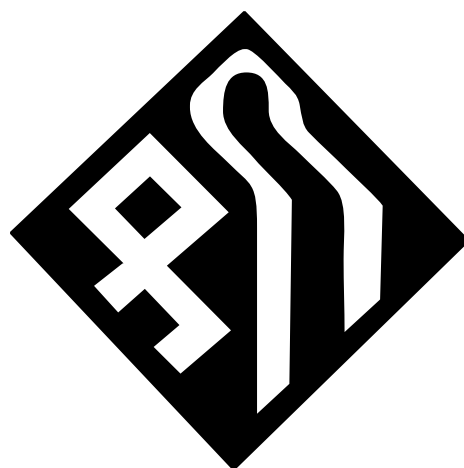


SHARDUL

SECURITIES LIMITED



33RD

ANNUAL REPORT

2017 - 2018

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

R. Sundaresan	- Executive Chairman
Kantilal Shah	- Independent Director
Charul Abuwala	- Independent Director
Devesh Vasavada	- Independent Director
Yogendra Chaturvedi	- Executive Director and Chief Executive Officer
Daya Bariya	- Executive Director and Company Secretary
Prashant Chaturvedi	- Chief Financial Officer

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AUDITORS:

M/s. Khimji Kunverji & Co.

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 COMPANIES:

Shriyam Broking Intermediary Limited.

712-713, Tulsiani Chambers, 212, Nariman Point
Mumbai 400 021

Shriyam Realtors Private Limited

(Formerly known as Shriyam Broking (IFSC)
Private Limited)
9 Metro Commercial Centre 1st Floor,
Behind Gujarat High Court, Ashram Road,
Ahmedabad GJ 380009 IN

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

NOTICE

NOTICE is hereby given that the Thirty-Third Annual General Meeting of the Members of Shardul Securities Limited will be held on Thursday, 26th July 2018 at 10.00 a.m., M C Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kaala Ghoda, Mumbai – 400001 to transact the following business: -

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2018, 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 Mr. Yogendra Chaturvedi (DIN: 00013613), 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.

AS SPECIAL BUSINESS:

4. Appointment of Statutory Auditor to fill casual vacancy:

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 139(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) M/s J. Kala & Associates, Chartered Accountants, (Firm Registration No.: 118769W), be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s Khimji Kunverji & Co., Chartered Accountants, (Firm Registration No: 105146W).

“RESOLVED FURTHER that M/s J. Kala & Associates, Chartered Accountants, (Firms Registration No. 118769W), be and are hereby appointed as Statutory Auditors of the Company to hold the office from 30th May 2018, until the conclusion of this Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.”

“RESOLVED FURTHER THAT any of the Director or Company Secretary of the Company, be and are hereby authorized to do such act, deeds, things and to file necessary e – forms with the concerned Registrar of Companies, to give effect to the aforementioned resolution.”

5. Appointment of Statutory Auditor:

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED that pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) M/s J. Kala & Associates, Chartered Accountants, (Firms Registration No. 118769W), be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of five years, from the conclusion of the 33rd Annual General Meeting till the conclusion of the 38th Annual General Meeting of the Company to be held in the year 2023 at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.”

“RESOLVED FURTHER THAT any of the Director or Company Secretary of the Company, be and are hereby authorized to do such act, deeds, things and to file necessary e – forms with the concerned Registrar of Companies, to give effect to the aforementioned resolution.”

6. Re- appointment of Mr. R Sundaresan as a Chairman & Executive Director (DIN: 00029840), of the Company.

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 three years on June 16, 2018, as a Whole time Director, designated as Executive Director and Chairman, liable to retire by rotation, for further period of three years, with effect from 16th June 2018 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 in the event of loss or inadequacy of profit in any Financial Year during the tenure of services of Mr. R Sundaresan (DIN: 00029840), the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013, and the remuneration as may be approved by the Nomination and Remuneration Committee shall be considered as minimum remuneration. Such payment of remuneration will be applicable

for any three years of the tenure of Mr. R Sundaresan (DIN: 00029840) or for such years of his tenure in which inadequacy arises, whichever is lower.

“RESOLVED FURTHER THAT any of the Director or Company Secretary of the Company, be and are hereby authorized to do such act, deeds, things and to file necessary e – forms with the concerned Registrar of Companies, to give effect to the aforementioned resolution.”

7. To confirm the appointment of Ms. Daya Bariya (DIN: 07049483) as Whole time Director, designated as Executive Director and Company Secretary who was appointed as an Additional Executive Director.

To consider and if thought fit, to pass the following resolution as a 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. Daya Bariya (DIN: 07049483), 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 an Executive Director of the Company, liable to retire by rotation, with effect from 14th November, 2017”.

“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. Daya Bariya (DIN:07049483), as Whole-time Director of the Company designated as “Executive Director and Company Secretary”, for a period of three years commencing from 14th November 2017 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 in the event of loss or inadequacy of profit in any Financial Year during the tenure of services of Ms. Daya Bariya (DIN: 07049483), the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013, and the remuneration as may be approved by the Nomination and Remuneration Committee shall be considered as minimum remuneration. Such payment of remuneration will be applicable for any three years of the tenure of Ms. Daya Bariya (DIN:07049483) or for such years of her tenure in which inadequacy arises, whichever is lower.

“RESOLVED FURTHER THAT any of the Director or Company Secretary of the Company, be and are hereby authorized to do such act, deeds, things and to file necessary e – forms with the concerned Registrar of Companies, to give effect to the aforementioned 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 2009-10. 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.

Further, in terms of Section 124(6) of the Companies Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereto and notification issued by the Ministry of Corporate Affairs from time to time, the Company has transferred during the year, the required number of shares in respect of which dividends have remained unclaimed for a period of seven consecutive years or more to the IEPF Account.

9. Register of Members / Transfer books will be closed from 20th July 2018 to 25th July 2018 (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. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
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 33rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Link Intime India Private Limited (LIPL).

The instructions for shareholders voting electronically are as under:

- i. The voting period begins on 9.00 A.M on 23rd July 2018 and ends on 5.00 P.M on 25th July 2018. 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 19th July 2018, may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter.
- ii. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- iii. Click on "Login" tab, available under 'Shareholders' section.
- iv. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- v. Your User ID details are given below:

- a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
- b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
- c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

vi. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section, register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or 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 depository Participant or in the company record are requested to use the sequence number which is printed on address stickers.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number 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 number. <ol style="list-style-type: none"> i. Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (v-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vii. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.

- viii. On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.

- ix. If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.
- x. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
- xi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- xii. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.
- xiii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund / Corporate Body’.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.

- xiv. During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
- xv. Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

xvi. In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or contact LIPL at Tel : 022 - 49186000.

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 19th July 2018.

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 Link Intime India Private Limited, <https://instavote.linkintime.co.in> 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. 4:

The Members of the Company at its 32nd AGM held on Friday, 29th September 2017 had appointed M/s Khimji Kunverji & Co., Chartered Accountants, (Firm Registration No: 105146W) as the Statutory Auditors of the Company to hold office from the conclusion of 32nd AGM till the conclusion of 37th Annual General Meeting of the Company subject to ratification of the appointment by the Members at every AGM held after the 32nd AGM of the Company.

M/s Khimji Kunverji & Co., Chartered Accountants, (Firm Registration No: 105146W) vide their letter dated 28th May 2018 have resigned from the position of Statutory Auditors of the Company w.e.f. F.Y. 2018-19, resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on 29th May 2018, as per the recommendation of the Audit Committee, and pursuant to the provisions of Section 139(8) of the Companies Act, 2013, have appointed M/s J. Kala & Associates, Chartered Accountants, (Firm Registration No.: 118769W), to hold office as the Statutory Auditors of the Company till the conclusion of 33rd AGM and to fill the casual vacancy caused by the resignation of M/s Khimji Kunverji & Co., Chartered Accountants subject to the approval by the members at the 33rd Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

The Company has received consent letter and eligibility certificate from M/s J. Kala & Associates, Chartered Accountants, (Firm Registration No.: 118769W), to act as Statutory Auditors of the Company in place of M/s Khimji Kunverji & Co., Chartered Accountants along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 4 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board recommends an Ordinary Resolution set out in the in Item No. 4 of the Notice for approval by the Members.

ITEM NO. 5

The Board of Directors at its meeting held on 29th May 2018, as per the recommendation of the Audit Committee and pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, recommended the appointment of M/s J. Kala & Associates, Chartered Accountants, (Firm Registration No.: 118769W) as Statutory Auditors of the Company to hold office for a period of five years, from the conclusion of the 33rd AGM, till the conclusion of the 38th AGM of the Company to be held in the year 2023, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

The Company has received consent letter and eligibility certificate from M/s J. Kala & Associates, Chartered Accountants, (Firm Registration No.: 118769W) to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 5 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board recommends an Ordinary Resolution set out in Item No. 5 of the Notice for approval by the Members.

ITEM NO. 6

The present term of office of Mr. R. Sundaresan, Whole-time Director expired on 15th June 2018. The Board of Directors approved his re-appointment as Whole-time Director of the Company, liable to retire by rotation for a period of three years with effect from 16th June 2018 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 16th June 2018 will be as follows:-

- a) Salary including other benefits: 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.

In the event of loss or inadequacy of profits, the remuneration including the perquisites as mentioned above shall be paid in accordance with Schedule V and other applicable provisions of the Companies Act, 2013 as amended from time to time.

Brief resume of Mr. R. Sundaresan, 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 of SEBI (LODR) 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 are 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 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 14th November 2017, appointed Ms. Daya Bariya, Company Secretary as an Additional Director designated as Executive Director as she fulfills the conditions specified in the Act, and the Rules made there under and SEBI(LODR) 2015 the listing Agreement as amended from time to time by Stock Exchanges as per direction of SEBI. The company proposes to appoint Ms. Daya Bariya as Whole-time Director designated as "Executive Director", liable to retire by rotation as per the provisions of Section 149, 152, 196 and 197 of the Companies Act, 2013 read with relevant Rules of 2014 for a period of three years w.e.f 14th November 2017. 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. 8,63,480/- per annum.
- b) Company's contribution to Provident Fund and payment of Gratuity shall be as per the Company Rules and Regulations.

In the event of loss or inadequacy of profits, the remuneration including the perquisites as mentioned above shall be paid in accordance with Schedule V and other applicable provisions of the Companies Act, 2013 as amended from time to time.

Brief resume of Ms. Daya Bariya, 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 of the SEBI(LODR) 2015 the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Except Ms. Daya Bariya, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 7

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

For and on behalf of the Board

Place: Mumbai
Date: 29th May 2018

R Sundaresan
Executive Director

Daya Bariya
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-Third Annual Report and the Audited Accounts for the year ended March 31, 2018.

1. Financial Results: -

	(Rs. in lakhs)	
	2017-2018	2016-2017
Profit/(Loss) before Depreciation	319.99	67.71
Less: Depreciation	32.09	32.24
Profit/(Loss) before Taxation	287.90	35.47
Less: Tax Expenses		
Provision for tax	40.00	2.25
Current tax expense relating to prior years	-	(6.74)
Deferred Tax Liability/(Asset)	(5.26)	18.09
Profit / (Loss) after Taxation	253.16	21.87
Surplus/(Deficit) brought forward from previous years	4070.04	4178.90
	<u>4323.20</u>	<u>4200.77</u>
Appropriations:		
Statutory Reserve Fund as per RBI Guidelines	50.63	4.37
Proposed Dividend(including dividend tax) on Equity Shares	-	126.36
Balance carried to Balance Sheet	<u>4272.57</u>	<u>4070.04</u>

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 lakhs (including dividend tax) for the financial year ended 31st March 2018 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 19th July 2018 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 to Statutory Reserve Fund an amount of Rs. 50.63 Lakhs in Financial Year ended March 31, 2018.

4. Management Discussions and Analysis Report:-

(i) Financial Performance:

Your Company achieved a gross revenue of Rs.556.22 lakhs during the year under report and a net profit of Rs.253.16 lakhs. However, on a consolidated basis including the subsidiary, your company achieved a net profit of Rs. 346.80 lakhs.

(ii) Industry Structure and developments:

Though the monsoon conditions were better during the year under report, yet many parts of the country still had to go through severe drought conditions. Notwithstanding increased farm output, adequate relief to the farmers by way of fair support price as per Professor Swaminathan report on agri pricing that the Govt had promised did not materialize resulting in gloomy state of affairs for farmers across the country. The service sector and industrial sector, however, contributed marginally higher at 7 and 9 percent respectively which resulted in an increase in the GDP growth to about 7.2% as compared to about 6% during the previous financial year. The low crude oil prices in international market helped the Government to substantially mobilize towards infrastructure developments but during the year under report, the international crude oil prices started moving up again and with the Government Agencies being reluctant to lower the tax advantages they gained during the previous year, it resulted in an increase in the domestic petroleum prices leading to inflationary trends and higher cost of living affecting the common man in general.

The capital markets remained volatile though there was positive trend in terms of better valuations in metal, banking, auto and pharmaceutical segments. The continued influx of funds through foreign investments and the general growth in the contributions towards mutual fund industry ensured constant money supply to the capital markets resulting in increase in stock market indices.

The foreign exchange reserves crossed \$ 400 Billion for the first time, thanks to Direct Foreign Investments which increased by almost 8% besides the foreign remittances for investments and savings. However the adverse balance of payments due to negative Import/Export activities witnessed Rupee depreciating substantially in the recent times.

The Banking sector has been going through the pains of accumulated burden of making huge provisions for bad and doubtful debts that got further accentuated by some huge frauds committed by a few delinquent traders in diamond and Jewellery Industry that did not augur well for the Industry. The Credit off take was low with cost of funds being not borrower friendly.

The NBFCs in the country generally showed an improved performance particularly in the micro finance and SME segments and your company though basically engaged in investment activities also showed a better growth and performance during the year under review.

(iii) Business Review:

Despite the volatility in Capital markets, your company could achieve better results as compared to previous year for the aforesaid reasons and looks forward to better its performance during the ensuing year as the monsoon conditions are expected to be positive. Due to ensuing general election year, Government spending is also likely to increase and would contribute for accelerated economic growth that should auger well for your company's activities as well.

(iv) Opportunities and Threats:

Despite a reasonable GDP growth that is expected to be around 7.3%, the Government's finances have been under intense strain after the introduction of GST wherein determination of the right kind of rate mix is still in an evolution stage. The Government has taken lot of measures to support the rural and power sectors that requires huge capital expenditure but the strict provisioning norms in the banking system has resulted in erosion of capital and ability of the banks to lend freely for supporting the accelerated economic growth envisaged by the Government. Money supply which was a cause of worry is restored to its normalcy and with higher Govt expenditure, the economy should move ahead on a positive note in the coming years.

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

As there has been no change in your company's business activities and broking activities there are no separate reportable segment.

(vi) Outlook:

Your company expects the capital markets continuing to be volatile in view of the political developments consequent to the ensuing election year and would like to be guarded in making projections for the year. However, if the anticipated Government expenditure to boost the economy takes place, the market should remain vibrant and your company should be able to achieve better results for the coming year.

(vii) Risks and Concerns:

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 achieved a significant improvement in its working results during the year under report. The net profit for the year was at Rs.88.82 lakhs as compared to Rs.50.38 lakhs during the previous year. The subsidiary is poised to improve its performance in coming year with more active participation in the markets and increase in the clientele base.

Shriyam Realtors Private Limited (Formerly known as Shriyam Broking (IFSC) Private Limited) a wholly owned subsidiary of Shriyam Broking Intermediary Limited was incorporated on 15th 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.