

MD	✓	BKC	✓
CS	✓		✓
RO	✓		✓
TR	✓		✓
AGM	✓		✓
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CERTIFIED TO BE TRUE COPY

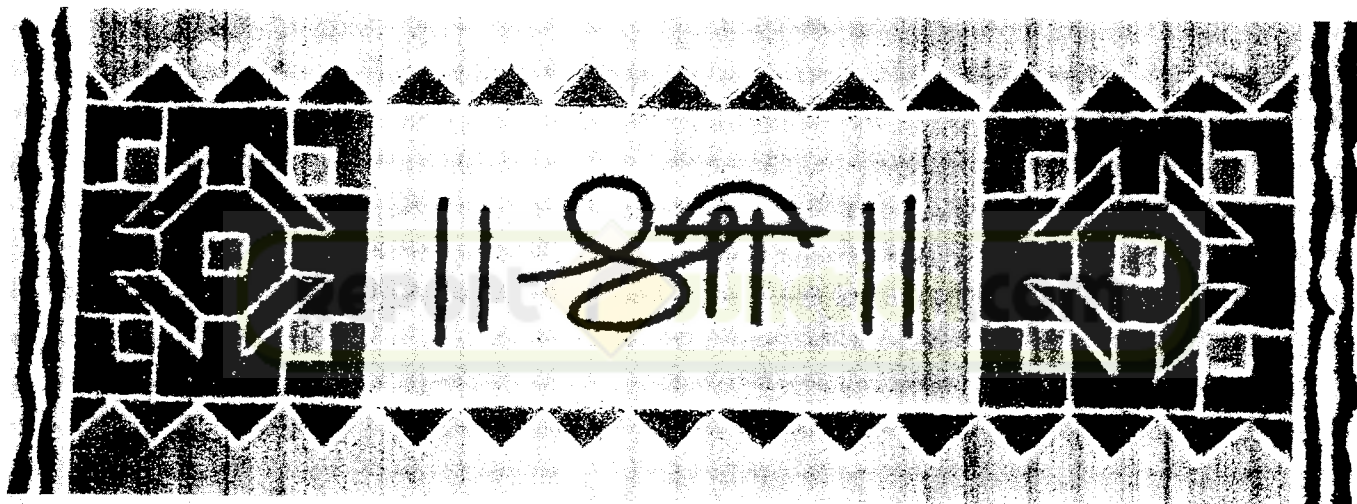
SHRIYAM SECURITIES & FINANCE LIMITED

[Signature]
COMPANY SECRETARY



SHRIYAM

SECURITIES AND FINANCE LIMITED



13th
ANNUAL REPORT
1997-98





SHRIYAM

SECURITIES AND FINANCE LIMITED

BOARD OF DIRECTORS

Devesh Chaturvedi	—	Chairman
Dr. V.C. Shah	—	Director
Bhupendra K. Shroff	—	Director
Sohan Chaturvedi	—	Director
Nina Bhasin	—	Director
Gagan Chaturvedi	—	Director
Mukesh Shroff	—	Director
R. Sundaresan	—	Executive Director
Girdhar Pathak	—	Executive Director

CONTENTS

Page No.

Information about the Company	1
Notice of Annual General Meeting	2
Director's Report	4
Auditor's Report	6
Balance Sheet	8
Profit & Loss Account	9
Schedules to Balance Sheet	10
Schedules to Profit & Loss Account	12
Notes on Accounts	13
Balance Sheet Abstract and Company's General Business Profile	14
Cash Flow Statements	15
Statements U/S. 212 of Companies Act, 1956 relating to Shriyam Broking Intermediary Limited	16
Director's Report of Shriyam Broking Intermediary Limited	17
Auditor's Report of Shriyam Broking Intermediary Limited	18
Balance Sheet and Profit & Loss Account of Shriyam Broking Intermediary Limited	20

SECRETARY

Ujval Mehta

AUDITORS

Pathak H.D. & Associates

BANKERS

**Syndicate Bank
Corporation Bank**

REGISTERED OFFICE

712-715, Tulsiani Chambers
212, Nariman Point, Mumbai - 400 021.
Tel Nos. 2872703/2872707/2873499
Fax No.: 022 2027693

SUBSIDIARY COMPANY

SHRIYAM

Broking Intermediary Ltd.

712-715 Tulsiani Chambers,
212, Nariman Point, Mumbai - 400 021

REGISTRARS AND SHARE TRANSFER AGENT

R & D Consultants Ltd.

610, Dalamal Towers, 211,
Nariman Point, Mumbai 400 021
Tel. No.: 2834347/2834374
Fax No.: 2855759

NOTICE

NOTICE IS HEREBY GIVEN THAT the Thirteenth Annual General Meeting of the Members of Shriyam Securities & Finance Limited will be held on Tuesday the 1st September, 1998 at 10.30 a.m. at Jamnalal Bajaj Hall, Bajaj Bhavan, Nariman Point, Mumbai - 400 021, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March, 1998, and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Dr. V.C. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Bhupendra K. Shroff, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. To appoint Shri R. Sundaresan as a Director of the Company who was appointed by the Board of Directors of the Company as an Additional Director on 16th June, 1998 and who holds office as such upto the date of this Annual General Meeting and in respect of whom the company has, as required under the provision of Section 257 of the Companies Act, 1956, received a notice in writing from a member proposing his candidature for the office of a Director alongwith a deposit of Rs. 500/- and to move the following resolution as an **Ordinary Resolution**.

"RESOLVED that Shri R. Sundaresan be and is hereby appointed as Director of the Company".

7. To consider and if thought fit, to pass with or without modifications the following Resolution as an **Ordinary Resolution**.

"RESOLVED that pursuant to the provisions of Sections 269, 307 of the Companies Act, 1956 and other applicable provisions of the said Act, if any, and in terms of Schedule XIII of the Companies Act, 1956 approval be and is hereby given to the appointment of Shri R. Sundaresan as Wholetime Director of the Company for five years commencing from 16th June, 1998 till 15th June, 2003 upon the terms and conditions including remuneration as set

out in the explanatory statement attached to this notice is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement so as not to exceed the remuneration limits as specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto".

8. To consider and if thought fit to pass with or without modifications the following Resolution as an **Ordinary Resolution**:

"RESOLVED that in accordance with the provisions of Sections 269, 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) the consent of the company be and is hereby accorded to the re-appointment of Shri Girdhar Pathak as a wholetime Director of the Company for a period of 5(five) years from the expiry of his present term of office that is on and from 1st August, 1998, till 31st July, 2003 upon the terms and conditions including remuneration as set out in the explanatory statement attached to this notice is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and /or agreement so as not to exceed the remuneration limits as specified in Schedule XIII of the Companies Act, 1956 or any modification thereto.

9. **Delisting of Securities with Ahmedabad Stock Exchange:**

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

"RESOLVED THAT 1, 74, 98, 433 Equity Shares of Rs. 10/- each listed with Ahmedabad Stock Exchange be and is hereby delisted on and from 1st April, 1999".

10. **Delisting of Securities with Delhi Stock Exchange :**

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

"RESOLVED THAT 1, 74, 98, 433 Equity Shares of Rs. 10/- each listed with Delhi Stock Exchange be and is hereby delisted on and from 1st April, 1999".

By Order of the Board of Directors

Place: Mumbai
Dated: 16th June, 1998.

Girdhar Pathak
Executive Director

Registered Office :

712-715, Tulsiani Chambers,
212, Nariman Point, Mumbai - 400 021.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Members / Proxies should bring the Attendance Slip duly filled in for attending the meeting.
3. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
4. Dividend declared on 22nd August, 1995 and remaining uncashed will be deposited with Registrar of Companies, Maharashtra, Mumbai. Members having claim on such dividend may contact the Registrar of Companies, Maharashtra, Hakoba Mills Compound, Kalachawki, Mumbai - 400 033 for the payment.
5. Register of Members/Transfer books will remain closed from 25th August, 1998 to 1st September, 1998 (both days inclusive). Dividend on Equity Shares as recommended by the Directors for the year ended 31st March, 1998 if declared at the Meeting, will be paid to the members whose name appear in the Register of Members on 1st September, 1998.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM 6 & 7

Shri R. Sundaresan was appointed by the Board of Directors as an additional Director on 16th June, 1998 and holds office upto the date of this Annual General Meeting. As required by Section 257 of the Companies Act, 1956 the Company has received a notice alongwith a deposit of Rs. 500/- from a member proposing the candidature of Shri R. Sundaresan for the office of Director of the Company.

The Board of Directors in the same meeting held on 16th June, 1998 also appointed Shri R. Sundaresan as a Wholetime Director for the term of 5 years with effect from 16th June, 1998. Shri R. Sundaresan has a vast experience in Financial, Banking and Corporate Advisory Sector. His knowledge, experience and expertise in above field will be of immense value to the Company. Your Directors recommends your approval. None of the Directors except Shri R. Sundaresan is interested in the resolution.

The terms and conditions of his appointment are -

Salary : Rs. 9,500/- p.m.

Perquisites :

- 1) As per Schedule XIII of the Companies Act, 1956.
- 2) Provident Fund and gratuity as per Company's Rules.

The above explanation may also be taken as disclosure under section 303(2) of the Companies Act, 1956.

ITEM 8

Shri Girdhar Pathak was appointed as an Executive Director for a period of 5 years with effect from 1st August, 1993. His terms of appointment is expiring on 31st July, 1998. The Board of Directors at their meeting held on 16th June, 1998 have decided to further continue his present term for a period of 5 years w.e.f. 1st August, 1998 on the terms and conditions including remuneration as set out in the explanatory statement attached to this notice. Your Director recommends your approval. None of the Directors except Shri Girdhar Pathak is interested in the resolution.

The terms & conditions of his appointment are -

Salary : Rs. 15,000/- p.m.

Perquisites:

- 1) As per Schedule XIII of the Companies Act, 1956.
- 2) Provident Fund and gratuity as per Company's Rules.

The above explanation may also be taken as disclosure under section 303(2) of the Companies Act, 1956.

ITEM 9 & 10

The Equity Shares of the Company is listed on Mumbai, Ahmedabad and Delhi Stock Exchanges. There are no transactions of the Company's Equity Shares on Ahmedabad Stock Exchange and Delhi Stock Exchange. It is therefore proposed to delist the Equity Shares of the Company from Ahmedabad and Delhi Stock Exchanges. Members residing in the vicinity of the Delhi and Ahmedabad Stock Exchanges may kindly note of this and accordingly deal with their holding by 31st March, 1999. After the said date they may contact the Company office for necessary guidance and help. Your directors recommend the resolution for your approval. None of the directors are interested or concerned in the resolution.

By order of the Board of Directors

Sd/-

Girdhar Pathak
Executive Director

Place : Mumbai

Dated : 16th June, 1998

Registered Office:

712-715, Tulsiani Chambers,
212, Nariman Point, Mumbai - 400 021.

DIRECTORS' REPORT TO SHAREHOLDERS

Your Directors have pleasure in presenting the Thirteenth Annual report and Audited Statements of Accounts for the year ended March 31, 1998.

1. FINANCIAL RESULTS :	(Rs. in lacs)	
	1997-98	1996-97
Profit before Depreciation	131.78	729.71
Less : Depreciation	130.49	115.64
Profit before Taxation	1.29	614.07
Less : Provision for taxation	—	54.00
Less : Lease Equalisation	76.49	159.72
Net Profit	- 75.20	400.35
Less/Add : Prior Year Adjustments	- 7.93	0.23
	- 83.13	400.58
Profit B/F from Previous Year	291.46	357.46
	<u>208.33</u>	<u>758.04</u>

APPROPRIATIONS :

General Reserve	—	120.10
Proposed Dividend	174.98	314.97
Tax on proposed Dividend	17.50	31.50
Balance C/F to Balance Sheet	15.85	291.47
	<u>208.33</u>	<u>758.04</u>

2. DIVIDEND :

Your Directors are pleased to recommend a Dividend of 10% for the year ended March 31, 1998 aggregating to Rs. 174.98 lacs which is exclusive of Dividend Tax amounting to Rs. 17.50 lacs.

3. GENERAL SCENARIO :

The Financial and Industrial Sectors continued to witness a downslide in terms of absolute growth during the year 1997-98 also. The Non Banking Finance Companies in particular were under severe pressure consequent to the announcement of New Regulations by RBI during January 1998, imposing restrictions on mobilisation of resources through Fixed Deposit Schemes, increased reserve requirements, stiff provisioning norms and revised Registration procedures.

The Capital market was erratic and did not enthuse the investing public due to negative factors arising out of unsatisfactory industrial growth, political uncertainty and withdrawal of funds by FIIs.

Past Year Performance :

Given the above scenario, the adverse conditions did affect the performance of your Company this year and the gross income came down substantially during the year.

The focus of your Company however was to achieve a clean Balance Sheet bereft of Non Performing Assets, to conserve and deploy resources for optimising income, cut down costs to improve productivity, remain liquid to take advantage of any future positive developments.

4. FUND BASED ACTIVITIES :

The Company did not write any fresh Lease proposals during the year in view of adverse market conditions. The company took a conscious decision to clear all the existing short term borrowings which included Fixed Deposits from the Public, Bank borrowings and other short term market borrowings besides reducing the long term borrowings also considerably. This has reduced interest cost significantly.

The deployment of funds was mainly focussed in Public sector Bonds, Debentures of rated companies and shares to remain liquid and to minimise risk. The Non performing Assets were fully provided notwithstanding RBI requirements of only 10% provision with a view to clean up the balance sheet and make the financial health of the Company stronger and prevent a drag on its profitability in future.

By limiting its activities during the difficult period, your Company is well set to avail of future opportunities. Your Company remains strong in its fundamental objectives and will strive to enrich the investors wealth.

5. DEPOSITS :

There were no unclaimed Deposits as at the close of the Financial year.



DIRECTORS' REPORT TO SHAREHOLDERS

6. SUBSIDIARY :

The wholly owned subsidiary viz. Shriyam Broking Intermediary Limited have shown moderate performance during the period ended March 31, 1998 and declared a dividend of Rs. 10 lacs.

The Company is very active in Debt market broking and will be applying for satellite Dealership during this year.

The Subsidiary is also awaiting the clearances for the Futures and Options market and will take a considered view to foray in this area of business.

7. DIRECTORS :

Directors retiring by rotation :

Dr. V.C. Shah and Shri Bhupendra Shroff retires by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

Appointment of Director :

Shri R. Sundaresan was appointed as an additional Director on board on 16th June, 1998. He is having vast experience in Financial, Banking and Corporate advisory sector. His knowledge, experience and expertise in above field will be of immense value to the Company. He holds office upto the date of ensuing Annual General Meeting. A notice has been received from shareholders proposing his candidature for the office of the Director. Your directors recommend his appointment as a director of the company. At the said Board Meeting Shri R. Sundaresan was also appointed as an Executive Director of the company for a period of 5 years w.e.f. 16th June, 1998. Your Directors recommends the approval of members to appoint him as an Executive Director of the company.

Reappointment of Executive Director :

Shri Girdhar Pathak who was appointed as an Executive Director on 1st August, 1993 for a period of 5 years & whose term is expiring on 31st July, 1998 is reappointed for further period of 5 years w.e.f. 1st August, 1998. Your directors recommends the approval of members for his reappointment.

8. DE-LISTING OF SECURITIES :

The company's Equity Shares are listed on Mumbai, Delhi and Ahmedabad Stock Exchanges. There is hardly any dealing of the company's Equity shares in Delhi and Ahmedabad Stock Exchanges. It is therefore proposed

to delist the Equity Shares from Delhi and Ahmedabad Stock Exchanges.

9. AUDITORS :

M/s. Pathak H. D. & Associates, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment. The Company has received letter from them to the effect that their appointment if made would be within the prescribed limits under section 224 (1-B) of the Companies Act 1956.

10. STATUTORY INFORMATION :

1. Personnel

The Company has not paid to any employee remuneration exceeding Rs. 3.00 lacs per annum if employed throughout the year or Rs. 25,000/- per month if employed for any part of the year. Hence, statement u/s 217(2A) of the Companies Act is not applicable.

2. Particulars required to be furnished by the Companies (Disclosure of Particulars to the Report of Board of Directors) Rules 1988 :

- (i) Part A & B pertaining to conservation of Energy and Technology Absorption are not applicable to the Company.
- (ii) The Company has spent Rs. 11,79,486/- in foreign currency for the visits of their executives abroad for exploring Business tie up with a Foreign Banking Subsidiary.

3. Deposits :

There are no deposits which has remained unclaimed or claimed but not paid for which information is required to be given in this report.

11. ACKNOWLEDGEMENT :

The Board appreciates the co-operation and support extended by the Shareholders, Employees, Financial Institutions and Banks.

For and on behalf of Board of Directors

Devesh Chaturvedi
Chairman

Place: Mumbai
Dated: 16th June, 1998

AUDITOR'S REPORT

To,
The Members of
Shriyam Securities & Finance Ltd.

We have audited the attached Balance Sheet of SHRIYAM SECURITIES & FINANCE LIMITED as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date annexed thereto and report that:

- 1] As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order, to the extent applicable to the Company.
- 2] Further to our comments in the Annexure referred to in paragraph (1) above we report that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) 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.

- c) The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of account.
- d) In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet and Profit and Loss Account together with the notes thereon, give the information required under the Companies Act, 1956 in the manner so required and give a true and fair view :-
 - i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 1998, and
 - ii) in the case of Profit and Loss Account of the LOSS for the year ended on that date.

For Pathak H.D. & Associates
Chartered Accountants

Virendra Garg
Partner

Place: Mumbai
Dated: 16th June, 1998

Annexure referred to in paragraph 1 of the Auditors Report of even date

1. The Company has maintained proper records showing full particulars including quantitative details and location of fixed assets. The fixed assets have been physically verified by the management during the year. No discrepancies were noticed on such verification, as compared to the available records.
2. None of the fixed assets have been revalued during the year.
3. As explained to us, the Stock in Trade (Securities) have been physically verified by the management at reasonable intervals.
4. In our opinion and according to the information and explanations given to us, the procedure for Physical Verification of Stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
5. As explained to us, no discrepancies have been noticed on Physical Verification of Stocks as compared to book records.
6. In our opinion and on the basis of our examination the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The company has not taken any loan, secured or unsecured from the Companies, firms or other parties as listed in the register maintained under Section 301 of the Companies Act, 1956 or from any company under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.