

# **SHARDUL**

## **SECURITIES LIMITED**



### **32<sup>ND</sup>**

## **ANNUAL REPORT**

### **2016 - 2017**

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

## SHARDUL SECURITIES LIMITED

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

### BOARD OF DIRECTORS

<b>R. Sundaresan</b>	- Executive Chairman
<b>Kantilal Shah</b>	- Independent Director
<b>Charul Abuwala</b>	- Independent Director
<b>Devesh Vasavada</b>	- Independent Director
<b>Monika Agarwal</b>	- Executive Director and Company Secretary
<b>Yogendra Chaturvedi</b>	- Executive Director and Chief Executive Officer
<b>Prashant Chaturvedi</b>	- 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](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

**Shriyam Broking (IFSC) Private Limited**  
Unit 36/20, Gift aspire - 1 Business centre,  
Ground floor,Block 12, road 1d,  
zone-1 Gift sez, Gandhinagar, Gujarat - 382355

**REGISTRARS AND SHARE TRANSFER AGENT**  
**Link Intime India Private Ltd**  
**Address:** C-101, 247 Park,  
LBS Marg, Vikhroli West,  
Mumbai – 400 083  
Tel.No.: +91 22 49186270  
Fax : +91 22 49186060  
E mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## NOTICE

NOTICE is hereby given that the Thirty-Second Annual General Meeting of the Members of Shardul Securities Limited will be held on Friday, 29<sup>th</sup> September 2017 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 2017 the Statement of Profit & Loss and cash flow statement for the year ended on that date and the Reports thereon.
2. To appoint a director in place of Ms. Monika Agarwal (DIN: 07100711), who retires by rotation and being eligible, offers herself for re-appointment.
3. To declare dividend on the Paid-up Equity Share Capital of the Company.
4. To appoint M/s Khimji Kunverji & Co., Chartered Accountants, Mumbai (Firm Registration no 105146W), to hold office from the conclusion of this Annual General Meeting, until the conclusion of 37<sup>th</sup> Annual General Meeting to be held in 2022, subject to ratification at every Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company.

### AS SPECIAL BUSINESS:

5. **To confirm the Remuneration of Mr. R. Sundaresan (DIN: 00029840), Chairman & Executive Director of the Company 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 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V to the Act (including any statutory modification or re-enactment thereof, for the time being in force) and in partial modification of the resolution passed at the Annual General Meeting held on 11<sup>th</sup> September 2015 and in the event in any financial year during the tenure of Mr. R Sundaresan (DIN: 00029840), Whole-time Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay remuneration and benefits to Mr. R Sundaresan Whole-time Director of the Company for the unexpired period of his term as set out in the Statement annexed to the Notice convening this Meeting.

**RESOLVED FURTHER THAT** save as aforesaid, all other terms and conditions of appointment of Mr. R Sundaresan, as approved by the shareholders at the Annual General Meeting held on 11<sup>th</sup> September 2015, shall remain unchanged.

**RESOLVED FURTHER THAT** the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 and/ or as approved by the Central Government or such other competent authority.”

6. **To confirm the Remuneration of Ms. Monika Agarwal (DIN: 07100711), Company Secretary & Executive Director of the Company 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 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V to the Act (including any statutory modification or re-enactment thereof, for the time being in force) and in partial modification of the resolution passed at the Annual General Meeting held on 11<sup>th</sup> September 2015 and in the event in any financial year during the tenure of Ms Monika Agarwal (DIN: 07100711), Whole-time Director and Company Secretary, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay remuneration and benefits to Monika Agarwal ,Whole-time Director of the Company for the unexpired period of her term as set out in the Statement annexed to the Notice convening this Meeting.

**RESOLVED FURTHER THAT** save as aforesaid, all other terms and conditions of appointment of Ms. Monika Agarwal, as approved by the shareholders at the Annual General Meeting held on 11<sup>th</sup> September 2015, shall remain unchanged.

**RESOLVED FURTHER THAT** the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 and/ or as approved by the Central Government or such other competent authority.”

7. **To confirm the Remuneration of Mr. Yogendra Chaturvedi (DIN: 00013613), Chief Executive Officer & Executive Director of the Company 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 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V to the Act (including any statutory modification or re-enactment thereof, for the time being in force) and in partial modification of the resolution passed at the Annual General Meeting held on 14<sup>th</sup> September 2016 and in the event in any financial year during the tenure of Mr. Yogendra Chaturvedi (DIN: 00013613), Whole-time Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay remuneration and benefits to Mr. Yogendra Chaturvedi Whole-time Director of the Company for the unexpired period of his term as set out in the Statement annexed to the Notice convening this Meeting.

**RESOLVED FURTHER THAT** save as aforesaid, all other terms and conditions of appointment of Mr. Yogendra Chaturvedi, as approved by the shareholders at the Annual General Meeting held on 14<sup>th</sup> September 2016, shall remain unchanged.

**RESOLVED FURTHER THAT** the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 and/ or as approved by the Central Government or such other competent authority.”

**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 2008-09. 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 23<sup>rd</sup> September 2017 to 28<sup>th</sup> September 2017 (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-Id.

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.

#### 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 32<sup>nd</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 26<sup>th</sup> September 2017 and ends on 5.00 P.M on 28<sup>th</sup> September 2017. 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 22<sup>nd</sup> September 2017, 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 i.e 22<sup>nd</sup> September 2017.

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 Board of Directors, on recommendation of Nomination and Remuneration Committee, in its meeting held on May 26, 2017 and subject to the approval of the shareholders in the General Meeting approved the payment of remuneration to Mr. R Sundaresan (DIN: 00029840), Whole-time Director, for the unexpired period of his term in the event where in any financial year during the tenure of the director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013.

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 cost Rs. 6,50,000/- per annum.
- b) Company’s contribution to Provident Fund and payment of Gratuity shall be as per the Company Rules and Regulations.

Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder and Annexure to this Notice.

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 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.

The appointment as well as payment of remuneration was approved by the Board based on industry standards, responsibilities handled by the Chairman & Executive Director of the Company. However, due to inadequacy of profits, the managerial remuneration paid/payable needs to be approved.

Approval of the shareholders is sought for ratification of remuneration paid/remuneration payable for the remaining period of existing appointment to Mr. R. Sundaresan as Chairman & Executive Director of the Company.

Except Mr. R. Sundaresan, 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, on recommendation of Nomination and Remuneration Committee, in its meeting held on May 26, 2017 and subject to the approval of the shareholders in the General Meeting, approved the payment of remuneration to Ms. Monika Agarwal (DIN: 07100711), Whole Time Director & Company Secretary, for the unexpired period of her term in the event where in any financial year during the tenure of the director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013.

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. 12,19,023/- per annum.
- b) Company's contribution to Provident Fund and payment of Gratuity shall be as per the Company Rules and Regulations.

Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder and Annexure to this Notice.

Brief resume of Ms. Monika Agarwal, nature of her 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.

The appointment as well as payment of remuneration was approved by the Board based on industry standards, responsibilities handled by the Whole Time Director & Company Secretary of the Company. However, due to inadequacy of profits, the managerial remuneration paid/payable needs to be approved.

Approval of the shareholders is sought for ratification of remuneration paid/remuneration payable for the remaining period of existing appointment to Ms. Monika Agarwal, Whole Time Director & Company Secretary of the Company.

Except Ms. Monika Agarwal, 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.

**ITEM NO. 7**

The Board of Directors, on recommendation of Nomination and Remuneration Committee, in its meeting held on May 26, 2017 and subject to the approval of the shareholders in the General Meeting approved the payment of remuneration to Mr. Yogendra Chaturvedi (DIN: 00013613), Whole Time Director & Chief Executive Officer, for the unexpired period of his term in the event where in any financial year during the tenure of the director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013.

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. 14,17,024/- per annum.
- b) Company's contribution to Provident Fund and payment of Gratuity shall be as per the Company Rules and Regulations.

Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder and Annexure to this Notice.

Brief resume of Mr. Yogendra Chaturvedi, nature of his 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 Obligation and disclosure requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.

The appointment as well as payment of remuneration was approved by the Board based on industry standards, responsibilities handled by the Whole Time Director & Chief Executive Officer of the Company. However, due to inadequacy of profits, the managerial remuneration paid/payable needs to be approved.

Approval of the shareholders is sought for ratification of remuneration paid/remuneration payable for the remaining period of existing appointment to Mr. Yogendra Chaturvedi as Whole Time Director & Chief Executive Officer of the Company.

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. 7.

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

Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder:

**I. General Information –**

Nature of Industry	Financial
Date or expected date of Commercial Production	Not applicable since the Company has already commenced its business activities
In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable

**Financial performance**

(Rs. in lakhs)

Particulars	For the year ended		
	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017
Total Income	1304.57	702.36	350.74
Total Expenses	203.05	198.08	315.27
Tax Expense	183.97	19.56	13.60
Net Profit after tax	917.55	484.73	21.87
Paid up Capital	1749.84	1749.84	1749.84
Reserves & Surplus	8910.99	9269.36	9164.87

**Foreign Investments or collaborations, if any –** There is no direct foreign investment in the Company except to the extent shares held by Non-Resident Indians (NRI) acquired through secondary market. There is no foreign collaboration in the Company.

**II. Information about the Appointees –**

	<b>Mr. R. Sundaresan</b>	<b>Ms. Monika Agarwal</b>	<b>Mr. Yogendra Chaturvedi</b>
Background details	As provided in the Corporate Governance Report	As provided in the Corporate Governance Report	As provided in the Corporate Governance Report
Past Remuneration (Rs. in lakhs)	6.50 Lakhs	10.72 Lakhs	00.70 Lakhs
Job profile and suitability	As provided in the Corporate Governance Report	As provided in the Corporate Governance Report	As provided in the Corporate Governance Report
Remuneration proposed	As mentioned in explanatory statement	As mentioned in the explanatory statement	As mentioned in the explanatory statement
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Apart from receiving managerial remuneration, he does not have any other pecuniary relationship with the Company	Apart from receiving managerial remuneration, she does not have any other pecuniary relationship with the Company	Apart from receiving managerial remuneration, he does not have any other pecuniary relationship with the Company

**Comparative remuneration profile with respect to industry, size of company, profile of the person and position**

The proposed remuneration is commensurate with size and nature of business of the company. The remuneration do differ from company to company in the industry depending on the respective operation.

**III. Other information:**

**1 Reasons of loss or inadequate profits:**

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

**2. Steps taken or proposed to be taken for improvement:**

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 by making risk mitigating investments.

**3. Expected increase in productivity and profits in measurable terms:**

The Company is pursuing cost cutting measures; rationalization of manpower and also favorable market conditions is expected to result into better profitability of the company.

**IV. Disclosures:**

- The remuneration package of all the managerial persons are given in the respective explanatory statements.
- Additional information is given in Corporate Governance report.

The above explanatory statement (together with Annexure thereto) shall be construed to be memorandum setting out the terms of the appointment/re-appointment as specified under Section 190 of the Companies Act, 2013.

**By Order of the Board of Directors**

**Place : Mumbai**  
**Date : 26<sup>th</sup> May 2017**

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

**Monika Agarwal**  
**Executive Director and 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 Thirty-Second Annual Report and the Audited Accounts for the year ended March 31, 2017.

### 1. Financial Results: -

	(Rs. in lakh)	
	2016-2017	2015-2016
Profit/(Loss) before Depreciation	67.71	545.86
Less: Depreciation	32.24	41.57
Profit/(Loss) before Taxation	35.47	504.29
Less: Tax Expenses		
Provision for tax	2.25	17.00
Current tax expense relating to prior years	(6.74)	0.75
Deferred Tax Liability/(Asset)	18.09	1.81
Profit / (Loss) after Taxation	21.87	484.73
Surplus/(Deficit) brought forward from previous years	4178.90	3917.47
	4200.77	4402.20
Appropriations:		
Statutory Reserve Fund as per RBI Guidelines	4.37	96.94
Interim/ Proposed Dividend (including dividend tax) on Equity Shares	126.36	126.36
Balance carried to Balance Sheet	4070.04	4178.90
	4200.77	4402.20

### 2. Dividend:-

Your Directors recommend a dividend of Re. 0.60 per Equity Share on 1,74,98,433 equity shares of Rs.10 each aggregating to Rs. 126.36 lakh (including dividend tax) for the financial year ended 31<sup>st</sup> March 2017 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 23<sup>rd</sup> September 2017 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 the Statutory Reserve an amount of Rs. 4.37 Lakh in Financial Year ended March 31, 2017.

### 4. Management Discussions and Analysis Report:-

#### (i) Financial Performance:

Your Company has posted a net profit of Rs 21.87 lakhs as against a net profit of Rs.484.73 lakhs during the previous year. The dividend income during the last year contributed to increased levels of profit during the last year.

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

The continued drought conditions that prevailed during the year under report had an adverse effect on the agricultural output, and added to that, a general down trend arising out of the demonetization measures initiated by the Government of India also affected the growth in many sectors of the economy leading to lower GDP numbers. The continued sluggish economic activities in Europe and Middle East on account of fall in the oil prices did not help either in improving the trading and manufacturing activities across the Globe. The change of guard in the administration of the US also brought about uncertainty in the I.T.Sector for India in particular. We also witnessed a lower growth in the Chinese economy that further weakened the overall outlook for global growth factors.

The capital markets witnessed huge volatility initially on a positive note in view of prospects of faster economic reforms, foreign direct investments and anticipated faster GDP growth etc. Later, during the middle of the year, the demonetization measures caused a virtual reversal of the trend leading to a depressed capital market. The scenario again started changing during the later part of the year after restoration of money supply. The wild swings in the capital market as a result of such changes caused lots of uncertainty and a negative outlook for investments.

Notwithstanding the negatives, there were some positives also. Certain corrective measures by the RBI like stabilization of interest rates, changes in the foreign investment policies and better monetary control enabled the inflation rate pegged below 5% for the year under report. This enabled the foreign exchange reserves moving to about 365 Billion Dollars besides bringing about stability of the Indian currency.

**(iii) Business Review:**

In view of the extreme volatility and other negative factors stated as above, your Company could not achieve the desired levels of growth and profitability during the year under report. The Company however looks forward for a better performance during the ensuing year in view of better monsoon conditions and a more positive outlook due to certain positive measures taken by the Government.

**(iv) Opportunities and Threats:**

The GDP growth at a less than 7% during the current year is expected to improve with a number of changes contemplated by the Government of India. The introduction of GST is not only expected to improve the indirect tax collection but also provide a boost to trade and commerce in view of an equitable distribution of tax. The Government has launched on to improve the power production in the country, more support for manufacturing sector under the 'Make In India' policy, reforms in the banking sector, disinvestment in public sector industries and privatization of Defence production. These measures are bound to improve the overall growth supported by a reduced fiscal deficit and better agricultural output, thanks to a normal monsoon forecast for the year.

**(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 anticipated positive developments, your company expects the capital market conditions to improve, the signs of which are already seen during the first quarter of the year. If this situation is sustained over the next two quarters, your company could achieve better results for the coming year.

**(vii) Risks, Concerns and its Management:**

Your company's activities which are essentially in the capital market segments and 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 may vary. 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 Financial 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.

Shriyam Broking (IFSC) Private Limited a wholly owned subsidiary of Shriyam Broking Intermediary Limited was incorporated on 15<sup>th</sup> December 2016. However the company has not yet started any business activities.

**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.

Shriyam Broking Intermediary Limited had formed a wholly owned subsidiary named Shriyam Broking (IFSC) Private Limited on 15<sup>th</sup> December 2016.

**7. Directors:-**

In accordance with Articles 155 of the Articles of Association of the Company and the provisions of the Companies Act, 2013, Ms. Monika Agarwal (DIN: 07100711), director is liable to retire by rotation at the ensuing AGM and is eligible for reappointment.