

**SHRIYAM**

**BROKING INTERMEDIARY LIMITED**



**16<sup>th</sup>  
ANNUAL REPORT  
2010 - 2011**

# **SHRIYAM**

## **BROKING INTERMEDIARY LIMITED**

### **BOARD OF DIRECTORS**

**Shri Bhupendra Shroff**

**Shri R. Sundaresan**

**Shri Viraf Katrak**

**Shri Yogendra Chaturvedi - Executive Director**

**Shri Makhanlal Chaturvedi**

### **AUDITORS**

**Rajen Damani & Associates**

### **BANKERS**

**HDFC Bank Ltd.**

### **REGISTERED OFFICE**

712 - 713, Tulsiani Chambers

212, Nariman Point, Mumbai - 400 021.

Tel. No.:- 022-40090500/40090600

Fax No.:- 022-40090621

## ANNUAL REPORT 2010-2011

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### NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of **SHRIYAM BROKING INTERMEDIARY LIMITED** will be held on Thursday 8th September 2011 at 10 A.M. at the Registered office of the company at 712-713, Tulsiani Chambers, 212, Nariman Point, Mumbai - 400021 to transact with or without modification(s), as may be permissible the following business:

#### AS ORDINARY BUSINESS:

##### As Ordinary Resolution:

1. To receive, consider and adopt the Directors Report and Audited Balance-Sheet, Profit & Loss Account and Cash Flow Statement for the year ended 31st March, 2011 and Auditors Report thereon.
2. To appoint Director in place of Makhan Lal Chaturvedi who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company and to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

#### Notes for the Members Attention:-

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

By Order of the Board,

Mumbai  
Dated: 18th May 2011

**Yogendra Chaturvedi**  
Executive Director

To,

**THE MEMBERS OF**

**Shriyam Broking Intermediary Limited**

Mumbai.

Your Directors have pleasure in presenting the Sixteenth Annual Report of your company together with Audited Statement of Accounts for the year ended 31st March 2011.

**1. FINANCIAL RESULTS**

	(Rs.in lacs)	
	2010-11	2009-10
Gross Revenue	190.19	205.83
Expenditure	134.07	134.53
Profit before Depreciation and Preliminary Expenses written off	56.12	71.30
<b>Less:</b> Depreciation and Preliminary Expenses written off	4.55	4.65
Profit before Taxation	51.57	66.65
<b>Less:</b> Provision for taxation		
Current Tax	13.50	15.50
Deferred Tax	(3.13)	0.36
Taxation adjustments of P.Y (Net)	-	10.85
Profit after Taxation	41.20	39.94
<b>Add (less):</b> Prior period Adjustments	0.11	0.61
Profit after Prior Period Adjustments	41.09	39.33
Surplus / (deficit) brought forward from previous years	3,103.02	3,063.69
Profit available for appropriation	3,144.11	3,103.02
Appropriations	-	-
Balance carried to Balance Sheet	3,144.11	3,103.02

**2. DIVIDEND:**

With a view to further conserve the financial resources of the company, your Directors have not recommended any dividend.

**3. PERFORMANCE:**

Shriyam Broking Intermediary Limited, a subsidiary of the company posted modest operational results during the year under report. Growth in the brokerage income earned during the year was at Rs.168.19 lakhs as against the 162.03 lakhs during the last year. The net profit before tax was at Rs.51.57 lakhs as against Rs.66.65 lakhs achieved during the previous year.

**4. DIRECTORS:**

Mr. Makhan Lal Chaturvedi, Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

**5. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the required under section 217(2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, it is hereby confirmed :

- (i) That in the preparation of the annual accounts for the financial year ended 31st March 2011, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for year under review.

(iii) That the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(iv) That the Directors have prepared the annual accounts on a going concern basis.

**6. AUDITORS:**

The Company's Auditor - M/s Rajen Damani & Associates, Chartered Accountants, hold office upto the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received a requisite certificate from them pursuant to Section 224(1B) of the Companies Act, 1956, confirming their eligibility for re-appointment as Auditors of the Company.

**7. COMMENTS ON AUDITORS REPORT & NOTES TO ACCOUNTS**

The Auditor's Report along with Notes on Accounts is self explanatory. There is no qualifications or adverse remarks in the Auditors Report.

**8. CONSTITUTION OF AUDIT COMMITTEE:**

As required by the provisions of Section 292A of the Companies Act, 1956, the Board of Directors had constituted Audit Committee comprising of three Directors i.e. Mr. R. Sundaresan, Mr. Viraf Katrak and Mr. Yogendra Chaturvedi. During the year committee meetings were held on 20th May 2010, 25th August 2010, 10th November 2010 and 8th February 2011.

**9. DEPOSITS:**

The Company has not accepted any deposits from the public. Hence no information is required to be appended to this report.

**10. STATUTORY INFORMATION:**

**1. Personnel:**

None of the employees are paid remuneration above the limit stipulated in section 217(2A).

**2. Particulars required to be furnished by the Companies (Disclosure of particulars to the Report of Board of Directors) Rules, 1988:**

- (i) Part A & B pertaining to conservation of Energy and Technology Absorption are not applicable to the Company.
- (ii) Foreign Exchange earning and outgo: The Company has neither earned any Foreign Exchange nor incurred any Foreign Exchange outflow during the year.

**11. ACKNOWLEDGEMENT:**

Your Directors express their appreciation of the co-operation and assistance received from the bankers, Exchanges, business constituents and holding company - Shardul Securities Limited during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance during the year.

For and on behalf of the Board

Place: Mumbai **Yogendra Chaturvedi R. Sundaresan**  
 Date: 18th May 2011 Executive Director Director

**Regd Office :**

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

**ANNUAL REPORT 2010-2011****AUDITORS' REPORT**

To

The Members,

**SHRIYAM BROKING INTERMEDIARY LTD.**

We have audited the attached Balance Sheet of ' SHRIYAM BROKING INTERMEDIARY LTD.', as at 31st March 2011, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by Central Government of India, in terms of Section 227(4A) of the Companies Act 1956, we enclose in the Annexure hereto a statement on the matters specified in the paragraphs 4 and 5 of the said order, to the extent applicable to Company.
2. Further to our comments in the Annexure referred to in paragraph (1) above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account, as required by law have been kept by the Company, so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the mandatory Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of written representations received from the Directors as at 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31st March 2011 from being appointed as a Director in terms of Section 274(1)(g) of the Companies act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
    - ii) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date.
    - iii) in the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

**For RAJEN DAMANI & ASSOCIATES**  
Chartered Accountants  
(Registration No. 116762W)

Place: Mumbai  
Dated: 18th May, 2011

**CA Rajen .J. Damani**  
(Partner)  
Membership No: 034375



**ANNEXURE TO THE AUDITOR'S REPORT OF SHRIYAM BROKING INTERMEDIARY LTD. FOR THE YEAR ENDED 31ST MARCH 2011.**

(Referred to in paragraph 1 of our report of the even date)

- i. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, the fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and nature of its business. No material discrepancies were noticed on such verifications.
  - c) In our opinion and as per the information and explanations given to us, during the year, the Company has not disposed off any substantial part of fixed assets during the year and the going concern status of the company is not affected.
- ii. In respect of loans:
  - a) The Company has not taken loans, secured or unsecured from companies, firms or parties covered in register maintained under section 301 of the companies Act, 1956  
Hence, clause (iii) (b) to (iii) (d) of paragraph 4 of the Companies (Auditor's Report) orders 2003 are not applicable to the company.
  - b) The Company has not given loans secured or unsecured to any companies covered in the register maintained under section 301 of the Companies Act, 1956.  
Hence clause (iii) (f) and (iii) (g) of paragraph 4 of the Companies (Auditor's Report) orders 2003 are not applicable to the company.
- iii. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchases and sale of securities and fixed assets and services rendered related to broking activities etc. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal controls.
- iv. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
  - a) According to the information and explanation given to us, we are of the opinion that transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions of broking services, in pursuance of contracts or arrangement required to be entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs.5,00,000 in respect of each party during the year have been made at prices, which appears reasonable having regard to the prevailing market prices at the relevant time.
- v. According to the information and explanations given to us, the Company has not accepted deposits from public and hence directives issued by Reserve Bank of India and provisions of section 58A and 58AA of the Companies Act, 1956 and rules framed there under. Therefore, the provisions of Clause (vi) of paragraph 4 of the order are not applicable for the year under audit.
- vi. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- vii. In respect of statutory dues:
  - a) According to the information and explanations given and records as produced and examined by us, in our opinion the undisputed statutory dues in respect of Investor Education and Protection Fund, Sales tax, Provident fund, Employees State Insurance, Income tax, Service tax and other material statutory dues as applicable have been regularly deposited by the Company during the year with appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2011 for a period of more than six months from the date of becoming payable.
  - b) The Wealth tax, Customs duty, Excise duty and Cess are not applicable to the Company.
  - c) According to the information and explanations given to us, there are no such statutory dues, which have not been deposited on account of any dispute except income tax dispute of Rs.25.39 lacs for A.Y.2007-08 which is pending with Income Tax Appellate Tribunal and of Rs.9.74 lacs for A.Y. 2008-09 which is pending with Commissioner of Income Tax (Appeals) however the company has paid Rs.10 lacs for A.Y 2007-08 and Rs.5 lacs for A.Y 2008-09 under protest.
- viii. The company has positive net worth at the end of the financial year. The Company has no accumulated losses and has not incurred any cash losses during the current financial year and the immediately preceding financial year.
- ix. The company has maintained proper records in respect of investment in shares and timely entries have been made therein. The investments are held by the company in its own name except to the extent of exemption granted u/s 49 of the Companies Act, 1956.
- x. According to the information and explanations given to us, the company has not obtained any term loans.
- xi. According to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short term basis that have been applied for long term investment.
- xii. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.  
In view of the nature of activities carried by the Company, clause no (ii), (viii) and (xiii) of Companies (Auditor's Report) Order, 2003 are not applicable to the Company. Further in view of the absence of conditions prerequisite to the reporting requirement of clauses (xi), (xii), (xv), (xviii), (xix) and (xx) the said clauses are, at present, not applicable.

**For RAJEN DAMANI & ASSOCIATES**  
Chartered Accountants  
(Registration No. 116762W)

Place: Mumbai,  
Dated: 18th May, 2011.

**CA Rajen J. Damani**  
(Partner)  
Membership No 034375

## ANNUAL REPORT 2010-2011

### BALANCE SHEET AS AT 31st March 2011

		SCHEDULE	As at		(Rs in Lacs)	
			31st, March 2011	31st, March 2010	31st, March 2011	31st, March 2010
<b>I SOURCES OF FUNDS</b>						
1	<b>Shareholders Fund</b>					
	Share Capital	A	1,000.00		1,000.00	
	Reserves & Surplus	B	3,144.11	4,144.11	3,103.02	4,103.02
2	<b>Deferred Tax Liability</b>			31.11		34.24
	<b>Total</b>			<u>4,175.22</u>		<u>4,137.26</u>
<b>II APPLICATION OF FUNDS</b>						
1	<b>Fixed Assets</b>	C				
	Gross Block		323.27		323.09	
	Less: Depreciation		95.00		90.45	
	Net Block			228.27		232.64
2	<b>Investments</b>	D		3,269.44		3,292.30
3	<b>Current Assets, Loans &amp; Advances</b>					
	Current Assets	E	776.43		594.35	
	Loans & Advances	F	220.05		1,144.48	
	Less: Current Liabilities	G	996.48		1,738.83	
			318.97		1,126.51	
	<b>Total</b>			<u>677.51</u>		<u>612.32</u>
	<b>Total</b>			<u>4,175.22</u>		<u>4137.26</u>

**Signification Accounting Policies & Notes to Accounts M**

As per our report of even date

For Rajen Damani & Associates

Chartered Accountants

CA Rajen J Damani

Partner

Membership No. 034375

Place: Mumbai

Date :18th May, 2011

For and on behalf of the Board  
 Bhupendra K. Shroff Director  
 R. Sundaresan Director  
 Viraf Katrak Director  
 Yogendra Chaturvedi Executive Director  
 Makhan Lal Chaturvedi Director

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st March 2011

		SCHEDULE	2010-11		(Rs in Lacs)	
			2010-11	2009-10	2009-10	2009-10
<b>INCOME</b>						
	From Operations	H	178.20		185.54	
	Profit/(Loss) on sale of Investments		6.79		14.40	
	Other Income	I	5.20	190.19	5.89	205.83
<b>EXPENDITURE</b>						
	Administrative & Other Expenses	J	64.75		110.77	
	Rent, Rates & Taxes	K	64.67		18.23	
	Interest & Financial Charges	L	4.65		5.53	
	Depreciation	C	4.55	138.62	4.65	139.18
	<b>Profit Before Tax</b>			<u>51.57</u>		<u>66.65</u>
	<b>Provision For Taxation</b>					
	Current Tax		13.50		15.50	
	Deferred Tax		(3.13)		0.36	
	Taxation adjustment of previous years (Net)			10.37		15.86
				-		10.85
	<b>Profit after Tax</b>			<u>41.20</u>		<u>39.94</u>
	Prior period Expenses / (Income)			0.11		0.61
	<b>Profit after prior period adjustment</b>			<u>41.09</u>		<u>39.33</u>
	Balance Brought forward			3,103.02		3,063.69
	Profit available for appropriation			<u>3,144.11</u>		<u>3,103.02</u>
<b>APPROPRIATION</b>						
	Balance carried to Balance Sheet			<u>3,144.11</u>		<u>3,103.02</u>
				<u>3,144.11</u>		<u>3,103.02</u>
	<b>Basic And Diluted Earning per share</b>			0.41		0.39

**Signification Accounting Policies & Notes to Accounts M**

As per our report of even date

For Rajen Damani & Associates

Chartered Accountants

CA Rajen J Damani

Partner

Membership No. 034375

Place: Mumbai

Date :18th May, 2011

For and on behalf of the Board  
 Bhupendra K. Shroff Director  
 R. Sundaresan Director  
 Viraf Katrak Director  
 Yogendra Chaturvedi Executive Director  
 Makhan Lal Chaturvedi Director

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at 31st March, 2011	(Rs. In Lacs) As at 31st March, 2010
<b>SCHEDULE : A</b>		
<b>Share Capital</b>		
<b>Authorised</b>		
1,00,00,000 Equity Shares of Rs. 10/- each.	1,000.00	1,000.00
	<u>1,000.00</u>	<u>1,000.00</u>
<b>Issued Subscribed and Paid Up.</b>		
1,00,00,000 Equity Shares of Rs. 10/- each. Note : 1,00,00,000 Equity Shares are held by Shardul Securities Limited, The Holding Company.	1,000.00	1,000.00
	<u>1,000.00</u>	<u>1,000.00</u>
<b>Schedule B</b>		
<b>Reserve &amp; Surplus</b>		
Balance In Profit & Loss Account	3,144.11	3,103.02
	<u>3,144.11</u>	<u>3,103.02</u>

**SCHEDULE : C**  
**FIXED ASSETS**

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Addition	Deletion / Adjustment	As at 31.03.2011	Upto 01.04.2010	For the Year	Deletion / Adjustment	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
Stock Exchange Membership Cards	175.50	-	-	175.50	-	-	-	-	175.50	175.50
Computers	62.29	0.18	-	62.47	60.10	0.60	-	60.70	1.77	2.19
Office Equipments	20.61	-	-	20.61	7.54	0.98	-	8.52	12.09	13.07
Furniture & Fixtures	13.69	-	-	13.69	11.01	0.87	-	11.88	1.81	2.68
Office Premises	34.77	-	-	34.77	3.47	0.56	-	4.03	30.74	31.30
Vehicles	16.23	-	-	16.23	8.33	1.54	-	9.87	6.36	7.90
<b>TOTAL</b>	323.09	0.18	-	323.27	90.45	4.55	-	95.00	228.27	232.64
<b>Previous Year</b>	323.09	-	-	323.09	85.80	4.65	-	90.45	232.64	-

	As at 31st March, 2011		As at 31st March, 2010	
	Nos.	(Value)	Nos.	(Value)
<b>SCHEDULE : D</b>				
<b>Investments</b>				
<b>Trade Investments in equity shares - Unquoted</b>				
<b>In Associates</b>				
Antique Finance Pvt Ltd	21,300,525	2,683.82	21,300,525	2,683.82
<b>In Others</b>				
Bangalore Stock Exchange	-	-	8,350	0.08
<b>Total</b>		<u>2,683.82</u>		<u>2,683.90</u>
<b>Trade Investments in equity shares - Quoted</b>				
Reliance Capital Limited	394	4.88	394	4.88
Reliance Infrastructure Limited	591	5.11	591	5.11
Reliance Power Limited *	1,970	3.92	7,883	3.92
State Bank of India	50	1.18	50	1.18
Reliance Communication Limited	14,883	80.94	14,883	80.94
Reliance Industries Ltd.	35,166	465.98	36,166	479.23
Engineers India Ltd	8,750	5.61	1,750	6.74
Ingersoll Rand India Ltd	7,500	18.00	11,000	26.40
		<u>585.62</u>		<u>608.40</u>
<b>Total Investments</b>		<u>3,269.44</u>		<u>3292.30</u>
<b>Market value of Quoted Investments</b>		454.68		505.43

\* RNRL is Converted in to Reliance Power Limited

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### SCHEDULES FORMING PART OF THE BALANCE SHEET

	<b>As at 31st March, 2011</b>	<b>(Rs. In Lacs) As at 31st March, 2010</b>
<b>Schedule E</b>		
<b>Current Assets</b>		
<b>Sundry Debtors</b>		
( Unsecured considered good )		
More than 6 months	2.40	2.42
Others	2.47	328.92
	4.87	331.34
<b>Cash &amp; Bank Balances</b>		
Cash in hand	0.06	3.01
Balances With Scheduled Banks		
- In Current Accounts	44.54	111.13
- In Fixed Deposit Accounts (Includes F.D. from Client Margin C.Y. Rs.300 lacs P.Y. Rs. Nil)	726.96	148.87
	771.56	263.01
	776.43	594.35
<b>Schedule F</b>		
<b>Loans &amp; Advances</b>		
(Unsecured and considered good )		
Deposits	207.30	1,138.55
Advance Income Tax (Net)	5.11	(1.34)
Advance recoverable in cash or kind or for value to be received	7.64	7.27
	220.05	1,144.48
	220.05	1,144.48
<b>Schedule G</b>		
<b>Current Liabilities</b>		
<b>Sundry Creditors</b>		
Due to MSME	-	-
Due to Others (Due to Shardul Securities Ltd, holding co. Rs.100.00 lacs P. Y. Rs. 4.27 lacs)	306.84	1,111.78
	306.84	1,111.78
Other Liabilities	12.13	14.73
	318.97	1,126.51
	318.97	1,126.51


**SHRIYAM**  
 BROKING INTERMEDIARY LIMITED

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT**

	2010-11	(Rs. In Lacs) 2009-10
<b>Schedule H</b>		
<b>Income from operations</b>		
Brokerage	168.19	162.03
Interest ( Net )	10.01	23.51
(T.D.S. Rs 2.94 lacs, Previous Year Rs. 3.38 Lacs)		
	<u>178.20</u>	<u>185.54</u>
<b>Schedule I</b>		
<b>Other Income</b>		
Dividend		
- on Long term investments	5.16	5.80
Miscellaneous Income	0.04	0.09
	<u>5.20</u>	<u>5.89</u>
<b>Schedule J</b>		
<b>Administrative &amp; Other Exp.</b>		
Payment to Employees		
- Salary, Bonus & Other Allowances	13.67	17.87
- Contribution To PF	2.36	0.59
	<u>16.03</u>	<u>18.46</u>
Professional & Other Service Charges	19.95	55.06
Transaction Charges	3.62	6.38
Stamp Charges	7.23	10.81
Security Transaction Tax	0.04	0.15
Lease line & Telephone charges	5.68	5.64
Membership & Subscription	2.90	3.00
Printing & Stationery	0.74	0.82
Repair & Maintinace		
(Computer)	1.37	1.56
(Office)	0.84	0.85
Travelling & Conveyance	0.10	0.04
Insurance Charges	1.27	1.61
Director Sitting Fees	0.05	0.04
Payment to Auditor	1.00	1.00
Donation	-	0.75
Advertisement	0.08	-
Business Promotion	0.58	-
Electricity Charges	2.90	4.12
Miscellaneous Expenses	0.37	0.48
	<u>64.75</u>	<u>110.77</u>
<b>Schedule K</b>		
<b>Rent, Rates &amp; taxes</b>		
Rent, Rates & taxes	64.67	18.23
	<u>64.67</u>	<u>18.23</u>
<b>Schedule L</b>		
<b>Interest &amp; Financial Charges</b>		
Financial Charges	-	0.80
Demat Charges	4.52	4.57
Bank Charges	0.13	0.16
	<u>4.65</u>	<u>5.53</u>

## ANNUAL REPORT 2010-2011

### SCHEDULE: M

#### Significant Accounting Policies & Notes to Accounts

##### 1) Significant Accounting Policies:

###### (A) Basis of preparation of financial statements:

- i) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956.
- ii) All income and expenditure items having a material bearing on the financial statements are recognized on accrual basis.

###### (B) Revenue Recognition:

- i) Brokerage  
Brokerage income is accounted in the year in which they fall due and is exclusive of service tax.
- ii) Dividends  
Dividend is accounted in the year in which it is received.

###### (C) Use of Estimates

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known or materialized.

###### (D) Income

Profit or Losses from investments are recognized on trade dates on first in first out basis as per AS 13 on Accounting for Investment.

###### (E) Fixed Assets:

Stock Exchange Membership card right have been shown as Fixed Assets and stated at cost.

All Fixed Assets have been stated at cost less accumulated depreciation. All cost attributable to the acquisition of Fixed Assets, till the assets is put to use are capitalized.

Intangible assets are amortised over a period of 5 years.

###### (F) Depreciation:

No depreciation is provided on Stock Exchange Membership Card. Depreciation on Fixed Assets is provided on straight line basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 on pro-rata basis.

###### (G) Preliminary Expenses:

Preliminary Expenses are amortised over a period of 5 years.

###### (H) Investments:

Long-term investments are valued at cost. Provision for diminution is made scrip wise to recognise a decline, other than temporary.

###### (I) Derivative Trading

- i) Premium paid on purchase of options is considered at Cost. The options outstanding at the year end are valued at cost or market value whichever is lower.
- ii) Additional liability, if any accrued till end of the year on options sold is booked as expense.
- iii) Loss or Profit on settlement of futures during the year is charged / credited to Profit & Loss account.
- iv) Loss arising on account of mark to market of the un-expired Futures at the year end is charged to Profit & Loss account

###### (J) Impairment of Assets:

An Asset is treated as impaired when the carrying cost of an asset exceeds its recoverable value and impairment loss is charged to Profit and Loss Account in the year in which asset is identified as impaired. The impairment loss recognized in the prior accounting period is reversed if there has been a change in estimates of recoverable amount.

###### (K) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent liabilities, if material, are not recognized but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements but disclosed in Director's Report.

###### (L) Provision for Current and Deferred Tax:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961. Deferred Tax resulting from "timing difference" between book and taxable profits accounted for using the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet Date.

###### (M) Employee Benefits:

Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post employment and other long-term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expenses are recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long-term benefits are charged to profit and loss account.

##### 2) Notes to Accounts:

(A) In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated, if realised in the ordinary course of business. The provisions of all known liabilities are adequate and neither in excess of or not short of the amounts reasonably necessary.

(B) As the company is engaged in Share/ Stock Broking services, information required under paragraph 3 and 4D of part II of Schedule VI of the Companies Act, 1956 is not applicable to the Company.

(C) Balances of Sundry Debtors and Sundry Creditors are subject to confirmation.

(D) The profit or loss on account of dealing errors such as incorrect punching of prices or client/ custodial codes is considered as business expenditure, it is the company's policy not to carry out any speculative activities.

###### (E) Contingent Liabilities:

- i. SEBI Turnover Fees of Rs. 18.83 lacs, appeal have been dismissed by Supreme Court. However in view of subsequent ruling for which the appeal is admitted by the Supreme Court in similar case, the management is advised that till the matter is decided in this case the said fees may not be payable.
- ii. Stamp Duty of Rs.297.65 lacs for the year 2005-06, 2006-07 and 2008-09, appeal is pending with Superintendent of Stamps.
- iii. The company has disputed liability of Income Tax for A.Y.2007-08 of Rs.25.39 lacs and for A.Y. 2008-09 of Rs.9.74 lacs for which the company has preferred appeal before ITAT for AY 2007 - 08 & before CIT (App) for AY 2008 - 09 and the company has paid Rs.10.00 lacs for A.Y.2007-08 and Rs.5.00 lacs for A.Y.2008-09 under protest.

(F) The Company has followed Accounting Standard 15 (Revised), Accounting for Retirement Benefits.

Contribution to Provident Fund is charged to the statement of Profit and Loss as per applicable law / rules.

The Company has taken Group Gratuity Scheme of Life Insurance Corporation of India for gratuity payable to the employee. Liability for the year end obligation, based on an actuarial valuation as per the projected unit credit method as at the reporting date, is charged to the Statement of Profit and Loss. And accordingly Provision for the gratuity liability amounting to Rs 2.15 lacs has been made during the year by the company based on the valuation report of the Life insurance Corporation (Actuarial Valuer).

The company belongs to an industry which faces a high attrition rate and hence the leave balance accrued is either availed or fully paid off.

Details as required under Accounting Standard as 15, "Employee Benefits (Revised)"

Sr. No.	Period of Accounting	2010-11	2009-10
1	Summary of Membership DATA		
	Number of Employees	2	6
	Average age (in years)	34	34.67
	Average Monthly Salary (in Rupees)	29,700.00	14,533.33
	Average Past Service	10	8.33
2	Valuation Method	Projected Unit Credit Method	Projected Unit Credit Method
3	Actuarial Assumptions		
	Mortality Rate	LIC (1994-96) ultimate	LIC (1994-96) ultimate
	Withdrawal rate	1% to 3% depending on age	1% to 3% depending on age
	Discount Rate	8% p.a	8% p.a
	Salary Escalation	4%	4%
4	Results of Valuation		
	PV of Past Service Benefit (Rs.in lacs)	2.26	2.8
	Current Service Cost (Rs.in lacs)	0.18	0.18
	Total Service Gratuity (Rs. in lacs)	12.16	15.51
	Accrued Gratuity (Rs. in lacs)	4.29	4.98
	LCSA (Rs. in lacs)	3.50	9.63
	LC Premium (Rs. in lacs)	0.01	0.02
	Service Tax @ 10.30%	0.001	0.002
5	Recommended Contribution Rate		
	Fund Value as on Renewal Date (Rs. in lacs)	0.29	3.16
	Additional Contribution for existing fund (Rs. in lacs)	1.97	0
	Current Service cost (Rs. in lacs)	0.17	0
6	Total Amount paid (Rs. in lacs)	2.15	0.03
(G)	<b>Earning per share:</b>	<b>2010-11</b>	<b>2009-10</b>
a)	Net Profit after tax available for Equity Shareholders (Rs. in lacs)	41.09	39.33
b)	Weighted average of number of Equity Shares outstanding during the year (in lacs)	100.00	100.00
c)	Basic and Diluted Earning per share of of Rs.10/- each (in Rs.)	0.41	0.39

(H) Investment Movement

Scrip / Fund	Opening Quantity (Value in lacs)	Purchases Quantity (Value in lacs)	Sales Quantity (Value in lacs)	Closing Quantity (Value in lacs)
F.Y. : 2010-2011	213.82 (3292.3)	0.09 (Nil)	0.21 (29.65)	213.70 (3269.44)
F.Y. : 2009-2010	215.21 (3243.95)	0.22 (81.01)	1.61 (47.07)	213.82 (3292.3)

(I) Related Party Disclosures:

List of related parties with whom transactions have taken place during the year:

- I. Holding Company:  
Shardul Securities Ltd.
- II. Group Companies / Associates :  
A to Z Broking Services Pvt. Ltd.  
Pradeep Sandeep Trading & Investments Pvt. Ltd.  
Shriyam Commodities Intermediary Pvt. Ltd.  
Antique Finance Pvt. Ltd.
- III. Key Management Personnel:  
Shri Yogendra Chaturvedi - Whole time Director

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### IV. Transaction during the year with related parties. Reimbursement of expenses has not been treated as related party transaction:

Nature of Transaction	Holding Company	Group Companies / Associates	Key Management Personnel	(Rs. In lacs)
				Total
<b>Loan / Advances</b>				
<b>Investment:</b>				
Made during the year	-	-	-	-
	(-)	(-)	(-)	(-)
Sold during the year	0.08	-	-	0.08
	(0.05)	(12.00)	(-)	(12.05)
As at 31.03.2011	-	2683.82	-	2683.82
	(-)	(2683.82)	(-)	(2683.82)
<b>Sundry Creditors:</b>				
As at 31.03.2011 (Margin from Holding Co.)	100.00	-	-	100.00
	(4.27)	(-)	(-)	(4.27)
<b>Payment for remuneration and services:</b>				
Paid during the year	-	-	10.00	10.00
	(-)	(-)	(4.30)	(4.30)
<b>Income from Trading Activities:</b>				
Received/ (Paid) during the year (Net)	4.89	1.91	-	6.80
	(3.47)	(7.31)	(-)	(10.78)
<b>Expenses for Trading Activities:</b>				
Compensation paid during the year	60.00	-	-	60.00
	(15.00)	(-)	(-)	(15.00)

(Figure in bracket indicates figure of previous year)

#### Significant related party transaction during the year:

- Income from Trading Activities received from group companies includes Rs.1.43 lacs from A to Z Broking Service Pvt. Ltd., Rs.0.47 lacs from Pradeep Sandeep Trading & Investment Pvt. Ltd. and Rs.0.01 lacs from Shriyam Commodities Intermediary Pvt. Ltd.
- Investment sold during the year includes Rs.0.08 lacs to Shardul Securities Ltd.
- Payment for remuneration and services includes Rs.10.0 lacs as salary paid to Shri Yogendra Chaturvedi.
- Expenses for Trading Activities include Rs.60 lacs paid to Shardul Securities Ltd. as compensation.

#### (J) Segment

In the opinion of the management, the company is mainly engaged in the business of Broking activities and all other activities of the company revolve around the main business, there are no separate reportable segments.

#### (K) Deferred Tax

The deferred tax Liability as at March 31, 2011 is on account of timing differences of Depreciation on Fixed Assets is Rs.31.11 Lacs (Pr.Yr.Rs.34.24 Lacs)

#### (L) Payment to Auditors

	(Rs.in Lacs)	
	Current Year	Previous Year
Audit Fees	0.70	0.70
Tax Audit Fees	0.20	0.20
Certification Charges	0.10	0.10
Service Tax	0.10	0.10
<b>Total</b>	<b>1.10</b>	<b>1.10</b>

#### (M) Directors Remuneration;

Salary to Director as under:	(Rs.in Lacs)	
	Current Year	Previous Year
Shri Yogendra Chaturvedi	10.00	4.30

(Included under the head payment to employees)

- (N) Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the Act. Since the relevant information is not readily available, no disclosures have been made in the Accounts.

- (O) The previous year's figures have been regrouped / re-arranged wherever necessary.

#### As per our report of even date

##### For Rajen Damani & Associates

Chartered Accountants

**CA Rajen J Damani**

Partner

Membership No. 034375

Place: Mumbai

Date :18th May, 2011

##### For and on behalf of the Board

**Bhupendra K. Shroff** Director

**R. Sundaresan** Director

**Viraf Katrak** Director

**Yogendra Chaturvedi** Executive Director

**Makhan Lal Chaturvedi** Director

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**
**PART IV**
**I REGISTRATION DETAILS**

Registration No.	11-81401(CIN-U67120MH1994PLC081401)	State Code	11
Balance Sheet Date	31-Mar-11		

**II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)**

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

**III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)**

Total Liabilities	417522	Total Assets	417522
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**SOURCES OF FUNDS**

Paid up Capital	100000	Reserve & Surplus	314411
Secured Loans	Nil	Unsecured Loans	Nil
Deferred Tax Liability	3111		

**Application of Funds:**

Net Fixed Assets	22827	Investments	326944
Net Current Assets	67751	Miscellaneous Expenditure	-

**IV PERFORMANCE OF COMPANY (Amount in Rs. Thousands)**

Turnover	19019	Total Expenditure	13862
Profit Before Tax	5157	Profit After Tax	4120
Earning Per Share (In Rs.)	0.41	Dividend rate (%)	Nil

**V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (As per monetary terms)**

Item Code No.	-
(ITC Code)	-

Service Description      Share / Stock Broking Services and other related activities

**As per our report of even date**
**For Rajen Damani & Associates**

Chartered Accountants

**CA Rajen J Damani**
**Partner**

Membership No. 034375

Place: Mumbai

Date :18th May, 2011

**For and on behalf of the Board**
**Bhupendra K. Shroff** Director

**R. Sundaresan** Director

**Viraf Katrak** Director

**Yogendra Chaturvedi** Executive Director

**Makhan Lal Chaturvedi** Director

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### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

Rs. in lacs

	As at 31st March, 2011	As At 31st March, 2010
<b>A Cash flow from operating Activities</b>		
Net Profit before tax, Extraordinary and prior period items	51.57	66.65
Adjustment for :		
Non cash items		
Depreciation	4.55	4.65
Profit/(Loss) on sale of Investment	(6.79)	(14.40)
Dividend received from Investments	(5.16)	(5.80)
	44.17	51.10
Operating profit before working capital changes	44.17	51.10
Adjustment for:		
Trade & Receivables	326.47	(323.39)
Trade Payable	(807.54)	999.13
Loan & Advances	924.43	(823.42)
	443.36	(147.68)
Cash (used) in/ generated from operations	487.53	(96.58)
Direct Taxes paid	13.50	26.35
	474.03	(122.93)
Cash inflow/( outflow ) before extraordinary and prior period items	474.03	(122.93)
extraordinary and prior period items	(0.11)	(0.61)
	473.92	(123.54)
Net Cash from/(Used) in operation activities	473.92	(123.54)
<b>B Cash flow from investment activities</b>		
Purchase of fixed assets	(0.18)	-
Purchase of Investments	-	(81.02)
Sale of Investments	29.65	47.07
Dividend received on investments	5.16	5.80
	34.63	(28.15)
Net Cash (used) in investment activities	34.63	(28.15)
<b>C Cash flow from financial activities</b>		
Unsecured Loan (ICD)	-	-
	-	-
Net cash from /(used ) in financial activities	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>508.55</b>	<b>(151.69)</b>
Cash and cash equivalents as at 1st April 2010	263.01	414.70
Cash and cash equivalents as at 31st March 2011	771.56	263.01

**As per our report of even date**

**For Rajen Damani & Associates**

Chartered Accountants

**CA Rajen J Damani**

Partner

Membership No. 034375

Place: Mumbai

Date :18th May, 2011

**For and on behalf of the Board**

**Bhupendra K. Shroff** Director

**R. Sundaresan** Director

**Viraf Katrak** Director

**Yogendra Chaturvedi** Executive Director

**Makhan Lal Chaturvedi** Director

**CRYSTAL** - 022 - 6614 0900/918