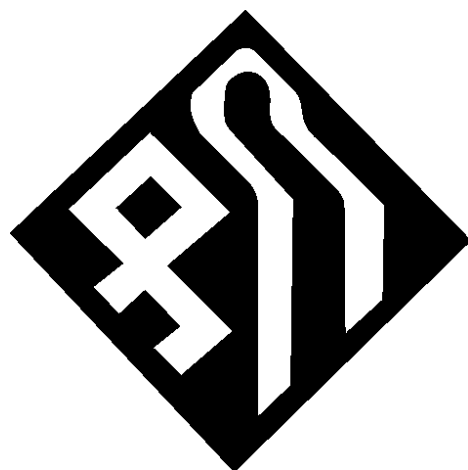


SHARDUL

SECURITIES LIMITED



29th
ANNUAL REPORT
2013 - 2014

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 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

NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Members of Shardul Securities Limited will be held on Friday, 5th September 2014 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 2014 and the Statement of Profit & Loss for the year ended on that date and the Reports thereon.
2. To appoint a Director in place of Mr. Naveen Chaturvedi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare dividend on the Paid-up Equity Share Capital of the Company.
4. 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.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 “RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Kantilal Shah (holding DIN 00221939), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019.”
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 “RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Gyandeo Chaturvedi (holding DIN 00004831), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019.”
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 “RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. B. K. Shroff (holding DIN 00004596), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019.”
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 “RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Charul Abuvala (holding DIN 00071142), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019.”
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:
 “RESOLVED that in supersession of the Ordinary Resolution adopted at the 20th Annual General Meeting held on 16th September 2005 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/ to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of 1000 Crores (Rupees one thousand crores) over and above the aggregate of the paid up share capital and free reserves of the Company.”

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.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Shareholder.
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members / Proxies are requested to bring the Attendance Slip duly filled in for attending the meeting.
6. 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.
7. 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.
8. 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 2005-06. 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. Shareholders who have not encashed the dividend warrants, declared after this period are requested to encash their dividend warrants immediately.
9. Register of Members / Transfer books will be closed from 30th August 2014 to 4th September 2014 (both days inclusive).
10. The dividend if declare will be paid on and from 6th September 2014 to those shareholders whose names appear on the register of members of the Company as on 29th August 2014.
11. 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.
12. 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.
13. 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.
14. 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.
15. 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.
16. 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.

17. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Ltd.

The instructions for e-voting are as under:

In case of members receiving e-mail:

- i) Log on to the e-voting website www.evotingindia.com.
- ii) Click on "Shareholders" tab.
- iii) Now, select the Shardul Securities Ltd. from the drop down menu and click on "SUBMIT"
- iv) Now, Enter your User ID
 - a. For CDSL : 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for Shardul Securities Ltd.
- xii) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- Please follow all steps from sl. no. (i) to sl. no. (xvii) above, to cast vote.
- The voting period begins on 26th August 2014 at 9.00 a.m. and ends on 28th August 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 1st August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- M/s. Shah & Purohit, Chartered Accountant has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of date of 1st August 2014
- The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.shardulsecurities.com and on the website of CDSL viz. www.cdslindia.com and communicated to the BSE Limited.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out all material facts relating to special business:

Item no. 5 and 6

Mr. K.M. Shah and Mr. Gyandeo Chaturvedi are Independent Directors of the Company. Mr. K.M. Shah and Mr. Gyandeo Chaturvedi retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. K.M. Shah and Mr. Gyandeo Chaturvedi being eligible and offering themselves for appointment, is proposed to be appointed as an Independent Director to hold office for five consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019. Notices have been received from a members proposing each of Mr. K.M. Shah and Mr. Gyandeo Chaturvedi as a candidate for the office of Director of the Company.

Mr. K.M. Shah and Mr. Gyandeo Chaturvedi are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has also received declarations from Mr. K.M. Shah and Mr. Gyandeo Chaturvedi that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. K.M. Shah and Mr. Gyandeo Chaturvedi fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as an Independent Director of the Company and are independent of the management.

Brief resume of Mr. K.M. Shah and Mr. Gyandeo Chaturvedi, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Except Mr. K.M. Shah and Mr. Gyandeo Chaturvedi, being appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 and 6.

The Board commends the Ordinary Resolutions set out at Item Nos. 5 and 6 of the Notice for approval by the shareholders.

Item no. 7 and 8

Mr. B. K. Shroff and Mr. Charul Abuvala are Independent Directors of the Company. Mr. B. K. Shroff and Mr. Charul Abuvala are directors whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. B. K. Shroff and Mr. Charul Abuvala being eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors to hold office for five consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019. Notices have been received from a members proposing each of Mr. B. K. Shroff and Mr. Charul Abuvala as a candidate for the office of Director of the Company.

Mr. B. K. Shroff and Mr. Charul Abuvala are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has also received declarations from Mr. B. K. Shroff and Mr. Charul Abuvala that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. B. K. Shroff and Mr. Charul Abuvala fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as an Independent Director of the Company and are independent of the management.

Brief resume of Mr. B. K. Shroff and Mr. Charul Abuvala, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Except Mr. B. K. Shroff and Mr. Charul Abuvala, being appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 7 and 8.

The Board commends the Ordinary Resolutions set out at Item Nos. 7 and 8 of the Notice for approval by the shareholders.

Item No. 9

The members of the Company at their 20th Annual General Meeting held on 16th September 2005 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of 1,000 Crores (Rupees one thousand crores).

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 9 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs. 1000 Crores (Rupees one thousand crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 9.

By Order of the Board of Directors

Place : Mumbai
Date : 29th May 2014

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 Ninth Annual Report** and the Audited Accounts for the year ended March 31, 2014.

1. Financial Results: -

	(Rs. in lacs)	
	2013-2014	2012-2013
Profit/(Loss) before Depreciation	388.23	344.01
Less: Depreciation	44.05	44.97
Profit/(Loss) before Taxation	432.28	299.04
Less: Tax Expenses		
Provision for tax	75.00	45.00
Current tax expense relating to prior years	(3.32)	-
Deferred Tax Liability/(Asset)	(7.39)	(11.71)
Profit / (Loss) after Taxation	367.99	265.75
Surplus/(Deficit) brought forward from previous years	3231.39	3140.81
	3599.38	3406.56
Appropriations:		
Statutory Reserve Fund as per RBI Guidelines	73.60	53.15
Proposed Dividend (including dividend tax) on Equity Shares	143.31	122.02
Balance carried to Balance Sheet	3382.47	3231.39
	3599.38	3406.56

2. Dividend:

Your Directors recommend a dividend of Rupees 0.70 per Equity Share on 1,74,98,433 equity shares of Rs.10 each aggregating to Rs. 143.31 Lacs (including dividend tax) for the financial year ended 31st March 2014 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 29th August 2014 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.367.99 lakhs after tax as against net profit of Rs.265.75 lakhs posted during the previous year. The increase in the profit level is due to favourable market condition prevailed during the year.

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

The economy continued to witness a tardy growth for most part of the year under report and the GDP was pegged below 5% despite certain emergent measures initiated by the Govt. The negative outlook due to deficiency in decision making process left the overall economy high and dry and the inflation was hovering anywhere between 8 and 9 percent. During the last quarter of the year however a sudden spurt in economic activities was seen in anticipation of a change in the incumbency of the Govt post General Elections. The continued pressure on Current account deficit had forced the Govt and RBI to keep the interest rates high, curb imports of yellow metal and take a cautious stance on Govt Expenditure affecting investments and Capital expenditure. The major segments to suffer were the Industry, Agriculture and exports.

As a consequence of the negative sentiments, the capital markets too showed a sluggish trend though this was reversed partially during the last quarter of the year. The market showed a sudden upsurge and the valuations started moving up fairly briskly bringing cheers all around.

Post Elections, the markets witnessed a huge upswing and the general upbeat mood appears to augur well during the ensuing year.

(iii) Business Review:

Notwithstanding the slowdown in growth parameters, your company could improve its performance due to the positive changes in the last quarter of the year. As a result, the profitability improved and your company could show better results than anticipated at the end of the year. Your associate company, Antique Finance Pvt. Ltd. also managed better results during the year under report.

(iv) Opportunities and Threats:

With the change in the Government at the centre there is abundant optimism with regard to the GDP growth which is projected at more than 6% for the ensuing year and the corporate results are also expected to be far better than the previous years. There is also an euphoria in the capital market segment in anticipation of more liberal economic reforms, higher foreign investments and overall thrust for the growth of industry, agriculture, infrastructure and power. The coming years therefore appear to be very positive that could speed up the overall economic growth of the country.

(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:

With positive developments visible after the new government has taken over, your company anticipates the overall market conditions to improve providing adequate opportunities to achieve higher levels of growth in the coming years. Your company will take advantage of the potential conditions to improve the shareholders wealth in the best possible manner.

(vii) Risks and Concerns:

Your company's activities which are essentially in the capital market segments is fraught with inherent risk and any adverse trend in the global economy could result in significant changes in the fortunes of your company. Your company will however exercise due caution and care to ensure that all these concerns are addressed while taking investment decisions from time to time.

(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. Subsidiary:

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 company, 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 company are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary company, as required by the said circular is disclosed in the Annual Report. The Company will make available the Annual Accounts of the subsidiary company 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 company will also be kept open for inspection by any investor at the registered office of the Company and that of the respective subsidiary company. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary company and associate company.

Shriyam Broking Intermediary Limited, a subsidiary of the company posted improved results as compared to the previous year. However, as the operations in the subsidiary company are limited in view of our broking business being concentrated in Antique Broking, we do not anticipate in higher volume of growth in this segment.

5. Directors: -

In accordance with Articles 155 of the Articles of Association of the Company and the provisions of the Companies Act, 1956, Mr. Naveen Chaturvedi, director is liable to retire by rotation at the ensuing AGM and is eligible for reappointment.

Mr. K. M. Shah, Mr. Gyandeo Chaturvedi, Mr. B. K. Shroff and Mr. Charul Abuwala, directors of the Company, are being appointed as independent directors for five years for a term up to the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019 as per provisions of Section 149 and other applicable provisions of the Companies Act 2013.

Necessary resolutions for the appointment /re-appointment of the aforesaid directors have been included in the notice convening the ensuing AGM and details of the proposal for appointment / re-appointment are mentioned in the explanatory statement of the notice.

Your directors recommend their appointment / re-appointment.

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 2014, 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 2014 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.

By Order of the Board of Directors

Place : Mumbai
Date : 29th May 2014

R Sundaresan
Executive Director

Naveen Chaturvedi
Director

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