

# **SHARDUL**

## **SECURITIES LIMITED**



### **34<sup>TH</sup>**

## **ANNUAL REPORT**

### **2018 - 2019**

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>Charul Abuwala</b>	- Independent Director
<b>Devesh Vasavada</b>	- Independent Director
<b>Yogendra Chaturvedi</b>	- Executive Director and Chief Executive Officer
<b>Daya Bhalla</b>	- Executive Director and Company Secretary
<b>Prashant Chaturvedi</b>	- Chief Financial Officer

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**AUDITOR:**  
**M/s. J. Kala & Associates**

**BANKER:**  
HDFC Bank Limited

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

**SUBSIDIARY COMPANIES:**  
**Shriyam Broking Intermediary Limited**  
712-713, Tulsiani Chambers, 212, Nariman Point  
Mumbai 400 021

**Shriyam Realtors Private Limited**  
9 Metro Commercial Centre 1st Floor,  
Behind Gujrat 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](mailto:rnt.helpdesk@linkintime.co.in)

## NOTICE

NOTICE is hereby given that the Thirty-Fourth Annual General Meeting of the Members of Shardul Securities Limited will be held on Thursday, 12th September 2019 at 10.00 a.m., Senate II, 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 2019, the Statement of Profit & Loss and cash flow statement for the year ended on that date and the Reports thereon.
2. To declare dividend on the Paid-up Equity Share Capital of the Company.
3. To appoint a director in place of Ms. Daya Bhalia (DIN: 07049483), who retires by rotation and being eligible, offers herself for re-appointment.

### AS SPECIAL BUSINESS:

4. Re-appointment of Mr. Charul Abuwala (DIN: 00071142) as an Independent Director of the Company.

To consider and if thought fit, to pass the following resolution as Special Resolution:

**“RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their meetings held on 27th May, 2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Charul Abuwala (DIN: 00071142) who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for five consecutive years for a Second term up to the conclusion of the 39th Annual General Meeting of the Company in the calendar year 2024.”

**“RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

5. To confirm the appointment of Mr. Lalit Shah (DIN: 08473788) as an Independent Director of the Company.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their meeting held on 27th May, 2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Lalit Shah (DIN –08473788) who was appointed as an Additional Director of the Company with effect from June 6, 2019 by the Board of Directors pursuant to Section 161 (1) of the Act to hold office upto this Annual General Meeting of the Company and who has declared his independence in terms of Section 149 (6) of the Act and Regulation 16 (1) (b) of LODR and expressed his desire to act as a Director, if appointed and in respect of whom the Company has received notice in writing from a member proposing the candidature of Mr. Lalit Shah for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office upto June 5, 2024 not liable to retire by rotation.”

### NOTES: -

1. 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.
2. 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.
3. Proxies, in order to be effective, must be received in the enclosed Proxy Form at the Registered Office of the Company not less than forty-eight hours before the time fixed for the Meeting.
4. 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.
5. Corporate Members intending to send their authorized representatives to attend the meeting in terms of Section 113 of Companies Act, 2013 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.

6. Members/Proxies/Authorised Representatives are requested to bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
7. During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company. All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days of the Company between 11:00 a.m. and 1:00 p.m. upto the date of the Annual General Meeting and at the venue of the Meeting for the duration of the Meeting.
8. Route-map to the venue of the Meeting is provided at Page no. 80 of the Annual Report.
9. Register of Members / Transfer books will be closed from 6<sup>th</sup> September 2019 to 11<sup>th</sup> September 2019 (both days inclusive).
10. The members are requested to bring their copy of Annual Report to AGM.
11. Unpaid/Unclaimed Dividend:  
 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 2010-11. 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.
12. 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.
13. 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.
14. 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.
15. The dividend on shares as recommended by the Board, if approved at the Annual General Meeting, will be paid within thirty days from the date of declaration to those Members or their mandatees whose names appear:
  - (a) as Members in the Register of Members of the Company on 5<sup>th</sup> September, 2019 and
  - (b) as beneficial owners on that date as per the lists to be furnished by depositories in respect of shares held in electronic form.
16. 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.
17. 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 and IFSC Code 4) Account type, whether Savings (SB) or Current Account (CA) 5) Bank Account number allotted by the Bank.
18. 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.
19. 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.
20. 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.
21. 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.

## 22. 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 34<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Link Intime India Private Limited (LI IPL).

### The instructions for shareholders voting electronically are as under:

- i. The voting period begins on 9.00 A.M on 9<sup>th</sup> September 2019 and ends on 5.00 P.M on 11<sup>th</sup> September 2019. 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 5<sup>th</sup> September 2019, may cast their vote electronically. The e-voting module shall be disabled by LI IPL for voting thereafter.
- ii. Visit the e-voting system of LI IPL. 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 LI IPL: <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"> <li>• 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.</li> </ul>
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.
Bank Account Number	Enter the Bank Account Number 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"> <li>i. Please enter the DOB/ DOI or Bank Account Number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account Number field as mentioned in instruction (v-c).</li> </ol>

If you are holding shares in demat form and had registered on to e-Voting system of LI IPL: <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 LI IPL.

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.
- ix. During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
- xiv. Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- xv. 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](mailto: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. 5<sup>th</sup> September, 2019.

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 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:**

Mr. Charul Abuwala was appointed as an Independent Non-Executive Director of the Company by the members at the 29<sup>th</sup> AGM of the Company held on 5<sup>th</sup> September, 2014 for a period of five consecutive years. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Charul Abuwala, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years upto the conclusion of the 39<sup>th</sup> Annual General Meeting of the Company in the calendar year 2024.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members. In the opinion of the Board, Mr. Charul Abuwala fulfills the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Charul Abuwala as an Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Charul Abuwala as an Independent Director for another term of five consecutive years with effect from the conclusion of this AGM upto the conclusion of the 39<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2024 for the approval by the shareholders of the Company.

Except Mr. Charul Abuwala, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the AGM. Mr. Charul Abuwala is not related to any Director of the Company

**ITEM NO. 5**

The Board of Directors, at its meeting held on 27<sup>th</sup> May, 2019 appointed Mr. Lalit Shah (DIN –08473788) as Additional Director designated as Independent Director of the Company with effect from 6<sup>th</sup> June 2019 in accordance with the Articles of Association, Policy on Appointment, Remuneration and Diversity of Board and Section 161 of the Act. As per Section 161 of the Act, Mr. Lalit Shah holds office upto the date of the 34<sup>th</sup> AGM.

The Company has received requisite notice in writing from a member under Section 160 (1) of the Act signifying the candidature of Mr. Lalit Shah to be appointed as an Independent Director not liable to retire by rotation. Mr. Lalit Shah has consented by way of form DIR-2 (in terms of Rule 8 of the Companies Appointment & Qualification of Directors Rules, 2014) and Intimation in Form DIR-8 pursuant to Section 164(2) read with Rule 14 of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013 and has declared that he meets the criteria of independence prescribed under Regulation 16 (1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), amended from time to time.

Mr. Lalit Shah is independent of the management, possesses requisite knowledge, experience and skill for the position of Director and fulfils the condition for appointment as an independent director as specified in the Act and the LODR.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Lalit Shah, to whom the resolution relates, are interested or concerned, financially in the resolution. The Board recommends Ordinary resolution set forth in item no. 5 for the approval of Members.

**For and on behalf of the Board**

**Place: Mumbai**

**Date: 27<sup>th</sup> May 2019**

**Yogendra Chaturvedi**

**Executive Director & CEO**

**Daya Bhalia**

**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-Fourth Annual Report and the Audited Accounts for the year ended March 31, 2019.

### 1. Financial Results: -

	(Rs. in lakhs)	
	2018-2019	2017-2018
Profit/(Loss) before Depreciation	314.19	319.99
Less: Depreciation	31.62	32.09
Profit/(Loss) before Taxation	282.57	287.90
Less: Tax Expenses		
Provision for tax	35.00	40.00
Deferred Tax	13.29	(5.26)
Profit / (Loss) after Taxation	234.28	253.16
Surplus/(Deficit) brought forward from previous years	4272.57	4070.04
	<b>4506.85</b>	<b>4323.20</b>
Appropriations:		
Statutory Reserve Fund as per RBI Guidelines	46.86	50.63
Proposed Dividend (including dividend tax) on Equity Shares	126.36	-
Balance carried to Balance Sheet	<b>4333.63</b>	<b>4272.57</b>

### 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 31<sup>st</sup> March 2019 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 05<sup>th</sup> September 2019 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. 46.86 Lakhs in Financial Year ended March 31, 2019.

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

#### (i) Financial Performance:

Despite the general trend being one of pessimism in the Non-Banking Finance Company's segment that has been going through a period of confidence crisis, your Company stayed afloat achieving a gross revenue of Rs.526 lakhs during the year under report and a net profit of Rs.234 lakhs. On a consolidated basis including the subsidiary, your company achieved a net profit of Rs.265 lakhs albeit the results were marginally lower compared to the previous financial year.

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

The year under report passed through a critical and grueling period of uncertainty on the economic front, thanks to the impending General elections in the ensuing year coupled with reports of economic down turn, unemployment and job losses, slowdown in credit offtake and a lack of a booster by way of sizable investments either domestic or foreign to reverse the trend.

The global economy led the way with USA tightening on their imports with heavy levies and the so called principles of free market economy were set aside to bring about protective measures to encourage domestic production and consumption. This was further accentuated by hostile political stand off by USA against China, Iran for import of oil , Russia and partly India and certain other European countries as well on trade issues.

The NBFC sector in India faced liquidity crisis due to the impact created by the failure of ILFS to honor their debt commitments and there was also repercussion in the financial sector due to certain major frauds for huge amounts suffered by many banks. These were in addition to huge provisions for bad debts of Public Sector and some private sector banks.

The Industrial sector suffered due to the slowdown and the Airlines Industry was badly hit apart from other heavy, medium and small scale industries resulting in lowering of production, heavy accumulation of rolling stock, reduced profitability and job losses.

The Agricultural sector continued to face uphill task to maintain the production levels without the base support price apart from drought like conditions prevailing in many parts of the country. It fell to 15% of GDP from around 17%.

The service sector and industrial sector, however, contributed marginally higher as during the previous years which enabled the GDP growth to hover around 6.8%. The steady crude oil prices in international market also helped the Government to marginally mobilize towards infrastructure developments.



The capital markets remained volatile though it appeared to be more index driven than real time appreciation in small and medium cap stocks. It was reported that many stocks in medium to small cap were trading well below their low levels during the previous years and trading was only concentrated mostly on index based stocks.

The foreign exchange reserves continued to remain at a level exceeding \$ 400 Billion mark though an air of discomfort and uncertainty was hanging over waiting for the political developments in the country. Even after this got cleared, it could be seen that markets reacted adversely to the New Budget announcements on direct taxes on high income group. The FDIs remittances increased by 6% to 42 billion dollars, FIIs P.Note remittances exceeded Rs 81000 Crores during the year.

The Exports for the year stood at \$330 billion while the imports increased to \$ 514 billions thus widening the gap further. The Current account deficit was at 2.5% of GDP while the Fiscal deficit was contained at 3.4%. The inflation fell too low for a developing economy causing widespread discontent particularly in the Agriculture sector.

**(iii) Business Review:**

Despite the economic slowdown, high volatility in Capital markets, and other uncertainties your company could achieve comparable results with that of the previous year. While the markets are looking up to the Govt to provide impetus for a higher level of growth in coming months, certain measures initiated by the Govt on taxes especially in the capital market segment appear to be backfiring to the detriment of the investors.

India is going through a kind of economic down turn and it is not clear to forecast how the year will turn out to be and when the situation might reverse. We are watching the markets and the developments and would take appropriate steps to ensure that we put our resources to optimum use.

**(iv) Opportunities and Threats:**

The GDP is projected at 7.2 percent for the current year but the Government's finances might be under severe stress due to fall in GST collections, a downward trend in Direct tax collections, slackness in FDI inflows and lack of investment in infrastructure due to funds constraint. The Government has projected huge investments but the availability of resources is not clear. It remains to be seen if the Government would be able to reach its targets depending on which the spur in the Economy might happen.

**(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 present down turn in economy 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 might become 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.

**(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.

**(x) Details of significant changes in key financial ratios are given in Annexure D to Board Report.**

**5. Subsidiaries:-**

Shriyam Broking Intermediary Limited, a wholly owned subsidiary of the company achieved a modest profit in its working results during the year under report. The net profit for the year was at Rs. 23 lakhs as compared to Rs. 89 lakhs during the previous year. The market factors would determine the performance in coming year though all efforts would be made to improve the bottomline.

Shriyam Realtors 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. The Company doesn't have any joint ventures or associate company.

**7. Directors:-**

- i) Mr. Kantilal Maganlal Shah has resigned from the Directorship (in the Capacity of Independent Director) of the Company with effect from 1<sup>st</sup> April, 2019, due to personal reason.

The Company appreciates the valuable Services rendered by him during his tenure as an Independent Director of the Company.

- ii) Mr. Charul Abuwala was appointed as an Independent Non-Executive Director of the Company by the members at the 29<sup>th</sup> AGM of the Company held on 5<sup>th</sup> September, 2014 for a period of five consecutive years.

The Board of Director of the Company based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has proposed to reappoint Mr. Charul Abuwala as an Independent Director for second term of five consecutive years upto the conclusion of the 39<sup>th</sup> Annual General Meeting of the Company in the calendar year 2024, subject to approval of Shareholder at Annual General Meeting.

- iii) The Board of Director of the Company, at its meeting held on 27<sup>th</sup> May, 2019 has appointed Mr. Lalit Shah as Additional Director designated as an Independent Director of the Company with effect from 6<sup>th</sup> June, 2019

Brief Profile:

Mr. Lalit Shah aged about 59 years holds a B. Com degree from Mumbai University and is a member of Chamber of Tax Consultants. He has more than 30 Years of experience in the field of Taxation, Accountancy and Audit. He is a partner in two Tax Consultancy firms M/s. Shah & Associates and M/s. Shah & Bhuta Associates. He is active in many social programmes and is a part of such organizations.

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.

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 he/she 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.

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 16 (1) B of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**8. 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.

**9. 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.

**10. 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.

**11. Audit Committee:-**

The Audit Committee as on 31<sup>st</sup> March 2019 comprises of Independent Directors namely Mr. Devesh Vasavada (Chairman), Mr. Kantilal Shah, Mr. Charul Abuwala and Mr. Yogendra Chaturvedi (Executive Director) as other members. All the recommendations made by the Audit Committee were accepted by the Board.

**12. 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 –A and forms as integral part of this Report.

**13. Taxation:-**

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