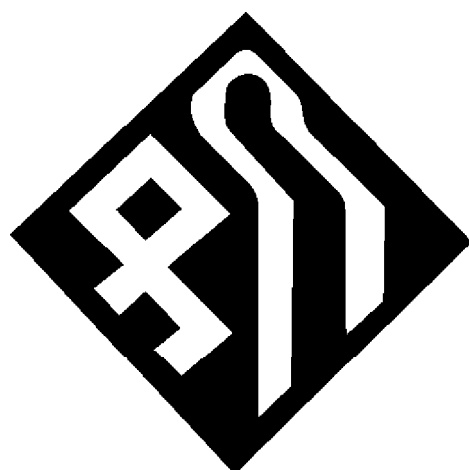


Shardul

SECURITIES LIMITED



28th
ANNUAL REPORT
2012 - 2013

SHARDUL SECURITIES LIMITED

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

BOARD OF DIRECTORS

Devesh Chaturvedi	- Chairman
Bhupendra Shroff	- Director
Kantilal Shah	- Director
Charul Abuwala	- Director
Gyandeo Chaturvedi	- Director
Naveen Chaturvedi	- Director
R. Sundaresan	- Executive Director
Monika Agarwal	- Company Secretary and Compliance Officer
Saurabh Chaturvedi	- 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 COMPANY:

Shriyam Broking Intermediary 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 - 400 078.
Tel.No. : 25946970-78
Fax : 25946969
E mail : rnt.helpdesk@linkintime.co.in

NOTICE

NOTICE is hereby given that the **Twenty Eighth Annual General Meeting** of the Members of **Shardul Securities Limited** will be held on **Wednesday, 18th September 2013 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 31st March 2013 and the Statement of Profit & Loss for the year ended on that date and the Reports thereon.
2. To declare dividend on the Paid-up Equity Share Capital of the Company.
3. To appoint a Director in place of Mr. Bhupendra Shroff, 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, Mr. Bhupendra Shroff 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 recommends 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 2004-05. 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 13th September 2013 to 17th September 2013 (both days inclusive).
9. The dividend if declare will be paid on and from 19th September 2013 to those shareholders whose names appear on the register of members of the Company as on 12th September 2013.
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 : 28th May 2013

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 Eight Annual Report** and the Audited Accounts for the year ended March 31, 2013.

(Rs. in lacs)

1. Financial Results :-

	2012-2013	2011-2012
Profit/(Loss) before Depreciation	344.01	466.05
Less: Depreciation	44.97	46.16
Profit / (Loss) before Taxation	299.04	419.89
Less: Tax Expenses		
Provision for tax	45.00	80.00
Deferred Tax Liability/(Asset)	(11.71)	0.65
Profit / (Loss) after Taxation	265.75	339.24
Surplus/(Deficit) brought forward from previous years	3140.81	2991.44
	3406.56	3330.68
Appropriations:		
Statutory Reserve Fund as per RBI Guidelines	53.15	67.85
Proposed Dividend (including dividend tax) on Equity Shares	122.02	122.02
Balance carried to Balance Sheet	3231.40	3140.81
	3406.57	3330.68

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 2013 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 12th September 2013 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 of Rs.265.75 lakhs after tax as against net profit of Rs.339.24 lakhs posted during the previous year. The drop in the profit level is due

to adverse market conditions that prevailed during the year on account of economic slowdown and uncertainties in the global markets.

(ii) Trend in Global and Indian Economy & Financial Markets:

The slackness in the demand in developed economies especially in Europe which narrowly missed acute recession coupled with a general decline in the growth of the trade in goods and services globally had adverse impact on the Indian economy also. Macro Financial Parameters indicated a widening current account deficit and a persistent consumer price inflation, though the fall in the prices of crude oil and gold during the year provided some relief. The inflationary trend was marginally lower at 7.3% with a low of 6% in the month of March, 2013 and the GDP growth decelerated to 5% during the current year from a growth level of 6.6% during the previous year. The decline in the GDP growth was prominently reflected in the agricultural and service sector. The Index of Industrial Production (IIP) was abysmally low at 1% as compared to 2.9% during the previous year largely due to raising cost and infrastructure constraints. The capital goods and mining sector showed adverse growth due to the prevailing trend as a result of which the corporate results and guidelines for the ensuing year have also been discouraging. The export growth also witnessed a sluggishness though it was expected to pick up during the second half of the year. Though the fiscal deficit was contained at 5.2% of the GDP, the current account deficit has posed a serious challenge as it is much above the threshold level of 2.5%.

Though the Government has been attempting to bring more reforms in the financial sector, lack of measures for speedy implementation has made the outlook for investments muted.

(iii) Business Review:

As a result of the slump in the economic growth during the year under report, your company could not sustain the same level of growth momentum achieved during the previous year. The capital market was highly volatile and your company's core business being that of investments in capital market instruments, the results showed a marginal decline in profitability levels as compared to the previous year. However, your company still managed to post a positive result and your associate company, Antique Finance Pvt.Ltd. also managed to post positive results during the year under report.

(iv) Opportunities and Threats:

The continued economic slowdown affecting the GDP growth which is projected at about 5.7% for the ensuing year and poor guidance in corporate results could pose serious challenges during the ensuing year notwithstanding sizeable influx of funds through FIIs. The uncertainty in the capital markets are likely to cause aberrations in terms

of achieving desired levels of profitability and growth. The ensuing year therefore could be a challenging time and your company's performance will therefore be dependent on extent to which the above said factors would influence the general economic growth.

(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, Statement of Profit and Loss 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 marginally improved results as compared to the previous year. This is despite high volatility in the capital market that led to low brokerage volumes. However, in the later part of the year with the increased activities in the institutional and retail segment, your subsidiary was able to turn the corner and posted a net profit of Rs.8.18 lakhs as against the loss of Rs.20.15 lakhs during the previous year

During the year under review your company sold its entire investment of 5,00,000 fully paid of equity shares of Rs 10/- each held at par in its wholly owned subsidiary named Shardul Energy Limited and consequently the mentioned subsidiary has ceased to be wholly owned subsidiary of the Company with effect from 23rd November 2012.

5. Directors :-

In terms of Article 155 of the Articles of Association of the Company, Mr. Bhupendra Shroff 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 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 2013, 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 2013 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.

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.

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.

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

Place : Mumbai	R. Sundaresan	Naveen Chaturvedi
Dated : 28th May 2013	Executive Director	Director

Regd. Office:

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

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 Five Independent Directors. The names of directors and their position are as follows:

Sr. 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	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 2013. The Board Meetings were held on 21st May 2012, 08th August 2012, 08th November 2012 and 07th February 2013. The Annual General Meeting of the Company was held on 28th September 2012 at 10.00 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 Meetings	Last AGM (excluding Directorship in Pvt. Co's.)	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Devesh Chaturvedi	CH	4	Yes	—	—	—
Mr. Bhupendra K. Shroff	NED	2	Yes	2	4	3
Mr. R. Sundaresan	ED	3	Yes	1	2	—
Mr. Kantilal Shah	NED	4	Yes	1	1	—
Mr. Charul Abuwala	NED	3	Yes	—	—	—
Mr. Gyandeo Chaturvedi	NED	4	Yes	—	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

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

Mr. Bhupendra K. Shroff aged 75 years M.Com, LL.B, F.C.S, C.I.A(USA) was appointed as a Director on 6th April 1993. He is a Practicing Company Secretary and a Company Law Consultant for several years. He holds Directorship in Shriyam Broking Intermediary Ltd, Asian Star Diamonds International Pvt. Ltd, Intuitive Endeavours Private Limited and Asian Star Company Ltd, Khira Steel Works Pvt. Ltd, He is the Chairman of the Shareholders /Investor Grievances Committee and Remuneration Committee and Member of Audit Committee of the Company. He is also the Chairman of Audit Committee and Shareholders / Investor Grievances Committee and member of Remuneration committee and Corporate Governance Committee in Asian Star Company Ltd

Mr. Naveen Chaturvedi aged 32 years a Chartered Accountant and having vast experience in the field of finance, accounts, audits, taxation, legal etc. He holds Directorship in Antique Wealth Advisors Private Limited, Antique Capital Markets Private Limited, Antique Stock Broking Limited, Antique Finance Pvt. Ltd, Antique Securities Asia Pte Ltd and A To Z Plants 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 dematerialization (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 31.03.2013 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	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 :-

- i) 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.
- ii) 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.
- iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to :
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
- v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- vii) Reviewing, with the management, performance of statutory and internal auditors, if any, and adequacy of the internal control systems.
- viii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ix) Discussion with internal auditors, if any, any significant findings and follow up there on.
- x) Reviewing the findings of any internal investigations by the internal auditors, if any, into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- xi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- xiii) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- xiv) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- xv) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee is vested with powers to investigate any activity of Company or seek information from any employee.

Besides the Committee Members, Senior Executives of accounts, finance, internal audit, statutory auditors were standing invitees for on the spot clarification / explanation.

• **Meetings of the Audit Committee :-**

During the year 2012-2013, the Committee met four times. The Committee Meetings were held on 21st May 2012, 08th August 2012, 08th November 2012 and 07th February 2013. The attendance of each Member of the Committee is given below :-

Sr. No.	Name of Director	No. of Meeting attended
1	Mr. Gyandeo Chaturvedi	4
2	Mr. Kantilal M Shah	4
3	Mr. Bhupendra Shroff	2
4	Mr. R Sundaresan	3