



# SHRIYAM

SECURITIES & FINANCE LIMITED

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# SHRIYAM

## SECURITIES & FINANCE LIMITED

### BOARD OF DIRECTORS

<b>Devesh Chaturvedi</b>	– Chairman
<b>Dr. V. C. Shah</b>	– Director
<b>Bhupendra K. Shroff</b>	– Director
<b>Gagan Chaturvedi</b>	– Director
<b>Mukesh Shroff</b>	– Director
<b>Girdhar Pathak</b>	– Director
<b>R. Sundaresan</b>	– Executive Director

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### AUDITORS

**Rajen Damani & Co.**

### BANKERS

**Syndicate Bank**  
**HDFC Bank Limited**  
**Corporation Bank**

### REGISTERED OFFICE

712-715, Tulsiani Chambers  
212, Nariman Point  
Mumbai - 400 021.  
Tel. Nos.: 2308500  
Fax No. (022) 2846585

### 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  
212, Nariman Point, Mumbai - 400 021.  
Tel. No.: 2834347/2834374  
Fax. : 2855759

## SIXTEENTH ANNUAL REPORT 2000-2001

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**NOTICE**

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**NOTICE** is hereby given that the Sixteenth Annual General Meeting of the Members of Shriyam Securities & Finance Limited will be held on Thursday, the 30<sup>th</sup> day of August, 2001 at Registered Office of the Company at 712/715, Tulsiani Chambers, 212, Nariman Point, Mumbai 400 021 at 10.00 a.m. to transact the following business: -

**ORDINARY BUSINESS:**

1. To consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2001, and the Profit & Loss Account for the year ended on that date alongwith the Report of the Board of Directors and the Auditors thereon.
2. To re-appoint Dr.V.C. Shah, a Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Mr.Bhupendra Shroff, a Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint Mr.R. Sundaresan, a Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Rajen Damani & Co., Chartered Accountants, as the 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 and to fix their remuneration.

**SPECIAL BUSINESS**

To consider and, if thought fit, to pass the following Resolutions, with or without modifications, as **SPECIAL RESOLUTIONS**.

6. **RESOLVED THAT** pursuant to the provisions of section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner:

- i) After the existing Article 13A, the following new Article 13B with new title be inserted.

**13B - Issue of Sweat Equity Shares**

Subject to the provisions of the Section 79A and other applicable provisions of the Companies Act, 1956 and these Articles, the Company may issue Sweat Equity Shares of the class of shares already issued in the manner prescribed in the said Act.

- ii) After the existing Article 118, the following new Article 118A with new title be inserted.

**118A - Passing of Resolution by Postal-ballot**

Subject to the provisions of Section 192A and other applicable provisions of the Companies Act, 1956, and of these Articles, Company may pass Resolution relating to such business as may be notified by the Central Government to be passed by Postal Ballot only instead of transacting business in General Meeting of the Company; by Postal Ballot only subject to the procedure prescribed in the said Act.

**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 thereto.
4. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
5. Dividend declared in the earlier years and remaining unpaid will be deposited with the Government at the expiry of 7 years from the declaration thereof.
6. Register of Members / Transfer books will remain closed from 28<sup>th</sup> August, 2001 to 30<sup>th</sup> August, 2001 (both days inclusive).
7. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least eight days prior to the meeting so that the required information can be made available at the Meeting.

**8. Re-appointment of Directors:**

1. Shri Bhupendra K. Shroff was appointed as a Director on 6<sup>th</sup> April, 1993. He is a practising Company Secretary for several years and also the Member of the Audit Committee of the Directors of the Company. He hold Directorship in Reliance Consultancy Services Ltd., Asian Star Diamonds Intl. Pvt. Ltd., R & D Consultants Ltd., Simps Consultancy Services Pvt. Ltd., Ultra Separation Technologies Pvt. Ltd., Shree Chaitnya Yartex Pvt. Ltd., Axis Financial Services Pvt. Ltd., and Asian Star Company Ltd.
2. Dr.V.C. Shah was appointed as a Director on 6<sup>th</sup> April, 1993. He is having vast experience as Consultant on Corporate Finance. He is the member of the Audit Committee of the Directors of the Company. He hold Directorship in Binani Industries Ltd., Sarabhai Electronics Ltd., Ambalal Sarabhai Enterprises Ltd., Coastal Roadways Ltd. and Essem Coated Steel (J & K) Ltd.
3. Shri R. Sundaresan was appointed as a Whole-Time Director on 16<sup>th</sup> June, 1998. He is having vast experience in Financial, Banking and Corporate Advisory Sector. He is also a Director of Shriyam Broking Intermediary Ltd.

By Order of the Board of Directors

R. Sundaresan  
(Executive Director)

Place : Mumbai  
Date : 29<sup>th</sup> June 2001

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



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**NOTICE**

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

**I) Issue of Sweat Equity Shares**

The Companies (Amendment) Act 1999, had inserted new section 79A whereby the Company can issue Sweat Equity Shares of the class already issued to the employees and Directors of the Company at discount or for consideration other than cash in the manner prescribed under the said section. It is therefore proposed to incorporate a new article in the Articles of Association of the Company. The Directors recommend the resolution for approval of Members.

**II) Passing of Resolution by Postal Ballot**

The Companies (Amendment) Act, 2000 had inserted new section 192A whereby the Company may pass resolutions relating to such business as may be prescribed by the Central Government by Postal Ballot only in the manner prescribed under the said section. It is therefore proposed to incorporate a new Article in the Articles of Association of the Company. The Directors recommend the resolution for approval of Members.

A copy of the Memorandum & Articles of Association of the Company with proposed change is available for inspection to the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days of the Company upto and including the day of the Meeting.

By Order of the Board of Directors

R. Sundaresan  
(Executive Director)

Place : Mumbai  
Date : 29<sup>th</sup> June 2001

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

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## SIXTEENTH ANNUAL REPORT 2000-2001

## DIRECTORS' REPORT TO SHAREHOLDERS

To,

The Members of  
Shriyam Securities & Finance Ltd.

Your Directors presents Sixteenth Annual Report and Audited Statements of Accounts for the year ended March 31, 2001.

#### 1. Financial Results :

	(Rs. in lacs)	
	2000-2001	1999-2000
Profit before Depreciation	(597.33)	401.70
Less: Depreciation	78.16	92.14
Profit before Taxation	(675.49)	309.56
Less: Provision for taxation	-	107.57
Net Profit	(675.49)	201.99
Less/Add: Prior Year Adjustments	0.07	0.71
	(675.42)	202.70
<b>Appropriations :</b>		
General Reserve	-	40.40
Interim Dividend	-	139.99
Distribution Tax	-	15.40
	-	195.79
Balance available after appropriation	(675.42)	6.91

#### 2. Dividend :

Your Company has decided to skip the dividend this year, since there is no profit for the year.

#### 3. General Scenario :

Despite a favourable budget and accelerated economic reforms attempted by the Government, the sudden recessionary trends witnessed globally had an adverse impact in our country also. The capital markets in particular suffered from severe volatility which was further accentuated by some aberrations especially in one of the premier Stock Exchanges which had a fall out on the other Exchanges as well.

In view of discontinuance of age old badla and scrapping of carry forward systems, there was a drastic fall in the volumes of trading at the Stock Exchanges, which made it difficult for the Company to bail itself out of adverse positions.

The general economic scenario is not one of the encouraging features for the finance sector as the credit off take was very low and the small scale and medium scale industries suffered particularly in the consumer sector. The Banking and Non-Banking Service Sector faced a tough time not only to maintain their bottom line but also in recovering the Non Performing Assets due to General recessionary trend in the country.

#### Performance :

Due to above stated adverse factors the Company's holdings in shares eroded in value during the current year and to avoid further losses the Company had to resort to distress sale. Further, anticipating a turnaround your Company had also taken certain positions in selected scrips but again due to the dampening effect the said positions had to be squared off with substantial losses.

However, the Company made reasonable progress on the debt market activities and has further consolidated to concentrate its future investment activities more in debt related activities. The Company is also gearing up to take advantages of the emerging derivative market in futures and options besides tapping the primary market in debt through its Merchant Banking activities during the ensuing year.

#### 4. Deposits :

Company does not hold any Public Deposits.

#### 5. Subsidiary :

The wholly owned subsidiary viz. Shriyam Broking Intermediary Limited continued to remain profitable during the period ended March 31, 2001.

The Company is active in Debt market broking as well as trading in Government Securities & Bonds. For the year 2001-2002, the Company has achieved satisfactory performance for the first 3 months and expects to achieve better results by the end of the year.

The Merchant Banking activities of the Company are also expected to pick up during the year as the Company is in the process of receiving a letter of intent to handle Public Sector Issues.

#### 6. Dematerialisation of Shares:

The Securities and Exchange Board of India (SEBI) had made trading in the shares of the Company in demat form compulsory for all types of Investors from 24<sup>th</sup> July, 2000. The Company had already established electronic connectivity through R & D Consultants Ltd. and entered into agreements with National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL).

#### 7. Delisting of Equity Shares:

The Company had applied for delisting of the Company's Equity Shares from Delhi & Ahmedabad Stock Exchanges in terms of shareholders resolution passed on 1<sup>st</sup> September, 1998. After such delisting, Company's share will remain listed at Mumbai Stock Exchange and at National Stock Exchange of India Ltd. as permitted securities. The Company had already paid listing fee to the Mumbai stock Exchange upto March, 2002.

#### 8. Directors:

Dr.V.C. Shah, Mr.Bhupendra K. Shroff and Mr.R. Sundaresan retiring by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

#### 9. Directors' Responsibility Statement:

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

- That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2001, the applicable accounting standards have been followed alongwith proper explanations relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgements 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 of the profit or loss of the




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**DIRECTORS' REPORT TO SHAREHOLDERS**


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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;
- (iv) That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2001 on a 'going concern' basis.

**10. Auditors and Auditors' Report:**

M/s. Rajen Damani & Co., Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. 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. The note to the Accounts referred to in the Auditors' Report are self explanatory and, therefore, do not call for any further comments.

**11. Audit Committee:**

Pursuant to Section 292A of the Companies Act, 1956 as introduced by the Companies (Amendment) Act, 2000 an Audit Committee was constituted by the Board of Directors consisting of 4 Independent Directors - Mr. D.D. Chaturvedi, Chairman and Mr. B.K. Shroff, Dr.V.C. Shah and Mr. Mukesh Shroff, Members.

**12. Corporate Governance:**

The Securities & Exchange Board of India has introduced a comprehensive code on Corporate Governance. According to the Schedule of Implementation, these recommendations are applicable to our Company with effect from the next financial year 2001-2002. However, the Company has already taken the initiative to give effect to these recommendations during the current financial year itself, wherever applicable.

**13. Statutory information:**
**1. Personnel :**

The Company has not paid to any employee remuneration exceeding Rs.12.00 lacs per annum, if employed throughout the year or Rs.1.00 lac per month if employed for any part of the year. Hence, statement under section 217(2A) of the Companies Act, 1956 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 earned an amount of Rs.10.91 lacs in Foreign Exchange and has spent Rs.1.62 lacs in Foreign Exchange.

**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. The Company has stopped accepting Public Deposits.

**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

Date : 29<sup>th</sup> June, 2001

**AUDITORS' REPORT**

To,

The Members  
Shriyam Securities & Finance Ltd.

We have audited the attached Balance Sheet of **Shriyam Securities & Finance Limited** as at 31st March, 2001 and the Profit & Loss Account for the year ended on that date annexed thereto and report that :

1. As required by the manufacturing and Other Companies (Auditors' Report) order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 We annex hereto a statement on the matters specified in the said Order to the extent applicable to company thereon.
2. Further, to our comments in the Annexure referred to in paragraph 1 above,
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief are 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 the books;
  - c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account;
  - d) In our opinion, the Profit & Loss Account and the Balance Sheet comply with the accounting standards referred to in section 211(3c) of the Companies Act, 1956;

- e) As per the information and explanations given to us none of the Directors of the Company is disqualified from being appointed as a Director under clause (g) of Sub-section (1) of the Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet and Profit & Loss Account read with the notes thereon and in particulars note no.2 (ii) of Schedule 'O' regarding amount withdrawn from General Reserve, give the information required by the Companies Act, 1956 in the manner so required and give true and fair view :
  - i) in the case of the Balance Sheet of the State of Affairs of the Company as at 31st March, 2001; and
  - ii) in the case of the Profit & Loss Account, of the 'LOSS' of the Company for the year ended on that date.

For **RAJEN DAMANI & CO.**  
Chartered Accountants

**RAJEN J. DAMANI**  
Proprietor

PLACE : MUMBAI  
DATED : 29<sup>th</sup> June, 2001

**ANNEXURE TO THE AUDITORS' REPORT OF SHRIYAM SECURITIES & FINANCE LIMITED FOR THE YEAR ENDED 31ST MARCH, 2001.**

(Referred to in paragraph 1 of our report of the even date)

In our opinion and according to information and explanations given to us we herein report that:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable and no material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. The stocks of shares and securities have been physically verified by the management during the year at reasonable intervals.
4. According to the explanation and information received by us, the procedure for physical verification of stocks followed by the company is in our opinion reasonable and adequate having regard to the size of the company and the nature of its business.
5. According to the explanation and information received by us, no discrepancies have been noticed on physical verification of stocks as compared to book records.
6. In our opinion, the valuation of stocks is fair and is in accordance with the normally accepted accounting principles and is on the same basis as in the preceding years.
7. The Company has not taken any loans, secured or unsecured, from Companies or other parties listed in the Register maintained under section 301 of the Companies Act, 1956 or from the Companies under the same management as defined under section 370 (1B) of the Companies Act, 1956.
8. The Company has not granted any loan to Companies, Firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956 or to Companies under the same management as defined under section 370 (1B) of the Companies Act, 1956.




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**AUDITORS' REPORT**


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9. In respect of other parties, to whom loans and advances in the nature of loans given, are repaying the principal amounts as stipulated and are also regular in the repayment of interest, wherever applicable.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase and sale of securities, and assets.
11. According to the information and explanations given to us, the Company has entered into transactions for the sale and purchase of securities made in pursuance of contracts or agreements entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the period to Rs.50,000 (Fifty Thousand only) or more in respect of each party are made at prices which are reasonable having regard to the nature of the services rendered.
12. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public during the year under audit, and hence the directives issued by the Reserve Bank of India and the provisions of Section 58-A of the Companies Act, 1956 and the rules framed thereunder to the extent are not applicable to the Company.
13. In our opinion the company has an internal audit system commensurate with its size and nature of its business.
14. As informed by the management the Provident Fund and Employees State Insurance Act, and the relevant rules are not applicable to the Company for the year under review.
15. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty & Excise Duty which have remained outstanding as at the last day of the financial year for a period of more than six months from the date they become payable.
16. According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to the revenue account, other than those payable under contractual obligation or in accordance with the generally accepted business practices.
17. The Company, being a Finance Company, the provisions of Section 3(1)(O) of the Sick Industrial Companies (Special Provisions Act), 1985 are not applicable to the Company.
18. In Our opinion and according to the information and explanations given to us, adequate documents and records have been maintained by the Company in respect of loans and advances granted on the basis of security by way of pledge of shares, debentures and other securities.
19. According to the records and information made available to us, no provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Society are applicable to the Company.
20. According to the information and explanation given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments are held by the Company in its own name.

**For RAJEN DAMANI & CO.**  
Chartered Accountants

**RAJEN J. DAMANI**  
Proprietor

PLACE : MUMBAI  
DATED : 29<sup>th</sup> June, 2001