

# BERYL

## SECURITIES LIMITED

9TH ANNUAL REPORT

2002 - 2008



9th Annual Report

**BERYL SECURITIES LIMITED****NINETH ANNUAL REPORT - 2002 - 2003**

- BOARD OF DIRECTORS** : Shri Sudhir Sethi, Chairman Cum Managing Director  
Shri Sanjay Sethi, Whole-Time Director  
Shri Sunil Jain, Director  
Shri Rajendra Dammani, Director  
Shri Avinash Sharma
- AUDIT COMMITTEE** : Shri Sunil Jain, Chairman  
Shri Rajendra Dammani  
Shri Avinash Sharma
- AUDITORS** : SUBHASH CHAND JAIN ANURAG & ASSOCIATES  
Chartered Accountants  
4, Archana Apartment  
8-B, Ratlam Kothi  
INDORE - 452 001
- REGISTERED OFFICE** : 43-44, Dawa Bazar,  
13-14, R.N.T. Marg,  
Indore - 452 001
- BANKERS** : 1. Oriental Bank of Commerce  
2. Bank of India  
3. Bank of Rajasthan Ltd.  
4. Punjab National Bank
- LISTED STOCK EXCHANGE** : M.P. STOCK EXCHANGE  
201, Palika Plaza, MTH Compound  
Indore
- THE STOCK EXCHANGE  
Phirose Jeejeebhoy Tower,  
Dalal Street, Fort,  
Mumbai - 400 001
- THE STOCK EXCHANGE  
Stock Exchange Buidling,  
JLN Marg, Malviya Nagar,  
Jaipur - 302 017
- SHARE TRANSFER AGENT** : LEO CORPORATE CONSULTANTS (INDORE) PVT. LTD.  
7, Archana Apartment  
8-B, Ratlam Kothi  
Indore - 452 001  
Phone No. : 2519439, 2518937, 2527682, 2521194  
Fax : (0731) 2519116  
E-mail : leogroup@satyam.net.in

**BERYL SECURITIES LIMITED****NOTICE**

Notice is hereby given that the Ninth Annual General Meeting of the Company will be held on Tuesday, the September 30, 2003 at 12.00 P.M. at the Indore Nursery, Hukma Khedi, A.B. Road, Indore - 452 001 (M.P.) to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2003 and Profit & Loss Account for the year ended on that date along with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajendra Dammani, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint M/s Subhash Chand Jain Anurag & Associates, Chartered Accountants, Indore, as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

**SPECIAL BUSINESS:**

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

RESOLVED THAT Mr. Avinash Sharma, who was appointed as an Additional Director of the Company with effect from March 08, 2003, pursuant to section 260 of the Companies Act, 1956 and who holds the office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice from a shareholder proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company.

**Notes :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and to attend and on a poll to vote instead of himself and the proxy need not be a member of the Company. A member unable to attend may appoint a person (whether a member or not) as his proxy in the enclosed form which shall be deposited with the principal office of the Company.

**THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**

2. The register of members and share transfer books of the Company will remain closed from September 22, 2003 to September 30, 2003 (both days inclusive).
3. Members are requested to immediately intimate any change in their addresses to the Registrar and Share Transfer Agent of the Company.
4. Shareholders desiring any information on the Accounts at the Annual General Meeting are requested to intimate the Company at least 7 days in advance so, as to enable the Company to keep the information ready.
5. Shareholders are requested to bring their copy of Annual Report to the meeting along with the attendance slip.
6. The members holding shares in identical order of names in more than one folio, are requested to write to Registrar and Share Transfer Agent of the Company to consolidate their holding in one folio.
7. Members are requested to quote their Folio Number in all their correspondence.
8. The documents referred to in this notice/ Explanatory Statements are open for inspection by the members at the principal office of the Company during the business hours of the Company on any working day upto the last date of the Annual General meeting.

**BERYL SECURITIES LIMITED**

9. Information required to be furnished under the Listing Agreement.

Dated : 2nd August, 2003

**Registered Office :**  
43-44, Dawa Bazar,  
13-14, R.N.T. Marg,  
Indore - 452 001

By Order of the Board of Directors,  
SD/-

( SUDHIR SETHI )  
CHAIRMAN CUM MANAGING DIRECTOR

**EXPLANATORY STATEMENT**

In terms of Section 173(2) of The Companies Act, 1956, the following explanatory statement sets out all the material facts relating to the item no. 4 of the accompanying notice :

**Item no. 4**

Mr. Avinash Sharma, was appointed as an Additional Director of the Company with effect from March 08, 2003 and pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act), he holds the office as Director only upto the date of this Annual General Meeting, but he is eligible to be appointed as a Director. The Company has received the required notice pursuant to the provisions of Section 257 of the Act from a member signifying his intention to propose the appointment of Mr. Avinash Sharma as a Director of the Company. Mr. Avinash Sharma has filed his consent, pursuant to the provisions of Section 264 of the Act to act a Director.

Yours Directors recommend the Resolution no. 4 for the approval of members of the Company.

Mr. Avinash Sharma may be deemed to be concerned or interested in the resolution relating to his appointment.

By order of the Board of Directors

Place : Indore  
Date : 2nd August, 2003

**SUDHIR SETHI**  
CHAIRMAN CUM MANAGING DIRECTOR

**BERYL SECURITIES LIMITED****DIRECTORS' REPORT**

To,  
The Share Holders,  
Beryl Securities Limited

We are pleased to present the Ninth Annual Report to the members, along with the audited Balance Sheet as at 31st March, 2003, the Profit & Loss Account and Cash Flow Statement for the financial year ended on March 31, 2003.

**1. YEAR UNDER REVIEW:**

The year under consideration has been considerable turbulence, both in international and on the domestic economics, due to a combination of economic events and events triggered by other than economic considerations. The Indian economy has consequently been effected due to these events. Further, the interest rate during the year have seen significant reductions. These factors have brought added pressure to bear on the financial sector. Cost efficiency, strict credit and loss monitoring, branding and use of technology are the key elements which differentiate between success and failure.

The financial sector is undergoing several changes. The line of distinction between types of entities i.e. Non-Banking Financial Companies (NBFC), Financial Institutions, Banks etc. is breaking down. There are no longer any segment/ product which is preserve for a specific type of entity. The entry/ expansion of several Multi-national Companies (MNCs) into this sector is also a significant change that has also taken place during the year.

The induction of higher technology platform and more efficient business operating models of private banks, MNCs and foreign banks is raising the levels of customer services and setting new benchmarks in level of competition to attract customers. This competition, coupled with cost of customer acquisition makes it incumbent upon the players to manage the economics of their operation in a superior manner. The sector as a whole is continuously looking for a better cost control and new and more efficient process which reduces costs yet enhance customer services.

**2. FINANCIAL RESULTS AND OPERATION:**

The financial performance of the Company during the financial year have been summarised as follows:

	Year ended 31.3.2003	(Rs, in Thousands) Year ended 31.03.2002
Income form interest	1522.26	1110.95
Other income	375.85	641.17
Total Expenditure excluding depreciation	3473.44	2644.93
Depreciation	169.98	113.32
Profit/ (loss) before Tax	(1745.31)	(1006.13)
Add : Adjustment of Provision for Tax	568.65	300.77
Profit/ (loss) after tax	(1176.66)	(705.36)

**3. OPERATION AND PERFORMANCE :**

It has been one of the most challenging years for the finance sector. The market remained in the narrow range throughout the year. During the year, the growth in whole sale credit has been less than desired and is driving more players in market towards retail focus and the retail consumer now has more options apart from earlier availability of credit and service.

The company is still stand on its earlier policy to enhance marketing initiatives by meeting customers and



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consultants, capability development, up-gradation of management information systems to enhance its operation and margin.

So far as the operational results of the Company is concerned, it may be defined as quite satisfactory. During the year, the interest income of the Company has been increased considerably i.e. Accrued interest of F.D.R is Rs. 2,65,854.00 (P.Y. Rs. 1,89,250.00) and Interest income is Rs. 15,22,259.00 (P.Y. Rs. 11,10,954.00). But due to absence of circumstantial profit like profit on sale of surrender of property and unreasonable increase in the administrative expenses, the profit of the year has been effected adversely.

The market continues to remain sluggish especially with the socio-political developments towards the end of last financial year, which has continued during the year. The uncertainty has effected market sentiments. However, there are signs of economic recovery and subject to political stability being ensured, the recovery in the equity and other market is also expected. This forecast has been borne out of positive primary equity market in the first quarter of the year.

**4. DIVIDEND :**

In order to conserve the financial resources of the Company, Your Directors regret for their inability to recommend any dividend for the financial year 2002-03.

**5. PUBLIC DEPOSITS :**

The Company has neither invited nor accepted any deposit from the public with in the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975 during the year.

**6. ACCOUNTING STANDARD :**

As per the Accounting Standard No. 22 i.e. "Accounting for Taxes on Income" introduced by the Institute of Chartered Accountant of India, Rs. 8,60,116.00 has been recognised as income in the current year under the head deferred tax assets. As a consequences, the profit of the year and year end reserve has moved upward to this extent.

**7. RBI REGISTRATION :**

The registration granted by Reserve Bank of India as Non-Banking Financial Company is also continues during the year under review.

Further, pursuant to Non-Banking Financial Companies Auditor's Report (Reserve Bank of India) Directions, 1998, a report from the statutory auditor of the Company has been received by the Board of Directors of the Company. This report shows that the Company has complied with all the directions and prudential norms as prescribed under Reserve bank of India Act, 1934.

**8. MANAGEMENT :**

Mr. Rajendra Dammani, Director of the Company, retires by rotation at the date of ensuing Annual General Meeting and being eligible offers himself for the re-appointment. A motion for the re-appointment of Mr. Rajendra Dammani, as Director of the Company will be placed before the Board in the ensuing AGM.

During the year, Mr. Avinash Sharma had been appointed as an additional Director of the Company with effect from March 08, 2003. He holds the office upto the date of ensuing Annual General Meeting of the Company and eligible to be appointed as Director of the Company. Company has received a notice from a shareholder under Section 257 of the Companies Act, 1956 proposing Mr. Avinash Sharma as Director of the Company.

**9. DIRECTOR'S RESPONSIBILITY STATEMENT :**

Pursuant to the provision of Section 217 (2AA) of the Companies Act, 1956 as amended with respect to Director's responsibility statement and subject to wheresoever otherwise contained in the Audit Report, Your Directors hereby confirm.

1. That in the preparation of the annual accounts for the financial period ended on 31st March, 2003 the applicable accounting standards had been followed, along with proper explanation relating to material

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departures;

2. That the Director have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial period ended and of the profit or loss of the Company for the period under review;
3. 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;
4. That the Directors have prepared the annual accounts on a going concern basis.

**10. AUDITORS :**

M/s. Subhash Chand Jain Anurag & Associates, Chartered Accountants and Statutory Auditors of the Company, have audited the Accounts of the Company for the year 2002-03 as per the accounting standards followed in India. Their Report and Notes to the accounts are self-explanatory and, therefore, do not call for any further comments.

M/s. Subhash Chand Jain Anurag & Associates, auditors of the Company would be retiring at the conclusion of the forthcoming Annual General Meeting (AGM) of the Company. They have expressed their willingness to continue as the Statutory auditors, if re-appointed at the AGM, and hold office until the conclusion of the next AGM.

The Company has received a certificate from the statutory Auditors to the effect that their appointment, if made, would be within the limits under Section 224(1B) of the Companies Act, 1956.

The members are requested to confirm their re-appointment, at a remuneration to be decided by the Board of Directors of the Company for the financial year 2003-04.

**11. PARTICULARS OF EMPLOYEES :**

The information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company as the Company does not have any employee receiving Remuneration exceeding Rs. 24,00,000.00 per annum or Rs. 2,00,000.00 per month or part thereof.

**12. DISCLOSURE OF CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO :**

Since, Company is not a manufacturing Company, therefore the particulars with respect to conservation of energy & technology absorption as required under Companies (disclosure of particulars in the report of the Director) Rules, 1988 are not required. There was no foreign exchange earning & outgo during the year.

**13. CORPORATE GOVERNANCE:**

Your Company has complied with all the mandatory requirement of Corporate Governance pursuant to clause 49 of the Listing agreement entered with the Stock Exchanges. A report on the Corporate Governance along with the Auditor's certificate concerning compliance is also attached to the report.

**14. DEMATERIALISATION OF SHARES**

In current year your Company has not dematerialized the share due to continue the option of trade of equity shares on trade to trade basis.

**15. LISTING AT STOCK EXCHANGES :**

The Equity Shares of the Company is listed at Indore and Mumbai Stock Exchanges. The Company has paid the Annual Listing fee to said Stock Exchanges for the year 2003-2004. Your Company has not deposited any fee to Jaipur Stock Exchange due to prior decision taken in earlier AGM in connection with de-listing of share with Jaipur Stock Exchange.

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**16. ACKNOWLEDGMENT**

your Company is grateful for the continued Company-operation and assistance extended to it by the Government and Semi-Government Authorities, Banks and other Statutory Bodies. Your Director also express their warm appreciation for the dedicated and sincere services rendered by the employees of the Company

On and on behalf of the Board

sd/-

Sudhir Sethi  
Chairman

Place : Indore  
Dated : August 02, 2003

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**BERYL SECURITIES LIMITED****CORPORATE GOVERNANCE DISCLOSURE :**

The Securities and Exchange Board of India (SEBI) has introduced a comprehensive code on Corporate Governance and it is to be implemented on or before March 31, 2003 by the Company in term of clause 49 of the listing agreement. The company has accordingly implemented the code.

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's Philosophy on Code of Governance envisages the attainment of the highest level of transparency, accountability and equity, in all facets of its operations, and all its inter actions with the shareholders including the employee, the Government and lenders.

The Company is committed to achieving the highest international standards of Corporate Governance.

Company believes that all operations and actions must serve the underlying goals of enhancing overall shareholder value over a sustained period of time.

**2. BOARD OF DIRECTORS**

The Board of Directors of the Company is comprised of :

- Two Executive Director.
- Three non-executive Directors.

Attendance of each Directors at the Board meetings, last Annual General Meeting and number of other Directorship and Chairmanship/ membership of Committee of each director in various Companies.

Name of Director	Category	Attendance Particulars		No. of other Directorships and Committee membership / chairmanship		
		Meeting	Last A.G.M	Other Directorship	Committee Membership	Committee Chairmanship
Mr. Sudhir Sethi	CMD	Seven	Yes	One	Nil	Nil
Mr. Sanjay Sethi	WTD	Seven	Yes	One	Nil	Nil
Mr. Rajendra Dammani	NED	Seven	Yes	One	Four	Nil
Mr. Sunil Jain	NED	Seven	Yes	One	Four	Four
Mr. Avinash Sharma	NED	One	No	Nil	Two	Nil

CMD : Chairman cum Managing Director

WTD : Whole time Director

NED : Non Executive Director

**Number of Board of Directors Meeting held and the dates on which held**

During the year the Company has held Seven Board Meetings as against the minimum requirement of four meetings. The meeting were held on April 09, 2002 , April 30, 2002, June 29, 2002, July 30, 2002, October 19, 2002, January 25, 2003, & March 08, 2003 and the maximum time gap between any two meetings was not exceeding four calendar months.

**3. AUDIT COMMITTEE**

Earlier the audit Committee had been constituted as per the requirement of the Section 292A of the Companies Act, 1956. But as per the clause 49 of the Listing Agreement, the Company is required to comply the rules of Corporate governance on or before March 31, 2003. Therefore, in order to comply the said clause, Board has appointed Mr. Avinash Sharma as Director and member of the Committee, while Mr. Sudhir Sethi, Chairman cum Managing Director of the Company has resigned from the membership of Audit committee. Now, the Audit Committee, comprising three non-executive independent Directors viz. Mr. Rajendra Dammani, Mr. Sunil Jain and Mr. Avinash Sharma. The constitution of audit committee also meets with the requirements under section 292A of the Companies Act, 1956.

The terms of reference stipulated by the Board to the Audit Committee are, as contained under clause 49 of the listing agreement, as follows

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information.

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- b) Recommending the appointment and removal of external auditors fixation of audit fee and also approval of payment for any other services.
- c) Reviewing with management the annual financial statements before submission to the Board, focussing primarily on (i) any change in accounting policies and practices. (ii) major accounting entries based on exercise of judgement by management. (iii) qualification in draft audit report. (iv) significant adjustment arising out of Audit. (v) the going concern assumption. (vi) Compliance with accounting standard. (vii) Compliance with Stock Exchange and legal requirements concerning financial statements and, (viii) any related party transactions i.e. transaction of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large.
- d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e) Reviewing the adequacy of internal audit functions.
- f) Discussion with internal auditors any significant finding and follow-up thereon.
- g) Reviewing the finding of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity over a failure of internal control systems of a material nature and reporting the matter to the Board.
- h) Discussion with external auditors before the audit commences nature and scope of the audit as well as have post audit discussion to ascertain any area of concern.
- i) Reviewing the Company's financial and risk management policies.
- j) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

During the year, the committee has met three times. All the committee members were present at all the meetings.

#### 4. REMUNERATION COMMITTEE :

The Board of Directors of the Company has constituted a Remuneration Committee comprising of three independent non-executive Directors Mr. Sunil Jain, Chairman, Mr. Rajendra Dammani and Mr. Avinash Sharma.

The Remuneration Committee has been constituted to recommend/ review the remuneration package of the Managing/ Whole-time Director based on performance and defined criteria.

The remuneration policy is directed toward rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing Industrial Practices.

#### 5. SHARE TRANSFER COMMITTEE/ SHAREHOLDERS GRIEVANCE COMMITTEE :

The Share Transfer Committee constituted by the Board, considers and approve all shares related to issues, transfer/ transmission of shares, issue of duplicate shares. During the financial year 2002-03, the committee met 6 times and transacted business concerning share related issues. The transfer meeting are attended to on monthly basis by the nominated Registrar and Share Transfer Agent. The company has entered into comprehensive agreement with the Registrar and Share Transfer Agent to attend the transfer and specially look into the redressal of shareholders and investors complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of dividend and attend of priority investors complaints received from SEBI, Department of Company Affairs and Stock Exchanges where the securities of the Company are listed.

#### 6. GENERAL BODY MEETINGS

The last three Annual General Meeting of the company were held as under :

Year	Date	Time	Location
2001-2002	September 23, 2002	12.00 A.M.	Indore Nursery, Hukma Khedi, A.B Raod Indore
2000-2001	September 29, 2001	11.00 A.M.	Indore Nursery, Hukma Khedi, A.B Raod, Indore
1999-2000	September 30, 2000	11.30 A.M.	Indore Nursery, Hukma Khedi, A.B Raod, Indore

Note: