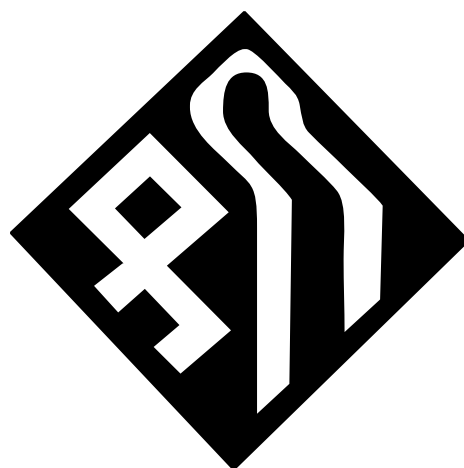


# **SHARDUL**

SECURITIES LIMITED



30<sup>th</sup>  
ANNUAL REPORT  
2014 - 2015

## 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>	- Independent Director
<b>Kantilal Shah</b>	- Independent Director
<b>Charul Abuwala</b>	- Independent Director
<b>Gyandeo Chaturvedi</b>	- Independent Director
<b>Naveen Chaturvedi</b>	- Non Executive Non Independent Director
<b>R. Sundaresan</b>	- Executive Director and Chief Executive Officer
<b>Monika Agarwal</b>	- Executive Director and Company Secretary
<b>Saurabh Chaturvedi</b>	- Chief Financial Officer

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**AUDITORS:**  
**Rajen Damani & Associates.**

**PRINCIPAL BANKER:**  
 HDFC Bank Limited

**REGISTERED OFFICE:**  
 G-12, Tulsiani Chambers  
 212, Nariman Point  
 Mumbai 400 021  
 Tel.No.: 40090500  
 Fax No.: 22846585  
 Website: [www.shardulsecurities.com](http://www.shardulsecurities.com)  
 E Mail: [investors@shriyam.com](mailto:investors@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](mailto:rnt.helpdesk@linkintime.co.in)

## NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of Shardul Securities Limited will be held on Friday, 11<sup>th</sup> September 2015 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 2015 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 (DIN: 00004745), 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) , to hold office from the conclusion of this Annual General Meeting, until the conclusion of Thirty Second Annual General Meeting to be held, subject to ratification at every Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company.

### SPECIAL BUSINESS:

5. **To approve continuation of employment of Mr R Sundaresan (DIN: 00029840) as a Whole time Director designated as Executive Director and CEO and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:**

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded for the continuation of office of Mr. R Sundaresan (DIN: 00029840), who has attained the age of seventy years on April 19, 2015, as a Whole time Director, designated as Executive Director and CEO of the Company, liable to retire by rotation, for further period of three years, with effect from 16<sup>th</sup> June 2015 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with right to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be mutually agreed, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. **To confirm the appointment of Ms Monika Agarwal (DIN: 07100711) as Whole time Director designated as Executive Director and Company Secretary who was appointed as an Additional Executive Director and in this regard to consider and if thought fit, to pass, the following resolution as an Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms Monika Agarwal (DIN: 07100711), Company Secretary, who was appointed as an Additional Director of the Company pursuant to the provisions of section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Executive Director of the Company, liable to retire by rotation, with effect from the commencement of this Annual General Meeting.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of sections 196, 197, 203 and other applicable provisions of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendments thereto or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act 2013 (“the Act”), the Company in general meeting hereby approves, confirms and ratifies appointment of Ms Monika Agarwal (DIN: 07100711), as Whole-time Director of the Company designated as “Executive Director and Company Secretary”, for a period of five years commencing from this AGM on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with right to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be mutually agreed, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. **To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**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 2006-07. 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 5<sup>th</sup> September 2015 to 10<sup>th</sup> September 2015 (both days inclusive).
10. The dividend if declared will be paid on and from 14<sup>th</sup> September 2015 to those shareholders whose names appear on the register of members of the Company as on 4<sup>th</sup> September 2015.
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.
- d. Members holding shares in electronic form are requested to update /send their change in address/bank details/Email-id 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 30<sup>th</sup> 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 shareholders voting electronically are as under:

- (i) The voting period begins on 9.00 A.M on 8<sup>th</sup> September 2015 and ends on 5.00 p.m on 10<sup>th</sup> September 2015. 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 4<sup>th</sup> September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (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](http://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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on address stickers.</li> </ul>
DOB	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.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• 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 member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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 the relevant <Company Name> on which you choose to vote.
- (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 Resolution details.
- (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.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

M/s Dharendra Maurya & Associates, Company Secretary in Practice, 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 4<sup>th</sup> September 2015.

The Members who have cast their vote by remote e-voting shall not be entitled to cast their vote again.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” / “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer’s report and submit the same to the Chairman. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website [www.shardulsecurities.com](http://www.shardulsecurities.com) and on the website of CDSL viz. [www.cdslindia.com](http://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**

The present term of office of Mr. R. Sundaresan, Whole-time Director expires on 15<sup>th</sup> June 2015. The Board of Directors approved his re-appointment as Whole-time Director of the Company, liable to retire by for a period of three years with effect from 16<sup>th</sup> June 2015 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.

Also Section 196(3) of the Act, inter alia, provides that no company shall continue the employment of person who has attained the age of Seventy years, as managing director, whole-time director or manager unless it is approved by the members by passing a special resolution. Part I of Schedule V to the Act contains a similar relaxation.

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 exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

Remuneration of Mr.R. Sundaresan with effect from 16<sup>th</sup> June 2015 will be as follows :-

Gross Salary : Rs 9,60,000/- per annum.

- a) Basic Salary: Rs 6,50,000/- per annum.
- b) Other benefits: The Company will provide the Executive Director Car with Driver and telephone expenditure amounting to Rs 3,10,000. However, provision of car shall be for use for company’s business and telephone is provided for official purpose and for residence.
- c) Company’s contribution to Provident Fund and payment of Gratuity shall be as per the Company Rules and Regulations.

Brief resume of Mr. R. Sundaresan, nature of their expertise in specific functional areas and names of companies in which he holds 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. R. Sundaresan, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5

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

#### **Item no. 6**

The Board of Directors of your company, after reviewing the provision of the Companies Act, 2013, and based on the recommendations of the Nomination and Remuneration Committee, at their meeting held on 11<sup>th</sup> February 2015 appointed Ms. Monika Agarwal, Company Secretary as a Additional Director designated as Executive Director as she fulfills the conditions specified in the Act, and the Rules made there under and Clause 49 of the listing Agreement as amended from time to time by Stock Exchanges as per direction of SEBI.

The company proposes to appoint Ms. Monika Agarwal as Whole-time Director designated as “Executive Director”, liable to retire as per the provisions of Section 149, 152, 161, 196 and 197 of the Companies Act, 2013 read with relevant Rules of 2014 for a period of five years w.e.f from this AGM.

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 exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

The remuneration and other details are mentioned below for your information.

- a) Salary including other benefits: Rs 9,50,000/- per annum.
- b) Company's contribution to Provident Fund and payment of Gratuity shall be as per the Company Rules and Regulations.

Brief resume of Ms. Monika Agarwal, nature of their expertise in specific functional areas and names of companies in which she holds 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 Ms. Monika Agarwal, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6

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

#### **Item no. 7**

The existing Articles of Association (“AoA”) are based on the Companies Act, 1956 and several regulations in the existing AoA contain reference to specific sections of the Companies Act, 1956 and some articles in the existing AoA are no longer in conformity with the Act.

With the enactment of the Companies Act, 2013 and substantive sections of the Act which deal with the general working of the Companies stand notified, several regulations in the existing AoA of the company require alteration and/or deletion. Given this position it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new set of AoA to be replaced in place of the existing AoA is based on Table F of Schedule I of the Companies Act, 2013 which sets out the model AoA for a company limited by shares and also carries forward certain provisions from the existing AoA suitably rephrased and which are not in conflict with the provisions of the Companies Act, 2013.

The proposed new draft of AoA is available for inspection to the shareholders at the registered office of the company on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 A.M and 1.00 P.M till the date of the meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7

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

**By Order of the Board of Directors**

**Place : Mumbai**  
**Date : 22<sup>nd</sup> May 2015**

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

**Monika Agarwal**  
**Executive Director & Company Secretary**

#### **Regd. Office:**

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

## DIRECTORS REPORT

To,

The Members of

**Shardul Securities Ltd.**

Your Directors are pleased to present the **Thirtieth Annual Report** and the Audited Accounts for the year ended March 31, 2015.

### 1. Financial Results: -

(Rs. in lacs)

	2014-2015	2013-2014
Profit/(Loss) before Depreciation	1149.68	476.33
<b>Less:</b> Depreciation	48.16	44.05
Profit/(Loss) before Taxation	<b>1101.52</b>	<b>432.28</b>
<b>Less:</b> Tax Expenses		
Provision for tax	195.00	75.00
Current tax expense relating to prior years	-	(3.32)
Deferred Tax Liability/(Asset)	(11.03)	(7.39)
Profit / (Loss) after Taxation	917.55	367.99
Surplus/(Deficit) brought forward from previous years	3382.47	3231.39
	<b>4300.02</b>	<b>3599.38</b>
<b>Appropriations:</b>		
Statutory Reserve Fund as per RBI Guidelines	<b>183.51</b>	<b>73.60</b>
Proposed Dividend (including dividend tax) on Equity Shares	<b>168.49</b>	<b>143.31</b>
Adjustment relating to Fixed Assets	<b>30.55</b>	-
Balance carried to Balance Sheet	<b>3917.47</b>	<b>3382.47</b>
	<b>4300.02</b>	<b>3599.38</b>

### 2. Dividend:

Your Directors recommend a dividend of Rs. 0.80 per Equity Share on 1,74,98,433 equity shares of Rs.10 each aggregating to Rs. 168.49 Lacs (including dividend tax) for the financial year ended 31<sup>st</sup> March 2015 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 4<sup>th</sup> September 2015 and (ii) to those whose names as beneficial owners are furnished by the National Securities Depositories Ltd., and Central Depositories Service (India) Ltd.

### 3. Transfer to Reserves

As per requirement of RBI regulations, the Company has transferred Statutory Reserve of Rs.183.51 Lacs during Financial Year ended March 31, 2015.

### 4. Management Discussions and Analysis Report:

#### (i) Financial Performance:

Your Company has posted a net profit of Rs.917.55 lakhs after tax as against net profit of Rs.367.99 lakhs after tax posted during the previous year. The steep increase in profit is due to favorable market conditions prevailed during the year.

#### (ii) Industry Structure and developments:

With the advent of the new Government at the Centre and the aggressive policies being pursued by the new Regime, there is a general feeling of optimism as far as the economic outlook is concerned. The Coal auctions and the telecom spectrum auctions have demonstrated the intent of the Government to push the economic growth at a faster pace. Though there are bottlenecks in Land Reforms measures and introduction of GST, the positive stance of the Government has augured well for the Industry and trade in general. The GDP growth is projected to cross 7% for the ensuing year and Foreign Exchange Reserves has crossed \$335 billions again. The interest rates are expected to fall providing impetus for growth and the general declining trend in crude prices is likely to help in controlling the inflation. With the opening of the gold imports, there is concern for controlling of current account deficit that has seen the Rupee weakening to some extent, but all these measures are expected to provide a fillip to increase the exports as well,. The possibilities of Tax reforms that could provide the needed confidence amongst the foreign Investors would only augur well for the growth of Indian Capital market in the years to come. Overall, there is optimism in general and India appears to be on the threshold of economic upswing in the near future.

As a result of the positive changes, the capital markets was buoyant and continues to show promise in the near future as well. Though the working results of Banking sector in particular was not encouraging, the revised outlook in economy is expected to bring cheers to the market in the next few years to come.



**(iii) Business Review:**

As a result of all round optimism, your company did well in coming out with higher growth levels in profits. Your Company has disinvested from its former associate company named Antique Finance Private Limited on 30.03.2015. The subsidiary company viz Shriyam Broking Intermediary Limited will resume their broking operations on full scale after the expiry of the cooling period in August 2015.

**(iv) Opportunities and Threats:**

With the GDP expected to grow over 7% in the coming years coupled with many economic reforms in the offing, the outlook in general is very encouraging for trade and Industry and also the Capital markets. The foreign Direct Investment is expected to go up manifolds in Infrastructure, Defense, Railways and telecommunication resulting in more employment opportunities apart from providing the necessary boost for economic growth. But the agricultural sector appears to be going through an uncertain phase and no evidence of major reforms is visible from the Government side that could result in upsurge in food prices.

**(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 as above, 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, Concerns and its Management:**

Your company's activities which are essentially in the capital market segments. The Risk perception of our activity could be discerned as under.

**Market Risk:** Your Company's major investments are mostly in Capital market Instruments like Shares, Mutual funds and Bonds and any volatility could erode the capital value of the investments. No doubt, your Company would keep a close vigil on movement of prices and take appropriate steps to minimize this risk.

**Interest rate risk:** The changes in interest rates by RBI and Banks could result in fluctuations in prices and consequently the income of various investments and borrowings by the company. Your company has put in measures to hedge this risk but this cannot be eliminated totally.

**Operation Risk:** The stock market operations are fraught with certain risks associated with market judgments by operational executives and their decision making process based on certain perceptions prevailing at any given time and these could change suddenly resulting in unexpected adverse positions. As the operations are human dependent, the error factor is always inbuilt in this activity. Some of the risks could be wrong data input, deviations from the rules of SEBI or Exchange due to oversight, lack of coordination amongst the dealing and back office, administrative delays in adhering to schedules etc. This is not exhaustive and your Company strives to minimize this type of risk through adequate training and motivation periodically.

**(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

**5. Subsidiary:**

Shriyam Broking Intermediary Limited, a wholly owned subsidiary of the company posted improved results as compared to the previous year. If favorable market condition persists this year also then we are hopeful for even better performance in our subsidiary company.

**6. Names of Companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year**

During the year under review Antique Finance Private Limited has ceased to be an Associate Company on partial disinvestment of the holding from 30.03.2015

**7. Directors: -**

In accordance with Articles 155 of the Articles of Association of the Company and the provisions of the Companies Act, 2013, Mr. Naveen Chaturvedi (holding Din No. 00004745), director is liable to retire by rotation at the ensuing AGM and is eligible for reappointment.

The present term of office of Mr. R. Sundaresan (holding Din No. 00029840), Whole-time Director expires on 15<sup>th</sup> June 2015. Your 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

2015, subject to the approval of shareholders of the Company at the Annual General Meeting

At a board meeting held on 11.02.2015 the board had appointed Ms. Monika Agarwal, Company Secretary (holding Din No. 07100711) as an Additional Executive Women Director, who is liable to retire by rotation and would vacate her office at the ensuing Annual General Meeting of the Company and is eligible for re-appointment at the ensuing Annual General Meeting of the Company

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

At the 29<sup>th</sup> Annual General Meeting of the company held on 5<sup>th</sup> September, 2014 the company had the existing independent directors Mr. Kantilal Shah (holding DIN 00221939), Mr. Gyandeo Chaturvedi (holding DIN 00004831), Mr. Bhupendra Shroff (holding DIN 00004596) and Mr. Charul Abuwala (holding DIN 00071142) appointed as a independent directors under the companies Act, 2013 for 5 consecutive years for a term upto the conclusion of the 34th Annual General Meeting.

All independent directors have given declaration that they meet the criteria of independence as laid under section 149(6) of the Companies Act, 2013 and clause 49 of listing agreement.

#### **8. Appointments/Resignations of the Key Managerial Personnel**

Mr. R. Sundaresan, Whole Time Director & CEO; Mr. Saurabh Chaturvedi, Chief Financial Officer and Ms. Monika Agarwal as Company Secretary of the Company are the Key Managerial Personnel as per the provisions of the Companies Act, 2013 and were already in office before the commencement of the Companies Act, 2013.

None of the Key Managerial Personnel has resigned or appointed during the year under review except Ms. Monika Agarwal, Company Secretary who was also appointed as additional Executive Director.

#### **9. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### **10. Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

#### **11. Number of Meetings of the Board**

Four Meetings of the Board of Directors were held during the year. The details of such meetings forms part of the Corporate Governance Report.

#### **12. Audit Committee**

The Audit Committee comprises of Independent Directors namely Mr Gyandeo Chaturvedi (Chairman), Mr. Kantilal Shah, Mr Bhupendra Shroff and Mr R Sundaresan (Executive Director) as other members. All the recommendation made by the Audit Committee were accepted by the Board.

#### **13. Corporate Social Responsibility Committee**

Corporate Social Responsibility Committee comprises of Mr. Gyandeo Chaturvedi (Chairman), Mr R Sundaresan and Mr Naveen Chaturvedi as other members.

#### **14. Extract of Annual Return**

The details forming part of the extract of the Annual Return in form MGT-9 as required under section 92 of the Companies Act 2013, is included in this Report as Annexure –I and forms as integral part of this Report

#### **15. Taxation: -**

In opinion of Directors, the provision for Income Tax is made as per the provisions of Income Tax Act, 1961.

#### **16. Cashflow :-**

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

#### **17. Directors' Responsibility Statement: -**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a) that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards