

# **BERYL**

## **Securities Limited**

**10th ANNUAL REPORT  
2003-2004**

Report  Junction.com

**TENTH ANNUAL REPORT - 2003 - 2004**

- 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.
- LISTED STOCK EXCHANGE** : **M.P. STOCK EXCHANGE**  
201, Palika Plaza, MTH Compound,  
Indore
- THE STOCK EXCHANGE, MUMBAI**  
Phiroze Jeejeebhoy Tower,  
Dalal Street, Fort,  
Mumbai - 400 001
- THE STOCK EXCHANGE, JAIPUR**  
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

### NOTICE

Notice is hereby given that the **Tenth** Annual General Meeting of the Company will be held on Saturday, the September 25, 2004 at 1.00 P.M. at the Kanchan Palace, Community Hall, Nipania, Ring 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, 2004 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. Sunil Jain, 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. Variation in the term of remuneration of Mr. Sudhir Sethi, Managing Director of the Company.

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

**Resolved** that in accordance with the provisions of Section 269, 309, 310 and other applicable provisions of the Companies Act, 1956 if any, read with provisions of Schedule XIII of the Companies Act, 1956, in partial modification of resolution passed at the Extra-Ordinary General Meeting of the Company held on 01.02.2000 for re-appointment of Shri Sudhir Sethi at the office of managing Director of the Company for the period of 5 years with effect from 02.01.2000, the Company hereby accord its consent for:

- (i) further increase in salary from Rs. 11000/- per month to Rs. 15000/- per month.
- (ii) Payment of commission upto 1% of net profit computed in accordance with the provisions of section 349 & 350 of the Companies Act, 1956.
- (iii) Payment of premiums of medi-claim taken either for himself or his spouse or his dependant children subject to maximum upto 2 month's salary, with effect from October 01, 2004.

##### 5. Variation in the term of remuneration of Mr. Sanjay Sethi, Whole-time Director of the Company.

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

**Resolved** that in accordance with the provisions of Section 269, 309, 310 and other applicable provisions of the Companies Act, 1956 if any, read with provisions of Schedule XIII of the Companies Act, 1956, in partial modification of resolution passed at the Extra-Ordinary General Meeting of the Company held on 01.02.2000 for re-appointment of Shri Sanjay Sethi at the office of whole-time Director of the Company for the period of 5 years with effect from 02.01.2000, the Company hereby accord its consent for:

- (i) further increase in salary from Rs. 11000/- per month to Rs. 15000/- per month.
- (ii) Payment of commission upto 1% of net profit computed in accordance with the provisions of section 349 & 350 of the Companies Act, 1956.
- (iii) Payment of premiums of medi-claim taken either for himself or his spouse or his dependant children subject to maximum upto 2 month's salary, with effect from October 01, 2004.

#### Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and to attend 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.**

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2. The register of members and share transfer books of the Company will remain closed from September 16, 2004 to September 25, 2004 (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.
9. Information required to be furnished under the Listing Agreement.

By Order of the Board of Directors,  
SD/-

Place : Indore  
Dated : 7th August, 2004

( 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 & 5 of the accompanying notice:

**Item no. 4 & 5**

The members of the Company in their Extra-ordinary General Meeting held on January 01, 2000, approved the re-appointment of Mr. Sudhir Sethi as Managing Director and the re-appointment of Mr. Sanjay Sethi as Whole-time Director of the Company, on the salary of Rs. 11000/- (Rupees Eleven Thousands only) per month for the period of five years with effect from January 02, 2000 as specified in the notice of the said Annual General Meeting. The Board of Directors of the Company in their meeting held on August 07, 2004, subject to the approval of members of the Company in ensuing Annual General Meeting, approved the following variation in the terms and conditions of Mr. Sudhir Sethi, Managing Director and Mr. Sanjay Sethi, Whole-time Director, of the Company for the remaining period of their tenure.

- i. Increase in the remuneration payable from Rs. 11000/- per month to Rs. 15000/- per month.
- ii. Payment of commission upto 1% of net profit computed in accordance with the provisions of section 349 & 350 of the Companies Act, 1956.
- iii. Payment of premiums of medi-claims taken either for himself or his spouse or his dependant children subject to maximum upto 2 month's salary.
- iv. All other terms and conditions of their appointment will remain unchanged.

The resolution for the variation in the terms and conditions of Mr. Sudhir Sethi, Managing Director and Mr. Sanjay Sethi, Whole-time Director, both being brother, are recommended for acceptance by the shareholder in the ensuing Annual General Meeting.

None of the Directors other than Mr. Sanjay Sethi and Mr. Sudhir Sethi are concerned or interested in the resolution.

Place : Indore  
Date : 7th August, 2004

By order of the Board of Directors  
SUDHIR SETHI  
CHAIRMAN CUM MANAGING DIRECTOR

**DIRECTORS' REPORT**

To,  
The Share Holders,  
Beryl Securities Limited

We are pleased to present the Tenth Annual Report to the members, along with the audited Balance Sheet as at 31st March, 2004, the Profit & Loss Account and Cash Flow Statement for the financial year ended on March 31, 2004.

**1. REVIEW OF YEAR FOR NBFCs:**

The NBFC sector in India is represented by a mix of a few large Companies with national wide presence and a large number of small and medium sized Companies with regional focus. The Reserve Bank of India regulates the operations of NBFCs.

In recent years, NBFCs are witnessing strong competition in their traditional areas of retail lending from Banks and Financial Institutions. Banks, which have innate advantage of lower cost of funds, are taking an increasing share in retail financing and providing strong competition to NBFCs.

In this scenario, NBFCs are now under pressure to cut costs and to develop a focussed marketing approach on selected customer segments by offering more personalized services. The entry of strong NBFCs in insurance and banking, have been some of the major developments in this sector.

**2. FINANCIAL RESULTS AND OPERATION:**

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

	Year ended 31.3.2004	Year ended 31.03.2003 (Rs, in Thousands)
Income from interest	2108.74	1522.26
Other income	202.09	375.85
Total Expenditure excluding depreciation	1444.82	3473.44
Depreciation	164.64	169.98
Profit/ (loss) before Tax	701.37	(1745.31)
Add: Prior period items	4.41	93.50
Add : Adjustment of Provision for Tax	(228.01)	568.65
<b>Profit/ (loss) after tax</b>	<b>477.77</b>	<b>(1083.16)</b>

The NBFC sector continues to face competitive pressures from the banking sector and financial institution, due to their increased penetration in the consumer financial market, with comparatively low cost of funds at their disposal. The spreads in the lending business have also narrowed considerably, bringing risk adjusted margins to generally unviable levels.

The company is still stand on its earlier policy to enhance marketing initiatives by meeting customers and consultants, capability development, up-gradation of management information systems to enhance its operation and margin.

During the year, efforts put by the management from last several years, showed their results, consequently the interest income of the Company is increased to Rs.2108741.00 against Rs.1522259.00 recorded during last year. Besides this cost control measures implemented by the management, also gave their contribution for improved financial results. Ultimately due to the collective efforts of entire organization, the Company succeeds to overcome from its loss image and scored the profit after tax for the year of Rs.477764.85 against loss of Rs.1083164.89 for the previous year.

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**3. 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 2003-04.

**4. 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.

**5. RBI REGISTRATION :**

The registration granted by Reserve Bank of India as Non-Banking Financial Company is also continued 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 auditors 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.

**6. MANAGEMENT:**

Mr. Sanjay Jain, 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. Sanjay Jain, as Director of the Company will be placed before the Board in the ensuing AGM.

**7. 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 where so ever 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, 2004 the applicable accounting standards has been followed, along with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial period 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.

**8. 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 2003-04 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 ensuing 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 2004-05.



**9. 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.

**10. 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.

**11. CORPORATE GOVERNANCE:**

A separate section on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges form part of Annual Report.

**12. 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.

**13. LISTING AT STOCK EXCHANGES:**

The Equity Shares of the Company is listed at Indore and Mumbai Stock Exchanges and Company has paid the Annual Listing fee to said Stock Exchanges for the year 2004-2005. However, 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.

**14. ACKNOWLEDGEMENT**

Your Company is grateful for the continued Co-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

For and on Behalf of the Board

SD/-

( SUDHIR SETHI )

CHAIRMAN CUM MANAGING DIRECTOR

Place : Indore  
Dated : 7th August, 2004

**CORPORATE GOVERNANCE DISCLOSURE :**

The Company pursuant to the clause 49 of the Listing agreement entered with the Stock Exchanges, furnishes its report on the code of Corporate Governance.

**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		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Mr. Sudhir Sethi	CMD	Six	Yes	One	Nil	Nil
Mr. Sanjay Sethi	WTD	Six	Yes	One	Nil	Nil
Mr. Rajendra Dammani	NED	Six	Yes	One	Six	Nil
Mr. Sunil Jain	NED	Six	Yes	One	Six	Four
Mr. Avinash Sharma	NED	Six	Yes	Nil	Two	One

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 Six Board Meetings as against the minimum requirement of four meetings. The meeting were held on April 09, 2003 , April 12, 2003, July 19, 2003, August 02, 2003, October 18, 2003 & January 17, 2004 and the maximum time gap between any two meetings was not exceeding four calendar months.

**3. AUDIT COMMITTEE**

The Board of Directors of the Company has constituted an Audit Committee, comprising three non-executive independent Directors viz. (Mr. Sunil Jain, Chairman, Mr. Avinash Sharma and Mr. Rajendra Dammani). 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.
- b) Recommending the appointment and removal of external auditors fixation of audit fee and also approval of payment for any other services.



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- 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 or 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 regarding nature and scope of the audit as well as the 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 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 Board has constituted a shareholders Transfer/ Investors Grievance Committee comprising of three non-executive Directors namely **Shri Avinash Sharma, Chairman, Shri Rajendra Dhammani and Shri Sunil Jain.**

The committee oversees the performance of the Registrar and Share Transfer Agent and recommend measures to improve the level of investors services. The Company has designated **Shri Devendra Sinha** severally to approve the share transfers in consultation with the committee.

The Registrar and Share Transfer Agent attends the transfer meeting on regular basis. 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.

During the financial year 2003-04, the committee met 5 times and transacted business concerning share related issues. The total number of complaints received and replied to the satisfaction of the shareholders during the year, was one and outstanding complaints as on 31.03.2004 were Nil. Five requests received from one party for transfer of share were returned undelivered due to incorrect postal address of transferee.

**6. GENERAL BODY MEETINGS**

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

Year	Date	Time	Location
2002-2003	September 30, 2003	12.00 A.M.	Indore Nursery, Hukma Khedi, A.B Road Indore
2001-2002	September 23, 2002	12.00 A.M.	Indore Nursery, Hukma Khedi, A.B Road, Indore
2000-2001	September 29, 2001	11.30 A.M.	Indore Nursery, Hukma Khedi, A.B Road, Indore

**Note:**

No postal ballots were used/ invited for voting at these meetings in respect of any special resolution passed as there were no such provisions in the Companies Act, 1956. The company shall comply with the requirements relating to postal ballot as and when the relevant guidelines in this connection will apply on the Company.

**7. DISCLOSURES**

- a. **Disclosures on materially significant related party transaction i.e. transaction of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc, that may have potential conflict with the interest of the Company at large.**

None of the transactions with any of the related parties were in conflict with the interest of the Company.

- b. **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or other statutory authorities, on any matter related to capital markets, during the last three years.**

There was no instance of non-compliance of any matter related to the capital markets during the last three years.

**8. MEANS OF COMMUNICATION**

The Company uses widely circulated newspaper as a vehicle for communication to shareholders and other concerned persons. The Company's quarterly results in the performa prescribed by the Stock Exchange are approved and taken on record by the Board within the prescribed time frame and sent forthwith to all Stock Exchanges on which Company's shares are listed. These results are being published in leading newspapers-

- Choutha Sansar in Hindi.
- Free Press in English.

**9. GENERAL SHAREHOLDERS INFORMATION**

- A. Annual General Meeting** : September 25, 2004 at 01.00 P.M.  
Date, time and venue : Kanchan Palace, Community Hall.  
Nipania, Ring Road, Indore - 452 001.
- B. Financial Reporting for** : Board meeting :  
for the quarter ended on:  
June 30, 2004 : 2nd week of July, 2004  
September, 2004 : 2nd week of Oct. 2004  
December 31, 2004 : 2nd week of Jan, 2005  
March 31, 2005 : 2nd week on Apr, 2005  
AGM : September 2005
- C. Book Closure Dates** : September 16, 2004 to September 25, 2004.
- D. Dividend payment date** : Company has not declared any dividend for the year.
- E. Listing on Stock Exchange** : The Stock Exchange, Mumbai  
The Stock Exchange, Madhya Pradesh.  
The Stock Exchange, Jaipur