 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 recognised, 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.

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. IMPAIRMENT OF ASSETS

The company is basically a finance company holding only finance assets hence no impairment of assets is accounted for .

14. NOTES ON ACCOUNTS:

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

	31.03.2008	31.03.2007
For audit	Rs.20000	Rs.20000
Taxation	Rs.10000	Rs.10000
Others	Rs.5000	Rs.5000
Service Tax	Rs.4326	Rs.4326

3. 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 2008 is as under:

Particulars	Deferred Tax Liability Rs.	Deferred Tax Assets Rs.
Difference between books Depreciation & Tax Depreciation	2291	(30468)
Loss on Sale of Assets		(128158)
Profit on Sale of Investment	(26770)	

Amount in bracket represents previous year figure

4. The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Accounting Standard (AS17) "Segment Reporting".
5. Managerial Remuneration: Salary payment includes allowances.



6. Related party disclosure :

- (a) Remuneration paid to Managing Director Shri N. Sugalchand Jain : Rs.420000/-(Rs.249600)
(b) Rent paid to Shri.N Sugalchand Jain, Managing Director is Rs. Nil (Rs.170400)
(c) The company has Trading & Demat Account with M/S Sugal & Damani Share & Stock Brokers Pvt Ltd, in which Mr. N. Sugalchand Jain and Mr. S. Vinodkumar has substantial interest and the balance as on 31-3-2008 is amounting to Rs. 17650/-.
7. The Company has received Rs. 29238/- (Rs.32287.63) 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 (Rs.32,287.63) being the dividend on shares held as security against loan is transferred to concerned loan parties.

8. Basic and diluted earning per share (pursuant to Accounting Standard 20).

Particulars	31 st March 2008	31 st March 2007
Net Profit for the year(in Rs.)	22,26,647/-	2,29,345/-
Weighted Average number of equity shares	3000000	3000000
Nominal value of shares	Rs.10 per share	Rs.10 per share
Basic & diluted earning per share (in Rs.)	0.742	0.08

9. Previous year figures are regrouped and rearranged wherever necessary to match the current year classification.
10. Value of Investment in shares as on 31.03.2008 is Rs.20654509/- (Rs.546951)and market value of stock in hand as on 31st March 2008 is Rs.14001777/- (Rs.974000)
11. The Company is basically a finance Company. The Company does not hold any operating assets. Hence the provision as required in paragraph 94 of the Accounting Standard 28 is taken as nil.
12. 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 .
13. Company petitions are being filed by the respective companies with Hon'ble Madras High Court seeking sanction for a scheme of amalgamation of Sugal & Damani Share & Stock Brokers P. Ltd, Sugal & Damani Securities (Madras) P.Ltd and Sugal & Damani (Chennai) Share Broking Limited with Sugal & Damani Finlease Limited with 01-04-2007 as appointed date. The Scheme has not been given effect to in the books as it is yet to be sanctioned. The accounts given herein are subject to change upon sanction of the aforementioned scheme.

Signatures to Schedule 1 to 14

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

(SHANTILAL GADHIYA)
Partner

Membership No.: 19663

PLACE: CHENNAI
DATE: 24-05-2008

For and on behalf of the Board of Directors
Sugal & Damani Finlease Ltd.

(N.SUGALCHAND JAIN)
Managing Director

(R. VAIDYANATHAN)
Company Secretary

(P. LALITH KUMAR JAIN)
Director

(S. THIYAGARAJAN)
Accountant



SUGAL & DAMANI FINLEASE LTD
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2008

PARTICULARS	FOR THE YEAR ENDED 31.03.2008	FOR THE YEAR ENDED 31.03.2007
A. CASH FLOW FROM OPERATION ACTIVITIES:		
Net Profit Before Tax & Extra ordinary items	2651254	696103
Adjustments for		
Depreciation & Provisions	342243	519489
Profit on sale of investments	(1446893)	(26048)
Loss on sale of Fixed Assets		380744
Operations Profit Before Working Capital Charges	1546604	1570288
Adjustments for		
Trade and other Receivables	(9943975)	(2951807)
Loans and Advances	22473595	(5496709)
Inventories		134129
Trade Payables	1348	(22716)
Cash Generated from Operations	14077572	(6766815)
Direct Taxes Paid	(589056)	(554183)
Cash Flow Before Extra Ordinary items	13488516	(7320998)
Extra ordinary items		
Net cash From Operating Activities	13488516	(7320998)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		(26000)
Sale/Disposal of Fixed Asset		506280
Purchase of Investments	(20107558)	
Sale of Investments	1446893	80198
Net cash Generated/(Used)/in Investing Activities	(18660665)	(6760520)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds from Bank OD	5053582	6787100
Net Cash Used in financing Activities	5053582	6787100
Net increase/(Decrease) in cash & Cash equivalents	(118567)	26580
Cash & Cash Equivalents (Opening Balance)	136337	109757
Cash & Cash Equivalents (Closing Balance)	17770	136337

As per our attached report of even date

For **S.L. Gadhiya & Co**

Chartered Accountants

For and on behalf of the Board of Directors
Sugal & Damani Finlease Ltd.

(SHANTILAL GADHIYA)

Partner

Membership No.: 19663

(N.SUGALCHAND JAIN)

Managing Director

(P. LALITH KUMAR JAIN)

Director

PLACE: CHENNAI

DATE: 24-05-2008

(R. VAIDYANATHAN)

Company Secretary

(S. THIYAGARAJAN)

Accountant



SUGAL & DAMANI FINLEASE LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUYSINESS 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

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: Hire Purchase

Product Description: Loan Against Shares

As per our attached report of even date

For **S.L. Gadhya & Co**

Chartered Accountants

(SHANTILAL GADHYA)

Partner

Membership No.: 19663

PLACE: CHENNAI

DATE: 24-05-2008

For and on behalf of the Board of Directors
Sugal & Damani Finlease Ltd.

(N.SUGALCHAND JAIN)
Managing Director

(P. LALITH KUMAR JAIN)
Director

(R. VAIDYANATHAN)
Company Secretary

(S. THIYAGARAJAN)
Accountant



SUGAL & DAMANI FINLEASE LIMITED

Schedule to the Balance Sheet as on 31.03.2008 of **SUGAL & DAMANI FINLEASE LIMITED**
(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 31-03-2008	
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) Intercompany loans and borrowings		
(e) Commercial paper		
(f) Other loans (specify nature) Bank OD		
Please see Note 1 below	118.41	
Assets Side	Amount Outstanding	
(2) Break-up of loans and advances including bills receivables (other than those included in (4) below):		
(a) Secured		14.93
(b) Unsecured		20.69
(3) Break up of leased assets and stock on hire and hypothecation loans counting towards EL/HP 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) Hypothecation loans counting towards EL/HP 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)	206.55		
2. Unquoted: (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 all leased assets, stock-on hire and loans and advances: Please see Note 2 below			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties** (a) Subsidiaries (b) Companies in the same group (c) Other related parties		20.69	20.69
2. Other than related parties	14.93		14.93
Total	14.93	20.69	35.62



(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	140.02	206.55
Total	140.02	206.55
**As per Accounting Standard of ICAI (Please see Note3)		
(7) Other information		
Particulars		Amount
(i) Gross non-performing assets (a) Related parties (b) Other than related parties		29.51
(ii) Net non-performing assets (a) Related parties (b) Other than related parties		29.51
(iii) Assets acquired in satisfaction of debt		

Notes:

- (1) As defined in Paragraph 2(l)(4) 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 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

For and on behalf of the Board of Directors
Sugal & Damani Finance Ltd.

(SHANTILAL GADHIYA)
Partner
Membership No.: 19663
PLACE: CHENNAI
DATE: 24-05-2008

(N.SUGALCHAND JAIN)
Managing Director

(P. LALITH KUMAR JAIN)
Director

(R. VAIDYANATHAN)
Company Secretary

(S. THIYAGARAJAN)
Accountant



SUGAL & DAMANI FINLEASE LIMITED
 REGISTERED OFFICE : 'CITY CENTRE PLAZA'(I FLOOR),
 7, ANNA SALAI, CHENNAI - 600 002.

FIFTEENTH ANNUAL GENERAL MEETING
 ADMISSION SLIP

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

I hereby record my presence at the Fifteenth Annual General Meeting of the Company at No. 11, Ponnappa Lane, Triplicane, Chennai 600 005, on Saturday, July 26, 2008 at 12 Noon.

NAME OF THE MEMBER (IN BLOCK LETTERS) _____

NAME OF THE PROXY _____

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

SIGNATURE OF THE MEMBER / PROXY _____

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

DP ID : _____

Notes :

1. Shareholders / 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.

OUTSTATION SHAREHOLDERS PROTEST. HENCE, NO GIFTS PLEASE



SUGAL & DAMANI FINLEASE LIMITED
 REGISTERED OFFICE : 'CITY CENTRE PLAZA'(I FLOOR),
 7, ANNA SALAI, CHENNAI - 600 002.

PROXY FORM

I/We _____ of _____

_____ in the district of _____ being a Member /

Members of SUGAL & DAMANI FINLEASE 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 Fifteenth Annual General Meeting of the Company to be held on Saturday, July 26, 2008 and at any adjournment thereof.

Signed this _____ day of _____ 2008.

Member's Folio No/Client ID _____

DPID : _____

No. of shares held : _____ Signature of member

