

SHARDUL

SECURITIES LIMITED



31st
ANNUAL REPORT
2015 - 2016

SHARDUL SECURITIES LIMITED

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

BOARD OF DIRECTORS

R. Sundaresan	- Executive Chairman
Kantilal Shah	- Independent Director
Charul Abuwala	- Independent Director
Devesh Vasavada	- Independent Director
Monika Agarwal	- Executive Director and Company Secretary
Yogendra Chaturvedi	- Executive Director and Chief Executive Officer
Saurabh Chaturvedi	- Chief Financial Officer

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AUDITORS:
Rajen Damani & Associates

BANKERS:
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
E Mail: 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

NOTICE

NOTICE is hereby given that the Thirty-First Annual General Meeting of the Members of Shardul Securities Limited will be held on Wednesday, 14th September 2016 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 2016 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. R. Sundaresan (DIN: 00029840), who retires by rotation and being eligible, offers himself for re-appointment.
3. To confirm payment of interim dividend of Rs. 0.60 per equity share, already paid during the year, for the year ended March 31, 2016.
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 confirm the appointment of Mr. Devesh Vasavada (DIN: 00273128) as a Director designated as Independent Non-Executive Director who was appointed as additional director and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of section 149, 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), Mr. Devesh Vasavada (DIN: 00273128), 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 and in respect of whom the Company has received a Notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Non-Executive Director of the Company for a period of 5 years with effect from 5th February, 2016.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized 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 Mr. Yogendra Chaturvedi (DIN: 00013613) as Whole time Director designated as Executive Director and Chief Executive Officer 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), Mr. Yogendra Chaturvedi (DIN: 00013613), 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, and in respect of whom the Company has received a notice in writing from him along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Executive Director of the Company, liable to retire by rotation, with effect from 5th February 2016.”

“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 Mr. Yogendra Chaturvedi (DIN: 00013613), as Whole-time Director of the Company designated as “Executive Director and Chief Executive Officer”, for a period of five years with effect from 5th February 2016 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 authorized 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 regulation 36(3) of SEBI (Listing Obligation and disclosure requirements) Regulations 2015, 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 Year 2007-08. 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 10th September 2016 to 13th September 2016 (both days inclusive).
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.
 - d. Email-IdMembers 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.

16. 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 31st 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 11th September 2016 and ends on 5.00 P.M on 13th September 2016. 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 7th September 2016, 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.
- (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 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"> 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
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"> 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).

- (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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) 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 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.
- 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 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.

(xx) 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 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 i.e. 7th September 2016.

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 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

The Board of Directors have appointed Mr. Devesh Vasavada as Additional Non-Executive Independent Director of the Company, not liable to retire by rotation with effect from 05th February 2016 on the terms and conditions as set out below, subject to the approval of shareholders of the Company at the Annual General Meeting.

Also Section 149(6) of the Act, inter alia, provides for the terms and conditions required to be fulfilled by a person for being appointed as an independent director subject to the approval of the shareholders of the company at the Annual General Meeting and Mr. Devesh Vasavada has given all the necessary disclosures that justify his qualification to be so appointed.

Brief resume of Mr. Devesh Vasavada, 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 regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.

Except Mr. Devesh Vasavada, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially 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 04th February 2016 appointed Mr. Yogendra Chaturvedi, as a Additional Director designated as an Executive Director and Chief Executive Officer with effect from 05th February 2016 as he fulfills the conditions specified in the Act, and the Rules made there under and SEBI (Listing Obligation and disclosure requirements) Regulations 2015 as amended from time to time by Stock Exchanges as per directions of SEBI.

The company proposes to appoint Mr. Yogendra Chaturvedi as Whole-time Director designated as “Executive Director and Chief Executive Officer”, liable to retire by rotation 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 05th February 2016.

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.13.37 Lakhs 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 Mr. Yogendra Chaturvedi, 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 regulation 36(3) of SEBI(Listing Obligation and disclosure requirements) Regulations 2015, are provided in the Corporate Governance Report forming part of the Annual Report.

Except Mr. Yogendra Chaturvedi, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially 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.

By Order of the Board of Directors

Place : Mumbai
Date : 27th May 2016

R Sundaresan
Executive Director

Monika Agarwal
Executive Director and Company Secretary

Regd. Office:

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

The route map to AGM VENUE



DIRECTORS REPORT

To,
 The Members of
 Shardul Securities Ltd.

Your Directors are pleased to present the Thirty-First Annual Report and the Audited Accounts for the year ended March 31, 2016.

1. Financial Results: -

(Rs. in lacs)

	2015-2016	2014-2015
Profit/(Loss) before Depreciation	545.85	1149.68
Less: Depreciation	41.57	48.16
Profit/(Loss) before Taxation	504.28	1101.52
Less: Tax Expenses		
Provision for tax	17.00	195.00
Current tax expense relating to prior years	0.75	-
Deferred Tax Liability/(Asset)	1.81	(11.03)
Profit / (Loss) after Taxation	484.72	917.55
Surplus/(Deficit) brought forward from previous years	3917.47	3382.47
	4402.19	4300.02
Appropriations:		
Statutory Reserve Fund as per RBI Guidelines	96.94	183.51
Proposed Dividend (including dividend tax) on Equity Shares	126.36	168.49
Adjustment relating to Fixed Assets	-	30.55
Balance carried to Balance Sheet	4178.89	3917.47
	4402.19	4300.02

2. Dividend:

Your Directors had declared interim dividend of Rs. 0.60 per Equity Share on 1,74,98,433 equity shares of Rs.10 each at their Board Meeting held on 11th March 2016 for year ending 31st March 2016 . With a view to conserve the financial resources of the company, your Directors have not recommended any Final dividend for year ending 31st March 2016.

3. Transfer to Reserves:-

As per requirement of RBI regulations, the Company has transferred the Statutory Reserve of Rs. 96.94 Lacs in Financial Year ended March 31, 2016.

4. Management Discussions and Analysis Report:-

(i) Financial Performance:

Your Company has posted a net profit of Rs. 484.72 lakhs as against a net profit of Rs. 917.55 lakhs during the previous year. An extraordinary income during the last year contributed to an increased levels of profit during the last year.

(ii) Industry Structure and developments:

The on-going global depression has continued to affect the economies all around the world as a result of which India also has suffered economically in many sectors like Steel, Cement, Consumer Goods and other services. Notwithstanding the efforts of the Government to gear up the economy, the off take has been low resulting in lower turnover and profits during the year under report. The huge losses provided for by the public sector banks would be an indication of depleted economic activities in many sectors of our economy. The brighter side of the picture however is the increase in the foreign exchange reserves that has crossed 360 billion dollars and relative stability of the Indian currency.

The Stock Exchange markets witnessed lower volumes and high volatility with index falling considerably depriving trading opportunities and profitability.

The drought conditions that prevailed during the year under report also affected the agricultural income and the consequent output levels causing inflationary trends and as a result, the interest level in general was also not lowered by the Banks to the expected levels to give a boost to the industrial activities.

However, during the ensuing year the monsoon is expected to be better, economic activities are likely to pick up and the global economy also might perform better which provides hopes for better performance.

(iii) Business Review:

Despite a general economic depression, your Company did well to maintain the average levels of income and profitability. The company however looks forward for better performance during the current year for various reasons stated above.

(iv) Opportunities and Threats:

The GDP is expected to grow around 7.6% in the coming year. The Government has taken many steps to hasten economic reforms, especially in the telecommunication, defense, and agricultural sector besides launching an aggressive campaign on 'Make In India' programme to encourage industrial activities on a larger scale. The foreign exchange reserves have already exceeded 360 Billion Dollars and if the Government is able to bring about changes in the GST Act and also tax reforms, it will boost more Foreign Direct Investments in many of the sectors. These steps would help to improve the economic activities manifolds resulting in a more vibrant capital market.

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

Your company is mainly engaged in the business of investment and broking activities and all other activities revolve around the same and as such there are no separate reportable segments.

(vi) Outlook:

With positive developments stated as above, your company anticipates the market conditions to improve and achieve a better growth in the coming years. Your company always looks for opportunities to exploit any advantages the market would offer to improve the shareholders' wealth.

(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 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. There is continuous monitoring of all the activities and necessary creative measures are taken periodically to manage any unforeseen risk factors.

(ix) Human Resources:

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

5. Subsidiaries:-

Shriyam Broking Intermediary Limited, a wholly owned subsidiary of the company has started its operations again and will be achieving full scale operations during the current year. In view of the earlier cooling period the activities of the broking company was at a low level and hence the results were not comparable to the previous years.

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 no company has ceased to be its subsidiaries, joint ventures or associate companies.

7. Directors:-

In accordance with Articles 155 of the Articles of Association of the Company and the provisions of the Companies Act, 2013, Mr. R. Sundaresan (holding Din No. 00029840), director is liable to retire by rotation at the ensuing AGM and is eligible for reappointment.

At a board meeting held on 04.02.2016 the board had appointed Mr. Yogendra Chaturvedi, (holding DIN: 00013613) as an Additional Executive Director and Mr. Devesh Vasavada (holding DIN: 00273128), as an Additional Independent Director 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 regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Report of Corporate Governance forming part of the Annual Report.

At the 30th Annual General Meeting of the company held on 11th September 2015, Mr. R. Sundaresan (holding Din: 00029840) was re-appointment as Whole-time Director of the Company for a period of three years with effect from 16th June 2015 and Ms Monika Agarwal, Company Secretary (Din: 07100711) who was appointed as an Additional Executive Director, was re-appointed as Executive Director.

Mr Devesh Chaturvedi, and Mr Gyandeo Chaturvedi have resigned from Board of Directors of the company with effect from February 05, 2016. Mr Bhupendra Shroff and Mr Naveen Chaturvedi also resigned from Board of Directors of the company with effect from May 26, 2016. The Directors place on record their appreciation of the valuable advice and guidance given by them while they were Directors of the Company.

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 regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

8. Appointments/Resignations of the Key Managerial Personnel:-

Mr. Yogendra Chaturvedi was appointed as Executive Director and CEO of the Company with effect from 5th February 2016 in place of Mr. R. Sundaresan who has resigned as CEO of the Company.

9. Board Evaluation:-

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, 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:-

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

12. Audit Committee:-

The Audit Committee as on 31st March 2016 comprises of Independent Directors namely Mr. Devesh Vasavada (Chairman), Mr. Kantilal Shah, Mr Bhupendra Shroff and Mr. Yogendra Chaturvedi (Executive Director) as other members. Due to Resignation of Mr Bhupendra Shroff w-e-f 26th May 2016, Mr Charul Abuwala, independent director was appointed as Audit Committee member at the board meeting held on 27th May 2016. All the recommendations made by the Audit Committee were accepted by the Board.

13. Corporate Social Responsibility Committee:-

Corporate Social Responsibility Committee on 31st March 2016 comprises of Mr. Devesh Vasavada (Chairman), Mr R Sundaresan and Mr Naveen Chaturvedi as other members.

Due to Resignation of Mr Naveen Chaturvedi w-e-f 26th May 2016, Mr Yogendra Chaturvedi, Executive director was appointed as Corporate Social Responsibility Committee member at the board meeting held on 27th May 2016.

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 the Income Tax Act, 1961.

16. Cash flow:-

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;