



**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Mr. C.P. Khandelwal  
Mr. Ramesh Kumar Raizada  
Mrs. Anju Khandelwal  
Mr. J.N. Khandelwal  
Mr. Mahesh Solanki  
Mr. Sunil Sarada

Chairman & Managing Director  
Managing Director  
Non - Executive Director  
Independent Director  
Independent Director  
Independent Director

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. V R N H S Prasad Sanka  
Email Id: [secretarial@systematixgroup.in](mailto:secretarial@systematixgroup.in)

**STATUTORY AUDITORS**

**Maharaj N. R. Suresh & Co.**  
Chartered Accountants  
New No. 9,  
II<sup>nd</sup> Lane, II<sup>nd</sup> Main Road  
Trustpuram, Kodambakkam  
Chennai 600024

**PRACTICING COMPANY SECRETARIES**

**Kothari H. & Associates**  
208, 2nd Floor, BSE Building,  
Dalal Street, Fort,  
Mumbai - 400 001  
Tel. No. : 022- 22721831/ 65551120  
E-mail id: [hiteshkotharics@yahoo.co.in](mailto:hiteshkotharics@yahoo.co.in)

**REGISTRAR & SHARE TRANSFER AGENT**

**Cameo Corporate Services limited**  
Subramanian Building No. 1,  
Club House Road, Chennai- 600002  
Tel. No. -044- 28460390  
E-mail- [investor2@cameoindia.com](mailto:investor2@cameoindia.com)

**BANKERS**

HDFC Bank, Chennai  
ICICI Bank, Indore  
Axis Bank, Chennai

**REGISTERED OFFICE**

206- 207, Bansi Trade Centre,  
565/581, M. G. Road,  
Indore- 452001  
Tel. No. -0731-3018111-15

**CORPORATE OFFICE**

2nd Floor, J K Somani Building  
British Hotel Lane, Fort  
Mumbai- 400001  
Tel. No. +91 22 30298000

**NOTICE**

NOTICE is hereby given that the 27th Annual General Meeting of the Members of **SYSTEMATIX CORPORATE SERVICES LIMITED** will be held on Tuesday, 25th September, 2012 at 10:00 A.M. at the Registered Office of the Company at 206-207, Bansi Trade Centre, 565/581 M.G. Road, Indore- 452001 (M.P) to transact the following businesses:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors & Auditors' thereon.
2. To appoint a Director in place of Mr. Mahesh Solanki, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sunil Sarda, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint M/s Maharaj N.R. Suresh & Co, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board to fix their remuneration.

**Place: Mumbai**  
**Date: 23/07/2012**

**By Order of the Board of Directors**

**Sd/-**  
**Chandra Prakash Khandelwal**  
**Chairman**

**Notes:**

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.
2. Corporate members intended to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

3. Members/Proxy holders are requested to bring their copy of Annual Report and Attendance slip sent herewith, duly filled-in for attending the Annual General Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 24<sup>th</sup> September, 2012 to Tuesday 25<sup>th</sup> September, 2012 (both days inclusive).
5. The Shareholders are requested to notify their change of address immediately to the Registrars & Transfer Agent **M/s Cameo Corporate Services Limited**. The Company or its registrar will not act on any request received directly from the shareholder holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant by the Shareholders.
6. Equity shares of the Company are under compulsory Demat trading by all Investors. Those shareholders who have not dematerialized their equity shares are advised to dematerialize their shareholding, to avoid inconvenience in future.
7. Re-appointment of Directors: At the ensuing Annual General Meeting Mr. Mahesh Solanki and Mr. Sunil Sarda, liable for retire by rotation, and being eligible, offer themselves for re-appointment. The details pertaining to these directors required to be provided pursuant to listing agreement are furnished in the statement on Corporate Governance published elsewhere in this Annual report.
8. Members intending to seek explanation / clarification about the Accounts at the Annual General Meeting are requested to inform the Company at least a week in advance of their intention to do so, so that relevant information may be made available, if the Chairman permits such information to be furnished.
9. Members are requested to intimate their Email IDs for correspondence and quicker response to their queries.

**Place: Mumbai**  
**Date: 23/07/2012**

**By Order of the Board of Directors**

**Sd/-**  
**Chandra Prakash Khandelwal**  
**Chairman**

**DIRECTORS' REPORT**

To  
The Members of  
**Systematix Corporate Services Limited**

**Dear Members,**  
Your Directors have Pleasure in presenting the Twenty seventh Annual Report and Audited Accounts for the year ended 31<sup>st</sup> March, 2012.

**FINANCIAL REVIEW**

| Particulars  | <i>(Rs. In Lacs)</i>  |              |                       |              |
|--|-----------------------|--------------|-----------------------|--------------|
|  | Year ended 31/03/2012 |              | Year ended 31/03/2011 |              |
|  | Standalone            | Consolidated | Standalone            | Consolidated |
| Total Income   | 357.66                | 5145.54      | 290.95                | 3222.56      |
| Total Expenditure  | 258.20                | 3063.35      | 190.58                | 797.67       |
| Profit / (Loss) before depreciation interest and exceptional items | 99.46                 | 2082.19      | 100.37                | 2424.89      |
| Interest   | 45.55                 | 1717.88      | 1.00                  | 1703.05      |
| Depreciation   | 15.24                 | 157.28       | 7.81                  | 12.32        |
| Exceptional Items  | 0.00                  | 1.36         | (1.11)                | (2.12)       |
| Profit/ (Loss) before Tax  | 38.67                 | 205.67       | 92.67                 | 711.64       |
| Tax/ Provision for Taxation/ Deferred Tax                          | 5.91                  | 68.62        | 2.89                  | 210.84       |
| Profit/ Loss after Tax   | 32.76                 | 137.05       | 89.78                 | 500.80       |
| Paid up Equity Share Capital                                       | 1305.14               | 1305.14      | 1304.95               | 1304.95      |
| Reserves & Surplus   | 2117.41               | 3470.20      | 2084.65               | 3333.15      |

As is evident from the above financial review, during the year, the company has earned Stand alone Income of Rs. 357.66 Lacs as compared to income of Rs. 290.95 Lacs of the Previous Year and Consolidated Income of Rs. 5145.54 Lacs as compared to income of Rs. 3222.56 Lacs of the previous Year. The Company earned Stand alone Profit after tax during the year is Rs. 32.76 Lacs as compared to the Profit after Tax of the previous year of Rs. 89.78 and Consolidated Profit after tax during the year of Rs. 137.05 Lacs as compared to the Profit after Tax of the Previous year of Rs. 500.80 Lacs.

## DIVIDEND AND TRANSFER TO RESERVES

In order to conserve the resources for increasing business operations, Your Director do not recommend any dividend for the year under review. No amount is proposed to be transferred to Reserves.

The Register of Members and Share Transfer Books will remain closed from 24th September, 2012 to 25th September, 2012, both days inclusive. The Annual General Meeting of the Company will be held on 25th September, 2012.

## PUBLIC DEPOSIT

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 Article of Association of the Company, Mr. Sunil Sarada and Mr. Mahesh Solanki retires by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re- appointment.

Information on the provision 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".

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

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

- i. That in the preparation of the annual accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. That the Directors have selected appropriate accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and on the profit/(loss) of the Company for the year under review.
- 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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and,
- iv. That the Directors have prepared the annual accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

## **SUBSIDIARY COMPANIES**

The Company as of March 31, 2012 had Five subsidiaries, viz M/s. Systematix Fincorp India Limited, M/s. Systematix Finvest Private Limited and M/s. Systematix Shares & Stocks (I) Limited, the Wholly Owned Subsidiaries of the Company, M/s. Systematix Commodities Services Private Limited, wholly Owned Subsidiary of the Systematix shares and Stocks (I) Limited and Systematix Commodities Trading Private Limited, the wholly owned subsidiary of Systematix Commodities Services Private Limited.

## **ANNUAL ACCOUNTS OF THE SUBSIDIARY COMPANIES**

Ministry of Corporate Affairs (MCA), Govt. of India has, vide circular No.5/12/2007-CL-III dated February 08, 2011, issued general exemption under section 212(8) of the Companies Act, 1956 to the companies fulfilling the conditions contained in the above circular from complying with the provisions of section 212 of the Companies Act, 1956 which requires holding companies to attach annual accounts and other documents of subsidiary companies to its balance sheet. Accordingly, the Company has not attached the annual accounts and other documents of its subsidiaries to this Annual Report. Summarised financial information of each subsidiary has been included in the disclosures to Consolidated Financial Statements of the Company.

Annual Accounts of each of Company's subsidiary companies and the related detailed information will be made available to the shareholders of the holding and subsidiary companies seeking such information at any point of time. Interested shareholders may write to Board Department of the Company in this regard.

The annual accounts of each of the Company's subsidiary companies will also be available for inspection by any shareholder in the head offices of the holding and subsidiary companies. Addresses of the Company and the subsidiary companies are given at the end of the corporate governance chapter.

## **LISTING AT STOCK EXCHANGE**

The Equity Shares of the Company continue to be listed on BSE Limited. The Company has paid the annual Listing fee for the financial year 2012-13 to BSE.

## **AUDITORS AND AUDITORS' REPORT**

The Statutory Auditors of the Company, M/s. 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 ABSORPTIONS, FOREIGN EXCHANGE EARNINGS AND OUTGOES

The nature of the 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 Board of Directors) Rules, 1988 are not applicable to the Company.

During the period under review the Company has earned Foreign Exchange of Rs.3,62,340/-

## PARTICULARS OF EMPLOYEES

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of this Report. However, as per the provisions of Section 219(1) (b) (iv) of the Act, the Report and Accounts are being sent excluding the statement containing the particulars to be provided under Section 217(2A) of the Act. Any member interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy thereof.

## TRANSFER OF UNPAID / UNCLAIMED AMOUNTS TO INVESTOR EDUCATION PROTECTION FUND (IEPF)

During the year, there were no amounts which remained unpaid / unclaimed for a period of 7 years and which were required to be transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and analysis report for the year under review, as stipulated under clause 49 of the listing agreement with the stock exchanges in India, is presented in a separate section which forms part of the annual report.

## CORPORATE GOVERNANCE

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

A Report on Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchange forms part of the Annual Report.

A Certificate from the Auditors of the Company, M/s. Maharaj N. R. Suresh & Co., Chartered Accountants confirming the compliance of conditions of the 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 provision of the Companies Act, 1956 and Listing Agreement with the Stock Exchanges, the Audit Committee of the Company comprised of the three non- executive independent Directors viz., Mr. Mahesh Solanki, Mr. J N Khandelwal and Mr. Sunil Sarda and Mr. Mahesh Solanki is the Chairman of the Audit Committee.

#### **SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE**

As per the provision of the Companies Act, 1956 and Listing Agreement with the Stock Exchanges, the Shareholders' / Investors' Grievances Committee of the Company comprised of the three non- executive independent Directors viz., Mr. Mahesh Solanki, Mr. J N Khandelwal and Mr. Sunil Sarda and Mr. J N Khandelwal is the Chairman of the Shareholders' / Investors' Grievances Committee.

#### **REMUNERATION COMMITTEE**

As per the provision of the Companies Act, 1956, the Remuneration Committee of the Company comprised of the three non- executive independent Directors viz., Mr. Mahesh Solanki, Mr. J N Khandelwal and Mr. Sunil Sarda and Mr. Sunil Sarda is the Chairman of the Remuneration Committee.

#### **ACKNOWLEDGMENTS**

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 place on record their gratitude towards the stakeholders and clients of the Company for reposing their faith and confidence in the Company. Your 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 Limited

Sd/-  
Chandra Prakash Khandelwal  
Chairman

Place: Mumbai  
Date: 23/07/2012



**CORPORATE GOVERNANCE REPORT**

Pursuant to clause 49 of the Listing Agreement, a Report of Corporate Governance given below:

**COMPANY'S PHILOSOPHY ON CODE ON GOVERNANCE**

The Company's philosophy on corporate governance is aimed at the efficient conduct of its business and in the 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.

**BOARD OF DIRECTORS**

➤ **Composition**

The Board consists of an optimum combination of executive and non-executive Directors, who have an in dept knowledge of the business, in addition to expertise in their areas of specialization.

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and to separate the Board functions of governance and management. The Board of Directors of the Company consists of six directors, Four of whom are non-executive independent directors thus making the more than 50% of the Board members as independent.

Board thinks that the shareholders should know the details of Board Meeting as well as details of participation by the Company's Directors to understand fully the contributions made by their Directors. The Company has, therefore, decided to make full disclosure on the Board Meetings as well as attendance record of all Directors on the Board.

The details of the Board of Directors, their Designation, Category, other directorship and committee memberships, their attendance at the board meetings/last annual general meeting, are given below: (as per separate Chart)

| Name of the Director                               | Category of Directorship                 | No. of Shares held in Company (As on 31.03.2012) | Directorship in other companies* (Nos.) | Committees of other companies** |          | Attendance at the Board Meeting |                         | Attendance in last AGM |
|--|--|--|---|---------------------------------|----------|---------------------------------|-------------------------|------------------------|
|  |  |  |   | Member                          | Chairman | No. of Meeting held             | No. of Meeting attended |                        |
| Mr. Chandra Prakash Khandelwal (Managing Director) | Executive, Non-Independent               | 1,38,215   | 04                                      | 02                              | Nil      | 7                               | 4                       | Yes                    |
| Mr. Ramesh Raizada (Managing Director)             | Non-Executive, Professional, Independent | Nil  | Nil                                     | Nil                             | Nil      | 7                               | 4                       | Yes                    |
| Mr. Mahesh Solanki                                 | Non-Executive, Independent               | Nil  | 01                                      | Nil                             | Nil      | 7                               | 4                       | Yes                    |
| Mrs. Anju Khandelwal                               | Non-Executive, Non-Independent           | 50,803   | 02                                      | Nil                             | Nil      | 7                               | 4                       | Yes                    |
| Mr. Sunil Sarda                                    | Non-Executive, Independent               | Nil  | 01                                      | Nil                             | Nil      | 7                               | 4                       | Yes                    |
| Mr. J. N. Khandelwal                               | Non-Executive, Independent               | Nil  | 01                                      | 01                              | 01       | 7                               | 4                       | No                     |

All the Independent Directors of the Company have furnished a declaration at the time of their appointment as also annually that they qualify the tests of independence as laid down under Clause 49. All such declaration is placed before the Board for information.

**NOTES**

- Excludes directorship in Systematix Corporate Services Limited. Also excludes directorship in Indian Private Limited Companies, Foreign Companies, Section 25 Companies and Alternate
- Directorships. As per the disclosure(s) received from the Directors, the Directors do not hold directorship in more than 15 Companies.



- For the purpose of considering the limit of the Committee Memberships and Chairmanships of a Director, the Audit Committee and the Shareholders' Grievances Committee of public listed committees alone has been considered. As per disclosure(s) received from the Directors, the Director does not hold memberships in more than 10 Committees and Chairmanships in more than 5 Committees.

➤ **Number of Board Meeting held and dates thereof**

Your Company's Board of Directors met 7 times during the financial year ended 31st March 2011 on the following days:

| Date       | Board Strength | Number of Directors present |
|------------|----------------|-----------------------------|
| 19/04/2011 | 6              | 4                           |
| 14/05/2011 | 6              | 4                           |
| 18/06/2011 | 6              | 4                           |
| 12/08/2011 | 6              | 4                           |
| 14/11/2011 | 6              | 4                           |
| 22/11/2011 | 6              | 4                           |
| 13/02/2012 | 6              | 4                           |

The time gap between any two Board Meetings does not exceed four months in accordance with the Clause 49 of the Listing Agreement. The calendar of Board Meetings to be held in the succeeding year is determined in advance to review and declare the quarterly and the annual results of the Company. However, additional meetings are held as and when necessitated.

**AUDIT COMMITTEE**

➤ **Composition**

All the members of the Audit Committee possess financial / accounting expertise. The composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement.

The composition of the Audit Committee is as follows:



| SL. No. | Name of Directors    | Designation | Category of Director               |
|---------|----------------------|-------------|------------------------------------|
| 1       | Mr. Mahesh Solanki,  | Chairman    | Non-Executive Independent Director |
| 2       | Mr. Sunil Sarda      | Member      | Non-Executive Independent Director |
| 3       | Mr. J. N. Khandelwal | Member      | Non-Executive Independent Director |

During the Financial Year 2011-12 the Audit Committee met 4 times on 14/05/2011, 12/08/2011, 14/11/2011 and 13/02/2012. The following directors were present in the meeting:

| SL. No. | Name of the Directors | No. of meetings attended |
|---------|-----------------------|--------------------------|
| 1       | Mr. Mahesh Solanki,   | 4                        |
| 2       | Mr. Sunil Sarda       | 4                        |
| 3       | Mr. J. N. Khandelwal  | 4                        |

➤ **Terms of Reference**

The terms of reference/ power 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.

➤ **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 result 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 weakness.
4. Internal audit reports relating to internal control weakness; 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

The Board has constituted a Remuneration Committee which determines and recommends to the Board, the remuneration payable to the Executive Directors of the Company.

##### > Composition

The composition of the Remuneration Committee as follows:

| Sr. No. | Name of Member       | Position | Category                  |
|---------|----------------------|----------|---------------------------|
| 1       | Mr. Sunil Sarda      | Chairman | Non-Executive Independent |
| 2       | Mr. Mahesh Solanki   | Member   | Non-Executive Independent |
| 3       | Mr. J. N. Khandelwal | Member   | Non-Executive Independent |

The Remuneration Committee comprised of three Directors namely Mr. Mahesh Solanki, Mr. Sunil Sarda and Mr. J. N. Khandelwal. Mr. Sunil Sarda appointed as the Chairman of the Committee.

##### > Meeting and Attendance

During the year financial year 2011-2012, the Committee met twice on 12/08/2011 & 13/02/2012 and was attended by the Committee members.

##### > Terms of reference

1. Administration and superintendence of Employee Stock Option Scheme.
2. Formulation of the detailed terms and conditions of the ESOS.
3. Grant of Stock Options.
4. Recommendation for fixation and periodic revision of the compensation of the Managing Director and Executive Directors to the Board for approval.
5. 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 personal is primarily based on the following criteria:

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

➤ **Remuneration of Directors**

Remuneration of Executive Directors is decided by the Board, based on the recommendation 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 31<sup>st</sup> March, 2012, was as follows:**

| Name of the Director | Sitting fee (Rs.) | Commission on profit (Rs.) | Salary & allowances (Rs.) | Contribution to PF (Rs.) | Perquisites (Rs.) | Total (Rs.) |
|----------------------|-------------------|----------------------------|---------------------------|--------------------------|-------------------|-------------|
| Mr. C. P. Khandelwal | Nil               | Nil                        | 9,00,000                  | Nil                      | Nil               | 9,00,000    |
| Mr. Ramesh Raizada   | Nil               | Nil                        | 9,00,000                  | Nil                      | Nil               | 9,00,000    |

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

No payment in the form of Director's Remuneration was made to any other Director for the year ended 31<sup>st</sup> March 2012.

➤ **Remuneration to Non Executive Directors**

During the year ended 31<sup>st</sup> March 2012, 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**

In terms of Clause 49 of the Listing Agreement, the Board has constituted the Shareholders/ Investor Grievances Committee.

The Committee normally meets as and when required. The Committee looks into redressal of shareholders complaints like non-transfer of shares, non-receipt of Balance Sheets etc. further the

Committee reviews the cases of transfer, split, consolidation and issue of duplicate share certificates, dematerialized shares received by the Registrar and Transfer Agents.

The minutes of the Investor Grievance Committee Meetings are placed at the subsequent Board Meeting and are noted by the Board.

➤ **Composition**

The Board has reconstituted Shareholders/ Investor Grievances Committee, comprising Three Independent Non-Executive Directors, namely J.N. Khandelwal, Chairman, Mahesh Solanki and Mr. Sunil Sarda. The Composition of Committee is as under:

| Sr. No. | Name of Members    | Position | Category                  |
|---------|--------------------|----------|---------------------------|
| 1       | Mr. J N Khandelwal | Chairman | Non-Executive Independent |
| 2       | Mr. Sunil Sarda    | Member   | Non-Executive Independent |
| 3       | Mr. Mahesh Solanki | Member   | Non-Executive Independent |

➤ **Meetings and Attendance**

During the Financial Year 2011-12, Three Meetings of Shareholders/ Investor Grievances Committee were held on 14/05/2011, 12/08/2011 and 13/02/2012.

The attendance of members at the Investors Grievances Committee meeting is as under:

| Sr. No. | Name of the Members | No. of meetings attended |
|---------|---------------------|--------------------------|
| 1       | Mr. Mahesh Solanki  | 3                        |
| 2       | Mr. Sunil Sarda     | 3                        |
| 3       | Mr. J N Khandelwal  | 3                        |

➤ **Compliance Officer**

Mr. V R N H S Prasad Sanka, Company Secretary, is appointed as Compliance Officer for complying with the requirement 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: [secretarial@systematixgroup.in](mailto:secretarial@systematixgroup.in)

**GENERAL BODY MEETINGS**

➤ **Annual General Meetings**

| <b>Financial Year</b>                   | <b>Date</b> | <b>Time</b> | <b>Venue</b>   | <b>Special Resolution passed</b>                             |
|---|-------------|-------------|--|--|
| <b>Annual General Meeting 2010-2011</b> | 30.09.2011  | 12.30 p.m.  | At the registered office of the company: 206-207, Bansi Trade Centre, 565/581, M.G. Road, Indore | No special resolution passed                                 |
| <b>Annual General Meeting 2009-2010</b> | 30.09.2010  | 12.30 p.m.  | At the registered office of the company: 206-207, Bansi Trade Centre, 565/581, M.G. Road, Indore | Authorization for giving corporate guarantee by the Company. |
| <b>Annual General Meeting 2008-2009</b> | 30.09.2009  | 12.30 p.m.  | At the registered office of the Company: 206-207, Bansi Trade Centre, 565/581, M.G. Road, Indore | No special resolution passed                                 |

➤ **Special Resolution passed through postal Ballot**

No resolution passed through postal Ballot during the year.

**DISCLOSURES**

➤ **Related Party Transaction and Pecuniary Relationship of Directors**

None of the transactions with any of the related party 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. 21 forming part of Annual Report.

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

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

➤ **Disclosure of Directors' interest in transaction 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 arm's length basis and the interested Directors have duly disclosed their interest to the Board of Directors at the Board Meeting.



Such transaction 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 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.

➤ **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 risk involved.

**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.

**GENERAL SHAREHOLDERS INFORMATION**

|   |   |
|---|---|
| <b>Annual General Meeting: Date, Time and Venue</b> | Tuesday 25 <sup>th</sup> day of September, 2012 at the registered office of the Company at 206-207, Bansi Trade Centre, 565/581, M.G. Road, Indore-452001 (M.P.).                         |
| <b>Financial Calendar</b>                           | The Company follows April to March as its financial year. The result for every quarter beginning from April will be declared within the time prescribed under Listing Agreement.          |
| <b>Date of Book Closure</b>                         | Monday, the 24 <sup>th</sup> September, 2012 to Tuesday, the 25 <sup>th</sup> of September, 2012 (Both days inclusive)  |
| <b>Listing on Stock Exchanges</b>                   | BSE Limited, Mumbai   |
| <b>Stock Code</b>                                   | 526506  |
| <b>Dematerialization of Shares</b>                  | The shares of the Company are compulsorily traded in the dematerialized form under the depository system of both the National Securities Depository Limited (NSDL) and Central Depository |



|   |  |
|---|--|
|   | Services (India) Limited (CDSL).   |
| ISIN No.                                      | INE356BO1016   |
| Corporate Identification Number               | L91990MP1985PLC002969  |
| Dematerialization of Shares and Liquidity     | 93.92 % of the paid up capital of the company has been dematerialized as on 31.03.2012 Further trading in the Company's shares is compulsory in dematerialized form.   |
| Register and Transfer Agents                  | Cameo Corporate Services Ltd. Subramanian Building, Club House Road, Chennai- 600002<br>Ph. No. 044-28460390   |
| Share Transfer System                         | All the transfer received are processed by the Registrar and Transfer Agents and approved by the Share Transfer Committee.   |
| Dividend Payment for financial year 2011-2012 | Nil  |
| Address for correspondence                    | Systematix Corporate Services Ltd.<br><b>Registered Office Address;</b><br>206-207, Bansi Trade Centre,<br>565/581, M.G. Road, Indore-452001<br><b>Corporate Office Address:</b><br>J K Somani Building,<br>IInd Floor, British Hotel Lane,<br>Fort, Mumbai- 400001<br>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<br>(in Rs.)     | Monthly Low<br>(in Rs.) | High       | Low       |
| April, 2011     | 91.50                        | 64.55                   | 19,811.14  | 18,976.19 |
| May, 2011       | 78.95                        | 61.05                   | 19,253.87  | 17,786.13 |
| June, 2011      | 110.00                       | 62.50                   | 18,873.39  | 17,314.38 |
| July, 2011      | 78.95                        | 64.95                   | 19,131.70  | 18,131.86 |
| August, 2011    | 75.75                        | 47.55                   | 18,440.07  | 15,765.53 |
| September, 2011 | 48.25                        | 33.20                   | 17,211.80  | 15,801.01 |
| October, 2011   | 34.50                        | 28.05                   | 17,908.13  | 15,745.43 |
| November, 2011  | 51.65                        | 31.30                   | 17,702.26  | 15,478.69 |
| December, 2011  | 56.85                        | 45.25                   | 17,003.71  | 15,135.86 |
| January, 2012   | 57.00                        | 39.55                   | 17,258.97  | 15,358.02 |
| February, 2012  | 43.50                        | 30.50                   | 18,523.73  | 17,061.55 |
| March, 2012     | 38.75                        | 28.90                   | 18,040.69  | 16,920.61 |

➤ Shareholding Pattern as on 31st March, 2012

| Category  | No. of Shares Held | Percentage of Shareholding |
|---|--------------------|----------------------------|
| <b>Shareholding of promoter and promoter group</b>  |                    |                            |
| Indian promoters:   |                    |                            |
| Individual/ HUF   | 537951             | 4.10                       |
| Bodies Corporate  | 4268806            | 32.53                      |
| Foreign Promoters   | 0                  | 0.00                       |
| <b>Sub- total</b>   | <b>4806757</b>     | <b>36.63</b>               |
| <b>Non- Promoter's Holding</b>  |                    |                            |
| Institutional Investors   | 0                  | 0                          |
| Mutual Fund and UTI   | 0                  | 0                          |
| Banks, Financial Institutions, Insurance Companies [ Central / State Govt. Institutions / Non- government Institutions] | 0                  | 0                          |
| FII's   | 1196601            | 9.12                       |
| <b>Sub-total</b>  | <b>1196601</b>     | <b>9.12</b>                |
| <b>Others</b>   |                    |                            |
| Private Corporate Bodies  | 5504893            | 41.95                      |
| Indian Public   | 1565360            | 11.92                      |
| NRIs/ OCBs  | 3690               | 0.03                       |
| <b>Any other-</b>   |                    |                            |
| Clearing Member   | 500                | 0.00                       |
| Hindu Undivided Families  | 44757              | 0.34                       |
| <b>Sub-total</b>  | <b>7119200</b>     | <b>54.25</b>               |
| <b>Grand Total</b>  | <b>13122558</b>    | <b>100.00</b>              |

➤ Distribution of Shareholding as on 31st March, 2012

| Shareholding of Nominal Value (Rs.) | No. of Shareholders | % of Total | Share Amount (in Rs.) | % of Total |
|-------------------------------------|---------------------|------------|-----------------------|------------|
| 10 to 5000                          | 1763                | 80.25      | 3812790               | 2.91       |
| 5001 to 10,000                      | 203                 | 9.24       | 1671290               | 1.27       |
| 10,001 to 20,000                    | 105                 | 4.78       | 1588790               | 1.21       |
| 20,001 to 30,000                    | 30                  | 1.37       | 779160                | 0.59       |
| 30,001 to 40,000                    | 24                  | 1.09       | 859340                | 0.65       |
| 40,001 to 50,000                    | 14                  | 0.64       | 650310                | 0.50       |
| 50,001 to 1,00,000                  | 28                  | 1.27       | 1931390               | 1.47       |
| 1,00,001 and above                  | 30                  | 1.36       | 119932510             | 91.39      |
| <b>Total</b>                        | <b>2197</b>         | <b>100</b> | <b>131225580</b>      | <b>100</b> |

➤ **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 condition of corporate governance as stipulated in clause 49 of Listing Agreement with the Stock Exchanges. This Certificate is annexed to the Directors' Report for the year 2011-12. This Certificate will be sent to the stock exchanges along with the annual report to be filled by the company.

**DICLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT**

"We, the undersigned hereby confirm that the Company has obtained from all 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 2011-12."

By order of the Board  
For **Systematix Corporate Services Limited**

Sd/-  
**Chandra Prakash Khandelwal**  
(Managing Director)

**Place: Mumbai**  
**Date: 23/07/2012**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MACRO-ECONOMIC ENVIRONMENT

The rate of growth of the Indian Economy in 2011-12 is estimated at 7.1%, which is marginally higher than the projection of 6.9% as per the Advance Estimates (AE), but significantly below that of 2010-11, which stood at 8.4%. This was largely due to the global slowdown accelerated by the recession in the Eurozone. International conditions continued to worsen through 2011. The negative developments in the Eurozone outweighed the small improvements witnessed in the US economy. It is possible that the US economy will grow by more than the 1.8 per cent projected by the International Monetary Fund (IMF) in September 2011 and reiterated in January 2012. The RBI itself has revised its growth projection for the FY 2011-12 sharply by 100 basis points from 8 per cent to 7 per cent, which is the lowest in previous nine years barring the year of recession, i.e. 2008-09. The industrial sector was largely responsible for the deceleration in overall growth. The farm sector output growth in 2011-12 has been strong, coming on top of the strong growth in the previous year. The average GDP growth rate that has been reported for the farm sector in the first half of 2011-12 is at 3.7 per cent. The mining sector has shown particular weakness this year. This was a combination of weak coal output growth – which was negative in four months of the year – a sharp decline in natural gas production in the KG-D6 fields and negative growth in crude oil output in the third quarter of the year. While the electricity sector has performed well, manufacturing and construction have disappointed – the former particularly so from the second quarter onwards with October marking the bottom of the trough. IIP output growth showed a massive decline of 5.7 per cent in October, a sizeable recovery in November (6.6 per cent), with however a low reported growth in December of 1.8 per cent. Growth of GDP in the services sector was 9.6 per cent in the first half of 2011/12. The pressure on the Balance of Payments (BoP) – both in regard to a larger than expected Current Account Deficit (CAD) and lower than expected net capital inflows – resulted in a very sizeable depreciation in the external value of the Indian rupee.

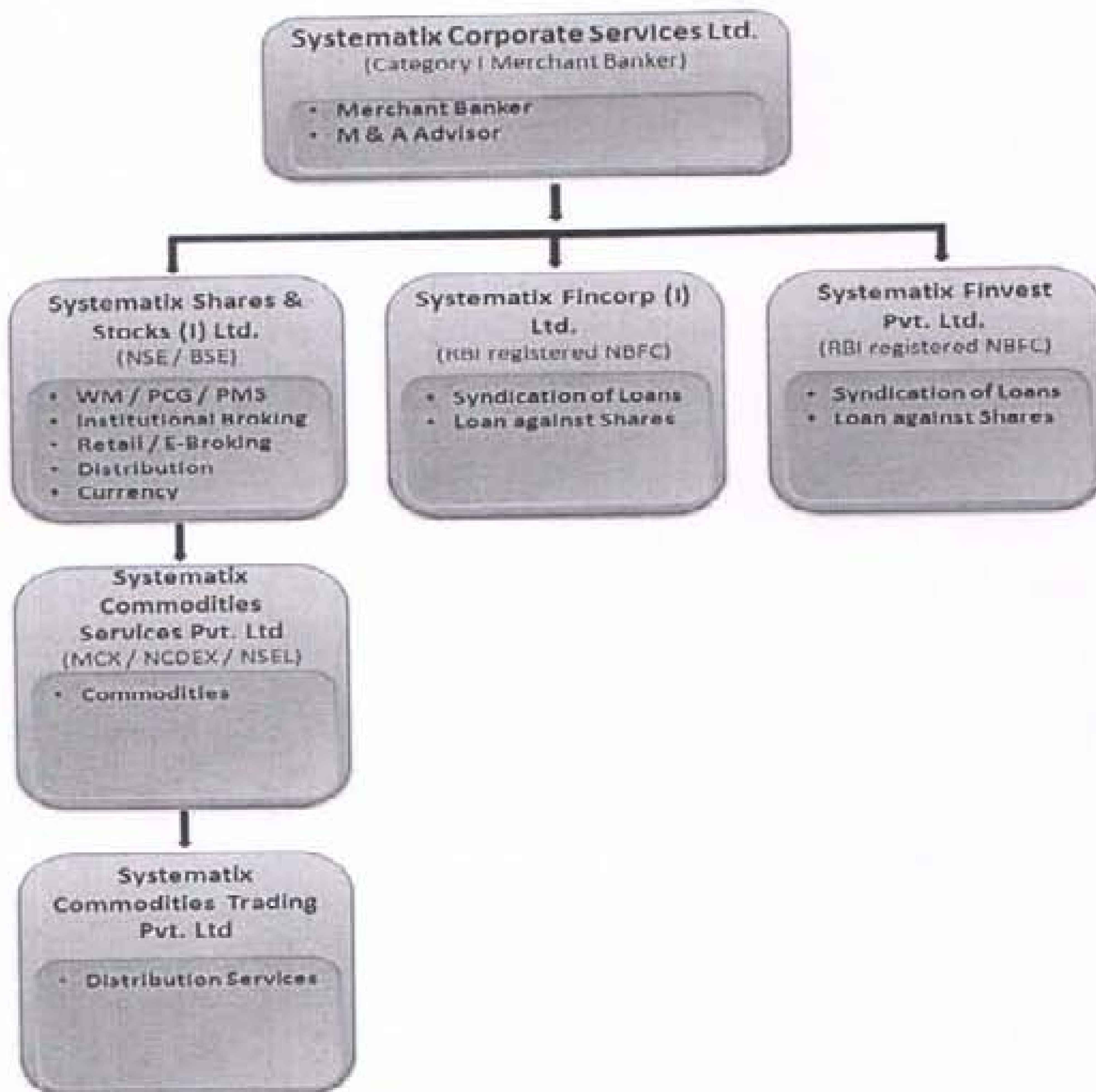
Very high rates of inflation have characterized the last two years. Much of the inflationary pressure came from primary foods, including cereals in the initial months. While, open market intervention and large releases under the public distribution system (PDS) helped to stabilize the price of cereals, pressure continued to come from rising prices from other primary food items. The net effect was that the headline rate of inflation stayed close to 10 per cent for an extended period of twenty two months. However, throughout this period there has also been a suppression of the headline rate insofar as the prices of several refined petroleum products, especially diesel, continued to be restrained by policy – which has had an adverse impact on the subsidy bill and therefore on government finances and also on the finances of the public sector oil companies.

On the expenditure side, private consumption and net exports were the major contributors towards the overall GDP growth. The same is expected to grow by 6.5 per cent during the year as against 8.1 per cent in the previous year. On the other hand, growth in government final consumption expenditure moderated sharply to four year low of 3.9 per cent. Growth in gross fixed capital formation also remained lukewarm at 5.6 per cent as against 7.5 per cent in previous year. Exports remained resilient during the year growing by 14.3 per cent, while imports grew by 17.5 per cent.

**SYSTEMATIX OVERVIEW**

Systematix Corporate Services Limited (SCSL) has come a long way since its incorporation more than two decade ago. The Company is a SEBI registered 'Category I' Merchant Banker and consists of 5 subsidiaries. Your Company's operations are organized around four broad business lines – Public Issues/ Right issues, Debt Syndication, Private Placements and SME Listings for its prestigious corporate clients. With a knowledge centric approach and our mission to provide our customers with secure, customized and comprehensive financial solutions and thereby achieve sustained growth we have restructured ourselves through a hub-and-spoke model and have become a one stop service provider of financial services across various assets classes during the year. Through its four subsidiaries, your Company has established its presence in the Wealth Management, Institutional Broking, Commodities and Loan Syndication businesses. Systematix Corporate Services Ltd. through its associates has also set up a SEBI approved Venture Capital Fund through the trust route and Systematix Asset Management Co.Pvt.Ltd. is the advisor to the Fund. Your Company, through its subsidiaries, has facilities at 600 plus locations via branches & franchisees, servicing around 60,000 clients with over a 1000 terminals, spread across 20 states and 150 plus cities, targeting a strong client base across India and has an employee strength of around 400 of which over 35% are professionals.

The Company, with its subsidiaries and services are as shown below :



This strategy is complemented by the following strengths:

- Diversified revenue streams with a balanced mix of revenue from various businesses
- Strong and liquid balance sheet
- Cost flexibility
- Risk Management
- People and culture

As a result, Systematix has emerged as a truly diversified Financial SuperMart with a wide selection of products and services spanning multiple asset classes and consumer segments. Now SCSL offers Equity, Commodities, Currency, Depository Service, Online Trading, IPO and Mutual Fund Distribution, Depository services, PMS, Loan Against Shares apart from merchant and investment banking services to various clients. We maintain our focus on building a long term sustainable business structured around the strengths of our scalable technology platform, enhanced customer service and the introduction of applications that enhance customer experience.

#### SERVICES OFFERED:

##### ➤ Merchant Banking:

Our Merchant Banking Division comprises of a group of highly experienced professionals with diverse expertise in merchant and investment banking with special skills in assisting medium sized companies going public. We help companies to raise capital during the seed, growth and expansion phases as well as acquisition financing and structuring the deal to maximize value for all its stakeholders. The comprehensive range of services from conception to completion provided under one roof reinforces our commitment on quality assurances through total involvement.

We have more than a decade experience in the capital markets and our team have handled a variety of deals across several key sectors such as hospitality, automobiles, retail, engineering, media & entertainment, infrastructure, logistics, metals & mining, pharmaceuticals, power, banking & financial services, telecom & IT among others. We work with strong management teams, and corporate partners to help companies to achieve financial & strategic goals. We work with a client centric approach and provide flexible solutions to fit the precise requirement of the client's business. Since our inception, we have remained committed to offering quality Merchant Banking solutions combined with integrity and creativity through every challenging scenario.

- Open Offers/ Delisting / Buy-backs
- IPOs/ Rights Issues/Follow-on Public Offers
- Equity / Debt placements
- Valuations
- ESOP Advisory
- Other Corporate Advisory Services

##### ➤ Wealth Management:

**We have built our Wealth Management offering with a passion for excellence. Here's how....**

The Wealth Management team at Systematix works with the objective of providing our clients with a bouquet of smart investment products, each analyzed and evaluated meticulously and thereafter blended

together to precisely meet your unique investment needs. We have an enviable research team that spans multiple asset classes bringing insightful research to our team of wealth managers. The proximity and connectivity of our Management with industry enables us to view in closer detail, the companies we study for investing.

Our approach is entirely client-centric, which means that the services and products will be tailored to suit your specific requirements, while we build the wealth management plan around you. We draw from our expertise spanning every aspect of wealth management to create solutions for exclusively for you. What makes us truly different is what we do after you make the investments, we constantly monitoring of your investments, fine tuning them to dynamic external scenario of today.

Our team of experts from every aspect of the wealth management process works with integrity and diligence, bringing with them decades of experience to create and manage winning investment plans.

We have extensive experience in working with corporate and marquee clients which include the who's who of India's UHNIs, including industrialists and business promoter groups. This unique situation benefits us immensely as the learning from our interactions enables to see what lies ahead, but also foresee what lies around the corner.

Systematix Wealth Management has a dual structure where Private Client Group offers personalized advisory services, on the other side Portfolio Management Services offers personalized asset management services.

#### ➤ Private Client Group (PCG)

We believe that the key to a successful investment relationship is a full understanding of our client's short and long term goals, attitude towards risk and investment horizon. Diversification among desired assets needs special attention which is why we aim to develop innovative and customized investment strategies to meet the specific needs of our clients. Our team of investment advisory specialists strives to cater to the needs of investors who choose to be highly active in their investment decision-making. They use their expertise in asset allocation and investment selection to provide clients with appropriate choices, whether they are aiming for more aggressive strategies to capture immediate market trends, or seeking advice on conservative hedging strategies. Our advisors provide customized investment opportunities in equity, fixed income & liquidity management (through MFs), derivatives, currency, commodities and innovative structured instruments (through third party products), that seek to meet specific investment objectives. Our innovative mindset, unparalleled research, agile sales teams, and intensive execution systems have enabled us to relentlessly service our clients in newer and different ways.

#### ➤ Portfolio Management Services:

Portfolio Management Service (PMS) is a sophisticated investment vehicle that offers customized investment strategies to capitalize on opportunities in the market. Efficient Investment Management requires time, knowledge, understanding, expertise and constant monitoring of developments in micro and macro economical environment. That is difficult for investors because of involvement in its own business profession and other activities.

Those who need an expert to help to manage their investments, PMS is the right answer. An experienced Fund Manager considers your financial goal and market environment to form a right investment strategy that is best suitable for your portfolio. Given the unpredictable nature of the markets, Our Portfolio Managers work with clients to design an individual investment strategy in accordance with their objectives, risk tolerance, and liquidity needs and draw upon the best suited portfolio. In a nut shell, based on our holistic investment approach and innovative product capabilities we offer you very active



multi asset class portfolio advisory & management services with personalized attention and active participation of Systematix' management. We offer both discretionary and non-discretionary portfolio services.

In addition, we continue to strengthen our PMS model as we feel that in the coming years it will be able to generate significant revenues. With effect from 10th Feb, 2012, SEBI has increased the minimum investment amount in PMS from Rs. 5 lakh to Rs. 25 lakh. In this context, we plan to reach out to not only high net worth resident investors but also to NRI's as well.

➤ **Distribution of Mutual Fund & Primary Market Offerings:**

Mutual funds are becoming the most popular investment vehicles, offering various kinds of schemes with different investment objectives. Investments through Mutual funds are one of the safest, easiest and convenient ways of making successful investments into capital & debt markets.

Systematix offers personalized mutual fund investment advice, tailored to the investment needs of Corporates, Banks, HNIs and Retail Investors through a disciplined investment process. Backed by our strong research and rich experience in this field we help the clients in systematic allocation of assets across the risk return curve. We build up model portfolios for the clients, transacting and executing on their behalf, with a view to manage and enhance their wealth by diversifying the portfolio across different asset class within the mutual fund space.

At Systematix, we offer access to more than 1000 mutual fund schemes from leading fund families. These funds provide broad diversification and cover a range of investment objectives, philosophies, asset classes and risk exposures. Apart from advising, we are one of the leading distributors for all the Mutual Fund Schemes. Based on customer convenience, we offer investments in Mutual Funds offline & online basis.

In addition, Systematix is one of the leading advisor and distributor for the primary market offerings like – Initial Public Offerings / Follow on Public Offer, Non convertible Debentures, Infrastructure Bonds, Tax Free Bonds, and Fixed Deposits. We are steadily scaling the heights of success and are glad to share with you the Prime Database 2010-11 ranking, where we are ranked 20th in the HNI Category and 47th in the Retail Category, with multiplying broking firms in the industry. We have also been ranked 7<sup>th</sup> in mobilization of NHA Tax Free Bonds on all India basis by Prime Database

Systematix has achieved this position by virtue of its ability to identify and subscribe to the issue with an aim to not only provide higher returns to the investors but also safeguard their investment.

➤ **Commodities & Currency Derivatives:**

Commodities market has emerged as a separate asset class offering for market-savvy investors, arbitrageurs and speculators to create wealth. Today, Commodities have evolved as the next best option after stocks and bonds for diversifying the portfolio. On other hand, Currency Derivatives Trading is emerging as an avenue for market-savvy investors (individuals and corporate) in India to diversify their portfolio and manage their foreign exchange risk by hedging against exposure taken on currency loans or for exporters and importers to hedge their currency fluctuation risk or for monetary appreciation or depreciation. Systematix aims to harness the immense potential of the Commodities and Currency Derivatives market by providing you a simple yet effective interface, research and knowledge.

Systematix Commodity also introduces trading in e-Series contracts on National Spot Exchange Platform. e-Series product enables clients to invest in bullion on T+2 basis (Available in Demat as well as Physical form) in smaller denominations. We also provide Commodity Arbitrage Structured Product for our clients on National Spot Exchange Platform, where clients earn handsome return on their investment.

➤ **Research:**

Research Team at Systematix Shares & Stocks (India) Ltd. offers incisive, timely, objective and in-depth research across multiple asset classes. Driven by an in-depth understanding of investments and a deep sense of professional ethics and integrity, the Systematix Wealth Research team provides unbiased advice to our clients. Being present across the entire spectrum of investment services / products, such as equities, derivatives, fixed income products, currencies, mutual funds and commodities, Systematix Wealth Research subjects each security in its universe to stringent analytical rigor to arrive at the fair value. We take pride in our philosophy of offering advice which is in the best interest of our clients. Our emphasis on building long-term relationship ensures that we work closely with our clients empowering them to gain from market opportunities.

Our Research Process is structured around the objective of enabling our Wealth Management Team to create winning portfolios for our Clients across diverse assets, capable of delivering superior returns to investors as well as to prevent portfolio erosion in bad times.

The Philosophy and Goal of Systematix Wealth Research is to provide investors with a clear analysis that enables them to take a rational decision towards achieving the desired profit objectives.

**OPPORTUNITIES AND THREATS**

➤ **Opportunities**

- Economy is growing at a healthy rate despite the slowdown, leading to investment / capital requirement.
- Growing Financial Services industry's share of wallet for disposable income.
- Huge market opportunity for Wealth Management service providers, as Indian wealth management business is transforming from mere wealth safeguarding to growing wealth.
- Distribution of Third Party Products provides a good opportunity to diversify the bouquet of services on offer.
- Regulatory reforms would aid greater participation by all classes of investors.
- Leveraging technology to enable best practices and processes.
- Corporates looking at consolidation / acquisitions / restructuring opens out opportunities for the corporate advisory business.

➤ **Threats**

- Execution risk.
- Slowdown in global liquidity flows.
- Increased intensity of competition from local and global players.
- Unfavorable economic conditions.

➤ **Strengths**

- Strong Brand name
- Experienced Top Management
- Integrated financial services provider
- Strong Risk Management
- Strong and liquid balance Sheet
- Financial Prudence
- Cost Flexibility
- People and culture

## RISKS AND CONCERNS

The company is primarily exposed to credit risk, interest rate risk, liquidity risk and operational risks. Internally, it has constituted the Asset Liability Management Committee to manage these risks. This team identifies, assesses and monitors all principal risks in accordance with defined policies and procedures. The committee is headed by the Chairman & Managing Director.

The Board Level Committees viz. Audit Committee, Shareholder's Grievances Committee and Remuneration Committee oversee risk management policies and procedures. It reviews credit and operational risks while the Asset Liability Management Committee reviews policies in relation to investment strategy and other risks like interest rate risk and liquidity risk.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company's internal control systems are adequate and provide, among other things, reasonable assurance of recording transactions of operations in all material respects and of providing protection against significant misuse or loss of company assets.

The Company has internal audit system to assess the adequacy of the internal controls procedures and processes, and their reports are reviewed by the Audit Committee of the Board. Policy and process corrections are undertaken based on inputs from the internal auditors.

## FINANCIAL PERFORMANCE HIGHLIGHTS

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India.

Table 1: Abridged Profit and Loss Account (Rs. in Lacs) - Standalone

| Particulars                  | 2011-2012     | % of Total Income | 2010-2011     | % of Total Income |
|------------------------------|---------------|-------------------|---------------|-------------------|
| <b>Revenue</b>               |               |                   |               |                   |
| Income from Operation        | 355.88        | 99.50             | 286.77        | 98.56             |
| Other Income                 | 1.78          | 0.50              | 4.18          | 1.44              |
| <b>Total</b>                 | <b>357.66</b> | <b>100.00</b>     | <b>290.95</b> | <b>100.00</b>     |
| <b>Expenditure</b>           |               |                   |               |                   |
| Employees Cost               | 43.35         | 12.12             | 57.49         | 19.76             |
| Financial Expenses           | 45.55         | 12.74             | 1.00          | 0.34              |
| Depreciation                 | 15.24         | 4.26              | 7.81          | 2.68              |
| Other Expenses               | 214.85        | 60.07             | 133.09        | 45.74             |
| <b>Total</b>                 | <b>318.99</b> | <b>89.19</b>      | <b>199.39</b> | <b>68.53</b>      |
| Exceptional Items            | 0.00          | 0.00              | (1.11)        | 0.38              |
| <b>Profit Before Tax</b>     | <b>38.67</b>  | <b>10.81</b>      | <b>92.67</b>  | <b>31.85</b>      |
| Tax- current & deferred      | 5.91          | 1.65              | 2.89          | 0.99              |
| <b>Profit after Tax</b>      | <b>32.76</b>  | <b>9.16</b>       | <b>89.78</b>  | <b>30.85</b>      |
| Earning per Shares (Basic)   | 0.25          | --                | 0.71          | --                |
| Earning per Shares (Diluted) | 0.58          | --                | 0.72          | --                |

The revenues of the Company for the financial year under review are Rs. 357.66 Lacs as compared to Rs.290.95 Lacs for the previous year. The net profit for the year under review is Rs. 32.76 Lacs as against the net profit of Rs. 89.78 Lacs in the previous year.

Table 2: Abridged Profit and Loss Account (Rs. in Lacs) – Consolidated

(Rs. in Lacs)

| Particulars                  | 2011-2012      | % of Total Income | 2010-2011      | % of Total Income |
|------------------------------|----------------|-------------------|----------------|-------------------|
| <b>Revenue</b>               |                |                   |                |                   |
| Income from Operation        | 4774.13        | 92.78             | 3157.94        | 97.99             |
| Other Income                 | 371.41         | 7.22              | 64.62          | 2.01              |
| <b>Total</b>                 | <b>5145.54</b> | <b>100.00</b>     | <b>3222.56</b> | <b>100</b>        |
| <b>Expenditure</b>           |                |                   |                |                   |
| Employees Cost               | 1429.49        | 27.78             | 362.31         | 11.24             |
| Financial Expenses           | 1717.88        | 33.39             | 1703.05        | 52.85             |
| Depreciation                 | 157.28         | 3.06              | 12.32          | 0.38              |
| Other Expenses               | 1633.85        | 31.75             | 435.36         | 13.51             |
| <b>Total</b>                 | <b>4938.50</b> | <b>95.98</b>      | <b>2513.04</b> | <b>77.98</b>      |
| Exceptional Items            | 1.37           | 0.03              | (2.12)         | (0.07)            |
| <b>Profit Before Tax</b>     | <b>205.67</b>  | <b>4.00</b>       | <b>711.64</b>  | <b>22.08</b>      |
| Tax- current & deferred      | 68.62          | 1.33              | 210.84         | 6.54              |
| <b>Profit after Tax</b>      | <b>137.05</b>  | <b>2.66</b>       | <b>500.80</b>  | <b>15.54</b>      |
| Earning per Shares (Basic)   | 1.04           | ---               | 3.95           | ---               |
| Earning per Shares (diluted) | 1.36           | ---               | 3.95           | ---               |

➤ Performance of Subsidiaries:

Systematix Shares and Stock (India) Limited

(Rs. in Lacs)

| Particulars    | As on March31, 2012 | As on March31, 2011 | Growth % |
|----------------|---------------------|---------------------|----------|
| Total revenues | 2135.73             | 3284.26             | (34.97)  |
| EBIDT          | 336.13              | 377.86              | (11.04)  |
| PBT            | 107.46              | 161.50              | (33.46)  |
| PAT            | 70.62               | 114.46              | (38.30)  |

Systematix Fincorp India Limited

(Rs. in Lacs)

| Particulars    | As on March31, 2012 | As on March31, 2011 | Growth % |
|----------------|---------------------|---------------------|----------|
| Total revenues | 1185.70             | 2785.79             | (57.44)  |
| EBIDT          | 852.25              | 2284.38             | (62.69)  |
| PBT            | 57.27               | 627.18              | (90.87)  |
| PAT            | 39.34               | 422.03              | (90.68)  |

**Systematix Commodities Services Private Limited**

(Rs. in Lacs)

| Particulars    | As on March31, 2012 | As on March31, 2011 | Growth % |
|----------------|---------------------|---------------------|----------|
| Total revenues | 490.14              | 320.27              | 53.04    |
| EBIDT          | 29.75               | 47.71               | (37.64)  |
| PBT            | 23.33               | 42.77               | (45.45)  |
| PAT            | 15.40               | 29.20               | (47.26)  |

**Systematix Finvest Private Limited**

(Rs. in Lacs)

| Particulars    | As on March31, 2012 | As on March 31, 2011 | Growth %  |
|----------------|---------------------|----------------------|-----------|
| Total revenues | 1090.78             | 70.89                | 1438.69   |
| EBIDT          | 764.61              | 48.65                | 1471.65   |
| PBT            | (21.06)             | 4.50                 | (368.00)  |
| PAT            | (21.06)             | 1.70                 | (1138.82) |

**Systematix Commodities Trading Private Limited**

(Rs. in Lacs)

| Particulars    | As on March31, 2012 | As on March 31, 2011 | Growth % |
|----------------|---------------------|----------------------|----------|
| Total revenues | 0.00                | ---                  | ---      |
| EBIDT          | (0.01)              | ---                  | ---      |
| PBT            | (0.01)              | ---                  | ---      |
| PAT            | (0.01)              | ---                  | ---      |

**HUMAN RESOURCES**

The Company continues to lay emphasis on developing and facilitating optimum human performance. Performance management was the key word for the Company this year. Recruitment process has been strengthened to ensure higher competence levels

**CAUTIONARY STATEMENT**

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

# Maharaj N.R. Suresh & Co.

Chartered Accountants

9, (Old 5), II Lane, II Main Road, Trustpuram, Chennai - 600 024.

Tel. : (044) 24837583, 24801322 Fax : 044-24813734 e-mail : nrsuresh@eth.net



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

### To the Members of Systematix Corporate Services Limited

We have examined the compliance of conditions of Corporate Governance by Systematix Corporate Services Limited for the year ended 31<sup>st</sup> March 2012 as stipulated in the Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the Compliance of the conditions of 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 the above mentioned Listing Agreement.

As required by the guidance note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained and certified by the Company / Registrars and Transfer Agent of the Company, there were no investor grievances remaining unattended / pending for more than 30 days as at 31<sup>st</sup> March 2012.

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

For Maharaj N R Suresh And Co

FRN No.001931S

Chartered Accountants

K. V. Srinivasan

Partner

Membership No.204368



Place: Chennai

Date: 23.07.2012

**AUDITOR'S REPORT TO THE MEMBERS OF**  
**M/S SYSTEMATIX CORPORATE SERVICES LIMITED**

1. We have audited the attached Balance Sheet of M/s Systematix Corporate Services Limited as at 31st March 2012, the Profit And Loss Statement Account and also 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 Statement 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 Statement 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 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 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 2012
  - (b) in the case of the Profit and Loss Statement Account, of the **PROFIT** 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: 001931S  
Chartered Accountants

  
K V Srinivasan  
Partner  
M.No:204368

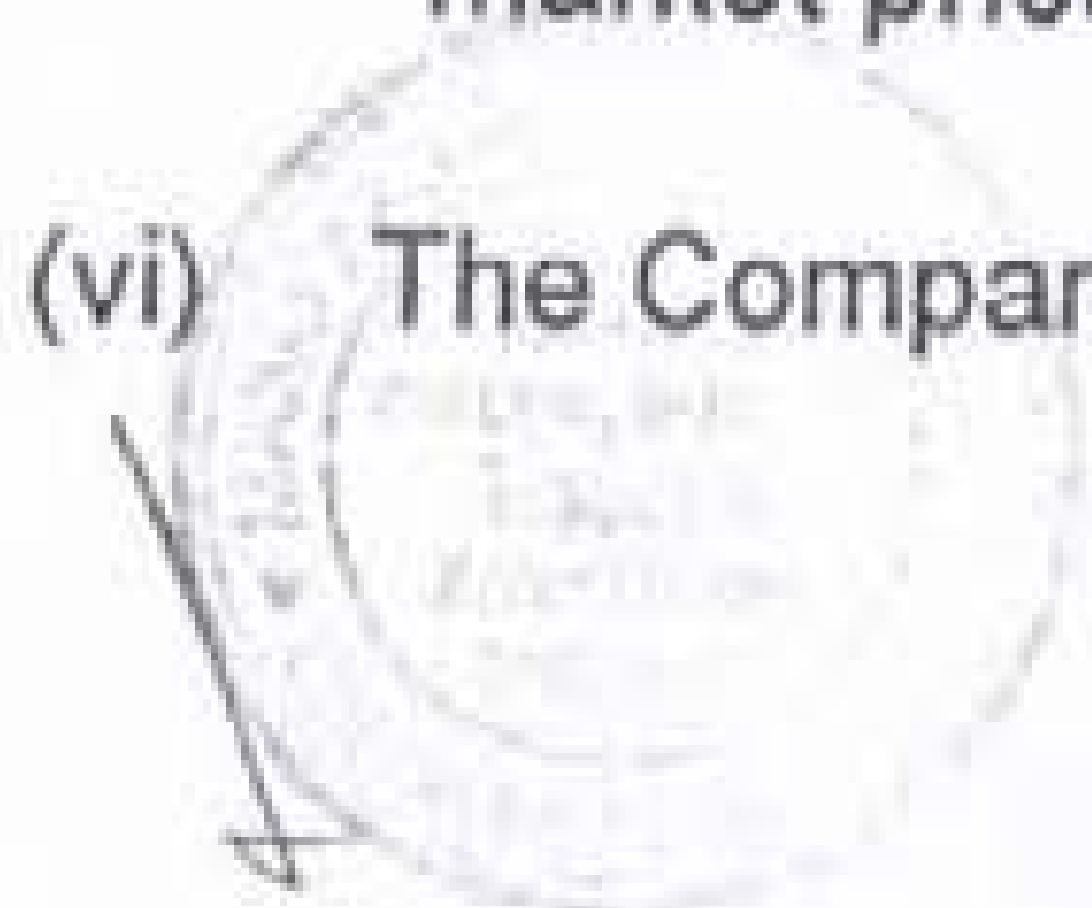
Place : Mumbai  
Date : 30.06.2012





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 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 not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.
- (b) The company has taken unsecured loans from Two Companies covered in the register maintained under section 301 of the companies Act, 1956. The maximum amount involved during the year was Rs 2 260 lakhs and the year end balance of loans taken from such parties was RS 1 953 lakhs.
- (c) 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.
- (d) Payment of Principal and Interest are in accordance with the terms as applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is 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 of the Company.
- (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 31<sup>st</sup> March 2012 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 the Accumulated Losses of the Company are not more than 50% of its Net worth. 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 defaulted in repayment of dues to a financial institution or bank or debenture holder.

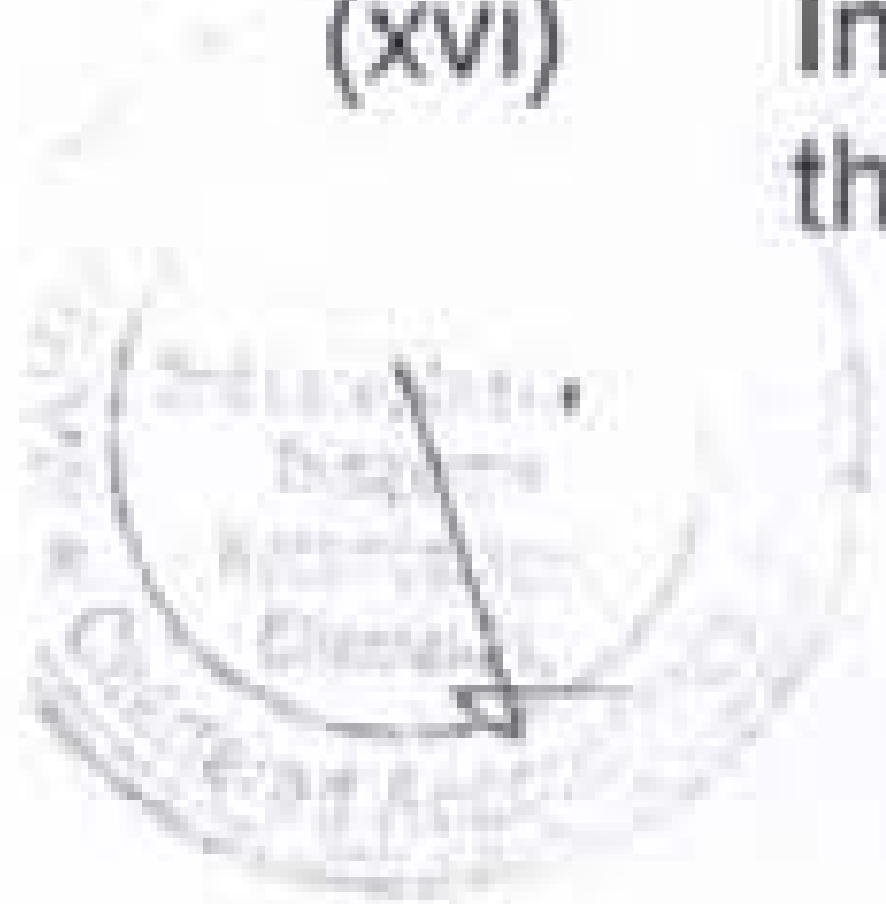
(xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(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) During the year the Company has not made any preferential allotment of Shares.
- (xix) According to the information and explanation given to us, at the end of the year, the Company has 3 03 667 outstanding Unsecured optionally fully convertible debentures (OFCD) of Rs 250 each. As the debentures are unsecured creating of Security does not arise.
- (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**



**K V SRINIVASAN**  
**Partner**  
**M. No 204368**

Place: Mumbai  
Date: 30.06.2012



**SYSTEMATIX CORPORATE SERVICES LTD.  
BALANCE SHEET AS AT 31ST MARCH 2012**

| Particulars                         | Note No | As at<br>31.03.2012<br>RS | As at<br>31.03.2011<br>RS |
|-------------------------------------|---------|---------------------------|---------------------------|
| <b>I. EQUITY AND LIABILITIES</b>    |         |                           |                           |
| <b>(1) Shareholders Funds</b>       |         |                           |                           |
| (a) Share Capital                   | 2       | 130514080                 | 130495080                 |
| (b) Reserves & Surplus              | 3       | 211740747                 | 208465002                 |
| <b>(2) Non- Current Liabilities</b> |         |                           |                           |
| (a) Long Term Borrowings            | 4       | 195299913                 | 277616663                 |
| (b) Deferred Tax Liabilities (Net)  | 5       | 360000                    | 330000                    |
| <b>(3) Current Liabilities</b>      |         |                           |                           |
| (a) Trade Payable                   | 6       | 11476046                  | 10897709                  |
| (b) Other Current Liabilities       | 7       | 80706963                  | 630534                    |
|                                     |         | <b>TOTAL</b>              | <b>628434988</b>          |
|                                     |         | <b>630097749</b>          | <b>628434988</b>          |
| <b>II. ASSETS</b>                   |         |                           |                           |
| <b>(1) Non- Current Assets</b>      |         |                           |                           |
| (a) Fixed Assets                    |         |                           |                           |
| (i) Tangible Assets                 | 8       | 16787422                  | 19290112                  |
| (b) Non-Current Investments         | 9       | 595014000                 | 595014000                 |
| <b>(2) Current assets</b>           |         |                           |                           |
| (a) Trade Receivables               | 10      | 425028                    | 73388                     |
| (b) Cash and Bank Balances          | 11      | 1070502                   | 2062989                   |
| (c) Short -Term Loans and Advances  | 12      | 16774070                  | 11439424                  |
| (d) Other Current Assets            | 13      | 26727                     | 555075                    |
|                                     |         | <b>TOTAL</b>              | <b>628434988</b>          |
|                                     |         | <b>630097749</b>          | <b>628434988</b>          |

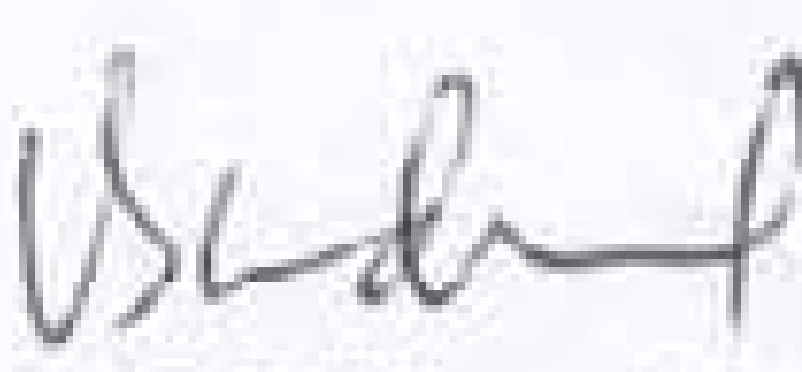
**Notes on Financial Statements**

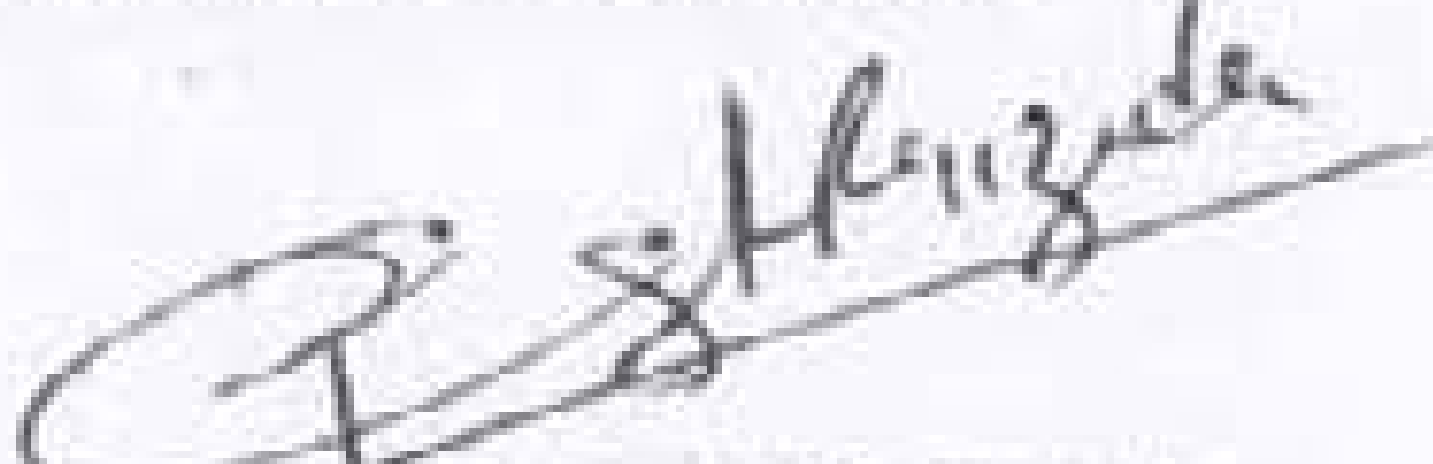
1 to 23

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

  
K V SRINIVASAN  
Partner  
M.NO 204368

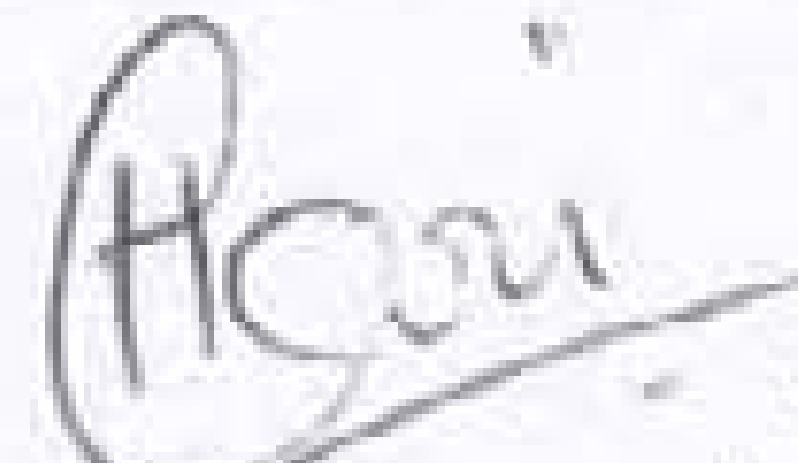
For & on behalf of the Board of Directors

  
C P Khandelwal  
Chairman

  
Ramesh Raizada  
Managing Director

Place: Mumbai  
Date: 30-06-2012



  
VRMHS Prasad Sanka  
Company Secretary

**SYSTEMATIX CORPORATE SERVICES LTD.**  
**PROFIT & LOSS STATEMENT ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012**

| Particulars  | Note No       | Year Ended<br>31.03.2012<br>RS | Year Ended<br>31-03-2011<br>RS |
|--|---------------|--------------------------------|--------------------------------|
| I. Revenue from Operations                                   | 15            | 35588273                       | 28677269                       |
| II. Other Income   | 16            | 177575                         | 417952                         |
| III. <b>Total Revenue</b>                                    |               | <b>35765848</b>                | <b>29095221</b>                |
| <b>IV. EXPENSES</b>  |               |                                |                                |
| Employee benefits Expenses                                   | 17            | 4335000                        | 5749062                        |
| Finance Cost   | 18            | 4555005                        | 99836                          |
| Depreciation and Amortisation Expenses                       | 8             | 1524114                        | 781291                         |
| Other Expenses   | 19            | 21484727                       | 13308828                       |
| <b>Total Expenses</b>  |               | <b>31898846</b>                | <b>19939017</b>                |
| V. Profit Before Exceptional and Extraordinary Items and Tax |               | 3867002                        | 9156204                        |
| VI. Exceptional Items  |               | 0                              | -110928                        |
| VII. Profit Before Extraordinary Items & Tax                 |               | 3867002                        | 9267132                        |
| VIII. Extraordinary Items                                    |               |                                |                                |
| IX. Profit before Tax  |               | 3867002                        | 9267132                        |
| X. Tax Expenses  |               |                                |                                |
| 1) Current Tax   |               |                                |                                |
| Minimum Alternate Tax payable                                | 736850        |                                |                                |
| Mat Credit Entitlement                                       | <u>174520</u> | 562330                         | 49443                          |
| Income tax Relating to earlier year                          |               | -1074                          | 0                              |
| 2) Deferred Tax  |               | 30000                          | 240000                         |
| XI. Profit after Tax   |               | <b>3275746</b>                 | <b>8977689</b>                 |
| XII. Earnings Per Equity Share                               |               |                                |                                |
| 1) Basic   |               | 0.25                           | 0.71                           |
| 2) Diluted   |               | 0.58                           | 0.72                           |

**Notes on Financial Statements**

1 to 23

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

K V SRINIVASAN  
 Partner  
 M.NO 204368

Place: Mumbai  
 Date: 30-06-2012



For & on behalf of the Board of Directors

*(Signature)*

C P Khandelwal  
 Chairman

*(Signature)*

Ramesh Raizada  
 Managing Director

*(Signature)*  
 VRNHS Prasad Sanka  
 Company Secretary

**SYSTEMATIX CORPORATE SERVICES LIMITED**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31ST MARCH 2012**

| Particulars                                       |  | 31-03-2012 | 31-03-2011 |
|---|--|------------|------------|
|   |  | RS         | RS         |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>        |  |            |            |
| Net Profit before tax and extra ordinary items    |  | 3867002    | 9156204    |
| Adjustments for :-                                |  |            |            |
| 1   | Depreciation   | 1524114    | 781291     |
| 2   | Interest/Dividend Received   | -10970     | -54695     |
| 3   | Loss (Profit) on Sale of Fixed Assets                              | 478577     | 0          |
| 4   | Loss (Profit) on Sale of Investments                               | 0          | 0          |
| Operating profit before working capital changes   |  | 5858723    | 9882800    |
| Adjustments for :-                                |  |            |            |
| 1   | Trade and Other Current Assets                                     | -5719195   | -5961778   |
| 2   | Non Current Investments  | -82316750  | 0          |
| 3   | Trade and other Payables   | 80654766   | 494305     |
| Cash Generated from operation                     |  | -1522456   | 4415327    |
| 1   | Interest Paid  | 4555005    | 99836      |
| Cash Flow Before extraordinary items              |  | 3032549    | 4515163    |
| 1   | Extraordinary items  | 0          | 0          |
| Net Cash from/ (Used ) in Operating activities    |  | 3032549    | 4515163    |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>        |  |            |            |
| 1   | Purchase of Fixed Assets   | 0          | -15188381  |
| 2   | Sale of Fixed Assets   | 500000     | 0          |
| 3   | Purchase of Investments<br>and increase in share application money | 0          | -110099300 |
| 4   | Interest /Dividend Received  | 10970      | 54695      |
| Net Cash from/ (Used) in investing activities     |  | 510970     | -125232986 |
| <b>CASH FLOW FROM FINANCIANG ACTIVITIES</b>       |  |            |            |
| 1   | Proceeds from issue of Share Capital                               | 19000      | 70500      |
| 2   | Proceeds from Long and Short Term Borrowings                       | 0          | 122174589  |
| 3   | Interest Paid  | -4555005   | -99836     |
| Net Cash from financiing activities               |  | -4536005   | 122145253  |
| Net increase in Cash and Cash equivalents (A+B+C) |  | -992487    | 1427430    |
| Cash and Cash equivalents as (Opening Balance)    |  | 2062989    | 635559     |
| Cash and Cash equivalents as (Closing Balance)    |  | 1070502    | 2062989    |

**For Maharaj N R Suresh and Co**

FRN NO:001931S

Chartered Accountants

K V SRINIVASAN


Partner


M.NO 204368


Place:Mumbai

Date:30-06-2012

For & on behalf of the Board of Directors

  
C P Khandelwal  
Chairman

  
Ramesh Raizada  
Managing Director

  
V R M H S Masad  
Company Secretary

## (1) Notes on Accounts

### 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 Statement 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) Foreign Exchange Transaction**

Transaction in foreign exchange are initially recognised at the rates prevailing on the dates of transactions.

All monetary assets and liabilities are restated at each Balance sheet date using the closing rate. Resultant exchange difference is recognised as income or expenses in that period.

#### **I) 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.





**SYSTEMATIX CORPORATE SERVICES LTD.**  
**SCHEDULES FORMING PART OF ACCOUNTS AS AT 31.03.2012**

| Particulars   | Par value | As at<br>31.03.2012<br>RS | As at<br>31.03.2011<br>RS |
|---|-----------|---------------------------|---------------------------|
| <b>(2) Share Capital</b>  |           |                           |                           |
| a) <b>Authorized:</b><br>2,50,00,000 Equity Shares  | 10        | 250000000                 | 250000000                 |
| b) <b>Issued</b><br>1 31 22 558 Equity Shares   | 10        | 131225580                 | 131225580                 |
| c) <b>Subscribed and fully paid up</b><br>1 29 80 258 Equity Shares<br>Previous Year 1 29 76 458                      | 10        | 129802580                 | 129764580                 |
| d) <b>Subscribed and not fully paid up</b><br>1 42 300 Equity Shares<br>Previous year 1 46 100 Equity Shares          | 10        | 711500                    | 730500                    |
| <b>Total</b>  |           | <b>130514080</b>          | <b>130495080</b>          |
| e) <b>Calls unpaid</b><br>By Directors<br>By others<br>1 42 300 Equity Shares<br>Previous year 1 46 100 Equity Shares | 5         | 711500                    | 730500                    |

f) **List of Shareholders Holding more than 5%**

| Name of Shareholders                         | 31-03-2012          |                       | 31-03-2011          |                       |
|--|---------------------|-----------------------|---------------------|-----------------------|
|  | Number<br>of Shares | Percentage<br>Holding | Number<br>of Shares | Percentage<br>Holding |
| Superstar Exports Private Limited            | 4268806             | 32.89%                | 4258806             | 32.82%                |
| Satyamitra Stock Consultants Pvt Ltd         | 1345116             | 10.36%                | 1349116             | 10.40%                |
| Chiraayush Stock Consultants Pvt Ltd         | 1138186             | 8.77%                 | 1146825             | 8.84%                 |
| Shriram Stock Market Pvt Ltd                 | 985000              | 7.59%                 | 985000              | 7.59%                 |
| Dhananjaya Money Management Services Pvt Ltd | 669378              | 5.16%                 | 693979              | 5.35%                 |

|                                    | 31-03-2012       | 31-03-2011       | RS |
|------------------------------------|------------------|------------------|----|
| <b>3) Reserves &amp; Surplus</b>   |                  |                  |    |
| Capital Reserve                    | 22863600         | 22863600         |    |
| Securities Premium Reserve         | 186501920        | 186501920        |    |
| General Reserve                    |                  |                  |    |
| Opening Balance                    | 4446757          | 4446757          |    |
| Additions during the year          | 4446757          | 4446757          |    |
| Surplus in Profit & Loss Statement |                  |                  |    |
| Opening Balance                    | -5347275         | -14324964        |    |
| Add: Profit /(Loss) for the year   | 3275746          | 8977689          |    |
| Closing Balance                    | -2071530         | -5347275         |    |
| <b>Total</b>                       | <b>211740747</b> | <b>208465002</b> |    |



**SYSTEMATIX CORPORATE SERVICES LTD.**  
**SCHEDULES FORMING PART OF ACCOUNTS AS AT 31.03.2012**

|   | As at<br>31.03.2012     | As at<br>31.03.2011     |
|---|-------------------------|-------------------------|
| <b>4) Long Term Borrowings</b>  |                         |                         |
| <b>Unsecured</b>  |                         |                         |
| a) 6% Optionally Fully Convertible Debentures (OFCD)  | 0                       | 75916750                |
| i) OFCD,S allotted on 24/03/2011 will carry a Coupon rate of 6%.  |                         |                         |
| ii) OFCD, s will be convertible in to one equity share of the company at the option of the OFCD, s holder within period of 18 Months from the date of allotment of the OFCD,s failing which the OFCD,s will be eligible for redemption at the par value of Rs 250/- per OFCD,s at the end of the said 18 Months.  |                         |                         |
| b) Loan from related parties  | 195299913               | 201699913               |
| <b>Total</b>  | <b><u>195299913</u></b> | <b><u>277616663</u></b> |
| <b>5) Deferred Tax Liabilities</b>  |                         |                         |
| Deferred Tax Liability on account of  |                         |                         |
| a) Depreciation   | 360000                  | 330000                  |
| <b>Total</b>  | <b><u>360000</u></b>    | <b><u>330000</u></b>    |
| <b>6) Trade Payables</b>  |                         |                         |
| Services  | 11476046                | 10897709                |
| <b>Total</b>  | <b><u>11476046</u></b>  | <b><u>10897709</u></b>  |
| Micro enterprises and small enterprises under the Micro,Small and Medium Enterprises development Act,2006 have been determined to the extent such parties have been identified on the basis information available with the company. There are no overdues to parties on account of principal amount and /or interest accordingly no additional disclosure have been made. |                         |                         |
| <b>7) Other Current Liabilities</b>   |                         |                         |
| Current maturities of Long Term Debt  | 75916750                | 0                       |
| Interest Accured and due  | 4099504                 | 89852                   |
| Others  | 690709                  | 540682                  |
| <b>Total</b>  | <b><u>80706963</u></b>  | <b><u>630534</u></b>    |



**SYSTEMATIX CORPORATE SERVICES LTD.**  
**SCHEDULES FORMING PART OF ACCOUNTS AS AT 31.03.2012**

| (Amount in Rs)       |                     |           |                |                     |                     |                 |               |                     |                     |                     |
|----------------------|---------------------|-----------|----------------|---------------------|---------------------|-----------------|---------------|---------------------|---------------------|---------------------|
| Description          | Gross Block         |           |                |                     | Depreciation        |                 |               |                     | Net Block           |                     |
|                      | As at<br>01.04.2011 | Additions | Deductions     | As at<br>31.03.2012 | Up to<br>31.03.2011 | For the<br>Year | Withdrawn     | Up to<br>31.03.2012 | As at<br>31.03.2012 | As at<br>31.03.2011 |
|                      | Plant & Equipments  | 4233008   | 0              | 0                   | 4233008             | 3674568         | 40661         | 0                   | 3715229             | 517779              |
| Furniture & Fixtures | 18805032            | 0         | 0              | 18805032            | 4242231             | 1190358         | 0             | 5432589             | 13372443            | 14562801            |
| Vehicle              | 3583629             | 0         | 1368637        | 2214992             | 922635              | 210425          | 390061        | 742999              | 1471993             | 2660994             |
| Office Equipments    | 2966145             | 0         | 0              | 2966145             | 1458268             | 82670           | 0             | 1540938             | 1425207             | 1507877             |
| <b>Total</b>         | <b>29587814</b>     | <b>0</b>  | <b>1368637</b> | <b>28219177</b>     | <b>10297702</b>     | <b>1524114</b>  | <b>390061</b> | <b>11431755</b>     | <b>16787422</b>     | <b>19290112</b>     |
| Previous Year        | 14399433            | 15188381  | 0              | 29587814            | 9516411             | 781291          | 0             | 10297702            | 19290112            | 4883022             |



**SYSTEMATIX CORPORATE SERVICES LTD.**  
**SCHEDULES FORMING PART OF ACCOUNTS AS AT 31.03.2012**

|  | As at<br>31.03.2012     | As at<br>31.03.2011     |
|--|-------------------------|-------------------------|
| <b>9) Non Current Investments</b>  |                         |                         |
| <b>Long Term -Non trade-unquoted</b>   | <b>No of Shares</b>     | <b>Rs</b>               |
| <b>i) In wholly owned Subsidiary Companies</b>   | <b>No of Shares</b>     | <b>Rs</b>               |
| Investment in Equity Shares of Rs 10/- each fully paid up<br>Systematix Fincorp India Limited    | 1674845                 | 142758450               |
| Investment in Equity Shares of Rs 100/- each fully paid up<br>Systematix Finvest Pvt.Ltd         | 187820                  | 110099300               |
| <b>ii) In Subsidiary Company</b>   |                         |                         |
| Investment in Equity Shares of Rs 10/- each fully paid up<br>Systematix Shares & Stocks (I) Ltd. | 4158700                 | 342156250               |
| <b>Total</b>   | <b><u>595014000</u></b> | <b><u>595014000</u></b> |
| <b>10) Trade Receivables</b>   |                         |                         |
| Unsecured Considered Good<br>Exceeding Six Months  | 0                       | 20600                   |
| Other Debts  | 425028                  | 52788                   |
| <b>Total</b>   | <b><u>425028</u></b>    | <b><u>73388</u></b>     |
| <b>11) Cash &amp; Bank Balances</b>  |                         |                         |
| <b>Cash &amp; Cash Equivalent</b>  |                         |                         |
| Balance with Banks   | 1066335                 | 2011969                 |
| Cash on hand   | 4167                    | 51020                   |
| <b>Total</b>   | <b><u>1070502</u></b>   | <b><u>2062989</u></b>   |
| <b>12) Short -Term Loans and Advances</b>  |                         |                         |
| Unsecured Considered Good  |                         |                         |
| Loans and Advances to Related parties  | 0                       | 74000                   |
| Loans and Advances due by Director   | 0                       | 1500000                 |
| Deposits   | 10349150                | 6536075                 |
| Advance Income Tax (Net of Provisions)   | 4543916                 | 1640714                 |
| Mat Credit Entitlement   | 1822637                 | 1648117                 |
| Others   | 58367                   | 40518                   |
| <b>Total</b>   | <b><u>16774070</u></b>  | <b><u>11439424</u></b>  |
| <b>13) Other Current Assets</b>  |                         |                         |
| Service tax Credit Receivable  | 26727                   | 555075                  |
| <b>Total</b>   | <b><u>26727</u></b>     | <b><u>555075</u></b>    |
| <b>14) Contingenet Liabilities</b>   |                         |                         |
| Contingent Liabilities on account of Guarantees given to<br>banks on behalf of Group Companies   | 885000000               | 875000000               |
| <b>Total</b>   | <b><u>885000000</u></b> | <b><u>875000000</u></b> |



SYSTEMATIX CORPORATE SERVICES LTD.

SCHEDULES FORMING PART OF ACCOUNTS AS AT 31.03.2012

|                                       | Year Ended<br>31.03.2012 | Year Ended<br>31.03.2011 |
|---------------------------------------|--------------------------|--------------------------|
|                                       | RS                       | RS                       |
| <b>15) Reveune from Operations</b>    |                          |                          |
| Financial Advisory Services           | 35588273                 | 28677269                 |
| <b>Total</b>                          | <b>35588273</b>          | <b>28677269</b>          |
| <b>16) Other Income</b>               |                          |                          |
| Interest                              | 10970                    | 54695                    |
| Net foreign Exchange Gain             | 12126                    | 0                        |
| Other Non Operating Income            | 154479                   | 363257                   |
| <b>Total</b>                          | <b>177575</b>            | <b>417952</b>            |
| <b>17) Employee benefits Expenses</b> |                          |                          |
| Salaries Bonus & Allowances           | 4335000                  | 5748262                  |
| Staff Welfare                         | 0                        | 800                      |
| <b>Total</b>                          | <b>4335000</b>           | <b>5749062</b>           |
| <b>18) Finance Cost</b>               |                          |                          |
| Interest on Borrowings                | 4555005                  | 99836                    |
| <b>Total</b>                          | <b>4555005</b>           | <b>99836</b>             |
| <b>19) Other Expenses</b>             |                          |                          |
| Rent                                  | 17622966                 | 7364100                  |
| Rates & Taxes                         | 304555                   | 447961                   |
| Electricity Charges                   | 331271                   | 108088                   |
| <b>Repairs &amp; Maintenance</b>      |                          |                          |
| Others                                | 559578                   | 364223                   |
| Advertisement                         | 170326                   | 430268                   |
| Professional & Consultancy            | 1124400                  | 2169000                  |
| Auditors Remuneration*                | 40000                    | 40000                    |
| Commission/Brokerage                  | 0                        | 1271025                  |
| Other Expenses                        | 1331631                  | 1114163                  |
| <b>Total</b>                          | <b>21484727</b>          | <b>13308828</b>          |
| <b>*Additional Information</b>        |                          |                          |
| i) Statutory Audit                    | 30,000                   | 30,000                   |
| ii) Tax Audit                         | 10,000                   | 10,000                   |
| <b>Total</b>                          | <b>40,000</b>            | <b>40,000</b>            |



20) Basic & Diluted Earnings per share:

| Particulars  | 2011-12  | 2010-11  |
|--|--|--|
| Net Profit/(Loss) attributable to equity share holders       | 32 75 746                                      | 89 77 689                                      |
| Weighted Average of Equity shares                            | 1 31 22 558<br>(face value of<br>Rs.10/- each) | 1 31 22 558<br>(face value of<br>Rs.10/- each) |
| Basic Earnings Per Share                                     | 0.25   | 0.71   |
| Net Profit/(Loss) attributable to equity share holders       | 32 75 746                                      | 89 77 689                                      |
| Add: Interest on debenture                                   | 45,55,005                                      | 99 836   |
| Adjusted Net profit for Diluted EPS                          | 78 30 751                                      | 90 77 525                                      |
| Weighted Number of equity shares outstanding for Diluted EPS | 1,34,26,225<br>(face value of<br>Rs.10/- each) | 1 26 95 182<br>(face value of<br>Rs.10/- each) |
| Diluted Earnings Per share                                   | 0.58   | 0.72   |

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

21. Related Party Transactions:

I) Names of Transacting Related Parties

A) Wholly Owned Subsidiaries

- Systematix Fincorp India Limited
- Systematix Finvest Private Limited

B) Subsidiary Company

- Systematix Shares & Stocks (I) Limited
- Systematix Commodities Services Private Limited
- Systematix Commodities Trading Pvt Limited

C) Associate and Group Companies

- Systematix Capital Services Private Limited
- Ceepeek Real Estate Limited
- Rangsharda Properties Private Limited
- Shubham Mangalam Real Estate Pvt Limited
- Snehavardhini Properties Pvt Limited
- Tek Point Properties Private Limited
- Funsign Real Estate Pvt Limited
- Superstar Exports Private Limited.
- Topcity Trading Company Private Limited
- Riteplaza Trading Company Private Limited
- Magicline Trading Company Private Limited
- Goldflag Exports Private Limited
- Goldlife Trading Company Private Limited
- Thirdwave Merchantile Company Private Limited
- SQL Star International Limited
- Shiv Shakti Real Estate Pvt Limited

- Systematix Assets Management Company Pvt. Limited
- Nikunj Mercantile Private Limited
- Siena Infotainment Pvt limited
- Southern Wind farm 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 Pvt Limited            | Loan repaid   | 123.00  |   |
|  | Loan availed  | 59.00   | (Cr) 1952.99  |
|  |   |         | Liability   |
|  |   |         | Investment in<br>42 68 806<br>Equity shares<br>32.89% |
|  | OFCD Interest   | 9.75    | (Cr) 8.77   |
| Systematix Capital Services Pvt Limited  | Loan availed  | 204.41  |   |
|  | Loan Repaid   | 204.41  |   |
| Systematix Shares and stocks (I) Limited | Reimbursement of expenses                             | 0.38    | Asset Investment in:<br>41 58 700<br>Equity shares    |
| Systematix Shares and Stocks (I) Limited | Guarantee for BG                                      | 8850.00 |   |
| Mr. C. P. Khandelwal                     | Remuneration  | 9.00    | 0.00  |
|  | OFCD interest   | 10.28   | (Cr) 9.25   |
| Mr. Ramesh Raizada                       | Remuneration  | 9.00    | 0.00  |
| Mrs Anju Khandelwal                      | OFCD Interest   | 4.18    | (Cr) 3.77   |
| Mrs Geeta Devi kahndelwal                | OFCD Interest   | 21.33   | (Cr) 19.20  |



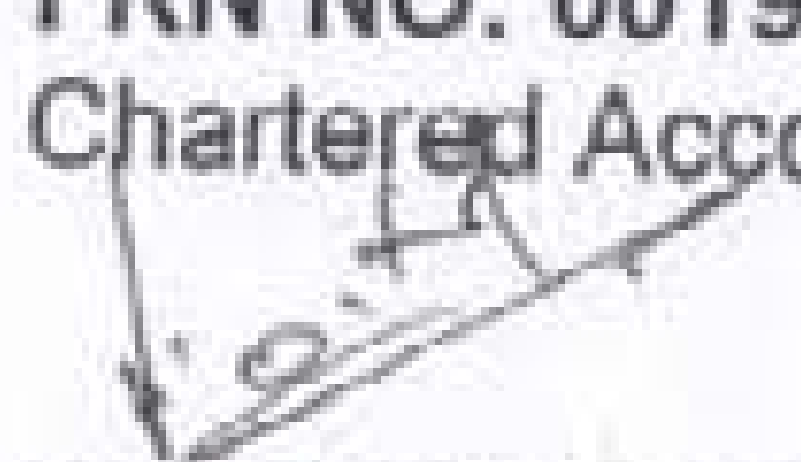
22. Earnings in foreign Currency

| Particulars           | 31.03.2012 | 31.03.2011 |
|-----------------------|------------|------------|
| Service Fees Received | 3 62 340   | 0          |

23. The Financial statements for the year ended March 31,2011 were prepared as per the then applicable, pre revised schedule VI to the Companies Act,1956.The Financial statements for the year ended March31,2012 have been prepared as per schedule VI .Accordingly, the previous year figures have been reclassified to confirm to current years classifications.


Vide our report of date attached


For MAHARAJ N. R. Suresh & Co  
FRN NO: 001931S  
Chartered Accountants


  
K V SRINIVASAN  
Partner  
M.NO 204368

Place; Mumbai  
Date; 30-06-2012

For & on behalf of Board of Directors

  
C P Khandelwal  
Chairman

  
Ramesh Raizada  
Managing Director

  
VRNHS Prasad Senka  
Company Secretary



**Auditor's Report on the Consolidated Financial Statements of Systematix Corporate Services Limited and its Subsidiaries**

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 subsidiaries as at 31<sup>st</sup> March, 2012, the consolidated Statement of Profit and Loss 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 31<sup>st</sup> March 2012
- ii) In the case of the Consolidated Statement of Profit and Loss, 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 & Co.  
FRN NO:001931S  
Chartered Accountants



K.V. Srinivasan  
Partner  
M. No: 204368

Place: Mumbai  
Dated: 23-07-2012



**SYSTEMATIX CORPORATE SERVICES LTD.**  
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012**

| Particulars                       | Note No | Consolidated<br>As at<br>31.03.2012<br>RS | Consolidated<br>As at<br>31.03.2011<br>RS |
|-----------------------------------|---------|---|---|
| <b>I EQUITY AND LIABILITIES</b>   |         |   |   |
| <b>1 Shareholders Funds -</b>     |         |   |   |
| (a) Share Capital                 | 2       | 130514080                                 | 130495080                                 |
| (b) Reserve & Surplus             | 3       | 347020120                                 | 333314943                                 |
| <b>2 Non- Current Liabilities</b> |         |   |   |
| (a) Long Term Borrowings          | 4       | 197190744                                 | 451456878                                 |
| (b) Deferred Tax Liabilities      | 5       | 10113000                                  | 12326900                                  |
| (c) Long Term Provisions          | 6       | 11457005                                  | 10903708                                  |
| <b>3 Current Liabilities</b>      |         |   |   |
| (a) Short Term Borrowings         | 7       | 1084087295                                | 972677855                                 |
| (b) Trade Payable                 | 8       | 339540214                                 | 383612510                                 |
| (c) Other Current Liabilities     | 9       | 153297844                                 | 26668200                                  |
| (d) Short Term Provisions         | 10      | 4238543                                   | 3473232                                   |
| 4 Minority Interest               |         | 5070000                                   | 5068000                                   |
| <b>TOTAL</b>                      |         | <b>2282528845</b>                         | <b>2329997306</b>                         |

dt:

**II ASSETS**

**1 Non- Current Assets**

(a) **Fixed Assets -**

|                                  |    |          |          |
|----------------------------------|----|----------|----------|
| (i) Tangible Assets              | 11 | 64887148 | 79346863 |
| (ii) Intangible Assets           | 12 | 33145234 | 32407338 |
| (b) Goodwill                     |    | 23514550 | 23514550 |
| (c) Non - Current Investments    | 13 | 877      | 877      |
| (d) Long Term Loans and Advances | 14 | 24353769 | 0        |

**2 Currents Assets**

|                                   |    |            |            |
|-----------------------------------|----|------------|------------|
| (a) Inventories                   | 15 | 38577606   | 0          |
| (b) Trade Receivables             | 16 | 417151348  | 258706289  |
| (c) Cash and Bank Balances        | 17 | 315095395  | 414986004  |
| (d) Short Term Loans and Advances | 18 | 1365320304 | 1521035385 |
| (e) Other current Assets          | 19 | 482614     | 0          |

**TOTAL** 2282528845 2329997306

**Notes on Financial Statements**

1 to 32

*Vide Our report of date attached*

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

**For & on behalf of the Board of Directors**

  
K V SRINIVASAN  
Partner  
M.NO 204368

  
C P Khandelwal  
Chairman

  
Ramesh Raizada  
Managing Director

Place: Mumbai  
Date: 23-07-2012



  
URNHS Prasad Banka

**SYSTEMATIX CORPORATE SERVICES LTD.**

**CONSOLIDATED PROFIT & LOSS STATEMENT ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012**

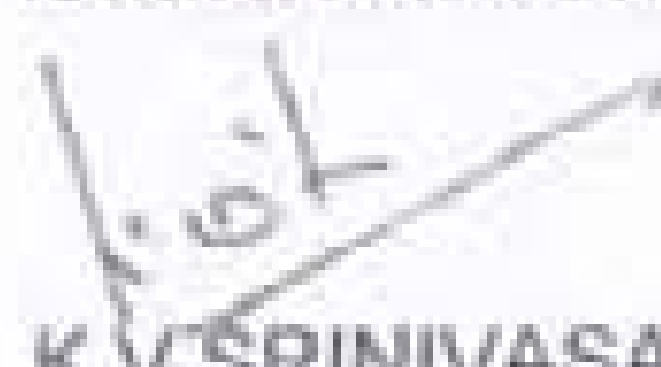
| Particulars   | Note No | (Amount in Rs.)                          |  |
|---|---------|--|--|
|   |         | Consolidated<br>Year Ended<br>31.03.2012 | Consolidated<br>Year Ended<br>31.03.2011 |
| <b>REVENUE</b>  |         |  |  |
| I. Revenue from Operations                                    | 21      | 477,413,133                              | 315,794,150                              |
| II. Other Income  | 22      | 37,140,988                               | 6,461,689                                |
| <b>TOTAL REVENUE</b>  |         | <b>514,554,121</b>                       | <b>322,255,839</b>                       |
| <b>III EXPENSES</b>   |         |  |  |
| Employee Benefits Expenses                                    | 23      | 142,949,329                              | 36,231,313                               |
| Finance Costs   | 24      | 171,787,622                              | 170,304,893                              |
| Depreciation and Amortisation Expenses                        | 11-12   | 15,728,273                               | 1,232,108                                |
| Other Expenses  | 25      | 163,385,265                              | 43,535,886                               |
| <b>TOTAL</b>  |         | <b>493,850,489</b>                       | <b>251,304,200</b>                       |
| IV Profit before Exceptional and Extra Ordinary Items & Tax   |         | 20,703,632                               | 70,951,639                               |
| V Exceptional Items   |         | 136,855                                  | (211,921)                                |
| VI Profit before Extraordinary Items & Tax                    |         | 20,566,777                               | 71,163,560                               |
| VII Extraordinary Items                                       |         | -  | -  |
| VIII Profit before Tax (VII-VIII)                             |         | 20,566,777                               | 71,163,560                               |
| IX Tax Expenses   |         |  |  |
| 1) Current Tax  |         | 9,108,330                                | 20,949,443                               |
| 2) Deferred Tax   |         | (2,213,900)                              | 135,000                                  |
| X Income Tax relating to earlier year                         |         | (32,831)                                 | -  |
| XI Profit after Tax   |         | 13,705,178                               | 50,079,117                               |
| XII Profit/(Loss) for the Period from Discontinuing Operation |         | -  | -  |
| XIII Tax Expense of Discontinuing Operations                  |         | -  | -  |
| XIV Profit After Tax from Discontinuing Operation (XII-XIII)  |         | -  | -  |
| XV Profit / (Loss) After Tax (XI + XIV)                       |         | 13,705,178                               | 50,079,117                               |
| XVI Earnings Per Equity Share                                 |         |  |  |
| 1) Basic  |         | 1.04                                     | 3.95                                     |
| 2) Diluted  |         | 1.36                                     | 3.95                                     |

Notes on Financial Statements

1 to 32

Vide Our report of date attached

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

  
K V SRINIVASAN  
Partner  
M.NO 204368

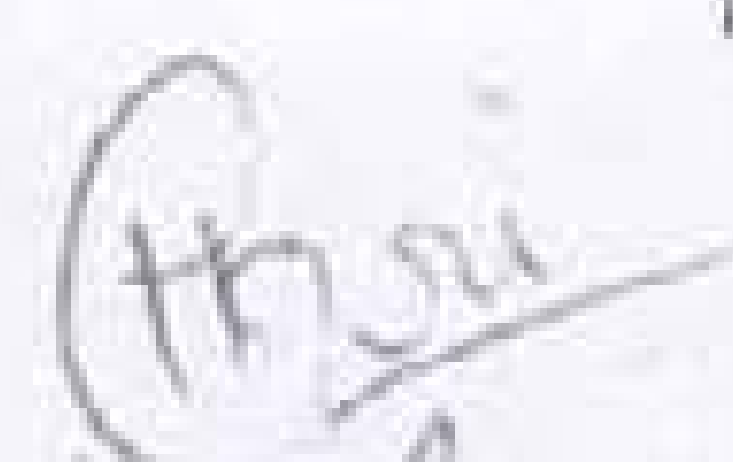
Place: Mumbai  
Date: 23-07-2012



For & on behalf of the Board of Directors

  
C P Khandelwal  
Chairman

  
Ramfesh Raizada  
Managing Director

  
VRMHS Anand Sanka  
Company Secretary

## (1) Notes on Accounts

### 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

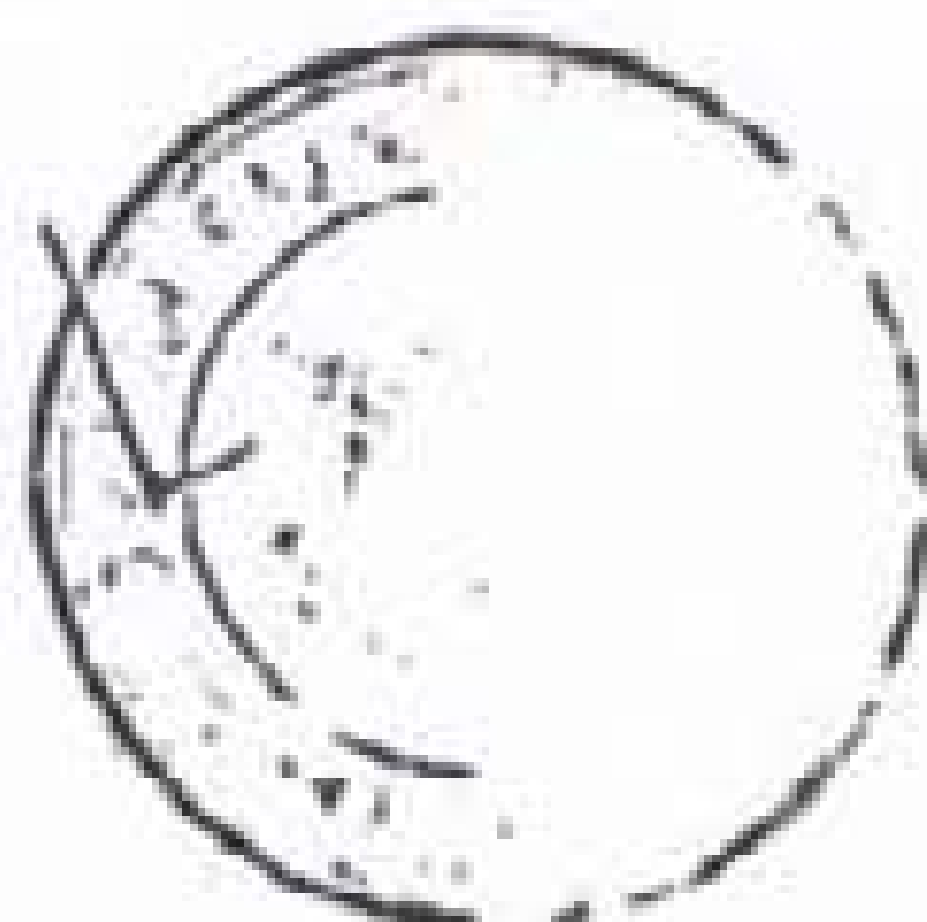
Investments are classified into long term investments and current investments. Investments that are intended to be held for one year or more are classified as long-term investments and investments that are intended to be held for less than one year are classified as current investments.

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.
- Revenue from Brokerage activities is accounted on the trade date of Transactions.
- Other charges are accounted on the trade date of Transaction.
- Depository Income is accounted for on accrual basis
- 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.

Contributions to defined contribution schemes towards retirement benefits in the form of provident fund /ESI for the year are charged to profit & loss account as incurred

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) Foreign Exchange Transaction**

Transactions in foreign exchange are initially recognised at the rates prevailing on the dates of transactions.

All monetary assets and liabilities are restated at each Balance sheet date using the closing rate. Resultant exchange difference is recognised as income or expenses in that period.

#### **I) 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.



J) 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.225/ 03.02.001 / 2011-12 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   |
|--------------------------------|--|--------------------------------|---|
| <b>A) Performing Asset</b>     |  |                                |   |
| Good                           | Interest unrealized for 6 months and less          | On accrual basis               | 0.25% of Loan amount Outstanding  |
| <b>B) Non performing Asset</b> |  |                                |   |
| Sub Standard                   | Interest unrealised greater than 6 to 24 months    | On receipt basis               | 1 to 24 Months<br>10% of loan amount outstanding                                |
| Doubtful                       | Interest unrealized for more than 24 months        | On receipt basis               | 25 to 36 Months<br>20%<br>37 to 60 Months<br>30%<br>More than 60 Months<br>100% |
| Loss                           | As asset which has been identified as Loss assets. | On receipt basis               | 100% of loan amount outstanding   |



**SYSTEMATIX CORPORATE SERVICES LTD.**

| Particulars  | Par Value | (Amount in Rs.)                     |                                     |
|--|-----------|-------------------------------------|-------------------------------------|
|  |           | Consolidated<br>As at<br>31.03.2012 | Consolidated<br>As at<br>31.03.2011 |
| <b>2) Share Capital</b>  |           |                                     |                                     |
| a) Authorized:<br>2,50,00,000 Equity Shares of Rs.10/- each                              | 10        | <u>250000000</u>                    | <u>250000000</u>                    |
| b) Issued<br>1 31 22 558 Equity Shares of Rs.10/-each                                    | 10        | <u>131225580</u>                    | <u>131225580</u>                    |
| c)Subscribed and fully paid up<br>1 29 80 258 Equity Shares<br>Previous year 1 29 76 458 | 10        | 129802580                           | 129764580                           |
| d) Subscribed and not fully paid up<br>1 42 300 Equity Shares<br>Previous year 1 46 100  | 10        | 711500                              | 730500                              |
| <b>Total</b>   |           | <u>130514080</u>                    | <u>130495080</u>                    |
| e) Calls unpaid  |           | 0                                   | 0                                   |
| By Directors   |           |                                     |                                     |
| By Others  |           |                                     |                                     |
| 1 42 300 Equity Shares<br>Previous year 1 46 100 Equity Shares                           | 5         | <u>711500</u>                       | <u>730500</u>                       |

**F) List of Shareholders holding more than 5%**

| Particulars                                  | 31.03.2012          |                       | 31.03.2011          |                       |
|--|---------------------|-----------------------|---------------------|-----------------------|
|  | Number<br>of Shares | Percentage<br>Holding | Number<br>of Shares | Percentage<br>Holding |
| Superstar Exports Private Limited            | 4268806             | 32.89%                | 4258806             | 32.82%                |
| Satyamitra Stock Consultants Pvt Ltd         | 1345116             | 10.36%                | 1349116             | 10.40%                |
| Chiraayush Stock Consultants Pvt Ltd         | 1138186             | 8.77%                 | 1146825             | 8.84%                 |
| Shriram Stock Market Pvt Ltd                 | 985000              | 7.59%                 | 985000              | 7.59%                 |
| Dhananjaya Money Management Services Pvt Ltd | 669378              | 5.16%                 | 693979              | 5.35%                 |

| Particulars   | (Amount in Rs.)                     |                                     |
|---|-------------------------------------|-------------------------------------|
|   | Consolidated<br>As at<br>31.03.2012 | Consolidated<br>As at<br>31.03.2011 |
| <b>3) Reserve And Surplus</b>   |                                     |                                     |
| a) Preference Capital Redemption Reserve  | 26000000                            | 26000000                            |
| b) Capital Reserve  | 22863600                            | 22863600                            |
| c) Securities Premium Reserve<br>As per last Balance Sheet  | 186501920                           | 186501920                           |
| d) General Reserve<br>As per last Balance Sheet   | 8819264                             | 8819265                             |
| e) Reserve Fund U/S 45 -IC of the RBI ACT,1934  |                                     |                                     |
| Opening Balance   | 11049613                            | 2564613                             |
| Add:  |                                     |                                     |
| Amount transferred from Surplus in<br>Statement of Profit & Loss Statement Account  | 790000                              | 8485000                             |
| Closing Balance   | 11839613                            | 11049613                            |
| f) Surplus in Profit & Loss Statement Account   |                                     |                                     |
| Opening Balance   | 78080545                            | 41594117                            |
| Add: Profit for the year  | 13705178                            | 36697757                            |
| Less:   |                                     |                                     |
| Transferred to Reserve Fund u/s 45IC of the RBI, Act 1934   | 790000                              | 211329                              |
| Net Surplus in Profit & Loss Statement Account  | 9,09,95,723                         | 78080545                            |
| <b>Total</b>  | <b>347020120</b>                    | <b>333314943</b>                    |
| <b>4) LONG TERM BORROWINGS</b>  |                                     |                                     |
| <b>From Bank Secured</b>  |                                     |                                     |
| Car Loan<br>(Secured by Hypothecation of Vehicle)   | 1007686                             | 0                                   |
| <b>Other Loans &amp; Advances-Secured</b>   |                                     |                                     |
| Car Loan<br>(Secured by Hypothecation of Vehicle)   | 883145                              | 0                                   |
| <b>Unsecured</b>  |                                     |                                     |
| a) 6% Optionally Fully Convertible Debentures (OFCD)  | 0                                   | 75916750                            |
| i) OFCD,s allotted on 24/03/2011 will carry a Coupon<br>rate of 6%.   |                                     |                                     |
| ii) OFCD, s will be convertible in to one equity share of<br>the company at the option of the OFCD, s holder within<br>period of 18 Months from the date of allotment of the<br>OFCD,s failing which the OFCD,s will be eligible for<br>redemption at the par value of Rs 250/- per OFCD,s at the<br>end of the said 18 Months. |                                     |                                     |
| Loan from Related Parties   | 195299913                           | 0                                   |
| From Others - Un-Secured  | 0                                   | 375540128                           |
|   | <b>197190744</b>                    | <b>451456878</b>                    |





**SYSTEMATIX CORPORATE SERVICES LTD.**

| Particulars  | (Amount in Rs.)                     |                                     |
|--|-------------------------------------|-------------------------------------|
|  | Consolidated<br>As at<br>31.03.2012 | Consolidated<br>As at<br>31.03.2011 |
| <b>5) Deferred Tax Liabilities</b>   |                                     |                                     |
| a) Deferred Tax Liability on account of<br>a) Depreciation   | 15503722                            | 17319417                            |
| b) Deferred Tax Assets on Account of<br>a) Gratuity & Provisions for Doubtful Debts & Standard Assets  | -5390722                            | -4992517                            |
| <b>Total</b>   | <u>10113000</u>                     | <u>12326900</u>                     |
| <b>6) Long Term Provisions</b>   |                                     |                                     |
| Provision for Employee Benefits  | 11457005                            | 10903708                            |
| <b>Total</b>   | <u>11457005</u>                     | <u>10903708</u>                     |
| <b>7) Short Term Borrowings</b>  |                                     |                                     |
| <b>From Banks-Secured</b>  |                                     |                                     |
| Overdraft Facilities<br>(Secured by pledge of Fixed Deposit with Banks)  | 8,90,47,846                         | 11959710                            |
| <b>Secured</b>   |                                     |                                     |
| a) Other Loans & Advances<br>Loan against Shares (Refer Note No 27)  | 88,61,02,411                        | 960718145                           |
| <b>Unsecured</b>   |                                     |                                     |
| a) Other Loans & Advances<br>Loan against Shares   | 10,89,37,038                        | 0                                   |
| <b>Total</b>   | <u>1,08,40,87,295</u>               | <u>97,26,77,855</u>                 |
| <b>8) Trade Payable</b>  |                                     |                                     |
| Services   | 339540214                           | 383612510                           |
| <b>Total</b>   | <u>339540214</u>                    | <u>383612510</u>                    |
| <p>Micro enterprises and small enterprises under the Micro, Small and Medium Enterprises development Act, 2006 have been determined to the extent such parties have been identified on the basis information available with the company. There are no overdues to parties on account of principal amount and /or interest accordingly no additional disclosure have been made.</p> |                                     |                                     |
| <b>9) Other Current Liabilities</b>  |                                     |                                     |
| Current Maturities of Long Term Debt   | 76702621                            | 0                                   |
| Interest Accrued & Due   | 4099504                             | 0                                   |
| Security Deposit   | 61015439                            | 26578348                            |
| Others   | 11480280                            | 89852                               |
| <b>Total</b>   | <u>153297844</u>                    | <u>26668200</u>                     |
| <b>10) Short Term Provision</b>  |                                     |                                     |
| Provision for Stanard Assets   | 3168508                             | 3473232                             |
| Provision for Employee Benefits  | 1070035                             | 0                                   |
| <b>Total</b>   | <u>4238543</u>                      | <u>3473232</u>                      |



SYSTEMATIX CORPORATE SERVICES LTD.

| 11) Tangible Assets                    | Amt in Rs.          |                  |                    |                     |                     |                    |                 |                     |                     |                     |
|--|---------------------|------------------|--------------------|---------------------|---------------------|--------------------|-----------------|---------------------|---------------------|---------------------|
|  | Gross Block         |                  |                    |                     |                     | Depreciation       |                 |                     | Net Block           |                     |
|  | As At<br>01-04-2011 | Additions        | Deductions         | As At<br>31-03-2012 | Up to<br>01-04-2011 | For the<br>Year    | Withdrawn       | Up To<br>31-03-2012 | As at<br>31-03-2012 | As at<br>31-03-2011 |
| Buildings                              | 47,48,503           | -                | -                  | 47,48,503           | 7,34,209            | 77,401             | -               | 8,11,610            | 39,36,893           | 40,14,294           |
| Plant & Equipments                     | 7,22,62,189         | 10,81,387        | (6,57,498)         | 7,26,86,078         | 4,07,27,712         | 1,16,10,130        | 2,12,417        | 5,21,25,425         | 2,05,60,653         | 3,15,34,477         |
| Furniture & Fixtures                   | 3,69,41,471         | 22,186           | (6,99,062)         | 3,62,64,595         | 91,68,390           | 22,98,343          | 1,37,523        | 1,13,29,210         | 2,49,35,385         | 2,77,73,079         |
| Vehicle                                | 1,82,68,530         | 21,22,585        | (13,68,637)        | 1,90,22,478         | 38,24,892           | 16,28,591          | 3,90,061        | 50,63,422           | 1,39,59,056         | 1,44,43,639         |
| Office Equipments                      | 30,40,735           | -                | -                  | 30,40,735           | 14,59,361           | 86,213             | -               | 15,45,574           | 14,95,161           | 15,81,374           |
| <b>Total (11)</b>                      | <b>13,52,61,428</b> | <b>31,26,158</b> | <b>(27,25,197)</b> | <b>13,57,62,389</b> | <b>5,59,14,564</b>  | <b>1,57,00,678</b> | <b>7,40,001</b> | <b>7,08,75,241</b>  | <b>6,48,87,148</b>  | <b>7,93,46,863</b>  |
| 12) Intangible Assets                  |                     |                  |                    |                     |                     |                    |                 |                     |                     |                     |
| Membership in Bombay<br>Stock Exchange | 2,77,00,000         |                  |                    | 2,77,00,000         | 2,77,00,000         | -                  |                 | 2,77,00,000         |                     |                     |
| Computer Software                      | 3,60,19,118         | 7,65,491         |                    | 3,67,84,609         | 3,61,11,780         | 27,595             |                 | 3,63,39,375         | 3,31,45,234         | 3,24,07,338         |
| <b>Total (12)</b>                      | <b>6,37,19,118</b>  | <b>7,65,491</b>  |                    | <b>6,44,84,609</b>  | <b>3,13,11,780</b>  | <b>27,595</b>      |                 | <b>3,13,39,375</b>  | <b>3,31,45,234</b>  | <b>3,24,07,338</b>  |
| <b>Total (11+12)</b>                   | <b>19,89,80,546</b> | <b>39,91,649</b> | <b>(27,25,197)</b> | <b>19,89,80,545</b> | <b>8,72,26,344</b>  | <b>1,57,28,273</b> | <b>7,40,001</b> | <b>10,22,14,616</b> | <b>9,80,32,382</b>  | <b>11,17,54,201</b> |
| Previous Year                          | 17,32,72,051        | 2,64,35,724      | (7,17,230)         | 19,89,80,545        | 7,29,77,354         | 1,44,11,077        | 1,62,038        | 8,22,26,344         | 11,17,54,201        | 51,36,530           |

**SYSTEMATIX CORPORATE SERVICES LTD.**  
**CONSOLIDATED SCHEDULES FORMING PART OF ACCOUNTS AS AT 31.03.2012**

|   | (Amount in Rs.)                     |                                     |
|---|-------------------------------------|-------------------------------------|
|   | Consolidated<br>As at<br>31.03.2012 | Consolidated<br>As at<br>31.03.2011 |
| <b>14) Long Term Loans and Advances</b>   |                                     |                                     |
| Unsecured Considered Good   | 2,43,53,769                         | -                                   |
| Others  | -                                   | -                                   |
| <b>Total</b>  | <b>2,43,53,769</b>                  | <b>-</b>                            |
| <b>15) Inventories</b>  |                                     |                                     |
| Stock in Trade  | 3,85,77,606                         | -                                   |
| <b>Total</b>  | <b>3,85,77,606</b>                  | <b>-</b>                            |
| <b>16) Trade Receivables</b>  |                                     |                                     |
| Unsecured-Considered Good   | 3,57,36,575                         | 1,17,53,784                         |
| Exceeding Six Months  | 38,14,14,773                        | 24,69,52,505                        |
| Other Debts   | 41,71,51,348                        | 25,87,06,289                        |
| Unsecured-Considered Doubtful   | 26,22,125                           | 31,55,388                           |
| Exceeding Six Months  | (26,22,125)                         | (31,55,388)                         |
| Less: Provision for Doubtful Debts  | -                                   | -                                   |
| <b>Total</b>  | <b>41,71,51,348</b>                 | <b>25,87,06,289</b>                 |
| <b>17) Cash &amp; Bank Balances</b>   |                                     |                                     |
| Cash & Cash Equivalents   | 10,73,578                           | 11,48,781                           |
| Cash on hand  | -                                   | -                                   |
| Balance with Banks  | -                                   | -                                   |
| Balance with Scheduled Banks  | 10,10,84,317                        | 11,63,68,039                        |
| - in Current Accounts   | 21,29,37,500                        | 29,74,69,184                        |
| - in Deposit Accounts   | 31,50,95,395                        | 41,49,86,004                        |
| <b>Total</b>  | <b>31,50,95,395</b>                 | <b>41,49,86,004</b>                 |
| * Fixed Deposit with Banks Includes   | 195187500                           | -                                   |
| Lien towards Bank Guarantee   | 11000000                            | -                                   |
| Lien towards Secured Loan   | -                                   | -                                   |
| Margin Deposit towards Overdraft Facility   | 6750000                             | -                                   |
| Lien towards Additional Base Capital  | -                                   | -                                   |
| # Fixed Deposit with Banks Includes   | 10000000                            | -                                   |
| Deposits with maturity more than 12 months  | -                                   | -                                   |
| <b>18) Short Term Loans and Advances</b>  |                                     |                                     |
| <b>SECURED CONSIDERED GOOD</b>  |                                     |                                     |
| <b>STANDARD ASSETS</b>  |                                     |                                     |
| Loans Against Shares  | 91,65,06,532                        | 1,32,85,00,267                      |
| <b>SUB-STANDARD ASSETS</b>  |                                     |                                     |
| Non-Performing Assets   | 0                                   | -                                   |
| Less:   | -                                   | -                                   |
| Provision for NPA   | 0                                   | 1,197                               |
| <b>UNSECURED CONSIDERED GOOD</b>  |                                     |                                     |
| <b>STANDARD ASSETS</b>  |                                     |                                     |
| Loan Against Shares   | 35,08,95,903                        | 6,07,90,941                         |
| Deposits  | 5,48,19,916                         | 7,55,40,465                         |
| Advance Income Tax (Net of Provisions)  | 2,53,32,048                         | 2,96,54,630                         |
| Inter Corporate Loans   | -                                   | -                                   |
| Mat Credit Entitlement  | 18,22,637                           | 16,48,117                           |
| Others  | 1,59,43,268                         | 2,48,99,768                         |
| <b>Total</b>  | <b>1,36,53,20,304</b>               | <b>1,52,10,35,385</b>               |
| <b>19) Other Current Assets</b>   |                                     |                                     |
| Service Tax Credit Receivable   | 4,82,614                            | -                                   |
| <b>Total</b>  | <b>4,82,614</b>                     | <b>-</b>                            |
| <b>20) Contingent Liabilities</b>   |                                     |                                     |
| Contingent Liabilities on account of Guarantees given to banks on behalf of Group Companies | 88,50,00,000                        | 87,50,00,000                        |
| <b>Total</b>  | <b>88,50,00,000</b>                 | <b>87,50,00,000</b>                 |

**SYSTEMATIX CORPORATE SERVICES LTD.**

| Particulars                                  | (Amount in Rs.)                              |  |
|--|--|--|
|  | Consolidated<br>For Year Ended<br>31.03.2012 | Consolidated<br>For Year Ended<br>31.03.2011 |
| <b>21) Revenue from Operations</b>           |  |  |
| Financial Advisory Services                  | 3,55,88,273                                  | 2,86,77,269                                  |
| Income from IPO & Bonds Referral             | 67,140                                       | -  |
| Brokerage & Services                         | 20,86,09,983                                 | 68,67,945                                    |
| Interest Received                            | 22,69,35,165                                 | 27,22,43,436                                 |
| Professional Fees                            | 2,50,000                                     | 80,00,000                                    |
| Other Operating Income                       | 59,62,572                                    | -  |
| Registration Charges                         | -  | 5,500  |
| <b>Total</b>                                 | <b>47,74,13,133</b>                          | <b>31,57,94,150</b>                          |
| <b>22) Other Income</b>                      |  |  |
| Interest                                     | 2,31,97,153                                  | 14,61,643                                    |
| Dividend                                     | 45,604                                       | 61,003                                       |
| Referral Fee                                 | -  | 36,28,491                                    |
| Registration Charges                         | 3,69,795                                     | -  |
| Profit/Brokerage on sale of bonds            | -  | 1,52,169                                     |
| Net Foreign Exchange Income                  | 12,126                                       | -  |
| AMC charges recovered                        | 4,28,836                                     | 3,887  |
| Misc Income                                  | 1,29,32,995                                  | 7,49,786                                     |
| Others Non Operating Income                  | 1,54,479                                     | 4,04,710                                     |
| <b>Total</b>                                 | <b>3,71,40,988</b>                           | <b>64,61,689</b>                             |
| <b>23) Employee Benefits Expenses</b>        |  |  |
| Salaries, Bonus & Allowances                 | 14,09,90,462                                 | 3,61,63,101                                  |
| Contribution to Provident Fund & Other Funds | 6,40,142                                     | 15,321                                       |
| Staff Welfare                                | 13,18,725                                    | 52,891                                       |
| <b>Total</b>                                 | <b>14,29,49,329</b>                          | <b>3,62,31,313</b>                           |
| <b>24) Finance Cost</b>                      |  |  |
| Interest on Borrowings                       | 16,38,46,920                                 | 16,56,83,825                                 |
| Other Borrowing Cost                         | 79,40,702                                    | 46,21,068                                    |
| <b>Total</b>                                 | <b>17,17,87,622</b>                          | <b>17,03,04,893</b>                          |
| <b>25) Other Expenses</b>                    |  |  |
| Rent   | 4,10,70,542                                  | 1,78,82,798                                  |
| Rates & Taxes                                | 10,89,521                                    | 4,60,581                                     |
| Remissier Charges                            | 3,61,78,634                                  | 16,60,785                                    |
| Electricity Charges                          | 72,00,132                                    | 38,86,737                                    |
| Travelling & Conveyance                      | 72,65,987                                    | 31,23,277                                    |
| <b>Repairs &amp; Maintenance</b>             |  |  |
| Others                                       | 60,94,527                                    | 4,43,558                                     |
| Building                                     | 3,64,449                                     | -  |
| Auditors Remuneration*                       | 3,80,926                                     | 1,02,453                                     |
| Insurance Charges                            | 10,26,895                                    | 73,227                                       |
| Membership & Subscription                    | 1,03,42,091                                  | 67,156                                       |
| Communication                                | 65,62,092                                    | -  |
| Connectivity Expenses                        | 67,04,798                                    | 2,34,356                                     |
| Transaction Charges                          | 1,09,08,479                                  | 3,08,129                                     |
| Other Expenses                               | 2,81,96,192                                  | 1,52,92,829                                  |
| <b>Total</b>                                 | <b>16,33,85,265</b>                          | <b>4,35,35,886</b>                           |
| <b>*Additional Information</b>               |  |  |
| i) Statutory Audit                           | 246124                                       | 102453                                       |
| ii) Tax Audit                                | 70000  | 0  |
| iii) Other Expenses                          | 64802  | 0  |
| <b>Total</b>                                 | <b>380926</b>                                | <b>102453</b>                                |



26) 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.

d) The Consolidated Profit & Loss account includes Operations of Systematix Fincorp India Limited, Systematix Finvest Private Limited and Systematix Shares and Stocks (I) Limited, the wholly owned subsidiary of the company and M/s Systematix Commodities Services Pvt Ltd wholly owned subsidiary of Systematix Shares and Stocks (I) limited.

e) Since Systematix Finvest Private Limited become 100% subsidiary from 24.12.2010 and Systematix Shares and Stocks (I) Limited become subsidiary from 24.03.2011 the wholly owned subsidiary of the company and M/s Systematix Commodities Services Pvt Ltd become subsidiary from 24.03.2011 wholly owned subsidiary of Systematix Shares and Stocks (I) limited Consolidated Cash flow statement of the Systematix corporate group is not prepared.

27) 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.

28) 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.

29) Non Performing Assets (NPAs) and provisions:

| Particulars                                 | 2011-12 | 2010-11 |
|---|---------|---------|
| <b>Movement for provisions of NPA</b>       |         |         |
| a) Opening balance                          | 34.73   | 43.76   |
| b) Provisions made during the year          | 0.59    | 34.73   |
| c) Write-off/Write back of Excess Provision | (3.64)  | 43.76   |
| d) closing balance                          | 31.68   | 34.73   |



30) Basic & Diluted Earnings per share:

| Particulars  | 2011-12                                     | 2010-11                                     |
|--|---|---|
| Net Profit/(Loss) attributable to equity share holders       | 1 37 05 175                                 | 5 00 79 117                                 |
| Weighted Average of Equity shares                            | 1 31 22 558<br>(face value of Rs.10/- each) | 1 26 88 526<br>(face value of Rs.10/- each) |
| Basic Earnings Per Share                                     | 1.04  | 3.95  |
| Net Profit/(Loss) attributable to equity share holders       | 1 37 05 175                                 | 5 00 79 117                                 |
| Add: Interest on debenture                                   | 45 55 005                                   | 99 836                                      |
| Adjusted Net profit for Diluted EPS                          | 1 82 60 180                                 | 5 01 78 953                                 |
| Weighted Number of equity shares outstanding for Diluted EPS | 1 34 26 225<br>(face value of Rs.10/- each) | 1 26 95 182<br>(face value of Rs.10/- each) |
| Diluted Earnings Per share                                   | 1.38  | 3.95  |

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

31. Related Party Transactions:

I) Names of Transacting Related Parties

A) Wholly Owned Subsidiaries

- Systematix Fincorp India Limited
- Systematix Finvest Private Limited

B) Subsidiary Company

- Systematix Shares & Stocks (I) Limited
- Systematix Commodities Services Private Limited
- Systematix Commodities Trading Pvt Limited

C) Associate and Group Companies

- Systematix Capital Services Private Limited
- Ceepeek Real Estate Limited
- Rangsharda Properties Private Limited
- Shubham Mangalam Real Estate Pvt Limited
- Snehavardhini Properties Pvt Limited
- Tek Point Properties Private Limited
- Funsign Real Estate Pvt Limited
- Superstar Exports Private Limited.
- Topcity Trading Company Private Limited
- Riteplaza Trading Company Private Limited
- Magcline Trading Company Private Limited
- Goldflag Exports Private Limited
- Goldlife Trading Company Private Limited
- Thirdwave Merchantile Company Private Limited



- SQL Star International Limited
- Shiv Shakli Real Estate Pvt Limited
- Systematix Assets Management Company Pvt. Limited
- Nikunj Mercantile Private Limited
- Siena Infotainment Pvt limited
- Southern Wind farm Limited

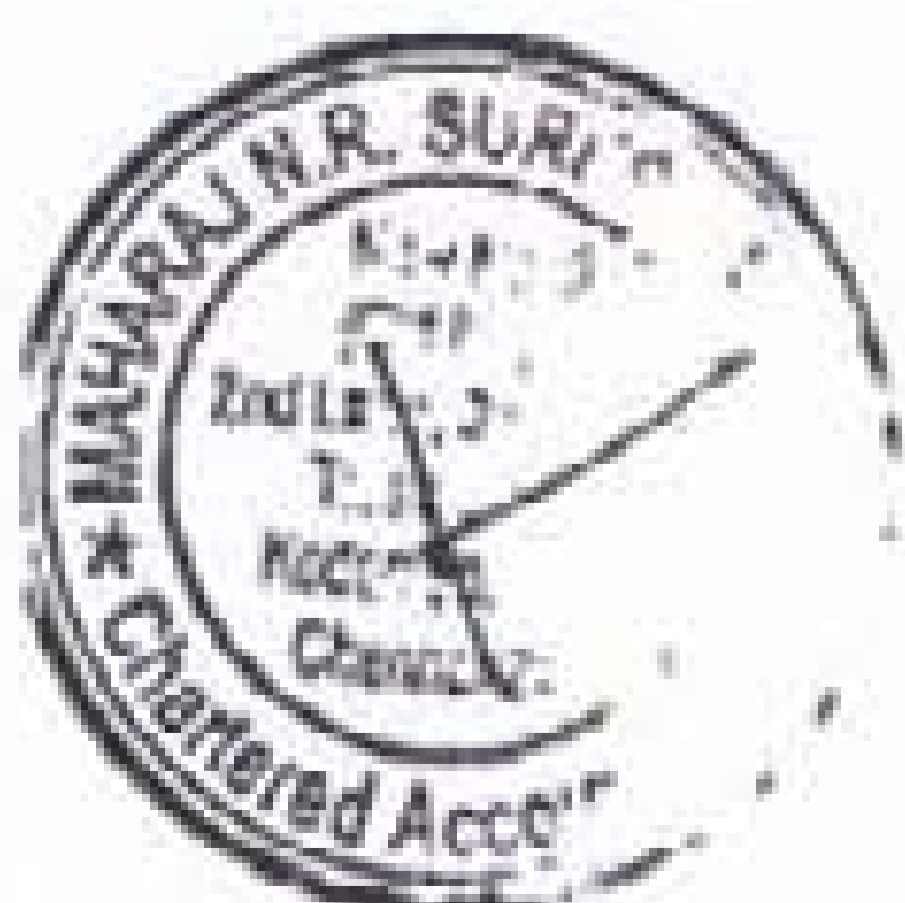
Entities where Control Exists  
- Mahesh C Solanki & Co

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 Pvt Limited            | Loan repaid   | 123.00  | (Cr) 1952.99<br>Liability<br>Investment in<br>42 68 806<br>Equity shares<br>32.89% |
|  | Loan availed  | 59.00   |  |
|  | OFCD Interest   | 9.75    | (Cr) 8.77  |
| Systematix Capital Services Pvt Limited  | Loan availed  | 204.41  |  |
|  | Loan Repaid   | 204.41  |  |
| Systematix Shares and stocks (I) Limited | Reimbursement of expenses                             | 0.38    | Asset Investment in:<br>41 58 700<br>Equity shares                                 |
| Systematix Shares and Stocks (I) Limited | Guarantee for BG                                      | 8850.00 |  |
| Mr. C. P. Khandelwal                     | Remuneration  | 9.00    | 0.00   |
|  | OFCD interest   | 10.28   | (Cr) 9.25  |
| Mr. Ramesh Raizada                       | Remuneration  | 9.00    | 0.00   |
| Mrs Anju Khandelwal                      | OFCD Interest   | 4.18    | (Cr) 3.77  |
| Mrs Geeta Devi kahndelwal                | OFCD Interest   | 21.33   | (Cr) 19.20   |



32) Employee Benefits:

The Company has adopted AS 15-Employee Benefits during the year.

(Amount in Rs.)

| General Description  | As on<br>31.03.2012<br>Rs. | As on<br>31.03.2011<br>Rs. |
|--|----------------------------|----------------------------|
| <b>i) Changes in the Present Value Of the Obligation (PVO)-</b>        |                            |                            |
| Reconciliation of Opening and Closing Balances:                        |                            |                            |
| PVO as at the beginning of the Period                                  | 10903708                   | 64 00 131                  |
| Interest cost  | 850489                     | 4 99 210                   |
| Current service cost   | 3961696                    | 30 70 118                  |
| Past Service Cost-(Vested Benefits)                                    | 0                          | 17 63 979                  |
| Actuarial Loss/(Gain) on obligation                                    | (3188853)                  | (8 29 730)                 |
| PVO as at the end of the period  | 12527040                   | 1 09 03 708                |
| <b>ii) Amount recognized in the Balance Sheet and Related Analysis</b> |                            |                            |
| Present value of obligation  | 12527040                   | 1 09 03 708                |
| Fair value of Plan assets  | 0                          | 0                          |
| Difference Liability Recognized in the Balance Sheet                   | 12527040                   | 1 09 03 708                |
| <b>iii) Expenses Recognized in the Profit &amp; Loss account:</b>      |                            |                            |
| Current service Cost   | 3961786                    | 30 70 118                  |
| Interest Cost  | 850489                     | 4 99 210                   |
| Past Service Cost-(Vested Benefits)                                    | 0                          | 17 63 979                  |
| Net actuarial (gain)/loss recognized in the year                       | (3188853)                  | (8 29 730)                 |
| Expenses recognized in the statement of Profit & Loss                  | 1623332                    | 45 03 577                  |
| <b>iv) Principal Actuarial Assumption</b>                              |                            |                            |
| Discount Rate  | 8.50%                      | 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%                      |





33) SEGMENT INFORMATION

| PARTICULARS  | YEAR ENDED      | YEAR ENDED      |
|--|-----------------|-----------------|
|  | 31.03.2012      | 31.03.2011      |
|  | Rs In Lakhs     | Rs In Lakhs     |
| <b>1. Segment revenue</b>  | 357.66          | 290.95          |
| a) Merchant Banking & Related Activities                                   | 2,276.48        | 2,855.57        |
| b) Financing and other Activities  | 2,511.40        | 76.04           |
| c) Equity, Commodity, Currency and Other Transactional Services            |                 |                 |
| <b>Total</b>   | <b>5,145.54</b> | <b>3,222.56</b> |
| Less:  | 0.00            | 0.00            |
| Inter Segment Revenue  |                 |                 |
| <b>Net income from Operations</b>  | <b>5,145.54</b> | <b>3,222.56</b> |
| <b>2. Segment Results Profit before tax and Interest from each segment</b> | 84.22           | 92.56           |
| a) Merchant Banking & Related Activities                                   | 1,614.41        | 2,330.96        |
| b) Financing and other Activities  | 226.28          | (10.95)         |
| c) Equity, Commodity, Currency and Other Transactional Services            |                 |                 |
| <b>Total</b>   | <b>1,924.91</b> | <b>2,412.57</b> |
| Less:  | 1,717.88        | 1,703.05        |
| a) Interest  | 207.04          | 709.52          |
| <b>Total Profit before Tax &amp; Extra Ordinary Items</b>                  |                 |                 |
| <b>3. Capital Employed (Segment Assets-Segment Liabilities)</b>            | (570.99)        | (1798.07)       |
| a) Merchant Banking & Related Activities                                   | 3,113.14        | 3064.18         |
| b) Financing and other Activities  | 3,992.82        | 4,189.52        |
| c) Equity, Commodity, Currency and Other Transactional Services            |                 |                 |
| <b>Total</b>   | <b>6,534.97</b> | <b>5,455.66</b> |

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.



34. Expenditure in foreign Currency

| Particulars  | 31.03.2012 | 31.03.2011 |
|--------------|------------|------------|
| Subscription | 2 68 725   | 0          |

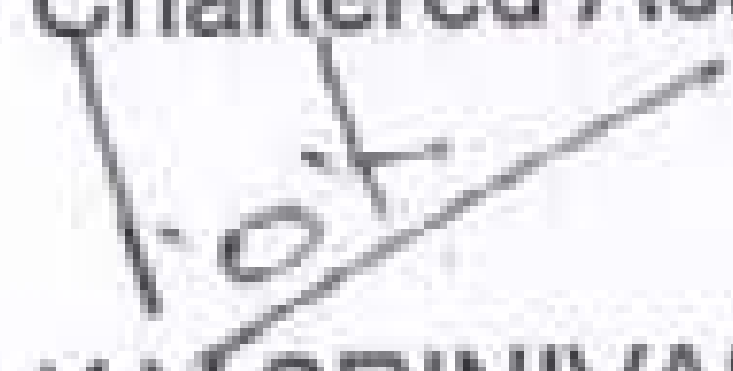
35. Earnings in foreign Currency

| Particulars           | 31.03.2012 | 31.03.2011 |
|-----------------------|------------|------------|
| Service Fees Received | 3 62 340   | 0          |
| Research Commission   | 1 03 511   | 0          |

36. The Financial statements for the year ended March 31,2011 were prepared as per the then applicable, pre revised schedule VI to the Companies Act,1956.The Financial statements for the year ended March31,2012 have been prepared as per Revised schedule VI .Accordingly, the previous year figures have been reclassified to confirm to current years classifications.

Vide our report of date attached

For MAHARAJ N. R. Suresh & Co  
FRN NO: 001931S  
Chartered Accountants

  
K V SRINIVASAN  
Partner  
M.NO 204368

For & on behalf of Board of Directors

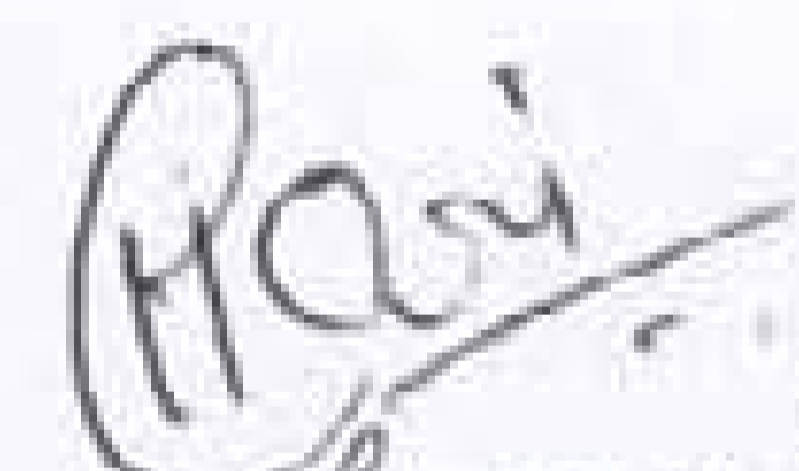


C P Khandelwal  
Chairman



Ramesh Raizada  
Managing Director

Place: Mumbai  
Date: 23-07-2012

  
VRNHS Masad Scinka  
Company Secretary



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Statement pursuant to section 212 of the Companies Act, 1956, relating to Company's interest in Subsidiary Companies.

| Name of Subsidiary Company  | Systematix Shares & Stocks (I) Limited | Systematix FinCorp India Limited      | Systematix Private Limited            | Systematix Commodities Services Private Limited  | Systematix Commodities Trading Private Limited                                      |
|---|--|---------------------------------------|---------------------------------------|--|---|
| 1. The financial year of the subsidiary companies ended on  | 31 <sup>st</sup> March, 2012           | 31 <sup>st</sup> March, 2012          | 31 <sup>st</sup> March, 2012          | 31 <sup>st</sup> March, 2012   | 31 <sup>st</sup> March, 2012  |
| 2. a. Number of shares held by Systematix Corporate Services limited with its nominees in the subsidiaries at the end of the financial year of the subsidiary companies | 4158700 equity shares of Rs. 10 each.  | 1674845 equity shares of Rs. 10 each. | 187820 equity shares of Rs. 100 each. | 15800 equity shares of Rs. 10 each held by Systematix Shares & Stocks (I) Limited (SSSIL). | 9800 equity shares of Rs. 10 each held by Systematix Commodities Services Pvt. Ltd. |
| b. Extent of interest of holding company at the end of the financial year of the subsidiary company   | 99.88%                                 | 99.94%                                | 100%                                  | 98.75% (held by SSSIL)   | 98 % ( held by Systematix Commodities Services Pvt. Ltd.)                           |
| 3. The net aggregate amount of the subsidiary companies profit / (loss) so far as it concerns the members of the holding company  |  |                                       |                                       |  |   |
| a. Not dealt with in the holding company's accounts   |  |                                       |                                       |  |   |
| i) For the financial year ended 31st March, 2012  | Rs. 7053745                            | Rs. 3931472                           | Rs. (2105846)                         | Rs. 1521095  | Rs. (1102)  |
| ii) For the previous financial years of the subsidiary companies since they became the holding company's subsidiaries.  | Rs. 11214125                           | Rs. 42178019                          | Rs. 170496                            | Rs. 2883674  | Nil   |
| b. dealt with in holding company's accounts:  |  |                                       |                                       |  |   |
| i) For the financial year ended 31st March, 2012  | Nil                                    | Nil                                   | Nil                                   | Nil  | Nil   |
| ii) For the previous financial years of the subsidiary companies since they   |  |                                       |                                       |  |   |

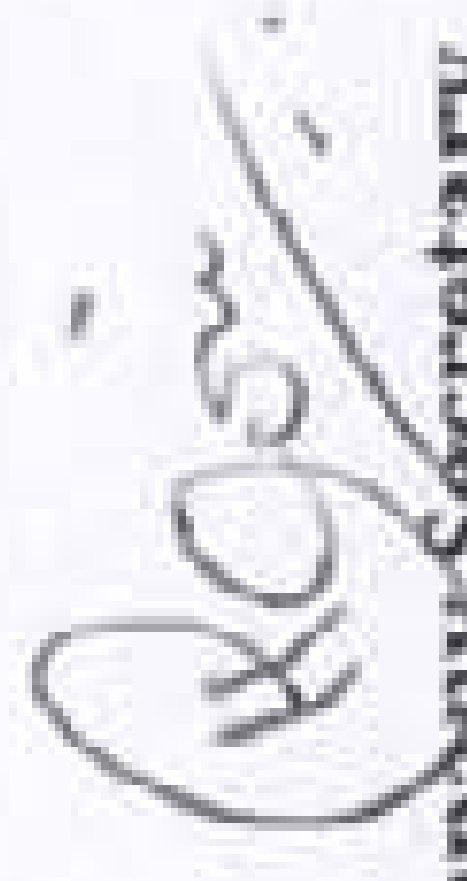
|   |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|
| became the holding company's subsidiaries | Nil | Nil | Nil | Nil | Nil |
|---|-----|-----|-----|-----|-----|

For & on behalf of the board of directors

Date: 30/06/2012  
Place: Mumbai

  
Managing Director  
Chandra Prakash Khandelwal

  
Managing Director  
Ramesh Kumar Raizada

  
Company Secretary  
VRNH S Prasad Sanka

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**Systematix Corporate Services Limited**  
Regd. Office: 206- 207, Bansi Trade Centre, 565/581, M. G. Road, Indore- 452001

**ATTENDANCE SLIP**

Shareholders attending the Meeting in person or by proxy are requested to complete the attendance and hand it over at the entrance of the Meeting hall.

| NAME & ADDRESS OF THE SHAREHOLDER | L.F.NO. |
|-----------------------------------|---------|
|                                   |         |

I hereby record my presence at the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company, held at 206- 207, Bansi Trade Centre, 565/581, M. G. Road, Indore- 452001, on Tuesday, September 25, 2012 at 10.00 a.m. as a shareholder /Proxy.

| If Shareholder, please sign here | If Proxy, please sign here |
|----------------------------------|----------------------------|
|                                  |                            |

**Systematix Corporate Services Limited**  
Regd. Office: 206- 207, Bansi Trade Centre, 565/581, M. G. Road, Indore- 452001

Folio No. \_\_\_\_\_

I/We \_\_\_\_\_  
Of \_\_\_\_\_ name being member of above  
Company, hereby appoint Shri/Smt./ Kum. \_\_\_\_\_ of \_\_\_\_\_  
In the district of \_\_\_\_\_ or failing him/ her Shri/ Smt. /Kum. \_\_\_\_\_  
In the district of \_\_\_\_\_ for me / us on my/  
our behalf at the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company, to  
be held on Tuesday, September 25, 2012 and any adjournment thereof.

Signed this \_\_\_\_\_ Day of \_\_\_\_\_ 2012

Affix a  
1 Rupee  
Revenue  
Stamp

Signature of the Share Holder

Note: This proxy form duly completed must be received at the Company's Registered Office  
at least 48 hours before the meeting.