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# **SHARDUL**

## **SECURITIES LIMITED**



**27<sup>th</sup>**  
**ANNUAL REPORT**  
**2011-2012**

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## SHARDUL Securities Limited

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

### BOARD OF DIRECTORS

<b>Devesh Chaturvedi</b>	- Chairman
<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 and Compliance Officer
<b>Saurabh Chaturvedi</b>	- Chief Financial Officer

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**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  
E Mail: access@shriyam.com

**SUBSIDIARY COMPANIES:**

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

**REGISTRARS AND SHARE TRANSFER AGENT**  
**Link Intime India Private Ltd**  
**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)

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## NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of Shardul Securities Limited will be held on Friday, 28<sup>th</sup> September 2012 at 10.00 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 2012 and the Statement of 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 Mr Kantilal Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr Charul Abuwala, 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.

### AS SPECIAL BUSINESS

6. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:  
“RESOLVED THAT subject to provisions of section 198, 309, 310 and 314 read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956 or any amendment thereof or substitution thereof and in supersession of earlier resolution Mr. R Sundaresan be and is hereby re-appointed as Executive Director of the Company with effect from 16<sup>th</sup> June 2012 for a period of three years as per the following terms:
  - Remuneration of Rs. 6.50 lacs Per annum with effect from 16<sup>th</sup> June 2012.
  - Employer Contribution to Provident Fund and Gratuity is as per the Company's Policy.
  - The Company will provide the Executive Director a Car with a Driver and telephone. However, provision of car for use on company's business and telephone at residence shall be treated as perquisites as per Income Tax Rules, wherever applicable.

**RESOLVED** further that consent of the Company be and is hereby given to the Board of Directors, or Remuneration Committee to increase at its discretion, the remuneration of Mr. R Sundaresan on 1<sup>st</sup> of April every year till the completion of his tenure, within the overall limit of remuneration as provided in Schedule XIII of Companies Act, 1956

### 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, Mr. Kantilal Shah and Mr. Charul Abuwala 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 2003-04. 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 22<sup>nd</sup> September 2012 to 27<sup>th</sup> September 2012 (both days inclusive).

9. The dividend if declare will be paid on and from 1<sup>st</sup> October 2012 to those shareholders whose names appear on the register of members of the Company as on 21<sup>st</sup> September 2012.
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:
  - a. any change in their address/mandate/bank details.
  - b. Particulars of their bank account in case the same have not been sent earlier.
  - c. 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.

#### **Important communication for Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses so far are requested to register their e-mail addresses, respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with Link Intime India Private Limited

**By Order of the Board of Directors**

**Place : Mumbai**  
**Date : 21<sup>st</sup> May 2012**

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

**Naveen Chaturvedi**  
**Director**

**Regd. Office:**  
G-12, Tulsiani Chambers  
212, Nariman Point  
Mumbai 400 021.

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### EXPLANATORY STATEMENTS UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

#### Item No.6

The present term of office of Mr. R. Sundaresan, Whole-time Director expires on 15<sup>th</sup> June 2012. The Board of Directors approved his re-appointment as Whole-time Director of the Company for a period of three years with effect from 16<sup>th</sup> June 2012 on the terms and conditions including remuneration as set out below, subject to the approval of shareholders of the Company at the Annual General Meeting.

Mr. R. Sundaresan is having vast experience in Financial, Banking and Corporate Advisory Sector. It is in the best interest of the company to continue to have him as a Whole-time Director.

The terms and conditions set out for re-appointment and payment of remuneration may be altered and varied from time to time by the Board of Directors of the company as it may at its discretion deem fit so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments made thereto.

Remuneration of Mr.R. Sundaresan with effect from 16<sup>th</sup> June 2012 will be as follows :-

- a) Salary : Rs 6,50,000/- per annum.
- b) The Company will provide the Executive Director Car with a Driver and telephone. However, provision of car for use on company's business and telephone at residence shall be treated as perquisites as per Income Tax Rules, wherever applicable.
- c) Company's contribution to Provident Fund and payment of Gratuity shall be as per the Company Rules and Regulations.

Your Directors recommend this Resolution for member's approval.

None of the Directors except Mr. R. Sundaresan is concerned or interested in this Resolution.

The above explanation may also be taken as an abstract under Section 302 (2) of the Companies Act, 1956

**By Order of the Board of Directors**

**Place : Mumbai**  
**Date : 21<sup>st</sup> May 2012**

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

**Naveen Chaturvedi**  
**Director**

**Regd. Office:**  
G-12, Tulsiani Chambers  
212, Nariman Point  
Mumbai 400 021.

To,  
The Members of  
**Shardul Securities Ltd.**

Your Directors are pleased to present the Twenty Seventh Annual Report and the Audited Accounts for the year ended March 31, 2012.

### 1. Financial Results: -

	(Rs. in lacs)	
	2011-2012	2010-2011
Profit/(Loss) before Depreciation	466.05	574.32
<b>Less:</b> Depreciation	46.16	44.05
Profit/(Loss) before Taxation	<b>419.89</b>	530.27
<b>Less:</b> Provision for taxation		
Current	80.00	105.00
Deferred	0.65	(7.81)
Taxation adjustment of previous years (Net)	—	4.86
	-----	-----
Profit / (Loss) after Taxation	<b>339.24</b>	428.22
<b>Add:</b> Prior Year Adjustments	—	—
	-----	-----
Profit/ (Loss) after Prior Period Adjustments	<b>339.24</b>	428.22
Surplus / (Deficit) brought forward from previous years	<b>2991.44</b>	2904.72
	-----	-----
	<b>3330.68</b>	3332.94
	=====	=====
<b>Appropriations:</b>		
Statutory Reserve Fund as per RBI Guideline	<b>67.85</b>	85.64
Proposed Dividend (including dividend tax) on Equity Shares	<b>122.02</b>	244.86
Transferred to General Reserve	—	11.00
Balance carried to Balance Sheet	<b>3140.81</b>	2991.44
	-----	-----
	<b>3330.68</b>	3332.94

### 2. Dividend:

Your Directors recommend a dividend of Rupees 0.60 per Equity Shares on 1,74,98,433 equity shares of Rs.10 each aggregating to Rs. 122.02 Lacs (including dividend tax) for the financial year ended 31st March 2012 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 21st September 2012 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 has posted a net profit after tax of Rs.339.24 lakhs during the current year as compared to the net profit of Rs.428.22 lakhs during the previous year. The drop in profit level is only a reflection of the market conditions that prevailed during the last year on account of economic slowdown and uncertainties in the global markets.

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

The slowdown in the world economic activities, especially in Europe with potential threat of Greece being shut out of the euro zone coupled with the economic woes of countries like Spain and a few other countries in Europe had an adverse impact on Indian economy also. Further, the Indian Economy had its own internal problems accentuated by the policy paralysis especially on economic reforms mainly due to political uncertainties leading to slow down in GDP growth which was estimated to grow at about 7.5% but could achieve only 5.3% during the financial year. Notwithstanding the efforts of the RBI to contain inflation, the liquidity suffered on account of huge withdrawal of funds by foreign institutional investors that also created unexpected dampness in capital market activities. The corporate results and the guidelines for the ensuing year have also been very discouraging and as a result, the capital market witnessed a heavy volatility and the valuations took a heavy beating on the downside.

Though there was an attempt by the Govt. to boost the economic activities by reducing the interest rates, it did not have the desired effect as the outflow of foreign funds and also the increase in crude oil price resulted into depreciation of the rupee value which perhaps witnessed its lowest level in the recent years. As a result, there was a slump in the volume and turnover in the capital markets affording very little opportunity to achieve satisfactory results in trading and broking operations.

#### (iii) Business Review:

As a result of the continuing economic slowdown during the year under report, your company could not sustain the desired growth momentum achieved during the previous year. Yet your company managed to post a positive result as reflected in the financial statement for the year under report. Your associate company, Antique Finance Pvt. Ltd. also managed to post modest results during the year for the above said reasons.

#### (iv) Opportunities and Threats:

The Government of India's inadequacy to take measures so far to reduce the fiscal deficit that is looming large against the growth momentum has adversely affected the GDP growth and as a consequence the Industrial growth has witnessed a sharp decline in the recent times. The sectors mainly affected are infrastructure, heavy industries, small scale Industries and exports. The economic uncertainties in the European and North American countries also have been posing problems on the export front especially in the IT segment and the only redeeming feature has been a positive growth in sectors like agriculture, automobile, health care and retail distribution of goods and services.

As a result of the economic slowdown contributing to laggard capital market activities in which your company is dominantly engaged, the ensuing year also could be a testing

time and your company's performance will therefore be dependent on extent to which the economic factors influence the growth prospects.

**(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 shareholder's 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 and also 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:**

Your company has in place adequate interest 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.

**4 Subsidiaries:**

Ministry of Corporate Affairs, Government of India, vide Circular No: 5/12/2007-CL-III dated 8th February 2011 has granted exemption 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 provided certain conditions as mentioned in the circular is fulfilled. 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 circular 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 a much lower operational results as compared to the previous year due to extreme volatility in the capital market segments. The opportunities for achieving the desired results were limited by external factors and hence, there was considerable slowdown contributing to current year's loss of Rs 20.15 Lacs as compared to the previous year's profit of Rs 41.09

Lacs. The other subsidiary, Shardul Energy Limited has yet to make the desired progress due to adverse situation prevailing in the economy and steps would be taken to explore opportunities in power sector and any progress in future will be informed to the shareholders in due course.

**5 Directors: -**

Your directors regret to report the sad demise of Dr V.C Shah, Director of the company on 13.12.2011. He had been associated with the Company since 06.04.1993. The Board of Directors record their appreciation of the invaluable services and helpful guidance and support given by late Dr. V.C Shah during his tenure with your Company as a member of the Board.

In terms of Article 155 of the Articles of Association of the Company, Mr. K.M Shah and Mr.Charul Abuwala, Directors retire by rotation and being eligible offer themselves for re-appointment at the Annual General Meeting.

The present term of office of Mr. R. Sundaresan, Whole-time Director expires on 15th June 2012. Your Directors approved his re-appointment as Whole-time Director of the Company for a period of three years with effect from 16th June 2012, subject to the approval of shareholders of the Company 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 made as per the provisions of Income Tax Act, 1961.

**7 Cashflow :-**

As required by Clause 37 of the Listing Agreement, a Cash Flow Statement is appended with this report.

**8 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: -

- (i) That in the preparation of the accounts for the financial year ended 31st March 2012, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (ii) 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;
- (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 31st March 2012 on a 'going concern' basis.

**9 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 Financial Statement referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

**14. 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**  
**Executive Director**

**Naveen Chaturvedi**  
**Director**

**10. 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.

**Place : Mumbai**

**Dated : 21st May 2012**

**Regd. Office:**

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

**11. 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.

**12. 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.

**13. Statutory information: -**
**a. 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.

**b. 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 or not relevant to the working of Company. The Directors keep themselves acquainted with ongoing seminars and research papers.
- (ii) The Company has neither earned nor spent any amount by way of Foreign Exchange.

**c. Deposits: -**

- i) 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.
- ii) 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.



## 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 Seven Directors out of which One is Whole-Time (Executive) Director and Six Non-Executive Directors. The Company does have a non-executive Chairman and the Board already consists of Four 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	Mr. Bhupendra Shroff	Non Executive Director	Independent Director
3	Mr. Kantilal Shah	Non Executive Director	Independent Director
4	Mr. Charul Abuwala	Non Executive Director	Independent Director
5	Mr. Gyandeo Chaturvedi	Non Executive Director	Independent Director
6	Mr. Naveen Chaturvedi	Non Executive Director	Non Independent Director
7	Mr. R Sundaresan	Executive Director and CEO	Whole time Director

#### • Board Meetings: -

The Board of Directors of the Company met Four times during financial year ended 31st March 2012. The Board Meetings were held on 18th May 2011, 05th August 2011, 11th November 2011 and 14th February 2012. The Annual General Meeting of the Company was held on 10th September 2011 at 10.30 a.m., at Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400 021.

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	4	Yes	--	--	--
**Late Dr.V.C. Shah	NED	3	No.	--	--	--
Mr. Bhupendra K. Shroff	NED	4	Yes	2	4	3
Mr. R. Sundaresan	ED	2	Yes	2	2	--
Mr Kantilal Shah	NED	4	Yes	1	1	--
Mr. Charul Abuwala	NED	3	Yes	--	--	--
Mr. Gyandeo Chaturvedi	NED	4	Yes	1	2	1
Mr Naveen Chaturvedi	NED	3	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

\*\* Dr V.C Shah Non Executive director of the company expired on 13.12.2011

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

Mr. Kantilal Shah, aged 79 years, a practicing Chartered Accountant. He is a Director in Jain Sahakari Bank Ltd (co operative bank) He is a Member of Audit Committee of the Company.

Mr. Charul Abuwala, aged 50 years, an Advocate and having vast experience in legal field.

Mr R.Sundaresan aged 67 years M.Sc, MBA, CAIIB was re-appointed as Whole time Director on 16th June 2012. Mr R.Sundaresan is having vast experience in Financial, Banking and Corporate Advisory Sector. He holds Directorship in Shriyam Broking Intermediary Limited and Shardul Energy 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 18.

The Shares held by Non Executive Directors as on 31.03.2012 are given below:

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

- 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.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.