

NOTICE OF 25TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 25th Annual General Meeting of the shareholders of **SYSTEMATIX CORPORATE SERVICES LIMITED** will be held on Thursday 30th September, 2010 at 12.30 P.M. at the registered office of the Company at 206-207, Bansi Trade Centre, 581/5, M.G. Road, Indore-452001 (M.P.) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt
 - a. The Audited Balance Sheet as at 31st March 2010;
 - b. The Audited Profit & Loss Account for the year ended on that date;
 - c. The Auditor's Report thereon and
 - d. The Director's Report
2. To appoint a Director in place of Mr. J.N. Khandelwal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Maharaj N.R. Suresh & Co. retiring Auditors are eligible for re-appointment.

SPECIAL BUSINESS:

4. Increase in Borrowing Limits of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution by postal ballot:

"RESOLVED THAT in supersession of all the earlier Resolutions passed by the Members of the Company, the consent of the Company be and is hereby accorded, in terms of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company and/or a duly authorized Committee of the Board for the time being exercising the powers conferred by the Board of Directors ("the Board") for borrowing, from time to time, any sum or sums of moneys on such terms and conditions and with or without security, as the Board may think fit which, together with the moneys already borrowed by the Company (apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys so borrowed by the Board shall not at any time exceed the limit of Rs. 200 Crores (Rupees Two Hundred Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be necessary, desirable or expedient for the purpose of giving effect to this Resolution."

5. Authorization for creation of charge and/or mortgage over the properties of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution by postal ballot:

"RESOLVED THAT in supersession of all the earlier Resolutions passed by the Members of the Company, the consent of the Company be and is hereby accorded, in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, for creation of charge and/or mortgage by the Board of Directors of the Company and/or a duly authorized Committee of the Board for the time being exercising the powers conferred by the Board of Directors ("the Board") over any of the immoveable and/or moveable properties of the Company, wherever situate, both present and future, with such ranking as the Board may in its absolute discretion decide and/or conferring power to enter upon and to take possession of assets and the whole of the undertaking together with power to takeover the management of the business or concern of the Company in certain events to or in favour of various Banks including Scheduled Commercial Banks and Financial institutions including Housing Finance Institutions to secure the various fund based and non-fund based facilities sanctioned/ to be sanctioned not exceeding Rs. 200 Crores (Rupees Two Hundred Crores only). and/ or to the extent the Board may in its absolute discretion, decide to borrow from such lenders together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment or on redemption, costs, charges, expenses and other moneys payable by the Company to the aforesaid lenders under the respective heads of loan agreement(s) and/or any other document(s) entered into/ to be entered into by the Company in respect of the aforesaid fund based and non-fund based facilities including term loan/bank guarantee facilities.

RESOLVED FURTHER THAT the Board be and is hereby authorized to negotiate and finalize with the lenders, terms and conditions, including the nature and ranking of charge and/or mortgage, documents for creation of mortgage and/ or charge and to do all such acts, deeds, matters and things incidental thereto and to execute all such documents or writings as may be considered necessary for giving effect to this Resolution.

6. Authorization for giving corporate guarantees by the Company

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

"RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions, and permissions of appropriate authorities, departments or bodies as may be necessary consent of the Company be and is hereby accorded to the Board of Directors of the Company for giving Corporate guarantee in connection with a loan made by or may be made by Axis Bank, State Bank of India, Indian Overseas Bank, Union Bank of India and or any other bank to Systematix Shares & Stock (I) Ltd. subject to the condition that the aggregate amount of such corporate guarantees at any point shall not exceed the amount of Rs. 200/- Crore (Rupees Two Hundred Crore only)"

By order of the Board
For **Systematix Corporate Services Ltd.**
Sd/-

(Managing Director)
Ramesh Raizada

Place : INDORE
Date : 29-05-2010

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 AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday the 25th September, 2010 to Thursday, the 30th of September, 2010 (both days inclusive).
3. Members / proxies should bring the attendance slips duly filled in and signed for attending the meeting.
4. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
5. Queries on accounts and operations may please be sent to the Company 7 days in advance of the Annual General Meeting so that the answers may be made available at the meeting.
6. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Pursuant to the recommendation of SEBI Committee on Corporate Governance for reappointment of the retiring Directors, a statement of the details of the concerned directors is attached hereto.
9. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 with respect to the Special Business is enclosed herewith forming part of the Notice.
10. The members who have not paid full amount on their shares are requested to pay such amount at the earliest. The Company is in the process to issue final notice to all such shareholders who have partly paid the call money on their shares and even after such notice, if amount is not paid, such shares shall be forfeited by the Board of Directors of the Company.
11. Pursuant to the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001, and all other applicable provisions, if any, of the applicable laws, the assent or dissent of the Members in respect of the Resolutions set out at item nos. 4, 5 & 6 contained in this notice is being determined through Postal Ballot.
12. The votes should be cast either in favour or against by putting the tick (v) mark in the column provided for assent (For) or dissent (Against). Postal Ballot Form bearing (v) in both the columns will render the form invalid.
13. The Company has appointed Miss. Rani Jain, Practicing Company Secretary as Scrutinizer for the purpose of Postal Ballot exercise.
14. The notice is being sent under certificate of posting to all the Members, whose names would appear in the Register of Members / Record of Depositories as on 27th August, 2010.
15. A member desiring to exercise vote by Postal Ballot may complete the enclosed Postal Ballot Form and send it to the Scrutinizer in the enclosed self-addressed Business Reply Envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent by courier or by Registered Post at the expense of or deposited by the registered member will also be accepted. The envelopes containing the Postal Ballot should reach the Scrutinizer not later than the close of working hours on 27th September, 2010.
16. The result of the Postal Ballot shall be announced by the Chairman at the 25th Annual General Meeting and the Resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman, if the result of the Postal Ballot indicates that the requisite majority of the Shareholders had assented to the Resolutions. The result of the Postal Ballot shall also be announced through a newspaper advertisement.
17. Members are requested to carefully read the instructions printed on the backside of the Postal Ballot Form before exercising their votes.
18. Copies of all the documents referred to in the accompanying Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except holidays, between 10.30 a.m. and 12.30 p.m. upto the date of declaration of result of Postal Ballot.

ADDITIONAL INFORMATION REQUIRED UNDER CLAUSE 49 IV(G) OF THE LISTING AGREEMENT ON DIRECTORS SEEKING FOR APPOINTMENT OR RE-APPOINTMENT AT ANNUAL GENERAL MEETING**Mr. J.N. Khandelwal**

Mr. J.N. Khandelwal is a fellow member of the Institute of the Chartered Accountants of India. He is having rich experience of finance, Accounts & Taxation Matters. He joined the Board of Directors of the Company on 20th December, 2006. He is also a Director in the following companies:

1. SQL Star International Ltd.
2. NUTECH Corporate Services Ltd.

He is also a member of Audit Committee and Remuneration Committee of the Board of Directors of SQL Star International Ltd.

He holds 2100 shares (0.02%) equity shares in the company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**FOR ITEM No. 4 and 5**

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the permission of the Members in General Meeting, borrow moneys in excess of the aggregate of the paid-up capital of the Company and its free reserves. Further, the borrowings of the Company are, in general, required to be secured by suitable charge and/or mortgage over the movable and/or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the Lender(s). The charge and/or mortgage by the Company over its movable and/or immovable properties and/or whole or any part of the undertaking(s) of the Company in favour of the lenders/agents/trustees, with a power to take over the management of the business and concern of the Company in certain events of default by the Company may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 293(1) (a) of the Companies Act, 1956.

The increasing business operations and future growth plans of the Company would necessitate restructuring of the borrowing limits by authorizing the Board of Directors to borrow moneys which may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves, but not exceeding Rs. 200/- Crores (Rupees Two Hundred Crore only) with a matching authorization for creation of charge and/or mortgage over the movable and/or immovable properties of the Company as security. These revision in the borrowing limits and creation of securities by way of charge and/or mortgage would require your approval under the provisions of Sections 293(1)(d) and 293(1)(a) of the Companies Act, 1956 respectively.

In compliance with the provisions of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, your approval is sought by voting by postal ballot. A postal ballot form is being sent along with the notice.

Your Directors commend the Resolutions for your approval. None of the Directors is either interested or concerned (save and except to the extent of their shareholding in the Company, if any) in these Resolutions.

FOR ITEM No. 6

The Company has made investments in one Non-Banking Financial Company (NBFC) and has made the said Company a subsidiary of the Company. The Company has given corporate guarantee and proposes to make further guarantee in favour of Systematix Shares & Stock (I) Ltd in connection with loan obtained or to be obtained by such Company from Axis Bank, State Bank of India, Indian Overseas Bank, Union Bank of India and Centurian Bank of Punjab or any other bank time to time as per the business requirements of the said Company. Since the said guarantee along with the investment and guarantee, if any, already made or guarantee proposed to be given or may be given by the Company in future will exceed the sixty percent of the aggregate of the paid up capital and free reserves of the Company or one hundred percent of the free reserves of the Company, whichever is higher as provided in Section 372A of the Companies Act, 1956, the company is required to take the approval of shareholders before giving the corporate guarantees within the aforesaid limit. Since the procedure for obtaining the approval of shareholders every time is cumbersome, time consuming and costly, the Board of Directors of the Company seek the approval of shareholders for giving corporate guarantees contemplated in the resolution so that the aggregate amount of all

such guarantees shall not exceed Rs. 200/- Crores (Rupees Two Hundred Crore only) at any point of time. Any investments / loans and advances and guarantees given / security provided in excess of limits prescribed under Section 372A of the Companies Act, 1956 requires the approval of the Company through postal ballot and accordingly the Board of Directors of the Company recommends passing of the resolution as a Special Resolution for approval by the Members, by exercising their vote through postal ballot. A postal ballot form is being sent along with the notice. None of the Directors of the Company is interested (save and except to the extent of their shareholding in the Company, if any) in the Resolution.

By order of the Board
For Systematix Corporate Services Limited

Sd/-

(Managing Director)
Ramesh Raizada

Place : INDORE
Date : 29-05-2010

DIRECTORS' REPORT

The Members of
Systematix Corporate Services Ltd.

Dear Members,

Your Directors have pleasure in presenting Twenty Fifth Annual Report and Audited Accounts for the year ended 31st March 2010.

FINANCIAL REVIEW :

(Rs. in Lacs)

Particulars	Year ended 31/03/2010	Year ended 31/03/2009
Total Income	21.98	31.64
Total Expenditure	70.04	227.70
Profit / (Loss) before depreciation and interest	(48.06)	(196.06)
Interest	1.53	3.21
Depreciation	5.96	7.68
Profit/(Loss) before Tax	(55.55)	(206.95)
Tax/Provision for Taxation/Deferred Tax	1.25	0.35
Profit/Loss after Tax	(56.80)	(207.30)
Paid up Equity Share Capital	1259.87	1259.87
Reserves & Surplus	1028.64	1028.64

As is evident from the above financial review, during the year, the Company has earned Income of Rs. 21.98 Lacs as compared to income of Rs. 31.64 Lacs of the previous year. The Company is taking hard and effective steps to grab all the business opportunities and improve its performance.

DIVIDEND:

In order to conserve the resources for increasing business operations, your Directors do not recommend any dividend for the year under review.

PUBLIC DEPOSITS:

During the year under review the company has neither accepted nor invited any public deposits within the meaning of section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975. Also there are no outstanding public deposits.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. J.N. Khandelwal retires by rotation at the forthcoming Annual General Meeting, and being eligible, offers himself for re-appointment. Information on the details of director seeking appointment/re-appointment as required under Clause 49 of the Listing Agreement has been given under the Notice to Shareholders under the head 'Additional Information'.

APPOINTMENT OF MR. V.R.N.H.S. PRASAD SANKA AS COMPANY SECRETARY OF THE COMPANY:

During the year Mr. V.R.N.H.S. Prasad Sanka was appointed as Company Secretary of the Company w.e.f., 04th day of January, 2010

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the annual accounts for financial year ended 31st March 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended on 31st March, 2010 and of the Loss of the Company for the year ended on that date.
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion & Analysis Report, as required under the Listing agreement with the Stock Exchanges is enclosed at Annexure 'A'.

LISTING AT STOCK EXCHANGES:

The equity shares of the company continue to be listed at Bombay Stock Exchange Ltd. (BSE). The Company has paid the annual Listing fee for the financial year 2010-11 to BSE.

AUDITORS AND AUDITORS' REPORT:

The statutory auditors of the company, Maharaj N.R. Suresh & Co., Chartered Accountants hold office until the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

The Notes on Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The nature of your company is a service company. Therefore the particulars relating to conservation of energy and technology absorption as stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable to the company.

There was no foreign exchange earning and outgo during the year under review.

PARTICULARS OF EMPLOYEES:

There was no employee during the period drawing remuneration attracting the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CORPORATE GOVERNANCE:

Your Company is committed to maintain the highest standards of Corporate Governance. Your directors adhere to the stipulations set out in the Listing Agreement with the Stock Exchanges and have implemented all the prescribed requirements.

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Annual Report.

A certificate from the Auditors of the Company, Maharaj N.R. Suresh & Co., Chartered Accountants confirming the compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement as also the Management Discussion and Analysis Report are annexed to this report.

AUDIT COMMITTEE:

As per the provisions of the Companies Act, 1956 and Listing Agreement with the Stock Exchanges, the Audit Committee of the company comprised of three non-executive independent Directors viz., Mr. Mahesh Solanki, Mr. J.N. Khandelwal and Mr. Sunil Sarda. Mr. Mahesh Solanki is the Chairman of the Audit Committee.

ACKNOWLEDGEMENTS:

Your Directors place on record their gratitude for the valuable support and assistance extended to the Company by the Banks, Government authorities and look forward to their continued support. Your Directors also place on record their gratitude towards the stakeholders and clients of the Company for reposing their faith and confidence in the Company. Yours Directors also wish to place on record their appreciation of the contribution made by the Executives and staff of the Company.

By order of the Board

For Systematix Corporate Services Ltd.

Sd/-

Sd/-

Ramesh Raizada
(Managing Director)**Sunil Sarda**
(Director)

Place: Indore

Date: 29-05-2010

Annexure A

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE & DEVELOPMENT

Merchant Banking and Financial Services market is fast growing over the last few years. Merchant Banker services includes providing merchant banking services like Public Issue Management i.e., acting as manager / lead manager to the public issues, right issues, open offer under Takeover Code, Buy Back Scheme, Portfolio Management Services, private placement of debt and equity instruments The present position of stock market in India has opened new era for finance industry.

GLOBAL ECONOMY:

The global economy seems to be recovering after the recent economic shock. The Indian economy, however, was hit in the latter part of the global recession and the real economic growth has witnessed a sharp fall, followed by lower exports, lower capital outflow and corporate restructuring. The global economies are expected to continue to sustain themselves in the short-term, as the effect of stimulus programs is yet to bear fruit and tax cuts are working their way through the system in 2010. Due to the strong position of liquidity in the market, large corporations now have access to capital in the corporate credit markets.

India's Economic Outlook Projection				
	2007	2008	2009	2010
GDP Growth	9.40%	7.30%	5.40%	7.20%
CPI	6.40%	9.30%	5.50%	4.90%

INDIAN ECONOMY

In order to keep the economic growth during the time of worst recession, a Federal authority in India has announced the stimulus packages to prop-up the economic growth. To finance the stimulus packages, Indian Government has raised over \$100 billion over the last four quarters in a way to finance the stimulus package. Country's Public debt, according to the latest data has zoomed to over 50% of the total GDP and India's Central bank, Reserve Bank of India has started printing new currency notes.

CENTRAL GOVERNMENT DEBT			
Gln Rs. Crores (10 Million)	Q3 2008	Q3 2009	% of GDP
Public Debt (Sum of 1 and 2)	2,099,286.23	2,505,450.74	50.71%
1. External Debt	237,351.77	294,941.67	
2. Internal Debt	1,861,934.46	2,210,509.07	

Going forward, India will see sharp rise in supply side inflation, after the effect of large government borrowings, printing of new currency notes, rise in food prices due to huge gap in demand-supply. Interest rates will also expected to rise awkward, as the central bank will take precautionary measure to contain inflation rate and expanding money supply.

For the equity markets, investors are still in a quest for a higher return and turned down their investments in Government Bonds/Securities. There is lot of money which is still available to readily invest into the equity markets. Indian financial markets expected to be range-bound as the fear of higher valuation would be the concern for a sort while. Moreover, volatility is expected to come down as the market timings has been extended by an hour in parallel to the other Asian equity markets. This will help the Indian markets to hit newer highs which, we have been waiting for more than two years. There is no extra concern on the front of equity markets, as the Equity, nowadays, considered as the best asset class to invest in, the main reason would be the overstated potential of precious metals like Gold and Silver, which has seen a sharp rally last year, in a time of gloomy economic picture.

B. OUTLOOK

Indian Economy is expected to grow between 6% and 7% for the FY 2010-11. In 2008, growth has slackened to below 7% after achieving spectacular growth. In first half of 2009, economy responded positively and the economic indicators are showing strength in the overall economy, though the nasty monsoon has modestly hampered the growth and rising risk of inflation would be a worrisome for the RBI while taking the monetary decision.

India's Economic Outlook Projection					
Details	2007	2008	2009	2010	2011
(Figures in per cent)					
Real GDP Growth	9.6	5.1	6.6	8.3	8.5
Inflation	5.4	7.4	4.6	7.7	6.1

C. RISKS & CONCERNS

The business of your company totally depends upon the changes taking place in the economy either it be relating to fluctuations in stock and capital market, regulations governing such markets, government policies, taxation policies, changes taking place in global economies, etc.

D. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The revenues of the Company for the year under review were Rs. 21.98 Lacs as compared to Rs. 31.64 Lacs for the previous year. The net Loss of the year under review was Rs. 56.80 Lacs as against net Loss of Rs. 207.31 Lacs in the previous year.

E. INTERNAL CONTROL AND ADEQUACY

The Company has a defined organization structure and has developed well policy guidelines with predefined authority levels. An extensive system of internal controls to ensure optimal utilization of resources and accurate reporting of financial transactions and strict compliance with applicable laws and regulations has also been implemented. The Company has put in place sufficient systems to ensure that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly. Also, the company has an exhaustive budgetary control system to monitor capital related as well as other costs, against approved budgets on an ongoing basis.

F. MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

The Company's human resources philosophy is to establish and build a strong performance driven culture with greater accountability and responsibility at all levels. To that extent the Company views performance and capability as a combination of the right people in the right jobs, supported by the right processes, systems, structure and metrics.

The industrial relations climate of the Company remained cordial during the year and continues to be focused towards improving quality and capability.

G. CAUTIONARY STATEMENT

Statements in this "Management Discussion and Analysis" describing the Company's objectives, expectations or predictions are forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statement depending on various factors and circumstances.

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing agreement, a Report on Corporate Governance is given below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on corporate governance is aimed at the efficient conduct of its business and in meeting its obligation to shareholders. The company has adopted a codified Corporate Governance Charter, inter alia, to fulfill its corporate responsibilities and achieve its financial objectives.

The company believes in and has consistently practiced good Corporate Governance. The company creates an environment for the efficient conduct of the Business and to enable management to meet its obligations to all its stakeholders, including amongst others, shareholders, customers, employees and the community in which the company operates along with fulfillment of its objectives.

2. BOARD OF DIRECTORS:**A. Composition**

During the year under review, the Board of Directors consisted of 6 Directors. Except the Managing Director and Chief Executive Officer, all the Directors are liable to retire by rotation. The Chairman of the Board is an executive Director. There is no institutional or nominee or Government Director on the Board. Mr. J.N. Khandelwal retires by rotation in terms of provisions of the Companies Act, 1956 and Articles of Association of the Company.

The Composition of and the category of directors on the Board of the Company as on March 31, 2010.

Particulars of Directors	Category
Mr. C.P.Khandelwal	Executive Director, Promoter,
Mr. Ramesh Raizada	Executive Director, Professional
Mr. Mahesh solanki	Non Executive Director, Independent
Mrs. Anju Khandelwal	Non Executive Director, Promoter,
Mr. Sunil Sardha	Non Executive Director Independent
Mr. J.N. Khandelwal	Non Executive Director, Independent

B. Board Procedure

During the financial year 2009-10, five meetings of the Board of Directors were held on 30th April 2009, 31st July 2009, 31st October, 2009, 4th January 2010 and 30th January 2010.

The gap between any two meetings did not exceed four months, as mandated in clause 49. The dates of the meetings were generally decided in advance. Key information was placed before the Board of Directors to comply with Corporate Governance practices.

The details of the Board of Directors, their position, attendance record for the financial year ended 31st March, 2010 and other Directorships (excluding alternate directorships but including directorships in private limited companies) and the membership of Board Committees other than your Company has been given as follow.

Name of Director	Position	No. of Board Meetings held	No. of Board Meetings Attended	Attendance the last AGM	Member of other Board Committees		No. of other Directorships in other Board excluding private companies
					Member ship	Chariman ship	
Mr. C.P. Khandelwal	M.D.	5	5	Yes	-	-	5
Mr. Ramesh Raizada*	M.D.	5	4	Yes	-	-	
Mrs. Anju Khandelwal	NED	5	5	Yes	-	-	1
Mr. Mahesh Solanki	ID	5	5	Yes	-	-	-
Mr. J.N. Khandelwal	ID	5	4	No	3	-	3
Mr. Sunil Sardha	ID	5	5	Yes	-	-	-

M.D. - Managing Director
 NED - Non-executive Director
 ED - Executive Director
 ID - Independent Director

The total number of meetings has been shown according to the tenure of Directors on the Board.

3. AUDIT COMMITTEE

Composition:

The Board has constituted Audit Committee comprising three Non-Executive Independent Directors, namely Mr. Mahesh Solanki (Chairman), Mr. Sunil Sarada and Mr. J.N. Khandelwal. All the members of the Audit Committee possess financial / accounting expertise.

Meetings:

Four meetings of the Committee were held during the financial year under review on 30th April 2009, 31st July 2009, 31st October 2009, and 30th January 2010 and all the meetings were attended by all the members of the Committee constituted at the time of such meetings.

S.No.	Name of Director	No. of Meeting	
		Held	Attended
1.	Mr. Mahesh Solanki	4	4
2.	Mr. Sunil Sarada	4	4
3.	Mr. J.N. Khandelwal	4	4

Terms of Reference

The terms of reference / powers of the Audit Committee has been specified by the Board of directors as under:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advise.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The constitution of the audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Chairman of the reconstituted Audit Committee Mr. Mahesh Solanki was present at the 24th Annual General Meeting of the Company held on 30th September 2009.

Executives of Finance Department, Secretarial Department, Head of Internal Audit and representatives of the Statutory Auditors are invited to attend the Audit Committee Meetings.

Objective

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

Information for review:

- 1) Management discussion and analysis of financial condition and results of operations.
- 2) Statement of significant related party transactions (as may be defined by the audit committee), submitted by management.
- 3) Management letters / letters of internal control weakness issued by the statutory auditors and internal audit reports relating to internal control weaknesses.
- 4) Internal audit reports relating to internal control weaknesses; and
- 5) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

REMUNERATION COMMITTEE**Composition, Meetings and terms of reference**

The Remuneration Committee comprised of Mr. Mahesh Solanki, Mr. Sunil Sarada and Mr. J.N. Khandelwal. Mr. Mahesh Solanki has been appointed as the Chairman.

The Committee met once during the year and was attended by all the Committee Members.

Terms of Reference

- Administration and superintendence of Employee Stock Option Scheme.
- Formulation of the detailed terms and conditions of the ESOS.
- Grant of stock options.
- Recommendation for fixation and periodic revision of compensation of the Managing Director and Executive Directors to the Board for approval.
- Review and approve compensation policy (including performance bonus, incentives, perquisites and benefits) for senior management personnel.

Remuneration Policy

The Remuneration Policy of the Company for managerial personnel is primarily based on the following criteria:

- Performance of the Company
- Track record, potential and performance of individual managerial personnel.
- External competitive environment.

Remuneration of Directors

Remuneration of Executive Directors is decided by the Board, based on the recommendations of the Remuneration Committee as per the remuneration policy of the Company, within the ceilings fixed by the shareholders.

Remuneration of the Executive Directors for the year ended 31st March, 2010, was as follows:

Name of Director	Sitting fee (Rs)	Commission on profit (Rs.)	Salary & allowance (Rs.)	Contribution to PF (Rs.)	Perquisites (Rs.)	Total (Rs.)
Mr. C.P. Khandelwal,	Nil	Nil	12,00,000/- p.a.	Nil	Nil	12,00,000/- p.a.
Mr. Ramesh Raizada	Nil	Nil	9,00,000/- p.a.	Nil	Nil	900,000/- p.a.

The Company has not introduced any stock option scheme for any of its Director

No payment in the form of Directors' Remuneration was made to any other Director for the year ended 31st March 2010.

Remuneration to Non-Executive Directors

During the year ended 31st March 2010, the Company has not paid any remuneration either in the form of commission or sitting fee to its non-executive Directors.

SHAREHOLDERS' AND INVESTORS' GRIEVANCE COMMITTEE

The Committee has the mandate to look into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc. In addition, the Committee also looks into matters, which can facilitate better investor services and relations.

The Committee was reconstituted and the members are Mr. V.R.N.H.S. Prasad Sanka, Mr. Mahesh Solanki and Mr. Sunil Sarada with Mr. Mahesh Solanki as the Chairman and Mr. V.R.N.H.S. Prasad Sanka as the Compliance Officer.

During the year under review the the shareholders'/ investors' Grievance Committee ended met one times. The meetings were held on 31st October, 2009.

During the year company received no investor complaints were received and no complaint was pending for redressal as on 31st March 2010.

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent / issues resolved usually within 15 days, except in case of dispute over facts or other legal constraints.

The Shareholders' / Investors' Grievance Committee reviews the complaints received and action taken.

No requests for share transfers are pending except those that are disputed or sub-judice.

Compliance Officer

Mr. V.R.N.H.S. Prasad Sanka, Company Secretary, is appointed as Compliance Officer for complying with the requirements of the Listing agreement with the Stock Exchanges and for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992

Exclusive E-Mail Id for Investor's Grievances: investor.systematix@gmail.com

GENERAL BODY MEETINGS:

A) Annual General Meetings:

Financial year	Date	Time	Venue	Special Resolution Passed
Annual General Meeting 2006-07	22.09.2007	12.30 p.m.	At the registered office of the company:206-207, Bansi Trade Centre, 581/5, M.G. Road, Indore.	1. Alteration of Clause V of the Memorandum of Association of the Company relating to share Capital 2. Alteration of Article No.3 of the articles of Association of the Company relating to share capital. 3. Issue of 40,00,000 equity shares to Superstar Exports Pvt. Ltd. on a preferential basis at a price of Rs. 30/- per share. 4. Issue of 76,21,200 warrants convertible into equity shares at a price of Rs. 30/- each on which Rs. 3/- was payable as upfront fee.
Annual General Meeting 2007-08	30.09.2008	12.30 p.m.	At the registered office of the company:206-207, Bansi Trade Centre, 581/5, M.G. Road, Indore	Authorization for giving corporate guarantees by the Company
Annual General Meeting 2008-09	30.09.2009	12.30 p.m.	At the registered office of the company:206-207, Bansi Trade Centre, 581/5, M.G. Road, Indore	No Special Resolution passed during the year.

B) Special Resolution passed through postal Ballot

All resolutions moved at the last AGM were passed by show of hands by requisite majority of members who attended the Meeting.

- i. Whether any Special Resolution passed last year through postal Ballot? No
- ii. Whether any Special Resolution is proposed to be conducted through Postal Ballot?

Yes, following resolutions are proposed to be conducted through Postal Ballot:

- 1. Increase in Borrowing Limits of the Company

- 2. Authorization for creation of charge and/or mortgage over the properties of the company
- 3. Authorization for giving corporate guarantees by the Company.
- iii. Who will conduct the postal ballot?
Miss. Rani Jain, Company Secretary.
- iv. The company has complied with the procedures for the postal ballot in terms of the companies (Passing of resolution by postal ballot), Rules 2001 and amendments thereto made from time to time.

4. DISCLOSURES

Related Party Transactions and Pecuniary Relationship of Directors

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts point no.8 forming part of the Annual Report.

The related party transactions are entered into based on considerations of professional expertise, to meet exigencies, better negotiation, etc.

All related party transactions are negotiated on arms length basis and are only intended to further the interests of the Company.

Disclosure of Directors' interest in transactions with the Company

All the transactions with the Directors and their related parties i.e. the companies in which they are interested have been made under the authority of the Board of Directors and on an arms length basis and the interested directors have duly disclosed their interest to the Board of Directors at the Board meeting. Such transactions have been done on an arm's length basis at the prevailing market rates and have been duly entered in the Register of Contracts maintained under section 301 of the Companies Act, 1956.

Compliance by the Company

The Board periodically reviews at its meetings compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets. No Penalties, strictures have been imposed on the Company by any stock exchange or SEBI or any other authorities relating to capital markets.

Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework

Code of Conduct

The company is committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations.

The Company believes that a good corporate governance structure would not only encourage value creation but also provide accountability and control systems commensurate with the risks involved.

5. MEANS OF COMMUNICATION

The quarterly, half yearly and annual financial statements prepared in accordance with the Accounting Standards laid down by the Institute of Chartered Accountants of India are generally published in well circulated newspapers i.e. Free Press and Choutha Sansar. Besides, all the financial, vital and price sensitive official news releases are also properly communicated to the concerned stock exchanges.

6. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting : Date, Time and Venue	Thursday, the 30th day of September 2010 at 12.30 p.m. at the registered office of the Company at 206-207, Bansi Trade Centre, 581/5, M.G. Road, Indore-452001 (M.P.)
Financial Calendar	The Company follows April to March as its financial year. The results for every quarter beginning from April will be declared within the time prescribed under Listing Agreement.

Date of Book Closure	Saturday, the 25th September, 2010 to Thursday, the 30th of September, 2010 (both days inclusive)
Listing on Stock Exchanges	Bombay Stock Exchange Ltd., Mumbai
Stock Code	The Stock Exchange, Mumbai-526506
Dematerialization of Shares	The shares of the Company are compulsorily traded in dematerialized form under the depository system of both the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Company's Electronic Connectivity Registrar is Cameo Corporate Services Ltd. Subramanian Building Club House Road, Chennai - 600002 Ph. No. 044-28460390 Ph. No : 044-28460390
ISIN Number	INE356B01016
Corporate Identification Number	L91990MP1985PLC002969
Dematerialization of shares and Liquidity	60.71 % of the paid up capital of the company has been dematerialized as on 31.03.2010. Further trading in the Company's shares is compulsory in dematerialized form.
Registrar and Transfer Agents	Cameo Corporate Services Ltd. Subramanian Building, Club House Road, Chennai - 600 002 Ph. No. 044-28460390
Share Transfer System	All the transfers received are processed by the Registrar and Transfer Agents and approved by the Share Transfer Committee
Dividend Payment for financial year 2009-10	Nil
Address for correspondence	Systematix Corporate Services Ltd. 206-207, Banshi Trade Centre, 581/5, M.G. Road, Indore-452001 Or Shareholders may correspond to the Registrar and Transfer Agents.

Stock Price Data

The following table gives the monthly high and low of Company's share price on the Stock Exchange, Mumbai.

Month	Company's share price on BSE		BSE Sensex	
	Monthly High (in Rs.)	Monthly Low (in Rs.)	High	Low
April, 2009	19.95	11.25	11492.10	9546.29
May, 2009	33.80	13.20	14930.54	11621.30
June, 2009	42.95	28.80	15600.30	14016.95
July, 2009	29.00	24.75	15732.81	13219.99
August, 2009	29.75	24.30	16002.46	14684.45
September, 2009	31.75	25.00	17142.52	15356.72
October, 2009	35.75	25.20	17493.17	15805.20
November, 2009	31.95	24.25	17290.48	15330.56
December, 2009	33.30	25.00	17530.94	16577.78
January, 2010	34.80	25.00	17790.33	15982.08
February, 2010	27.50	22.40	16669.25	15651.99
March, 2010	26.55	20.00	17793.01	16438.45

Shareholding Pattern as on 31st March, 2010

Category	No. of Shares Held	Percentage of Shareholding
Shareholding of promoter and promoter group		
Indian Promoters :		
Individuals / HUF	200151	1.58
Bodies Corporate	4000000	31.55
Foreign Promoters	Nil	Nil
Sub-total	4200151	33.13
Non-Promoter's Holding		
Institutional Investors	Nil	Nil
Mutual Funds and UTI	Nil	Nil
Banks, Financial Institutions, Insurance Companies [Central / State Govt. Institutions / Non-government Institutions]	Nil	Nil
FIs	Nil	Nil
Sub-total	Nil	Nil
Others		
Private Corporate Bodies	5822502	45.93
Indian Public	2620747	20.67
NRIs / OCBs	3710	0.02
Any other-		
Clearing Member	Nil	Nil
Hindu Undivided Families	31690	0.25
Sub-total	8478649	66.87
Grand Total	12678800	100.00

Distribution of Shareholding as on 31st March, 2010

Share holding of Nominal Value (Rs.)	No. of Shareholders	% of Total	Share Amount (in Rs.)	% of Total
10 to 5000	1855	74.92	4337610	3.42
5,001 to 10,000	284	11.47	2395680	1.89
10,001 to 20,000	152	6.14	2351580	1.85
20,001 to 30,000	41	1.66	1064280	0.84
30,001 to 40,000	32	1.29	1161270	0.92
40,001 to 50,000	20	0.80	943600	0.74
50,001 to 1,00,000	46	1.86	3445760	2.72
1,00,001 and above	46	1.86	111088220	87.62
Total	2476	100.00	126788000	100.00

Auditor's Certificate on Corporate Governance

The Company has obtained a certificate from its statutory auditors Maharaj N.R. Suresh & Co., Chartered Accountants confirming compliance with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. This Certificate is annexed to the Directors' Report for the year 2009-10. This certificate will be sent to the stock exchanges along with the annual report to be filed by the Company.

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

"We, the undersigned hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the financial year 2009-10."

By order of the Board

For Systematix Corporate Services Ltd.

Sd/-

Sd/-

Ramesh Raizada
(Managing Director)

Sunil Sarda
(Director)

Date : 29-05-2010

Place : Indore

AUDITOR'S CERTIFICATE

We have examined the compliance of the conditions of the Corporate Governance by Systematix Corporate Services Ltd. for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing agreement of the Company with the Stock Exchanges.

The compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination has been limited to the review of the procedures and implementations 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 and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As informed to us, the records relating to investor grievances pending against the Company, if any, is maintained by the Registrar and Share Transfer Agent of the Company, who have certified that as at 31st March, 2010, no grievance was unattended / pending for more than 30 days.

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

**For Maharaj N. R. Suresh & Co.
Chartered Accountants**

**Place : Mumbai
Date : 29.05.2010**

**Sd/-
N. R. Suresh
(Partner)
M. No. 21661**

CERTIFICATE

Mr. Ramesh Raizada, Managing Director of the Company hereby certify to the Board of Directors of the Company that :-

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2010 and that to the best of our knowledge and belief :
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) 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.
2. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and that we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee :
 - (a) Significant changes in internal control over financial reporting during the year;
 - (b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Systematix Corporate Services Ltd.

Sd/-

Ramesh Raizada
(Managing Director)

Place : Mumbai
Date : 29.05.2010

AUDITORS REPORT

To the Members of
SYSTEMATIX CORPORATE SERVICES LIMITED

1. We have audited the attached Balance Sheet of M/s Systematix Corporate Services Limited as at 31st March 2010, 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 the 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 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.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India 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 paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, 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, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement 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 written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is 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.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 2010
 - (b) in the case of the Profit and Loss Account, of the LOSS for the year ended on that date; and
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Maharaj N R Suresh and Co
FRN NO. 0019315
Chartered Accountants

Sd/-

N. R. SURESH
(Partner)

Membership No:21661

Place : Mumbai
Date : 29.05.2010

Annexure 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) These fixed assets have been physically verified by the management at reasonable intervals which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) No substantial part of fixed assets has been disposed off during the year.
- (ii) According to the information and explanations given to us, and having regard to the Company's business the question of reporting on clause 4 (ii) a, 4 (ii) b, 4 (ii) c (relating to Inventory) of the Companies (Auditors report) order, 2003 as amended by Companies (Auditors Report) (amendment) order 2004, does not arise.
- (iii) (a) The Company has granted unsecured loan to two companies covered in the register maintained u/s 301 of the Companies Act, 1956. The amount outstanding at the end of the year is NIL.
- (b) In our opinion, the rate of interest and other terms and conditions of the said unsecured loan given by the company are not, prima facie prejudicial to the interests of the company.
- (c) Payment of Principal and Interest are in accordance with the terms.
- (d) The company has taken unsecured loans from three Companies covered in the register maintained under section 301 of the companies Act, 1956. The amount outstanding at the end of the year is Rs 795.25 lakhs, including interest of Rs 1.38 lakhs.
- (e) In our opinion, the rate of interest and other terms and conditions of the said unsecured loan taken by the company are not, prima facie prejudicial to the interests of the company.
- (f) Payment of Principal and Interest are in accordance with the terms.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchases of fixed assets and with regard to sale of Services. The Company has not made any sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls system.
- (v) (a) 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) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable, having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the Public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) As per the explanation and information given to us, the company is not required to maintain cost records pursuant to Section 209 (1) of the Companies Act. Accordingly the clause 4 (viii) of the order is not applicable to the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Income Tax and other material statutory dues applicable to it. The provisions of Provident Fund, Employees' State Insurance Act are not applicable to the Company. No amount is payable to Investor Education and Protection Fund.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Service Tax and cess were in arrears, as at 31st March 2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of Sale Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax and cess, which have not been deposited on account of any dispute.
- (x) In our opinion Company has accumulated losses of the Company are not more than 50% of its networth. The company has incurred cash losses during the financial year covered by our audit and has incurred cash loss in the immediately preceding financial year.
- (xi) The Company has not obtained any borrowings from any Financial Institution, Bank or by way of debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society.
- (xiv) The Company in respect of Investment in shares, we are of the opinion that proper records have been maintained of

the transaction and contracts and timely entries have been made in those records. We also report that the company has held the shares, securities, debentures and other securities in its own name.

- (xv) In our Opinion and according to the information and explanation given to us, the terms and conditions of the guarantees given by the Company for Guarantee /Loan taken by others from banks are not prime facie prejudicial to the Interest of the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the company has not raised any term loans during the year and according clause 4 (xvi) of the order relating to the application of term loan is not applicable to the company.
- (xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investments.
- (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 Act
- (xix) The Company has no outstanding debenture at the end of the year.
- (xx) The Company has not raised money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Maharaj N R Suresh and Co
FRN NO. 0019315
Chartered Accountants

Sd/-

N.R.SURESH

(Partner)

Membership No 21661

Place : Mumbai
Date : 29.05.2010

BALANCE SHEET AS ON 31st MARCH 2010

(Amount in Rs.)

PARTICULARS	Schedule	As on 31/03/2010	As on 31/03/2009
I SOURCES OF FUNDS			
1 Shareholders Funds -			
(a) Share Capital	1	125987000	125987000
(b) Reserves & Surplus	2	102863600	102863600
2 Loan Funds			
Unsecured Loans	3	79525324	2547828
3 Deferred Tax Liability		90000	-
	TOTAL	308465924	231398428
II APPLICATION OF FUNDS			
1 Fixed Assets -	4		
Gross Block		14399433	14441043
Less : Depreciation		9516411	10501158
Net Block		4883022	3939885
2 Investments	5	298058450	198058450
3 Current Assets, Loans & Advances -			
(a) Sundry Debtors	6	56650	7521690
(b) Cash & Bank Balances	7	635559	456349
(c) Loans, Advances & Deposits	8	5987973	28938066
		6680182	36916105
Less: Current Liabilities & Provisions			
(a) Current Liabilities	9	11033937	11292789
		11033937	11292789
Net Current Assets		(4353755)	25623316
4 Profit & Loss Account			
Debit Balance in Profit&Loss Account	10	9878207	3741577
5 Deferred Tax Asset		-	35200
	TOTAL	308465924	231398428

Note: Schedule 1 to 10 and Notes in Schedule 15 form part of this Balance sheet

Vide Our report of date attached

For Maharaj N. R. Suresh and Co.
Chartered Accountants
FRN NO:001931S

Sd/-
N.R.SURESH
(Partner)
M.NO 21661

For & On behalf of the Board of Directors

Sd/-
Ramesh Raizada
(Managing Director)

Sd/-
Sunil Sarda
(Director)

Place: Mumbai
Date : 29.05.2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

(Amount in Rs.)

PARTICULARS	SCHEDULE	(Amount in Rs.)	
		As on 31/03/2010	As on 31/03/2009
INCOME			
Income from Operations	11	1083134	1549750
Other Income	12	1115167	1613461
	TOTAL	2198301	3163211
EXPENDITURE			
Employees Cost	13	1612765	1404912
Director remuneration		2100000	1535000
Loss on Sale of Investments			16399898
Administrative Expenses	14	3291665	3429700
	TOTAL	7004430	22769510
Profit Before Interest and depreciaton		(4806129)	(19606299)
Interest		152870	321135
Depreciation		595777	767718
Profit Before Tax		(5554776)	(20695152)
Provision for			
- Current Tax		-	-
- Deferred Tax		125200	-
- Fringe Benefit Tax		-	35000
Profit/(Loss) after Tax		(5679976)	(20730152)
Income Tax Relating To earlier Year		(456654)	0
Surplus from Previous Year		(8188334)	12541818
Balance Carried over to Balance Sheet		(14324964)	(8188334)
Basic & Diluted EPS		(0.45)	(1.63)

Note: Schedule 11 to 14 and Notes in Schedule 15 form part of this Profit&Loss Account.
Vide Our report of date attached

For Maharaj N. R. Suresh and Co.
Chartered Accountants
FRN NO:001931S

Sd/-
N.R.SURESH
(Partner)
M.NO 21661

For & On behalf of the Board of Directors

Sd/-
Ramesh Raizada
(Managing Director)

Sd/-
Sunil Sarda
(Director)

Place: Mumbai
Date : 29.05.2010

**SYSTEMATIX CORPORATE SERVICES LTD.
SCHEDULES FORMING PART OF ACCOUNTS AS AT 31.03.2010**

(Amount in Rs.)

PARTICULARS	As on 31.03.2010	As on 31.03.2009
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORIZED:		
2,50,00,000 Equity Shares of Rs.10/- each	250000000	250000000
ISSUED AND SUBSCRIBED:		
1 26 78 800 Equity Shares of Rs.10/-each	126788000	126788000
PAID UP:		
1 26 78 800 Equity Shares of Rs.10/- each fully paid up	126788000	126788000
Less:- Calls in arrears (Other than Directors)	801000	801000
Total	125987000	125987000

SCHEDULE - 2		
RESERVES AND SURPLUS		
CAPITAL RESERVE		
As per the last Balance Sheet	22863600	22863600
Share Premium		
As per the last Balance Sheet	80000000	80000000
Total	102863600	102863600

SCHEDULE - 3		
UN SECURED LOAN		
Short Term Loans		
From Companies	2685411	2547828
Others Loans		
From Companies	76839913	0
Total	79525324	2547828

SCHEDULE 04		
FIXED ASSETS		

(Amount in Rs.)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 1.4.2009	Additions during the Year	Deductions during the Year	Cost as at 31.3.2010	As at 1.4.2009	For the year	Written Back	Total As at 31.03.2010	As at 31.3.2010	As at 31.3.2009
Office Equipments	1225740	0	0	1225740	1084987	0	0	1084987	140753	140753
Furniture & Fixtures	5767741	0	0	5767741	3819701	365098	0	4184799	1582942	1948040
Computer	2755996	0	0	2755996	2659552	0	0	2659552	96444	96444
EPABX	237732	0	0	237732	235462	0	0	235462	2270	2270
Air Conditioner	828595	0	0	828595	769421	0	0	769421	59174	59174
Vehicle	3625239	1490218	1531828	3583629	1932036	230679	1580525	582190	3001439	1693203
Total	14441043	1490218	1531828	14399433	10501159	595777	1580525	9516411	4883022	3939885
Previous Year	14441043	0	0	14441043	9733440	767718	0	10501158	3939885	4707603

PARTICULARS	As on 31.03.2010	As on 31.03.2009
SCHEDULE - 5		
Investments -Long Term (Unquoted)		
Wholly Owned Subsidiary		
Systematix Fincorp India Limited 1674845 Equity Shares of Rs 10/-each fully paid up	142758450	142758450
Others		
Systematix Shares & Stocks (I) Ltd. 769000 Equity Shares of. Rs. 10/- each fully paid up	55300000	
Add:		
Subscribed during the year 4 00 000 Equity Shares of Rs.10/-each fully paid up	<u>100000000</u>	55300000
Total	298058450	198058450
SCHEDULE- 06		
Sundry debtors		
Unsecured Considered Good Exceeding Six months	0	7472220
Other debts	56650	49470
Total	56650	7521690
SCHEDULE 07		
Cash & Bank Balances		
Cash Balance		
Cash in hand	1921	0
Balance with Banks		
Balance with Scheduled Bank - in Current Accounts	633638	456349
Total	635559	456349
SCHEDULE 8		
Loans Advances & Deposits		
Unsecured Considered Good Deposits	2723000	2723000
Tax Payment Pending Adjustments	524664	1216079
Inter Corporate Loans	0	19030211
Others	2740309	5968776
Total	5987973	28938066
Schedule 9		
Current Liabilities		
Sundry Creditors		
-Total outstanding dues To Micro Enterprises and Small enterprise	0	0
-Total outstanding dues of Creditors other than Micro Enterprises and Small enterprise	11033937	11292789
Total	11033937	11292789

NOTE:

1) There is no amount due and outstanding to be credited to Investor Educaion and Protection Fund.

PARTICULARS	As on 31.03.2010	As on 31.03.2009
SCHEDULE 10		
Profit & Loss Account		
Debit Balance in Profit & Loss Account	14324964	8188334
Less :		
General Reserve	4446757	4446757
Total	9878207	3741577
SCHEDULE 11		
Income from Operation		
Financial Advisory Services	1083134	1549750
Total	1083134	1549750
SCHEDULE 12		
Other Income		
Intrest		
(Tax deducted at source Rs. 92567 Previous Year Rs. 283480)	961470	1449587
Dividend	0	163874
Profit on sale of assets	153697	0
Total	1115167	1613461
SCHEDULE 13		
Employees Cost		
Salaries Bonus & Allowance	1612765	1398397
Staff Welfare	-	6515
Total	1612765	1404912
SCHEDULE 14		
ADMINISTRATIVE EXPENSES		
Rent	2381334	2107275
Rates & Taxes	158778	53830
Electricity Charges	0	181242
Travelling & Conveyance	29462	83741
Repairs & maintenance	52960	0
Postage, Telephone & Trunk calls	24673	104331
Printing & Stationery	18292	38616
Professional & Consultancy	113020	386946
Insurance Charges	46093	87125
Auditors Remuneration	37950	36371
Commission /Brokerage	190000	100000
Listing Fee	34715	81448
Other Expenses	204388	168775
Total	3291665	3429700

SCHEDULE 15

Notes forming part of the Balance Sheet as at 31st March 2010 and Profit and Loss account for the year ended 31st March 2010.

I. SIGNIFICANT ACCOUNTING POLICIES**A) General**

The Financial statements have been prepared on the historical Cost Convention and in accordance with Generally Accepted Accounting Principles and complying with the applicable Accounting Standards.

B) Fixed Assets

Fixed Assets are stated at cost less Depreciation. Cost of acquisition is inclusive of Freight, duties, installation and other incidental expenses net of CENVAT Credit if any applicable.

C) Depreciation

Depreciation has been provided on straight line method, in accordance with the Provisions of the Companies Act, 1956 at the rates prescribed in Schedule XIV to the Companies Act, 1956.

D) Investments

Long Term Investments are valued at cost. Any diminution in the value of Long term Investments is charged to Profit and Loss Account, if such a decline is other than temporary in the opinion of the management.

E) Revenue and Expenditure Recognition

Revenue is recognized and expenditure is accounted for on their accrual.

Income is recognized on Work Completed and billed on Customers.

F) Retirement Benefits

No Provision for Gratuity has been made as no employee has put in the qualifying period of service for entitlement of this benefit.

G) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income tax Act, 1961. Deferred tax is recognized, on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one more subsequent period. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that there will be sufficient future taxable income available against which such deferred tax asset can be realized.

H) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Contingent Liabilities are disclosed, unless the possibility of any outflow in settlement is remote, in the Notes on Accounts. Contingent Assets are neither recognized nor disclosed.

II) NOTES ON ACCOUNTS**1) Sundry debtors include:**

Amount due from Private Companies in which one or more directors of the Company are interested

	Amount in Rs.	
	31.03.2010	31.03.2009
Superstar Exports Private Limited	NIL	Rs 74 72 220
(Maximum due anytime during the Year)	Rs 74 72 220	Rs 74 72 220

Rs in lakhs
31.03.2010 31.03.2009

2) Contingent Liabilities:

Contingent Liabilities on account of
Guarantee given to banks group Companies 6800 9480

Amount in Rs.

31.03.2010 31.03.2009

3) Auditors Remuneration:

Statutory Audit 37 950 36 371

4) The management has initiated the process of identifying enterprises which have provided goods and services to the company under the definition of micro and small enterprises, as defined under Macro, Small and Medium enterprises Development Act, 2006. Accordingly the disclosure in respect of amounts payable to such enterprises as at march 31, 2010 has been made in the financial statements based on the information received and available with the company. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	Year ended 31.03.10	Year ended 31.03.09
a) Amount due and outstanding to suppliers as at the end of accounting year	NIL	NIL
b) Interest paid during the year	NIL	NIL
c) Interest payable at the end of the accounting year	NIL	NIL
d) Interest accrued and unpaid at the end of the accounting year	NIL	NIL

The Company is making efforts to get the confirmation from the suppliers as regards their status under the Act.

5) (a) Managerial remuneration under section 198 of the Companies Act, 1956

Remuneration to Managerial personal, paid in accordance with Schedule XIII to Companies Act, 1956

Particulars	Amount in Rs	
	31.3.2010	31.03.3009
C.P.Khandelwal, Chairman	12 00 000	11 60 000
Ramesh Raizada, Managing Director	9 00 000	3 75 000

(b) Computation of Net profit in accordance

With section 198 and 309 of the Companies, Act 1956:

Particulars	Amount in Rs	
	2009-10	2008-09
Net Profit /(Loss) before taxation	(2 47 14 929)	(2 06 95 153)
Add:		
Remuneration to whole time Directors		
Net profit U/S 198 of the Companies Act, 1956	21 00 000	15 35 000
Remuneration Entitlement to Managerial Person	(2 26 14 929)	(1 91 60 153)
	---	---

6) Basic & Diluted Earnings per share:

Particulars	2009-10	2008-09
Net Profit/(Loss) attributable to equity share holders	(56 79 976)	(2 07 30 152)
Weighted Average of Equity shares	1 26 78 800 (face value of Rs.10/- each)	1 26 81 355 (face value of Rs 10 / each)
Basic Earnings Per Share	(0.45)	(1.63)
Weighted Number of equity shares outstanding for Diluted EPS	1 26 78 800 (face value of Rs.10/- each)	1 26 81 355 (face value of Rs 10 / each)
Diluted Earnings Per share	(0.45)	(1.63)

In the absence of details the calls in arrears EPS is calculated as if the shares are fully paid up.

7) Deferred Tax Liability

	31.03.2010 (Rs in Lakhs)	31.03.2009 (Rs in Lakhs)
Deferred Tax liability on account of Depreciation	0.90	0.17

8) Related Party Transactions:

I) Names of Transacting Related Parties

A) Wholly Owned Subsidiaries

-Systematix Fincorp India Limited

B) Associate and Group Companies

- Systematix Shares & stocks (I) Limited

- Systematix Capital Services Private Limited

-Systematix Commodities Services Private Limited

-CEEPEEK Real Estate Limited

-Rangsharda properties Private Limited

-Shubhamangalam real Estate Limited

-Snehavardhini Real Estate Limited

-Tek Point Properties Private Limited

-Funsign Real estate Limited

- Superstar exports Private Limited.

-Topcity trading Company private Limited

-Riteplaza trading Company Private Limited

-Magicline Trading Company private Limited

-Goldflag export Private Limited

-Goldline Trading Company Private Limited

-Thirdwave merchantile Company Private Limited

-SQL Star International Limited

-Shivsakthi Realestate Limited

-Southern wind farm Limited

-Nikunj Mercantile Private Limited

Entities where Control Exists

- Mahesh C Solanki & Co

Key Managerial Personnel

Mr.C.P.Khandelwal

Mr.Ramesh Raizada

II) A description of the relationship between related parties: Presumption of Significant Influence.

III) Transaction detail

Name of the Related party	Description of Transaction and amount during the year		Amount outstanding
	Rs in lakhs		
Superstar Exports Limited	Receipt of dues	218.39	--
Superstar Exports Limited	Availment of loan	776.00	(CR) 776.00
Superstar Exports Limited	Interest Received	7.60	--
Topcity trading Company private Limited	Interest paid	0.08	(CR) 1.36
Riteplaza trading Company Private Limited	Interest paid	1.45	(CR) 24.12
Systematix Capital Services Private Limited	Interest received	0.81	--
Systematix Capital Services Private Limited	Receipt of Dues	46.63	--
Systematix Capital Services Private Limited	Availment of loan	25.66	--
Systematix Shares & Stocks (I) Ltd	Investment in Equity shares	1000.00	(DR) 1553.00
Systematix Shares & Stocks (I) Ltd	Guarantee for BG	6800.00	
Mahesh C Solanki & Co	Professional Fees	1.06	(CR) 0.22
Mr.C.P.Khandelwal	Remuneration	12.00	
Mr.Ramesh Raizada	Remuneration	9.00	

- 9) The Company has not obtained confirmation of balance from Sundry Debtors, Loans and advances, sundry creditors.
- 10) Previous year figures have been regrouped wherever necessary.
- 11) Paise have been rounded off to the nearest rupee.
- 12) Other items required to be disclosed as per Para 4A, 4C & 4D of Part II of Schedule VI of the Companies Act, 1956 Nil.

Vide Our report of date attached
For MAHARAJ N.R.Suresh and Co
FRN NO. 001931S
Chartered Accountants

Sd/-
N.R.SURESH
(Partner)
M.NO 21661

For & On behalf of the Board of Directors

Sd/-
Ramesh Raizada
(Managing Director)

Sd/-
Sunil Sarda
(Director)

Place: Mumbai
Date: 29.05.2010

**AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SYSTEMATIX
CORPORATE SERVICES LIMITED AND ITS SUBSIDIARY**

To
The Board of Directors of
Systematix Corporate Services Limited

- 1) We have audited the attached Consolidated Balance Sheet of Systematix Corporate Services Limited and its subsidiary Systematix Fincorp India Limited as of 31st March, 2010, the consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of 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 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.
- 3) We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS 21) Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India.
- 4) In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) In the case of the Consolidated Balance Sheet, of the state of affairs of the Systematix Corporate Services Ltd Group, as at 31st March 2010
 - ii) In the case of the Consolidated Profit and Loss Account, of the profit of the Systematix Corporate Services Ltd Group for the year ended on that date.
 - iii) In the case of Consolidated Cash Flow Statement, of the cash flows of the Systematix Corporate Services Ltd Group for the year ended on that date.

**For Maharaj N R Suresh and Co
FRN NO. 001931S
Chartered Accountants**

**Sd/-
N R SURESH
Partner
Membership No:21661**

**Place : Mumbai
Date : 29.05.2010**

**SYSTEMATIX CORPORATE SERVICES LTD.
CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2010**

(Amount in Rs.)

PARTICULARS	Schedule	Consolidated As At 31/03/2010	Consolidated As At 31/03/2009
I SOURCES OF FUNDS			
1 Shareholders Funds -			
(a) Share Capital	1	125987000	125987000
(b) Reserves & Surplus	2	105519570	104993627
2 Loan Funds			
Secured Loans	3	681473289	408955586
Unsecured Loans	4	135927312	42761763
	TOTAL	1048907171	682697976
II APPLICATION OF FUNDS			
1 Fixed Assets -			
Gross Block	5	14681395	14602085
Less : Depreciation		9544865	10506871
Net Block		5136530	4095214
2 Investments			
	6	155320000	55300000
3 Current Assets, Loans & Advances -			
(a) Sundry Debtors	7	207897	7521690
(b) Cash & Bank Balances	8	4555719	1554214
(c) Loans, Advances & Deposits	9	925698143	633535558
		930461759	642611462
Less: Current Liabilities & Provisions			
(a) Current Liabilities	10	42767054	19343900
(b) Provisions		380064	
		43147118	19343900
Net Current Assets		887314641	623267562
4 Deferred Tax Asset			
		1136000	35200
	TOTAL	1048907171	682697976

Note: Schedule 1 to 10 and Notes in Schedule 15 form part of this Balance sheet
Vide Our report of date attached

For Maharaj N. R. Suresh and Co.

FRN NO:001931S
Chartered Accountants

Sd/-
N.R.SURESH
(Partner)
M.NO 21661

Place: Mumbai
Date : 29.05.2010

For & On behalf of the Board of Directors

Sd/-
Ramesh Raizada
(Managing Director)

Sd/-
Sunil Sarda
(Director)

SYSTEMATIX CORPORATE SERVICES LTD.
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

(Amount in Rs.)

PARTICULARS	SCHEDULE	Consolidated As At 31/03/2010	Consolidated As At 31/03/2009
INCOME			
Income from Operations	11	117026386	71603380
Other Income	12	2482387	4050297
	TOTAL	119508773	75653677
EXPENDITURE			
Employees Cost	13	11875173	13191683
Director remuneration		2700000	1535000
Administrative Expenses	14	15858472	13224985
Loss on Sale of Investments			16399898
Provision for Non-Performing Assets		4375509	1191
	TOTAL	34809154	44352757
Profit Before Interest and Depreciation		84699619	31300920
Interest		79311654	50058369
Depreciation		618519	772293
Profit Before Tax		4769446	(19529742)
Provision for			
- Current Tax		4720000	400000
- Deferred Tax		(1100800)	-
- Fringe Benefit Tax		-	101200
Profit/(Loss) after Tax		1150246	(20030942)
Income Tax Relating To earlier Year		(444857)	
Surplus from Previous Year		(3511343)	16659599
Appropriations:			
Transfer to Special Reserve		1370000	140000
Balance Carried over to Balance Sheet		(4175954)	(3511343)
Basic EPS		0.09	(1.58)
Diluted EPS		0.09	(1.58)

Note: Schedule 11 to 14 and in schedule 15 from part of this profit & loss Account
 Vide our report of even date.

For Maharaj N. R. Suresh and Co.

FRN NO:001931S
Chartered Accountants

Sd/-
N.R.SURESH
(Partner)
M.NO 21661

Place: Mumbai
Date : 29.06.2009

For & On behalf of the Board of Directors

Sd/-
Ramesh Raizada
(Managing Director)

Sd/-
Sunil Sarda
(Director)

SYSTEMATIX CORPORATE SERVICES LTD.
CONSOLIDATED SCHEDULES FORMING PART OF ACCOUNTS AS AT 31.03.2010
 (Amount in Rs.)

PARTICULARS	Consolidated As At 31/03/2010	Consolidated As At 31/03/2009
Schedule - 1		
Share Capital		
Authorized:		
2,50,00,000 Equity Shares of Rs.10/- each	250000000	250000000
Issued and Subscribed:		
1 26 78 800 Equity Shares of Rs.10/-each	126788000	126788000
Paid Up:		
1 26 78 800 Equity Shares of Rs.10/- each fully paid up	126788000	126788000
Less:- Calls in arrears other than Directors	801000	801000
Total	125987000	125987000
Schedule - 2		
Reserves And Surplus		
Capital Reserve:		
As per last balance sheet	22863600	22863600
Share Premium		
As per last balance sheet	80000000	80000000
General Reserve		
As per last balance sheet	4446757	
Less:		
Transitional Liability Adjusted*	179446	4446757
Special Reserve		
Opening Balance	1194613	
Add: Transfer from Profit & Loss Account	1370000	
Surplus in Profit & Loss Account		
	(4175954)	(3511343)
Balance In Profit And Loss A/C		
Total	105519570	104993627

*Adjustment consequent to recomputation of Gratuity Liability as of 01.04.2009 in accordance with Accounting Standard 15-Employee Benefit.

SCHEDULE - 3**SECURED LOANS**

From Others	681473289	408955586
(see Note 2a)		
TOTAL	681473289	408955586

SCHEDULE - 4**UN SECURED LOANS****SHORT TERM LOANS**

From companies	59087399	42761763
Long Term Loans		
From companies	76839913	
TOTAL	135927312	42761763

CONSOLIDATED SCHEDULES FORMING PART OF ACCOUNTS AS AT 31.03.2010

SCHEDULE 05
FIXED ASSETS

(Amount in Rs.)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 1.4.2009	Additions during the Year	Deductions during the Year	Cost as at 31.3.2010	As at 1.4.2009	For the year	Written Back	Total	As at 31.3.2010	As at 31.3.2009
Office Equipments	1225740	-	-	1225740	1084987	-	-	1084987	140753	140753
Furniture & Fixtures	5900703	-	-	5900703	3819724	373514	-	4193238	1707465	2080979
Computer	2784076	-	-	2784076	2665242	4552	-	2669794	114282	118834
EPABX	237732	-	-	237732	235462	-	-	235462	2270	2270
Air Conditioner	828595	-	-	828595	769421	-	-	769421	59174	59174
Vehicle	3625239	1490218	1531828	3583629	1932035	230679	1580525	582189	3001440	1693204
Printer	-	120920	-	120920	-	9774	-	9774	111146	-
Total	14602085	1611138	1531828	14681395	10506871	618519	1580525	9544865	5136530	4095214
Previous Year	14469123	132962	0	14602085	9734578	772293	0	10506871	4095214	4734545

Schedule - 6

Investments

Name of Mutual Fund	Balance as at 01.04.2009		Purchases during the year		Sold during the year		Balance as at 31.03.10	
	No. of Units	Amount in Rs.	No. of Units	Amount in Rs.	No. of Units	Amount in Rs.	No. of Units	Amount in Rs.
Current Investment - QUOTED								
Growth Funds:								
Reliance Diversified Power Sector Fund	-	-	130.570	10000	130.570	10389	-	-
Reliance Liquid Fund Treasury Plan	-	-	456.598	10000	456.598	10000	-	-
Reliance Liquid Fund Treasury Plan - Retail Option	-	-	913.106	20000	-	-	913.106	20000
Liquid Funds:								
ICICI Prudential Flexible Income Plan	-	-	13714492.179	145010183	13721215.996	145081277	-	-
ICICI Prudential Liquid Plan -Daily Dividend	-	-	8015862.970	95000000	8016722.191	95010183	-	-
Reliance Liquid Fund - Treasury Plan - Retail Option - Daily Dividend	-	-	5379659.638	82000000	5380173.816	82007837	-	-
Reliance Money Manager Fund Retail Option - Daily Dividend	-	-	49960.146	50004397	49970.958	50015217	-	-
TOTAL	-	-	27161475.207	372054580	27168670.129	372134903	913.106	20000
UN-QUOTED LONG TERM								
Systematix Shares & Stocks (I) Ltd. 11 69 000 Equity Shares of. Rs. 10/- each fully paid up	769000	55300000	400000	100000000	-	-	1169000	5300000
TOTAL	769000	55300000	400000	100000000	-	-	1169000	5300000

Note:

Aggregate amount of

Quoted Investments

Unquoted Investments

Cost
Rs.

20000

155300000

Market Value
Rs.

20161

CONSOLIDATED SCHEDULES FORMING PART OF ACCOUNTS AS AT 31.03.2010

(Amount in Rs.)

PARTICULARS	Consolidated As At 31/03/2010	Consolidated As At 31/03/2009
Schedule - 7		
Sundry Debtors		
Unsecured Considered Good		7472220
Exceeding Six months	-	
Other debts	207897	49470
Total	207897	7521690
Schedule - 8		
Cash & Bank Balances		
Cash Balance		
Cash on hand	878205	875596
Balance with Banks		
Balance with Scheduled Banks		
- in Current Accounts		
Total	3677514	678618
SSchedule - 9		
Loans Advances & Deposits		
Advances recoverable in cash or in kind or value to be recd.		
STANDARD ASSETS		
SECURED CONSIDERED GOOD		
Loans Against Shares	748832765	448046259
SUB-STANDARD ASSETS		
Non-Performing Assets	35073658	11908
Less:		
Provision for NPA	2553177	32520480
		1191
		10717
UNSECURED CONSIDERED GOOD		
STANDARD ASSETS		
Loans	73123319	54368865
SUB STANDARD ASSETS		
Non performing assets	24011768	
Less:		
Provision for NPA	1823523	22188245
Deposits		27723000
Tax Payment Pending Adjustments		14678298
Inter Corporate Loans		109023567
Others	6632035	8606650
Total	925698143	633535558
Schedule - 10		
Current Liabilities		
Sundry Creditors		
-Total outstanding dues To Micro Enterprises and Small enterprise	0	0
-Total outstanding dues of Creditors other than Micro Enterprises and Small enterprise	42767054	19343900
Total	42767054	19343900
Note:		
1) There is no amount due and outstanding to be credited to Investor Eductaion and Protection Fund.		
PROVISIONS		
Gratuity	380064	0
	380064	0

CONSOLIDATED SCHEDULES FORMING PART OF ACCOUNTS AS AT 31.03.2010

(Amount in Rs.)

PARTICULARS	Consolidated As At 31/03/2010	Consolidated As At 31/03/2009
SCHEDULE 11		
Income from Operation		
Financial Advisory Services	1083134	1549750
Interest Received	115913136	69973030
(Tax Deducted At Source Rs.8645107/- Previous Year -Rs.7751594/-)		
Registration Charges	30116	80600
Total	117026386	71603380
Schedule - 12		
Other Income		
Interest	1123474	1449587
Dividend	91065	1013664
Income from Mutual Funds	364	231730
Referral Fee	1113649	1312000
Profit on sale of assets	153697	
Others	138	43316
Total	2482387	4050297
Schedule - 13		
Employees Cost		
Salaries, Bonus & Allowances	11674555	13185168
Staff Welfare -		6515
Gratuity	200618	
Total	11875173	13191683
Schedule - 14		
Administrative Expenses		
Rent	6606571	2792191
Rates & Taxes	262231	67830
Electricity Charges	3080043	3217963
Travelling & Conveyance	759872	409725
Repairs&maintenance	55290	-
Postage, Telephone & Internet expenses	59658	2770320
Professional&Consultancy	1196520	1135496
Stamping Charges	89592	80349
Custodian Charges	237190	585409
Insurance Charges	46093	87125
Auditors Remuneration	75900	69371
Bad Debts Written off	14912	
Commission/Brokerage	640000	100000
Other Expenses	2734600	1909206
Total	15858472	13224985

SCHEDULE 15

Notes forming part of the Consolidated Balance Sheet as at 31st March 2010 and Consolidated Profit and Loss account for the year ended 31st March 2010.

I). SIGNIFICANT ACCOUNTING POLICIES**A) General**

The Financial statements have been prepared on the historical Cost Convention and in accordance with Generally Accepted Accounting Principles and complying with the applicable Accounting standards.

B) Fixed Assets

Fixed Assets are stated at cost less Depreciation. Cost of acquisition is inclusive of Freight, duties, installation and other incidental expenses net of CENVAT Credit if any applicable.

C) Depreciation

Depreciation has been provided on straight line method, in accordance with the Provisions of the Companies Act, 1956 at the rates prescribed in Schedule XIV to the Companies Act, 1956.

D) Investments

Investments are classified into long term investments and current investments. Investments that are intended to be held for one year or more are classified as long-term investments and investments that are intended to be held for less than one year are classified as current investments. Long term investments are valued at cost. Provision for diminution in value of long term investments is made if in the opinion of management such a decline is other than temporary. Current investments are valued at cost or fair value, whichever is lower.

E) Revenue and Expenditure Recognition

- Income is recognized on Work Completed and billed on Customers.
- Interest Income on performing assets is recognized on accrual basis.
- Interest income on non-performing assets is recognized on realization basis. Recovery in Non Performing assets is first appropriated towards Interest and the balance if any, towards principal.
- Dividend Income is recognized on receipt basis.
- In Respect of Other heads of Income, the Company accounts the same on accrual basis
- Expenditure is accounted for on their accrual.

F) Retirement Benefits

Short term Employee benefits are charged at the undiscounted amount to Profit and Loss account in the year in which related service is rendered.

Liabilities in respect of defined benefit plans are determined based on actuarial valuation made by an Independent actuary using projected Unit Credit method as at the Balance sheet date. Actuarial gains or losses are recognized immediately in the profit & loss account.

G) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income tax Act, 1961. Deferred tax is recognized, on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one more subsequent period. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that there will be sufficient future taxable income available against which such deferred tax asset can be realized.

H) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Contingent Liabilities are disclosed, unless the possibility of any outflow in settlement is remote, in the Notes on Accounts. Contingent Assets are neither recognized no disclosed.

I) Reserve Bank of India Prudential Norms:

The Company follows the Guidelines issued by the Reserve bank of India Act, 1934 in respect of income recognition and Provisioning for non-performing assets.

Loans and advances-Asset classification and Provision norms followed pursuant to Notification DNBS (PD) CC No.145/ 03.02.001 / 2009-10 issued by Reserve Bank of India for Non Banking financial (Non deposit Accepting or Holding Companies)

Considered as	Definition	Recognition of Service charges	Provisioning Policy
A) Performing Asset			
Good	Interest in unrealized for 6 months and less	On accrual basis	No provision
B) Non performing Asset			
Sub Standard	Interest is unrealized greater than 6 to 24 Months	On receipt basis	10% of loan amount outstanding
Doubtful	Interest is unrealized for more than 24 Months	On receipt basis	24 to 36 Months 20% 36 to 60 Months 30% More than 60 Month 50%
Loss	As asset which has been identified as Loss assets.	On receipt basis	100% of loan amount outstanding

II) NOTES ON ACCOUNTS

1) Principles and Assumptions

- a) The consolidated financial statements have been prepared applying the principles laid in the Accounting Standard (AS-21) Consolidated Financial Statements as per sub section (3C) of Section 211 of the Companies Act, 1956.
- b) Principles used in preparing Consolidated Financial Statements
 - i) In preparing consolidated financial statements, the financial statements of the parent and its subsidiary is combined on a line by line basis by adding together like items of assets, liabilities, income and expenses.
 - ii) The cost to the parent of its investment in a subsidiary and the parent's portion of equity of subsidiary, at the date on which investment in subsidiary is made, is eliminated.
- c) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

2) Secured Loans:

- a) Secured Loan is secured by Securities received from borrowers who have been granted loan against shares by the Company and held in Demat account in the name of the Company and Pledged in favour of Respective lenders.
- b) Confirmation of balances for Loans and advances, Debtors and Creditors have not been obtained therefore the balances under the head loans and advances, Debtors and sundry Creditors are shown as per books and are subject to reconciliation and Adjustments if any.

3) Sundry debtors include:

Amount due form Private Companies in which one or more directors of the Company are interested.

	Amount in Rs.	
	31.03.2010	31.03.2009
Superstar Exports Private Limited	NIL	Rs 74 72 220
(Maximum due anytime during the Year)	Rs.74 72 220	Rs 74 72 220

Rs in lakhs

	31.03.2010	31.03.2009
	68 00	94 80

4) Contingent Liabilities:

Contingent Liabilities on account of
Guarantee given to banks for group Companies

	Amount in Rs.	
	31.03.2010	31.03.2009
	75 900	69 371
	-	3 399

5) Auditors Remuneration:

- | | | |
|-------------------------------|--------|--------|
| i) Statutory Audit | 75 900 | 69 371 |
| ii) Service Tax Reimbursement | - | 3 399 |

6) Non Performing Assets (NPAs) and Provisions

Rs in Lakhs

Particulars	2009-10	2008-09
Movement of Provisions of NPA		
a) Opening balance	0.01	0.00
b) Provisions made during the year	43.77	0.01
c) Write-off/Write-back of excess provisions	0.01	
d) Closing balance	43.77	0.01

7) Basic & Diluted Earnings per share:

Particulars	2009-10	2008-09
Net Profit/(Loss) attributable to equity share holders	11 50 246	(2 00 30 942)
Weighted Average of Equity shares	1 26 81 355 (face value of Rs. 10/- each)	12681355 (face value of Rs. 10/- each)
Basic Earnings Per Share	0.09	(1.58)
Weighted Number of equity shares outstanding for Diluted EPS	1 26 81355 (face value of Rs. 10/- each)	126 81 355 (face value of Rs. 10/- each)
Diluted Earnings Per share	0.09	(1.58)

8) Deferred Tax Asset:

31.03.2010

31.03.2009

(Rs in Lakhs)

(Rs in Lakhs)

Deferred Tax asset on account of:

A) Disallowance U/S 40A(7) & others

11.36

3.10

9) The management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Macro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2010 has been made in the financials statements based on the information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2010
a) Amount due and outstanding to suppliers as at the end of accounting year	NIL	NIL
b) Interest paid during the year	NIL	NIL
c) Interest payable at the end of the accounting year, and	NIL	NIL
d) Interest accrued and unpaid at the end of the accounting year,	NIL	NIL

The Company is making efforts to get the confirmations from the suppliers as regards their status under the Act.

10) Related Party Transactions:

1) Names of Transacting Related Parties

A) Associate and Group Companies

- Systematix Shares & stocks (I) Limited
- Systematix Capital Services Private Limited
- Systematix Commodities Services Private Limited
- CEEPEEK Real Estate Limited
- Rangsharda properties Private Limited
- Shubhamangalam real Estate Limited

- Snehavardhini Real Estate Limited
- Tek Point Properties Private Limited
- Funsign Real estate Limited
- Superstar exports Private Limited.
- Topcity trading Company private Limited
- Riteplaza trading Company Private Limited
- Magicline Trading Company private Limited
- Goldflag exports Private Limited
- Goldline Trading Company Private Limited
- Thirdwave merchantile Company Private Limited
- SQL Star International Limited
- Southern windfarm Limited
- Shivsakthi realestate Limited
- Nikunth Mercantile Private Limited

Entities where Control Exists

- Mahesh C Solanki & Co.

Key Managerial Personnel

Mr. C.P. Khandelwa
Mr. Ramesh Raizada

- II) A description of the relationship between related parties : Presumption of Significant influence.
III) Transaction detail

Name of the Related party	Description of Transaction and amount during the year		Amount outstanding
		Rs in lakhs	
Superstar Exports Limited	Receipt of dues	218.39	
Superstar Exports Limited	Availment of loan	776.00	(CR) 776.00
Superstar Exports Limited	Interest received	7.60	
Topcity trading Company private Limited	Interest paid	0.08	(CR) 1.36
Riteplaza trading Company Private Limited	Interest paid	1.45	(CR) 24.12
Systematix Capital Services Private Limited	Interest received	0.81	
Systematix Capital Services Private Limited	Receipt of Dues	46.63	
Systematix Capital Services Private Limited	Availment of loan	25.66	
Systematix Shares & Stocks (I) Ltd	Investment in Equity shares	1000.00	(DR) 1553.00
Systematix Shares & Stocks (I) Limited	Interest & Expenses incurred		(DR) 12.46
Systematix Shares & Stocks (I) Limited	Guarantee for Bank		
	Guarantee	6800.00	
Goldflag Exports Pvt Ltd	Rent paid	8.40	
Mahesh C Solanki & co	Professional Fees	1.06	(CR) 0.22
Mr.C.P.Khandelwal	Remuneration	18.00	
Mr.Ramesh Raizada	Remuneration	9.00	
CEEPEEK Real Estate Limited	Rent paid	0.90	
Rangsharda properties Private Limited	Rent paid	0.90	
Shubhamangalam real Estate Limited	Rent paid	0.90	
Funsign Real estate Limited	Rent paid	0.60	
Tek Point Properties Private Limited	Rent paid	0.90	

11) Employee Benefits

The Company has adopted AS 15-Employee Benefits during the year. These being the first year of adoption of AS 15, disclosure for the previous years are not given:

GENERAL DESCRIPTION		POST EMPLOYMENT BENEFIT GRATUITY
i) Changes in the Present Value Of the Obligation (PVO)- Reconciliation of Opening and Closing Balances:		
PVO as at the beginning of the Period		179446
Interest Cost		12 920
Current Service Cost		91303
Past service Cost-(non Vested benefits)		--
Actuarial Loss/(gain) on obligation		96395
PVO as at the end of the period		380064
ii) Amount recognized in the Balance Sheet and Related Analysis		
Present value of obligation		380064
Fair value of Plan assets		--
Difference Liability Recognized in the Balance Sheet		380064
iii) Expenses Recognized in the Profit & Loss account		
Current service Cost		91303
Interest Cost		12920
Net actuarial (gain)/loss recognized In the year		96395
Expenses recognized in the statement of Profit and loss		200618
iv) Principal Actuarial Assumption (Expressed as weighted averages)		
	1.4.2009	31.3.2010
Discount rate	7.20%	7.80%
Salary escalation rate	15.00%	15.00%
Attrition rate	15.00%	15.00%
Expected rate of return on plan assets	0.00%	0.00%

12) Segment Information

PARTICULARS	YEAR ENDED	YEAR ENDED
	31.03.2010	31.03.2009
	Rs In Lakhs	Rs In Lakhs
1.Segment revenue		
a) Merchant banking & Related Activities	10.83	15.50
b) Financial Activity	1159.43	700.53
c) Unallocated	24.83	40.50
Total	1195.09	756.53
Less:		
Inter Segment Revenue	-	-
Net income from Operations	1195.09	756.53
2. Segment Results Profit before tax and Interest from each segment		
a) Merchant banking & Related Activities	(54.02)	(196.06)
b) Financial Activity	894.83	501.34
Total	840.81	305.28
Less:		
a) Interest	793.12	500.58
Total profit before Tax & Extra ordinary Items	47.69	(195.30)
3.Capital Employed (Segment Assets-Segment Liabilities)		
a) Merchant banking & Related Activities	1557.39	848.99
b) Financial Activity	8931.68	5977.99
Total	10489.07	6826.98

The above segment information is presented on the basis of the audited consolidated financial statements. The Company's operations predominantly relate to Merchant banking activity and financing Activity.

- 13) Previous year figures have been regrouped wherever necessary.
- 14) Paise have been rounded off to the nearest rupee.
- 15) Other items required to be disclosed as per Para 4A, 4C & 4D of Part II of Schedule VI of the Companies Act, 1956 Nil.

Vide our report of date attached

For Maharaj N. R. Suresh and Co.

**FRN NO:001931S
Chartered Accountants**

Sd/-
(N.R.SURESH)
Partner
M.NO 21661

For & On behalf of the Board of Directors

Sd/-
Ramesh Raizada
(Managing Director)

Sd/-
Sunil Sarda
(Director)

Place: Mumbai
Date : 29.05.2010

**SYSTEMATIX CORPORATE SERVICES LTD
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010**

Particulars	Amount in Rs.	
	2009-2010	2008-2009
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	4769446	(19529742)
Adjustments for :-		
1 Depreciation	618519	772293
2 Interest/Dividend Received	961470	(1449587)
3 Loss (Profit) on Sale of Investments	-	16399898
4 Profit on sale of assets	(153697)	-
Operating profit before working capital changes	6195738	(3807138)
Adjustments for :-		
1 Purchase of Investments	(20000)	-
2 Trade and other receivables	(290013648)	(143563128)
3 Trade Payable Net of Lease Terminal Adj. A/c	23623772	5028889
Cash Generated from operation	(260214139)	(142341377)
1 Interest Paid	152870	321135
Cash Flow Before extraordinary items	(260061269)	(142020242)
1 Extraordinary items	-	-
Net Cash from/ (Used) in Operating activities	(260061269)	(142020242)
B CASH FLOW FROM INVESTING ACTIVITIES		
1 Purchase of fixed assets	(1611138)	(132962)
2 Sale of Fixed Assets	105000	-
3 Purchase of Investments	(100000000)	-
4 Sale of Investments	-	350352
5 Interest received	(961470)	1449587
Net Cash from/ (Used) in investing activities	(102467608)	1666977
C CASH FLOW FROM FINANCIANG ACTIVITIES		
1 Proceeds from issue of share capital	-	21000
2 Proceeds from long and short term borrowings	365683252	140349425
3 Interest Paid	(152870)	(321135)
Net Cash from financiing activities	365530382	140049290
Net increase in Cash and Cash equivalents (A+B+C)	3001505	(303975)
Cash and Cash equivalents as (Opening Balance)	1554214	1858189
Cash and Cash equivalents as (Closing Balance)	4555719	1554214

**For Maharaj N. R. Suresh and Co.
FRN NO:001931S
Chartered Accountants**

Sd/-
(N.R.SURESH)
Partner
M.NO 21661

**By order of the Board
For Systematix Corporate Services Ltd.**

Sd/-
Ramesh Raizada
(Managing Director)

Sd/-
Sunil Sarda
(Director)

Place: Mumbai
Date : 29.05.2010

2009-2010

SYSTEMATIX CORPORATE SERVICES LTD.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

S. No.	Particulars	
1.	Name of the subsidiary company	Systematix Fincorp India Limited
2.	No. of shares held in the company	1674845 Equity Shares of Rs 10/-each fully
3.	Percentage of holding in the subsidiary company	100%
4.	Net aggregate amount of the profits of the subsidiary company so far as they concern viz Systematix Corporate Services Limited A) Dealt with in the accounts of Systematix Corporate Services Limited for the year ended 31.03.2010 B) Not dealt with in the accounts of Systematix Corporate Services Limited for the year ended 31.03.2010	NIL Rs. 68 42 017/-

Vide our report of date attached
For Maharaj N. R. Suresh and Co.

FRN NO:001931S
Chartered Accountants

Sd/-
(N.R.SURESH)
Partner
M.NO 21661

For & On behalf of the Board of Directors

Sd/-
Ramesh Raizada
(Managing Director)

Sd/-
Sunil Sarda
(Director)

Place: Mumbai
Date : 29.05.2010

SYSTEMATIX FINCORP INDIA LIMITED
DIRECTORS' REPORT

DEAR MEMBERS,

We have great pleasure in presenting the Sixteenth Annual Report of Systematix Fincorp India Ltd. (the Company) with the audited statement of accounts for the year ended March 31, 2010.

FINANCIAL HIGHLIGHTS

This year the income generated from operation and other income has registered a growth of 62 percent at Rs. 1173.10 lakhs compared to Rs. 724.90 lakhs during the previous year. The profit before taxation was up by 786 percent at Rs. 103.24 lakhs compared to Rs. 11.65 lakhs. The Company's net profit for the year was Rs. 68.42 lakhs compared to Rs. 6.99 lakhs in the previous year, a growth of 879 percent over previous year.

FINANCIAL RESULTS PERFORMANCE:

(Rs. in Lakhs)

Particulars	2009-2010	2008-2009
Total Income	1173.10	724.90
Total Expenditure	278.05	215.83
Profit Before Interest, Depreciation and Tax	895.05	509.07
Finance Charges	791.59	497.38
Depreciation	0.24	0.04
Profit before Tax (PBT)	103.24	11.65
Provision for Tax	34.82	4.66
Profit after Tax (PAT)	68.42	6.99

DIVIDEND

As your company is investing its accruals for future growth, your Directors did not recommend any dividend on equity shares.

DEPOSITS

During the period under review, your Company has not accepted / renewed any deposits within the meaning of Section 58 A of the Companies Act, 1956 and the rules there under and as such, no amount of principal or interest was outstanding as on the balance sheet.

DIRECTORS

In terms of the provisions of the Articles of Association of the Company, Sh. Deepak Khandelwal will retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offer themselves for re-appointment.

AUDITORS

The Statutory Auditors, M/s. Maharaj N. R. Suresh & Co., Chartered Accountants, will retire at the ensuing Annual General Meeting. The Board at its meeting held on May 14, 2010 has proposed their re-appointment as Auditors to audit the accounts of the Company for the financial year ending on March 31, 2011. M/s. Maharaj N. R. Suresh & Co., the retiring Auditors, have indicated their willingness to be re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTIONS, FOREIGN EXCHANGE EARNINGS AND OUTGOES

- A. Since the Company does not carry out any manufacturing activities, particulars to be disclosed with respect to conservation of energy and technology absorption under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable.
- B. Earning in foreign exchange is nil.

COMPLIANCE AND RISK MANAGEMENT

Geographical spread of business, addition to the products, increased or changing demands and expectations of the customers has been a major challenge for the Company in terms of operational controls and Risk Management Systems (RMS). Continuous efforts are made by way of process improvements and investments in technology to ensure that high attention

is given to improve internal controls and regulatory requirements. To ensure high levels of compliance, scope of internal audit has been enhanced, MIS in terms of Surveillance report is being improved and services of professionals are pressed in to conduct audit on critical process and systems used in the business.

CHANGE IN SHAREHOLDING

During the year, there is no change in shareholding of your company.

PARTICULARS OF EMPLOYEES

There was no employee during the period drawing remuneration attracting the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees), 1975.

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

The financial statements are prepared in accordance with the accounting standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956, to the extent applicable to us; as a going concern and on the accrual basis. There are no material departures from prescribed accounting standards in the adoption of the accounting standards.

The Board of Directors accepts responsibility for the integrity and objectivity of these financial statements. The accounting policies used in the preparation of the financial statements have been consistently applied except as otherwise stated in the notes accompanying the respective tables. The estimates and judgments related to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs and profits for the year.

We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

ACKNOWLEDGMENTS

Your Directors would like to place on record their gratitude for all the guidance and co-operation received from Forward Market Commission, National Commodity & Derivatives Exchange Ltd., Multi Commodity Exchange of India Ltd. and other Government and Regulatory Agencies.

Your Directors are grateful to the Company's customers and bankers for their continued support.

Your Directors also express their sincere appreciation to all the employees for commendable teamwork, professionalism and contribution during the year.

For On behalf of the Board of Directors

Place: Mumbai
Date: 14.05.2010

Sd/-
C. P. Khandelwal
Chairman

**AUDITOR'S REPORT TO THE MEMBERS OF
M/S SYSTEMATIX FINCORP INDIA LIMITED**

1. We have audited the attached Balance Sheet of M/s Systematix Fincorp India Limited as at 31st March 2010, 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 the 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 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.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India 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 paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, 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 Such Books.
 - (iii) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement 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 written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is 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.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 2010
 - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - (c) in the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

For Maharaj N R Suresh and Co
FRN NO: 001931S
Chartered Accountants

Place : Mumbai
Date : 14.05.2010

Sd/-
N. R. SURESH
Partner
M.No : 21661

Annexure 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) These fixed assets have been physically verified by the management at reasonable intervals which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) No substantial part of fixed assets have been disposed off during the year.
- (ii) According to the information and explanations given to us, and having regard to the Company's business the question of reporting on clause 4 (ii) a, 4 (ii) b, 4 (ii) c (relating to Inventory) of the Companies (Auditors report) order, 2003 as amended by Companies (Auditors Report) (amendment) order 2004, does not arise.
- (iii) (a) The company has granted unsecured loan to one company covered in the register maintained under section 301 of the companies Act, 1956. The amount outstanding at the end of the year is Rs 11.95 Lakhs.
- (b) In our opinion, the rate of interest and other terms and conditions of the said unsecured loan given by the company are not, prima facie prejudicial to the interests of the company.
- (c) Payment of Principal and Interest are in accordance with the terms
- (d) The company has taken unsecured loan from one company covered in the register maintained under section 301 of the companies Act, 1956. The amount outstanding at the end of the year is NIL.
- (e) In our opinion, the rate of interest and other terms and conditions of the said unsecured loan taken by the company are not, prima facie prejudicial to the interests of the company.
- (f) Payment of Principal and Interest are in accordance with the terms
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business for the purchases of fixed assets and with regard to sale of Services. The Company has not made any sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) 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) The transactions made in Pursuance of such contracts or arrangements have been made at prices which are reasonable, having regard to the prevailing Market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the Public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) As per the explanation and information given to us, the company is not required to maintain cost records pursuant to Section 209 (1) of the Companies Act. Accordingly the clause 4 (viii) of the order is not applicable to the company.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, and other material statutory dues applicable to it. The provisions of Provident Fund, Employees' State Insurance Act are not applicable to the Company. No amount is payable to Investor Education Protection Fund.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Service Tax and cess were in arrears, as at 31st March 2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of Sale Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax and cess, which have not been deposited on account of any dispute
- (x) The Company does not have accumulated losses. Also The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) The Company has not obtained any borrowings from any Financial Institution, Bank or by way of Debentures.
- (xii) In cases where the Company has granted loans and advances on the basis of security by way of Pledge of share adequate documents and records are maintained by the company.
- (xiii) The company is not a chit fund or a nidhi / mutual benefit fund / society.
- (xiv) The Company in respect of Investment in shares, we are of the opinion that proper records have been maintained

of the transaction and contracts and timely entries have been made in those records. We also report that the company has held the shares, securities, debentures and other securities in its own name.

- (xv) The company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the company has not raised any term loans during the year and according clause 4 (xvi) of the order relating to the application of term loan is not applicable to the company.
- (xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investments.
- (xviii) The company has not made any preferential allotment of Equity shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- (xix) The Company has no outstanding debenture at the end of the year.
- (xx) The company has not raised money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For Maharaj N R Suresh and Co
FRN NO: 001931S
Chartered Accountants**

**Place : Mumbai
Date : 14.05.2010**

Sd/-
**N. R. SURESH
Partner
M.No : 21661**

**SYSTEMATIX FINCORP INDIA LIMITED
BALANCE SHEET AS AT 31ST MARCH 2010**

(Amount in Rs.)

PARTICULARS	Schedule	As At 31/03/2010	As At 31/03/2009
I SOURCES OF FUNDS			
1) Shareholders Funds			
A) Share Capital	1	16758450	16758450
B) Reserves&Surplus	2	138534175	131871605
2) Loan Funds			
A) Secured Loans	3	681473289	408955586
B) Unsecured Loans	4	56401988	40213935
	TOTAL	893167902	597799576
APPLICATION OF FUNDS			
1) Fixed Assets	5		
Gross Block		281962	161042
Less:Depreciation		28455	5713
Net Block		253507	155329
2) Investments	6	20000	-
3) Current Assets,Loans And Advances			
A) Sundry Debtors	7	151247	-
B) Cash And Bank Balances	8	3920160	1097865
C) Loans And Advances	9	919710169	604597493
		923781576	605695358
Less:Liabilities&Provisions			
A) Current Liabilities	10	31733117	8051111
B) Provisions		380064	
		32113181	8051111
Net Current Assets		891668395	597644247
4) Deferred Tax Asset		1226000	
	TOTAL	893167902	597799576

Note: Schedule 1 to 10 and Notes in Schedule 15 form part of this Balanchsheet:

For Maharaj N R Suresh and Co
FRN NO: 001931S
Chartered Accountants

For & On behalf of the Board of Directors

Sd/-
(N.R.SURESH)
Partner
M.NO 21661

Sd/-
C.P. Khandelwal
(Managing Director)

Sd/-
Sunil Sarda
(Director)

Place: Mumbai
Date : 14.05. 2010

SYSTEMATIX FINCORP INDIA LIMITED
PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2010 (Amount in Rs.)

PARTICULARS	Schedule	Year Ended 31/03/2010	Year Ended 31/03/2009
INCOME			
Income From Operations	11	115943252	70053630
Other Income	12	1367217	2436836
		<u>117310469</u>	<u>72490466</u>
EXPENDITURE			
Employees Cost	13	10262408	11786771
Director Remuneration		600000	
Other Expenses	14	12566807	9795285
Provision for Non-Performing Assets		4375509	1191
		<u>27804724</u>	<u>21583247</u>
Profit Before Interest And Depreciation		89505746	50907219
Interest And Finance Charges		79158784	49737234
Profit Before Depreciation		10346962	1169986
Depreciation		22742	4575
Profit Before Tax		10324220	1165411
Provision for			
- Current Tax		4720000	400000
- Fringe Benefit Tax		-	66200
- Deferred Tax		(1226000)	-
Income Tax Relating To Earlier Year		(11797)	-
Profit After Tax		<u>6842017</u>	<u>699211</u>
Appropriations			
Transfer To:			
Special Reserve		1370000	140000
Surplus From Previous Year		4676991	4117780
Balance Carried Forward		10149008	4676991
Basic And Diluted Earning Per Share		4.08	0.42

Note: Schedule 11 to 14 and notes in schedule 15 form part of this Profit & Loss Account

Vide our report of date attached
For Maharaj N. R. Suresh and Co.

FRN NO:001931S
Chartered Accountants

Sd/-
(N.R.SURESH)
Partner
M.NO 21661

Place: Mumbai
Date : 14.05.2010

For & On behalf of the Board of Directors

Sd/-
C.P. Khandelwal
(Managing Director)

Sd/-
Sunil Sarda
(Director)

SYSTEMATIX FINCORP INDIA LIMITED
SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH 2010

(Amount in Rs.)

PARTICULARS	AS ON 31.03.2010	AS ON 31.03.2009
SCHEDULE -1		
SHARE CAPITAL		
AUTHORISED		
50 00 000 Equity Shares Of Rs 10/- Each	50000000	50000000
	<u>50000000</u>	<u>50000000</u>
ISSUED SUBSCRIBED AND PAID UP		
16 75 845 Equity Shares Of Rs 10/-Each	16758450	16758450
	<u>16758450</u>	<u>16758450</u>
SCHEDULE- 2		
RESERVES&SURPLUS		
SHARE PREMIUM		
As Per Last Balance Sheet	126000000	126000000
SPECIAL RESERVE		
Opening Balance	1194613	
Add:		
Transfer From Profit & Loss Account	<u>1370000</u>	2564613
		1194613
SURPLUS		
Balance In Profit And Loss A/C	10149008	
Less:		
Transnional Liability Adjusted	<u>179446</u>	9969562
		<u>138534175</u>
		<u>131871604</u>
*Adjustment consequent to recomputation of Gratuity Liability as of 01.04.2009 in accordance with Accounting Standard 15-Employee Benefit.		
SCHEDULE-3		
SECURED LOANS		
From Others	681473289	408955586
(See Note 2(a))	<u>681473289</u>	<u>408955586</u>
SCHEDULE-4		
UNSECURED LOANS		
From Others		
Inter Corporate Loans	56401988	40213935
	<u>56401988</u>	<u>40213935</u>

SYSTEMATIX FINCORP INDIA LIMITED
SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH 2010

SCHEDULE 05**FIXED ASSETS**

(Amount in Rs.)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 1.4.2009	Additions during the Year	Deductions during the Year	Cost as at 31.3.2010	As at 1.4.2009	For the year	Written Back	Total As At 31.03.2010	As at 31.3.2010	As at 31.3.2009
1 Computer	28080	-	-	28080	5690	4552	-	10241	17839	22390
2 Furniture	132962	-	-	132962	23	8416	-	8440	124522	132939
3 Printer	-	120920	-	120920	-	9774	-	9774	111146	-
TOTAL	161042	120920	-	281962	5713	22742	-	28455	253507	155329
Previous Year	28080	132962	-	161042	1138	4575	-	5713	155329	22390

SCHEDULE 06**Investments**

Name of Mutual Fund	Balance as at 01.04.2009		Purchases during the year		Sold during the year		Balance as at 31.03.10	
	No. of Units	Amount in Rs.	No. of Units	Amount in Rs.	No. of Units	Amount in Rs.	No. of Units	Amount in Rs.
NON-TRADE - QUOTED								
Growth Funds:								
Reliance Diversified Power Sector Fund	-	-	130.570	10000	130.570	10389	-	-
Reliance Liquid Fund Treasury Plan	-	-	456.598	10000	456.598	10000	-	-
Reliance Liquid Fund Treasury Plan - Retail Option	-	-	913.106	20000	-	-	913.106	20000
Liquid Funds:								
ICICI Prudential Flexible Income Plan	-	-	13714492.179	145010183	13721215.996	145081277	-	-
ICICI Prudential Liquid Plan -Daily Dividend	-	-	8015862.970	95000000	8016722.191	95010183	-	-
Reliance Liquid Fund - Treasury Plan - Retail Option - Daily Dividend	-	-	5379659.638	82000000	5380173.816	82007837	-	-
Reliance Money Manager Fund Retail Option - Daily Dividend	-	-	49960.146	50004397	49970.958	50015217	-	-
TOTAL	-	-	27161475.207	372054580	27168670.129	372134903	913.106	20000

Note:

Aggregate Cost Of Quoted Investments
Market Value of Quoted Investments

31.03.2010
Rs.

20000
20161

31.03.2009
Rs.

-
-

SYSTEMATIX FINCORP INDIA LIMITED
SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH 2010

(Amount in Rs.)

PARTICULARS	AS ON 31.03.10	AS ON 31.03.09
SCHEDULE - 7		
SUNDRY DEBTORS		
Unsecured Considered Good		
Exceeding Six Months	-	-
-Other Debts	151247	-
Total	151247	-
SCHEDULE - 8		
CASH AND BANK BALANCES		
Cash On Hand	876284	875596
Balances With Scheduled Banks		
-In Current Account	3043876	222269
Total	3920160	1097865
SCHEDULE - 9		
LOANS AND ADVANCES		
Advances Recoverable In Cash Or In Kind Or For Value To Be Received		
SECURED CONSIDERED GOOD		
STANDARD ASSETS		
Loans	748832765	448046259
SUB STANDARD ASSETS		
Non performing assets	35073658	11908
Less:		
Provision for NPA	2553177	32520480
		1191
		10717
UNSECURED CONSIDERED GOOD		
STANDARD ASSETS		
Loans	73123319	54368866
SUB STANDARD ASSETS		
Non performing assets	24011768	
Less:		
Provision for NPA	1823523	22188245
Inter Corporate Loan		89993356
Tax Payment Pending Adjustments		9540421
Deposits		25000000
Others		3891726
		2,637,874
Total	919710169	604597493
SCHEDULE- 10		
CURRENT LIABILITIES		
-Total outstanding dues To Micro Enterprises and Small enterprise		
-Total outstanding dues of Creditors other than Micro Enterprises and Small enterprise		
	31733117	8051111
Total	31733117	8051111
NOTE:		
1)) There is no amount due and outstanding to be credited to Investor Educaion and Protection Fund.		
PROVISIONS		
Gratuity	380064	0
Total	380064	0

**SYSTEMATIX FINCORP INDIA LIMITED
SCHEDULES FORMING PART OF PROFIT&LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2010**

(Amount in Rs.)

PARTICULARS	AS ON 31.03.09	AS ON 31.03.08
SCHEDULE 11-		
INCOME FROM OPERATIONS		
Interest on Loan (Tax Deducted At Source Rs.8645107/- Previous Year -Rs.7751594/-)	115913136	69973030
Registration Charges	30116	80600
Total	115943252	70053630
SCHEDULE 12-OTHER INCOME		
Interest	162004	-
Referral Fee	1113649	1312000
Dividend Received	91065	849790
Income From Mutual Funds	364	231730
Others	135	43316
Total	1367217	2436836
SCHEDULE 13-		
EMPLOYEES COST		
Salaries	9611790	11786771
Bonus	450000	-
Gratuity	200618	-
Total	10262408	11786771
SCHEDULE 14-		
ADMINISTRATIVE & OTHER EXPENSES		
Rent	4225237	684916
Rates&Taxes	103453	14000
Electricity expenses	3080043	3036721
Communication	22190	2055826
Printing&Stationery	1648623	1175581
Stamping Expenses	89592	80349
Travelling & Conveyance	730410	325984
Professional & Consultancy Fees	1083500	748550
Custodian Charges	237190	585409
Bad Debts Written off	14912	-
Audit Fees	37950	33000
Other Expenses	1293707	1054949
Total	12566807	9795285

SCHEDULE-14

Notes forming part of the Balance Sheet as at 31st March 2010 and Profit and Loss account for the year ended 31st March 2010.

I. Nature of Business

The Company is Non-banking Financial Company registered with the Reserve Bank of India (RBI) under Section 45-IA of the Reserve Bank of India Act, 1934 and Primarily engaged in lending and Related Activities. The Company Received the Certificate of Registration from the RBI on 31st May 2001 enabling the Company to carry on business as a Non-banking Financial Company.

In Accordance with the Provisions of Section 45-IC of the RBI ACT, 1934, the Company has created Reserve Fund & during the year, the Company has Transferred an amount of Rs 13 70 000 /- to Reserve Fund, it being 20% of the Profit after Tax.

II). Significant Accounting Policies**A) General**

The Financial statements have been prepared on the historical Cost Convention and in accordance with Generally Accepted Accounting Principles and complying with the Applicable Accounting standards.

B) Fixed Assets

Fixed Assets are stated at cost less Depreciation. Cost of acquisition is inclusive of Freight, duties, installation and other incidental expenses net of CENVAT Credit if any available.

C) Depreciation

Depreciation has been provided on straight line method, in accordance with the Provisions of the Companies Act, 1956 at the rates prescribed in Schedule XIV to the Companies Act, 1956.

D) Investments

Investments are classified into long term investments and current investments. Investments that are intended to be held for one year or more are classified as long-term investments and investments that are intended to be held for less than one year are classified as current investments.

Long term investments are valued at cost. Provision for diminution in value of long term investments is made if in the opinion of management such a decline is other than temporary.

Current investments are valued at cost or fair value, whichever is lower.

E) Revenue and Expenditure Recognition

- Ø Interest Income on performing assets is recognized on accrual basis.
- Ø Interest income on non-performing assets is recognized on realisation basis. Recovery in Non Performing assets is first appropriated towards Interest and the balance if any, towards principal.
- Ø Dividend Income is recognized on receipt basis.
- Ø In Respect of Other heads of Income, the Company accounts the same on accrual basis.
- Ø Expenditure is accounted for on their accrual.

F) Employee Benefits

Short term Employee benefits are charged at the undiscounted amount to Profit and Loss account in the year in which related service is rendered. Liabilities in respect of defined benefit plans are determined based on actuarial valuation made by an Independent actuary using projected Unit Credit method as at the Balance sheet date. Actuarial gains or losses are recognized immediately in the profit & loss account.

G) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income tax Act, 1961. Deferred tax is recognized, on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one more subsequent

period. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that there will be sufficient future taxable income available against which such deferred tax asset can be realized.

H) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Contingent Liabilities are disclosed, unless the possibility of any outflow in settlement is remote, in the Notes on Accounts. Contingent Assets are neither recognized nor disclosed.

I) Reserve Bank of India Prudential Norms:

The Company follows the Guidelines issued by the Reserve bank of India Act, 1934 in respect of income recognition and Provisioning for non-performing assets.

Loans and advances-Asset classification and Provision norms followed pursuant to Notification DNBS (PD) CC No.145/03.02.001 / 2009-10 issued by Reserve Bank of India for Non Banking financial (Non deposit Accepting or Holding Companies)

Considered as	Definition	Recognition of Service charges	Provisioning Policy
A) Performing Asset			
Good	Interest in unrealized for 6 months and less	On accrual basis	No provision
B) Non performing Asset			
Sub Standard	Interest is unrealised greater than 6 to 24 months	On receipt basis	10% of loan amount
outstanding Doutdful	Interest is unrealized for more than 24 months	On receipt basis	24 to 36 Months 20% 36 to 60 Months 30% More than 60 Months 50%
Loss	As asset which has been identified as Loss assets.	On receipt basis	100% of loan amount outstanding

2) NOTES ON ACCOUNTS

- a) Secured Loan is secured by Securities received from borrowers who have been granted loan against shares by the Company and held in Demat account in the name of the Company and Pledged in favour of Respective lenders.
- b) Confirmation of balances for Loans and advances and Creditor not been obtained therefore the balances under the head loans and advances, sundry Creditors are shown as per books and are subject to reconciliation and Adjustments if any.

c) Auditors Remuneration:

	31.03.2010	31.03.3009
i) Audit	37 950	33 000
ii) Service Tax Reimbursement	---	3 000
	37 950	33 300

d) Non Performing Assets (NPAs) and Provisions

Particulars	Rs in Lakhs	
	2009-10	2008-09
Movement of Provisions of NPA		
a) Opening balance	0.01	0.00
b) Provisions made during the year	43.77	0.01
c) Write-off/Write-back of excess provisions	0.01	
d) Closing balance	43.77	0.01

e) Basic & Diluted Earnings per share:

Particulars	2009-10	2008-09
Net Profit/(Loss) attributable to equity share holders	68 42 017	6 99 211
Weighted Average of Equity shares	16 75 845 (Face Value of Rs.10/- each)	16 75 845 (Face Value of Rs.10/- each)
Basic Earnings Per Share	4.08	0.42
Weighted Number of equity shares outstanding for Diluted EPS	16 75 845 (Face Value of Rs.10/- each)	16 75 845 (Face Value of Rs.10/- each)
Diluted Earnings Per share	4.08	0.42

f) Deferred Tax Asset Comprises

	31.03.2010 (Rs in Lakhs)	31.03.2009 (Rs in Lakhs)
Deferred Tax Liability on account of:		
a) Depreciation	0.31	0.07
	0.31	0.07
Deferred Tax Asset on account of:		
A) Disallowance U/S 40A(7) & others	12.55	3.00
	12.55	3.00
Net Deferred Tax Asset	12.24	2.93

- g) The management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Macro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2010 has been made in the financials statements based on the information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
a) Amount due and outstanding to suppliers as at the end of accounting year	NIL	NIL
b) Interest paid during the year	NIL	NIL
c) Interest payable at the end of the accounting year, and	NIL	NIL
d) Interest accrued and unpaid at the end of the accounting year,	NIL	NIL

The Company is making efforts to get the confirmations from the suppliers as regards their status under the Act.

h) Related Party Transactions:

I) Names of Transacting Related Parties

A) Holding Company:

-Systematix Corporate Services Ltd

B) Associate and Group Companies

- Systematix Shares & stocks (I) Limited

- Systematix Capital Services Private Limited

- Systematix Commodities Services Private Limited
- CEEPEEK Real Estate Limited
- Rangsharda properties Private Limited
- Shubhamangalam real Estate Private Limited
- Snehavardhini Real Estate Private Limited
- Tek Point Properties Private Limited
- Funsign Real estate Private Limited
- Superstar exports Private Limited.
- Topcity trading Company private Limited
- Riteplaza trading Company Private Limited
- Magicline Trading Company private Limited
- Goldflag exports Private Limited
- Goldline Trading Company Private Limited
- Thirdwave merchantile Company Private Limited
- SQL Star International Limited
- Shivsakthi realestate Limited
- Southern wind farm Limited
- Nikunj Mercantile Private Limited

Key Managerial Personnel

- Mr.C.P.Khandelwal

II) A description of the relationship between related parties: Presumption of Significant Influence.

III) Transaction detail

Name of the Related party	Description of Transaction and amount during the year		Amount outstanding
	Rs in lakhs		
Goldflag exports Private Limited	Rent paid	8.40	--
CEEPEEK Real Estate Limited	Rent paid	0.90	--
Rangsharda properties Private Limited	Rent paid	0.90	--
Shubhamangalam real Estate Private Limited	Rent paid	0.90	--
Funsign Real estate Private Limited	Rent paid	0.60	--
Tek Point Properties Private Limited	Rent paid	0.90	--
Systematix Shares and Stocks I Limited	Interest & Expenses incurred		12.46 (DR)
	Receivable		
C.P.Khandelwal	Remuneration	6.00	--

I) Employee Benefits

The Company has adopted AS 15-Employee Benefits during the year. These being the first year of adoption of AS 15, disclosure for the previous years are not given:

GENERAL DESCRIPTION	POST EMPLOYMENT BENEFIT GRATUITY	
i) Changes in the Present Value Of the Obligation (PVO)- Reconciliation of Opening and Closing Balances:		
PVO as at the beginning of the Period		179446
Interest Cost		12 920
Current Service Cost		91303
Past service Cost-(non Vested benefits)		--
Actuarial Loss/(gain) on obligation		96395
PVO as at the end of the period		380064
ii) Amount recognized in the Balance Sheet and Related Analysis		
Present value of obligation		380064
Fair value of Plan assets		--
Difference Liability Recognized in the Balance Sheet		380064
iii) Expenses Recognized in the Profit & Loss account		
Current service Cost		91303
Interest Cost		12920
Net actuarial (gain)/loss recognized In the year		96395
Expenses recognized in the statement of Profit and loss		200618
iv) Principal Actuarial Assumption (Expressed as weighted averages)	1.4.2009	31.3.2010
Discount rate	7.20%	7.80%
Salary escalation rate	15.00%	15.00%
Attrition rate	15.00%	15.00%
Expected rate of return on plan assets	0.00%	0.00%

- J) Previous year figures have been regrouped wherever necessary.
- K) Paise have been rounded off to the nearest rupee.
- L) Other items required to be disclosed as per Para 4, 4A, 4B, 4C&4D of Part II of Schedule VI of the Companies Act, 1956 Nil.

Vide our report of date attached
For Maharaj N. R. Suresh and Co.

FRN NO:001931S
Chartered Accountants

Sd/-
(N.R.SURESH)
Partner
M.NO 21661

For & On behalf of the Board of Directors

Sd/-
C.P. Khandelwal
(Managing Director)

Sd/-
Sunil Sarda
(Director)

Place: Mumbai
Date : 14.05.2010

Schedule to the Balance Sheet of a Non-Banking Financial Company

(As required in terms of Paragraph 9BB of

Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007

Sr. No.	PARTICULARS	(RS. IN LACS)	
		Amount out- Standing	Amount overdue
	Liabilities side :		
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
	(a) Debentures: Secured	Nil	Nil
	: Unsecured (Other than falling within the Meaning of public deposits*)	Nil	Nil
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans (Motor Car Loan)	Nil	Nil
	(d) Inter-corporate loans and borrowing	7378.75	Nil
	(e) Commercial Paper	Nil	Nil
	(f) Public Deposits*	Nil	Nil
	(g) Other Loans	Nil	Nil
	I. Working Capital Loan From Banks	Nil	Nil
	II. Unsecured Loan		
	* Please see Note 1 below		
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
	(a) In the form of Unsecured debentures	Nil	Nil
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
	(c) Other public deposits	Nil	Nil
	* Please see Note 1 below		
	Assets side :		Amount Outstan- ding Rs. Lacs
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	(a) Secured		7813.53
	(b) Unsecured		1383.57
	Total		9197.10
(4)	Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities		NILL
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		NILL
	(b) Operating lease		
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire		NILL
	(b) Repossessed Assets		NILL
	(iii) Hypothecation loans counting towards EL/HP activities		NILL
	(a) Loans where assets have been repossessed		NILL
	(b) Loans other than (a) above		

(5) Break-up of Investments :	
Current Investments :	
1. Quoted :	
(i) Shares :	
(a) Equity	NIL
(b) Preference	
(ii) Debentures and Bonds	
(iii) Units of mutual funds	0.20
(iv) Government Securities	
(v) Others (please specify)	
2. Unquoted :	
(i) Shares :	
(a) Equity	
(b) Preference	NIL
(ii) Debentures and Bonds	
(iii) Units of mutual funds	
(iv) Government Securities	
(v) Others (Please specify)	
Long Term investments :	
1. Quoted :	
(i) Share :	
(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 - Venture Fund	---

(6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances: Please see Note 2 below			
Category	Amount net of provisions (Rs. Lacs)		
	Secured	Unsecured	Total
1. Related Parties **	Nil	Nil	Nil
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	12.47	12.47
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	7813.53	1371.10	9184.63
Total	7813.53	1383.57	9197.10
(7) 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	Rs.Lacs		
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	
1. Related Parties **	Nil	Nil	
(a) Subsidiaries	Nil	Nil	
(b) Companies in the same group	Nil	Nil	
(c) Other related parties	Nil	Nil	
2. Other than related parties	22.0976	0.20	
Total	Nil	Nil	
** As per Accounting Standard of ICAI (Please see Note 3)			
(8) Other Information			
Particulars	Amount		
(i) Gross Non-Performing Assets	590.85		
(a) Related parties	Nil		
(b) Other than related parties	590.85		
(ii) Net Non-Performing Assets	547.08		
(a) Related parties	Nil		
(b) Other than related parties	547.08		
(iii) Assets acquired in satisfaction of debt	Nil		

Notes:

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2007.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007.
- 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 (5) above.

SYSTEMATIX CORPORATE SERVICES LIMITED

**Regd. office : 206-207, Bansi Trade Center, 581/5 M. G. Road, Indore- 452001
PROXY FORM**

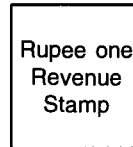
Regd. Folio No. / D.P. Client ID

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I / We _____ of _____ in the district _____ being a member / members of the Company hereby appoint _____ of _____ in the district of _____ or failing him / her _____ of _____ in the district _____ as my/ our proxy to vote for me/ us on my/our at the **TWENTY FIFTH ANNUAL GENERAL MEETING** of the Company at 206-207, Bansi Trade Centre, 581/5, M.G. Road, Indore - 452001 at 12.30 p.m. on Thursday, the 30th September, 2010 and at any adjournment(s) thereof.

Signed this _____ day of _____ 2010.

Signature _____



Note:- This form, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

----- Please Tear Here -----

SYSTEMATIX CORPORATE SERVICES LTD.

Regd. Office : 206-207, Bansi Trade Center, 581/5 M. G. Road, Indore- 452001

ATTENDANCE SLIP

Twenty Fifth Annual General Meeting - September 30, 2010

Name of the attending member (in block letters)	
Folio Number	
*DP ID No.	
*Client No.	
No. of shares held	
Name of proxy (to be filled in if the proxy attends instead of the member)	

I hereby record my presence at the 25th Annual General Meeting of the **Systematix Corporate Services Ltd.** at 206-207, Bansi Trade Centre, 581/5, M.G. Road, Indore -452001 at 12.30 p.m. on Thursday day, the 30th September, 2010.

Signature of Member / Proxy

* Applicable in case of shares held in Electronic Form

