

**SHARDUL**  
**SECURITIES LIMITED**



**25<sup>th</sup>**  
**ANNUAL REPORT**  
**2009 - 2010**



## SHARDUL Securities Limited

### BOARD OF DIRECTORS

<b>Devesh Chaturvedi</b>	- Chairman
<b>Dr.V.C. Shah</b>	- Director
<b>Bhupendra Shroff</b>	- Director
<b>Kantilal Shah</b>	- Director
<b>Charul Abuwala</b>	- Director
<b>Gyandeo Chaturvedi</b>	- Director
<b>Naveen Chaturvedi</b>	- Director
<b>R. Sundaresan</b>	- Executive Director

<b>Monika Agarwal</b>	- Company Secretary & Compliance Officer
<b>Saurabh Chaturvedi</b>	- Chief Financial Officer

CONTENTS	Page No.
Information about the Company .....	02
Notice of Annual General Meeting .....	03
Director's Report .....	05
Report on Corporate Governance .....	08
Auditors' Report .....	16
Balance Sheet .....	19
Profit & Loss Account .....	20
Schedules to Balance Sheet .....	21
Schedules to Profit & Loss Account .....	24
Notes on Accounts .....	26
Balance Sheet Abstract and Company's General Business Profile .....	35
Cash Flow Statement .....	36
Statement u/s 212 of Companies Act, 1956 relating to .....	37
Subsidiaries   a) Shriyam Broking Intermediary Limited, b) Shardul Commodities International Ltd.	
Financial Information of Subsidiary Companies .....	38
Auditors Report on Consolidated Balance Sheet .....	39
Consolidated Balance Sheet / Profit & Loss Account & Schedule .....	40

#### AUDITORS:

**Rajen Damani & Associates,**

#### BANKERS:

HDFC Bank Limited  
Indian Overseas Bank

#### REGISTERED OFFICE:

G-12, Tulsiani Chambers  
212, Nariman Point  
Mumbai 400 021  
Tel.No.: 40090500  
Fax No.: 22846585  
Website: [www.shardulsecurities.com](http://www.shardulsecurities.com)  
E Mail: [access@shriyam.com](mailto:access@shriyam.com)

#### SUBSIDIARY COMPANIES:

- **Shriyam Broking Intermediary Ltd.**  
712-713, Tulsiani Chambers  
212, Nariman Point  
Mumbai 400 021
- **Shardul Commodities International Limited**  
712-713, Tulsiani Chambers  
212, Nariman Point  
Mumbai 400 021

#### REGISTRARS AND SHARE TRANSFER AGENT: **Link Intime India Private Limited**

**Address:** C-13 Pannalal Silk Mills Compound,  
LBS Road, Bhandup West, Mumbai 400078  
Tel.No.: 25946970-78 • Fax : 25946969  
E mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## ANNUAL REPORT 2009-2010

### NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of Shardul Securities Limited will be held on Saturday, 28th August 2010 at 10.30 a.m., at Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400 021 to transact the following business: -

### AS ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2010 and Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on the Paid-up Equity Share Capital of the Company.
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 Mr. Naveen Chaturvedi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint M/s. Rajen Damani & Associates, Chartered Accountants, Mumbai (Registration No. 116762W) as the Statutory Auditors of the Company and to fix their remuneration as may be mutually agreed between the Board of Directors/ or Audit Committee of Directors and Auditors.

### NOTES: -

1. A Member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company, the instrument appointing proxy should however, be deposited at the Registered Office of the Company not less than forty eight hours before commencement of the meeting.
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. In terms of Articles 155 of the Articles of Association of the Company, Dr V.C Shah and Mr Naveen Chaturvedi retires by rotation and are eligible for re appointment, the brief resumes of these Directors, nature of their expertise in specific functional areas and names of the Companies in which they hold directorship and membership/chairmanship of Board Committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, are provided in the report on Corporate Governance forming part of the Annual Report, the Board of Directors of the Company commends the respective reappointments of the aforesaid Directors.
4. Members / Proxies are requested to bring the Attendance Slip duly filled in for attending the meeting.
5. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting, and those who hold shares in physical form are requested to write their Folio Numbers in the Attendance Slip for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members are hereby informed that the Company has transferred to "Investor Education and Protection Fund" of the Central Government all unclaimed Dividends up to Dividend for the Financial Years 2002-03. Dividend declared in the earlier years and remaining unpaid will be deposited with the above fund of the Government at the expiry of 7 years from the date of their transfer to unclaimed dividend account. Amounts transferred to this Fund cannot be recovered. Shareholders who have not encashed the dividend warrants, declared after this period are requested to encash their dividend warrants immediately.
8. Register of Members / Transfer books will be closed from 24<sup>th</sup> August 2010 to 27<sup>th</sup> August 2010 (both days inclusive).
9. The dividend if declare will be paid on and from 30<sup>th</sup> August 2010 to those shareholders whose names appear on the register of members of the Company as on 23<sup>rd</sup> August 2010.
10. Members may please note that the Dividend Warrants are payable at par at the designated branches of the Bank printed on reverse of the Dividend Warrant for an initial period of three months only. Thereafter, the Dividend Warrant on revalidation is payable only at limited centers/branches of the said Bank. The members are therefore, advised to encash Dividend Warrants within the initial validity period.
11. In order to provide protection against fraudulent encashment of the warrants, shareholders holding shares in physical form are requested to intimate the Company under the signature of the Sole/First joint holder, the following information to be incorporated on the dividend warrants:
  - a) Name of the Sole/First joint holder and the Folio Number



- b) Particulars of Bank Account, viz.: 1) Name of the Bank 2) Name of Branch 3) Complete address of the Bank with Pin Code Number 4) Account type, whether Savings (SB) or Current Account (CA) 5) Bank Account number allotted by the Bank.
12. Shareholders holding shares in electronic form may kindly note that their Bank accounts details as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such shareholders for deletion of/change in such bank details.
13. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Shareholders who wish to change such Bank Account details are therefore requested to advise their Depositories Participants about such change, with complete details of Bank Account.
14. 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.
15. Members holding shares in physical form are requested to notify /send the following to the Company's Registrars and Share Transfer Agents to facilitate better service:
- any change in their address/mandate/bank details.
  - Particulars of their bank account in case the same have not been sent earlier.
  - Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholding into one account.

Members holding shares in electronic form are requested to notify /send their change in address/bank details to the respective Depositories, viz. NSDL & CDSL.

**By Order of the Board of Directors**

**Place : Mumbai**  
**Date : 26<sup>th</sup> May, 2010**

**R Sundaresan**  
**Executive Director**

**Naveen Chaturvedi**  
**Director**

**Regd. Office:**

G-12, Tulsiani Chambers  
212, Nariman Point  
Mumbai 400 021.

## ANNUAL REPORT 2009-2010

To,

The Members of

### Shardul Securities Ltd.

Your Directors are pleased to present the Twenty Fifth Annual Report and the Audited Accounts for the year ended March 31, 2010.

#### 1. Financial Results : (Rs. in lacs)

	2009 - 2010	2008 - 2009
Profit/(Loss) before Depreciation	899.85	(688.09)
<b>Less:</b> Depreciation	43.89	41.84
Profit/(Loss) before Taxation	855.96	(729.93)
<b>Less:</b> Provision for taxation		
Current	135.00	-
FBT	-	1.48
Deferred	(3.17)	(1.91)
Taxation adjustment of previous years (Net)	(63.81)	1.11
Profit / (Loss) after Taxation	787.94	(730.61)
<b>Add:</b> Prior Year Adjustments	-	(1.00)
Profit/ (Loss) after Prior Period Adjustments	787.94	(731.61)
Surplus / (Deficit) brought forward from previous years	2539.74	3476.08
	<b>3327.68</b>	<b>2744.47</b>

#### Appropriations:

Statutory Reserve Fund as per RBI Guidelines	157.59	-
Proposed Dividend (including dividend tax) on Equity Shares	245.67	204.73
Transfer to General Reserve	19.70	-
Balance carried to Balance Sheet	2904.72	2539.74
	<b>3327.68</b>	<b>2744.47</b>

#### 2. Dividend:

Your Directors recommend a dividend of Rupees 1.20 per Equity Shares on 1,74,98,433 equity shares of Rs.10 each aggregating to Rs. 245.67 Lacs(including dividend tax) for the financial year ended 31<sup>st</sup> March, 2010 which if approved at the ensuing Annual General Meeting, will be paid to (i) all those Equity Shareholders whose names appear in the Register of Members as on 23<sup>rd</sup> August 2010 and (ii) to those whose names as beneficial owners are furnished by the National Securities Depositories Ltd., and Central Depositories Service (India) Ltd.

#### 3. Management Discussions and analysis Report –

##### (i) Financial Performance:

Your company posted a net profit of Rs.787.94 lacs during the current year as compared to the losses of Rs.731.61 lacs posted during the previous year. This was due to improved and favorable market conditions that prevailed consequent to the stimulus packages announced by the Government of India and other fiscal measures initiated by the Reserve Bank of India.

##### (ii) Trend in Indian Economy & Financial Markets:

The global recession that set in during the previous year though continued to haunt the western countries, the Indian economy bounced back from the slump it faced during the previous year thanks to the stimulus packages and other fiscal measures initiated by the Government of India. The GDP growth that was on the downside recovered to post a moderate increase of 7.2% during the year under report and with a projected growth of 8% during the ensuing year, the Indian economy looks well poised to keep its momentum of growth. The Index of industrial production (IIP) recorded an admirable growth at an average of more than 15.5% during the last quarter of the financial year and it was also broad based with 14 out of 17 industrial groups recording accelerated growth during the year. However, the inflation has been a source of continuous concern dragging down the benefits of industrial output with the food inflation touching an all time high of 17.5% during the current year under report.

The capital market witnessed increased trading volumes throughout the year with the market index (BSE) recording a level as high as 18,000 before it retreated due to uncertainties in the European economy. With the inflow of Foreign investment gaining momentum, the foreign exchange reserves also increased considerably crossing 280 billions USD once again. However with the Government borrowings on upsurge to meet the stimulus packages, the yields on Government borrowings went up from 6.2% to 8.1% thereby the financial system witnessed an increase in the interest rates especially on commercial lending and realty sector lending. As a consequence, the trading volume in securities market during the current year also continued to show an erratic trend.

##### (iii) Business Review:

The stimulus packages of the Government resulting in buoyancy in the stock market enabled your company to regain the valuation of the existing stocks besides posting trading profits during the year under report. With a tighter control on administrative expenses, your company was able to reverse the negative trend during the previous year and achieve a positive result as reflected in the financial statements for the year under report.

Your company's associate, Antique Finance Private Limited. have also achieved good results and thus maintained a positive trend in their working results.

(iv) Opportunities and Threats:

The Government of India has announced series of fiscal measures to achieve a GDP growth of 8% for the ensuing year and also reduce the inflation through appropriate monetary measures. Although the western market especially some of the European countries have been posing concern on their economic stability that could trigger a cascading effect on the global economy, the resilience of the Indian economy as seen in the past augurs well for the stability of the financial markets during the current year. The Indian corporate sector has also been showing encouraging results with better performance that should contribute for better valuations and market capitalization during the ensuing year also.

Nonetheless if past trends are any indication, the capital market activities in which your company is predominantly engaged could face aberrations depending on the global trends both economic and political as the markets are to some extent driven by investment by Foreign Institutions.

(v) Segment-wise – Product-wise reporting:

Your company is mainly engaged in the business of investment activities and all other activities are revolving around the main activity, and as such there are no separate reportable segments.

(vi) Outlook:

Your company will spare no efforts to improve the profitability and the shareholders' wealth though there is a heavy dependency on the market trend in the equity segment of the capital market. Your company expects the general market conditions to improve and would strive hard to take advantage of the situation as and when opportunities arise.

(vii) Risks and Concerns:

Your company's activities which are essentially in the capital market segments is fraught with inherent risk and the downward trend in the growth of global economy resulted in significant erosion in the value of the investment. While all efforts will be made to safeguard further erosion, your company will exercise due caution and care to ensure that all these concerns are addressed while taking future investment decisions.

(viii) Internal Control Systems and their Adequacy:

Company has in place adequate internal control measures. The requisite management information system is already in place to take corrective measures when required.

(ix) Human Resources:

Your company has adequate trained professionals to manage the affairs of the company in the most prudent manner.

(x) Cautionary Statement:

The Management Discussion and Analysis Report may contain certain statements that might be considered forward looking. These statements are

subject to certain risk and uncertainties. Actual results may differ materially from those expressed in the statements as important factors could influence the Company's operation such as Government policies, local political and economic development, etc.

**4 Subsidiaries:**

Ministry of Corporate Affairs, Government of India, vide order No 47/168/2010-CL-III dated March 15, 2010 has granted approval that the requirement to attach various documents in respect of subsidiary companies, as set out in sub-section (1) of the Section 212 of the Companies Act 1956, shall not apply to the Company. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary companies, as required by the said order is disclosed in the Annual Report. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same on any working day except Saturday and Sunday between 11 a.m to 2 p.m. The annual accounts of subsidiary companies will also be kept open for inspection by any investor at the registered office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies and associate companies.

Shriyam Broking Intermediary Limited a subsidiary of the Company posted modest operational results during the year under report in view of lower volumes of brokerage generated from Institutional business. The gross brokerage earned during the year was at Rs.162.03 lakhs as against Rs.318.89 lakhs during the previous year resulting in a decline in net earnings before tax to Rs.66.65 lakhs as against Rs102.33 lakhs achieved during the previous year.

The other subsidiary viz. Shardul Commodities International Ltd had surrendered its trading cum clearing membership of Multi Commodity Exchange. Efforts will be made to activate the subsidiary as and when the market situation improves.

**5 Directors: -**

In terms of Article 155 of the Articles of Association of the Company, Dr. V.C Shah and Mr.Naveen Chaturvedi, Directors retire by rotation and being eligible offer themselves for re-appointment at the Annual General Meeting.

Brief resume of the Directors proposed to be appointed/reappointed, nature of their experience in specific functions and area and number of companies in which they hold membership/chairmanship of Board Committees as stipulated under clause 49 of the Listing Agreement of Stock Exchange are provided in the Report of Corporate Governance forming part of the Annual Report.

**6 Taxation: -**

In opinion of Directors, the provision for Income Tax is

## ANNUAL REPORT 2009-2010

- made as per the provisions of Income Tax Act, 1961.
- 7 Donation: -**  
During the year the Company has made donation to Trusts aggregating Rs. 10,05,000/-
- 8 Cashflow :-**  
As required by Clause 37 of the Listing Agreement, a Cash Flow Statement is appended with this report.
- 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, 2010, the applicable accounting standards have been followed along with proper explanations relating to material departures;
  - That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
  - 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;
  - That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March 2010 on a 'going concern' basis.
- 10 Auditors and Auditors' Report: -**  
The Company's Auditors, M/s Rajen Damani & Associates., Chartered Accountants, hold office upto the conclusion of the ensuing Annual General Meeting. The Company has received the letter from them pursuant to section 224(1-B) of the Companies Act, 1956, confirming their eligibility for re-appointment as Auditors of the Company.  
The notes to the Accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.
- 11. Corporate Governance: -**  
Report on Corporate Governance stipulated under Clause 49 of the Listing Agreement with Stock Exchange form part of this annual report. A certificate from the auditors of the Company M/s Rajen Damani & Associates, Chartered Accountants confirming compliance of conditions of Corporate Governance as stipulated under aforesaid clause 49 is annexed to and forms part of this Report.
- 12. Consolidated Accounts: -**  
In accordance with the requirements of Listing Agreement and the Accounting Standard -21 prescribed by the Institute of Chartered Accountants of India,
- Company had made additional disclosure in respect of Consolidated Financial Statements and Accounting Standard-18 for Related Party transactions.
- 13. Transfer of Unpaid and Unclaimed amounts to IEPF**  
Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 the declared dividends and interest on debentures which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act.
- 14. Statutory information: -**
- Personnel: -**  
Details of remuneration paid to employees as required by Section 217(2A) of the Companies Act, 1956, is not applicable to the Company as none of the employees is paid remuneration as stipulated in that Section.
  - Particulars required to be furnished by the Companies (Disclosure of particulars to the Report of Board of Directors) Rules, 1988.
    - Part A & B pertaining to conservation of Energy and Technology Absorption are not applicable or not relevant to the working of Company. The Directors keep themselves acquainted with ongoing seminars and research papers.
    - The Company has not earned any Foreign Exchange. The Company has spent Rs 0.04 lacs as and by way of Foreign Exchange outflow during the year. The foreign exchange outflow is on account of subscription to bulletins/magazines undertaken to acquire and keep in touch with the latest marketing and financial strategy and different norms of finance that is part of company's research program.
  - 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 does neither hold any Public Deposits nor is accepting any deposits.
    - The Company has complied with various requirements in terms of the capital adequacy under the guidelines issued by the Reserve Bank of India for the Non-Banking Financial Companies.
  - Acknowledgment: -**  
Your Directors appreciate the co-operation and support extended by the Shareholders, Employees, Financial Institutions and Banks.

For and on behalf of Board

R Sundaresan      Naveen Chaturvedi  
Executive Director      Director

Place : Mumbai  
Dated : 26<sup>th</sup> May, 2010





## Corporate Governance Report:

Your Company has been practicing the principle of good corporate governance since inception. Good corporate governance comprises of all activities that result in the control of the company in a regular manner which makes management transparent accountable and fair. In accordance with Clause 49 of the listing agreement with stock exchange and best practices followed by reputed corporations on corporate governance the details of compliance by the Company are as under:

### 1. Philosophy of the Company on the Code of Governance: -

The Company's philosophy on Corporate Governance envisage attainment of the highest levels of transparency, accountability and equity at all levels of its operation and in all its interactions with its stakeholders including shareholders, employees, Government Agencies and others. The Company strives for excellence with twin objective of enhancing customer satisfaction and shareholder's value.

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

### 2. Board of Directors: -

#### Composition of Board:

The current strength of the Board consists of Eight Directors out of which One is Whole-Time (Executive) Director and Seven Non-Executive Directors. The Company does have a non-executive Chairman and the Board already consists of Five Independent Directors. The names of directors and their position are as follows:

No.	Name of the Director	Status	
1	Mr. Devesh D Chaturvedi	Non Executive Chairman.	Promoter Director
2	Dr. V.C. Shah	Non Executive Director	Independent Director
3	Mr. Bhupendra Shroff	Non Executive Director	Independent Director
4	Mr. Kantilal Shah	Non Executive Director	Independent Director
5	Mr. Charul Abuwala	Non Executive Director	Independent Director
6	Mr. Gyandeo Chaturvedi	Non Executive Director	Independent Director
7	Mr. Naveen Chaturvedi	Non Executive Director	Non Independent Director
8	Mr. R Sundaresan	Executive Director and CEO	Whole time Director

#### • Board Meetings: -

The Board of Directors of the Company met Five times during financial year ended 31<sup>st</sup> March 2010. The Board Meetings were held on 15<sup>th</sup> April 2009, 23<sup>rd</sup> June 2009, 29<sup>th</sup> July 2009, 26<sup>th</sup> October 2009 and 27<sup>th</sup> January 2010. The Annual General Meeting of the Company was held on 2<sup>nd</sup> September 2009 at 712-713, Tulsiani Chambers, 212 Nariman Point, Mumbai – 400021.

The Company has held at least one meeting in every three months and the maximum time gap between any two Board Meetings was not more than four months. None of the directors of the Company was a member of more than ten committees or the Chairman of more than five committees across all public limited companies in which he is a Director. None of the Directors of the Company has exceeded maximum number of directorship in other companies.

For the purpose of considering the limit of the Committees as stated above, only Audit Committee and Shareholders/ Investors Grievances Committee across all public limited companies has been considered in accordance with clause 49 of the Listing Agreement.

#### • Directors Attendance records and Directorships held: -

Attendance of each Director at the Board Meetings, last Annual General Meeting, and number of other Directorship of each Director in various companies as given below:

Name of the Director	Category	Attendance Particulars		No. of other directorships and committee member/Chairmanship**		
		Board Meeting	Last AGM	Other Directorships (excluding Directorship in Pvt. Co's)	Committee Memberships	Committee Chairmanships
Mr.Devesh Chaturvedi	CH	5	Yes	—	—	—
Dr.V.C. Shah	NED	4	No	4	5	3
Mr.Bhupendra K. Shroff	NED	5	Yes	2	4	3
Mr.R. Sundaresan	ED	3	Yes	2	2	—
Mr Kantilal Shah	NED	5	Yes	1	1	—
Mr. Charul Abuwala	NED	4	Yes	—	—	—
Mr. Gyandeo Chaturvedi	NED	5	Yes	1	2	1
Mr Naveen Chaturvedi	NED	5	Yes	1	—	—
CH	-	Chairman				
ED	-	Executive Director				
NED	-	Non Executive Director				

\*This includes the Chairmanship/Membership only in Audit Committee and the Shareholder's/Investors Grievance Committee

## ANNUAL REPORT 2009-2010

### • Details of Directors being appointed/re-appointed at the Annual General Meeting: -

Dr V C Shah aged about 82 years M.Com. (Bombay University) Ph D. (Eco) (Columbia) has worked as Economic Advisor in Embassy of India at Belgium for 6 years and worked as General Manager of ICICI for 15 years. He holds directorship in Binani Industries Limited, Ambala Sarabhai Enterprises Ltd, Coastal Roadways Ltd and Binani Cement Ltd. He is the Member of Audit Committee and Chairman of Investors Relation Committee of Binani Cement Limited and Binani Industries Limited. He is also the Chairman of the Audit Committee of Ambalal Sarabhai Enterprises Limited

Mr Naveen Chaturvedi aged 29 years a Chartered Accountant and having vast experience in the field of finance, accounts, audits, taxation, legal etc. He holds directorship in Antique Capital Markets Private Limited, Antique Wealth Advisors Private Limited, Antique Stock Broking Limited, Antique Securities Asia Pte. Limited, and Antique Finance Private Limited.

### • Disclosure of Relationship between directors inter-se

None of the Directors are related to each other.

### 3. Board Committees: -

The Company has constituted three committees of Directors, namely Shareholders/Investor Grievances Committee, Remuneration Committee and Audit Committee to deal with matters requiring urgent decisions and monitoring of the activities falling within their terms of reference, comprising mainly of non-executive Directors. Each of these committees has their respective charters approved by the Board. The minutes of the meeting are recorded and placed before the Board for its information.

### • Shareholders /Investor Grievances Committee: -

The said committee approves and monitors, transfers, transmission, duplicate, split and consolidation of share certificates, issued by the Company investors complaint if any and any other matters related to shareholders and investors grievances. The Committee meets once in a fortnight and all effects to transfer are given and duly endorsed Share Certificates are dispatched within a period of 30 days from the date of receipt, if documents are clear in all respects. Request for dematerialized (demat) received from the Shareholders are effected within an average period of 15 days.

The Composition of the said committee is as follows:

Sr No.	Name of the Member	Status in Committee	Director status
1	Mr. Bhupendra Shroff	Chairman	Non Executive Independent Director
2	Mr. Gyandeo Chaturvedi	Member	Non Executive Independent Director
3	Mr. R Sundaresan	Member	Executive Director

The Board has designated Ms.Monika Agarwal, Company Secretary as the Compliance Officer

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (duly amended), the Company has formulated the guidelines and Code of Conduct for Prevention of Insider Trading.

The total number of complaints / requests / queries received and replied to the satisfaction of the investors during the year under review was 31.

The Shares held by Non Executive Directors as on 31.03.2010 are given below:

Sr No.	Name of the Director	Status	No of Shares	% Holding
1	Mr. Devesh D Chaturvedi	Non Executive Chairman.	18,08,604	10.34
2	Dr. V.C. Shah	Non Executive Director	Nil	-
3	Mr. Bhupendra K. Shroff	Non Executive Director	400	-
4	Mr. Kantilal Shah	Non Executive Director	Nil	-
5	Mr. Charul Abuwala	Non Executive Director	Nil	-
6	Mr. Gyandeo Chaturvedi	Non Executive Director	400	-
7	Mr Naveen Chaturvedi	Non Executive Director	Nil	-

### • Audit Committee: -

The Board of Directors has constituted Audit Committee of Directors to exercise powers and discharge function as stipulated in section 292A of the Companies Act, 1956, Clause 49 of the Listing Agreement with Stock Exchanges and other statutory / regulatory provisions.

The Composition of Audit Committee is as under –

Sr No.	Name of the Member	Status in Committee	Director status
1	Mr. Gyandeo Chaturvedi	Chairman	Non Executive Independent Director
2	Mr. Bhupendra Shroff	Member	Non Executive Independent Director
3	Mr Kantilal M Shah	Member	Non Executive Independent Director
4	Mr. R Sundaresan	Member	Executive Director

Ms. Monika Agarwal, Company Secretary acts as Secretary of the Committee

The terms of reference of the Audit Committee include: -

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.