

SHRIYAM

BROKING INTERMEDIARY LIMITED



**17th
ANNUAL REPORT
2011-2012**

SHRIYAM

BROKING INTERMEDIARY LIMITED

BOARD OF DIRECTORS

Shri Bhupendra Shroff

Shri R. Sundaresan

Shri Viraf Katrak

Shri Yogendra Chaturvedi

Shri Makhanlal Chaturvedi

Shri Suresh Chaturvedi - Executive Director

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

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of **SHRIYAM BROKING INTERMEDIARY LIMITED** will be held on Wednesday, 26th September 2012 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, Statement of Profit & Loss and Cash Flow Statement for the year ended 31st March, 2012 and Auditors Report thereon.
2. To appoint Director in place of Mr. R.Sundaresan and Mr. Yogendra Chaturvedi who retires by rotation and being eligible offers themselves 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.

AS SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Suresh Chaturvedi, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 with effect from March 31, 2012 and who vacates his office at the conclusion of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 257 of the Companies Act, 1956 from a member of the Company, proposing his candidature as a Director of the Company be and is hereby appointed as a Director of the company liable to retire by rotation.”

RESOLVED FURTHER THAT any of the Director of the Company be and is hereby authorized severally to sign and file forms with the Registrar of Companies and to do all such necessary acts, deeds and things as may be necessary to give effect to this resolution.”

5. To consider and if thought fit to pass with or without modification the following resolution as special Resolution.

“RESOLVED THAT subject to provisions of section 198, 269, 309, 310 read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956 or any amendment thereof or substitution thereof consent of the Company be and is hereby accorded to Mr. Suresh Chaturvedi holding and continuing to hold office as Whole time Director of the Company with effect from 31st March 2012 for a period of five years as per the following terms

- Remuneration:- Rs. 8,00,000/- Per annum
- Employer Contribution to Provident Fund and Gratuity is as per the Company's Policy.

RESOLVED further that consent of the Company be and is hereby given to the Board of Directors or Remuneration Committee to increase at its discretion, the remuneration of Mr. Suresh Chaturvedi, at any time till the completion of his tenure, within the overall limit of remuneration as provided in Schedule XIII of Companies Act, 1956.”

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.

Explanatory Statements under Section 173(2) of the Companies Act, 1956.

Item No. 4 & 5

Mr. Suresh Chaturvedi was appointed as an additional Director by the Board of Directors of the Company, with effect from 31-03-2012. In accordance with the provisions of Section 260 of the Companies Act 1956 (the Act), Mr Suresh Chaturvedi will hold office as a Director upto the date of the ensuing Annual General meeting. The Company has received a notice in writing under Section 257 of the Act from a member proposing his candidature for the office of Director.

Mr. Suresh Chaturvedi has practical experience in the Company's line of business activities and it is in the best interest of the Company to appoint him as a Whole Time Director.

The terms and conditions are as follows:

Remuneration of Mr. Suresh Chaturvedi with effect from 31st March 2012 will be as follows:-

- a) Salary : Rs 8,00,000/- per annum.
- b) Company's contribution to Provident Fund and payment of Gratuity shall be as per the Company Rules and Regulations.

The terms and conditions set out for 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 to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments made thereto.

Your Directors recommend the Resolution for your approval.

None of the Directors except Mr. Suresh Chaturvedi is concerned or interested in this Resolution.

The above explanation may also be taken as an abstract under Section 302 of the Companies Act, 1956.

By Order of the Board,

Mumbai
Dated: 21st May 2012

Suresh Chaturvedi
Executive Director

TO,

THE MEMBERS OF

Shriyam Broking Intermediary Limited

Mumbai.

Your Directors have pleasure in presenting the Seventeenth Annual Report of your company together with Audited Statement of Accounts for the year ended 31st March 2012.

1. FINANCIAL RESULTS

(Rs. In Lacs)

	2011-12	2010-11
Gross Revenue	110.64	190.19
Expenditure	87.71	134.07
Profit/(Loss) before Depreciation and Preliminary Expenses written off	22.93	56.12
Less: Depreciation and Preliminary Expenses written off	9.30	4.55
Profit/(Loss) before Taxation	13.63	51.57
Less: Provision for taxation		
Current Tax	2.25	13.50
Deferred Tax	5.95	(3.13)
Taxation adjustments of P.Y (Net)	25.56	-
Profit/(Loss) after Taxation	(20.15)	41.20
Add (less): Prior period Adjustments	-	0.11
Profit after Prior Period Adjustments	(20.15)	41.09
Surplus / (deficit) brought forward from previous years	3,144.11	3,103.02
Profit available for appropriation	3,123.96	3,144.11
Appropriations	-	-
Balance carried to Balance Sheet	3,123.96	3,144.11

2. DIVIDEND:

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

3. PERFORMANCE:

Your Company has posted a much lower operational results as compared to the previous year due to extreme volatility in the capital market segments. The opportunities for achieving the desired results were limited by external factors and hence, there was considerable slowdown contributing to lower income and profit levels as compared to the previous years. The net profit before tax for the year was at Rs. 13.63 lacs as against Rs. 51.57 lacs achieved during the previous year.

4. DIRECTORS:

Mr. Yogendra Chaturvedi and Mr. R Sundaresan, Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

Mr. Suresh Chaturvedi who was appointed as an Additional Director by the board on March 31, 2012, and in respect of whom notice along with the deposit of Rs 500/- has been received from a member u/s 257 of the Companies Act, 1956 proposing his appointment as a Director. Your Director proposes appointment of Mr. Suresh Chaturvedi as Whole time Director of the Company.

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 2012, 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 or loss 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. CONSITUTION 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 18th May 2011, 05th August 2011, 11th November 2011 and 14th February 2012

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 **Suresh Chaturvedi** **R. Sundaresan**
 Date: 21st May 2012 Executive Director Director

Regd Office:

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

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 2012, the Statement of Profit & Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet, Statement of Profit and Loss 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 2012 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 2012 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, 2012;
 - ii) in the case of Statement of Profit and Loss, of the Loss 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: 21st May, 2012

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

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ANNEXURE TO THE AUDITOR'S REPORT OF SHRIYAM BROKING INTERMEDIARY LTD. FOR THE YEAR ENDED 31ST MARCH 2012.

(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 given any loans secured or unsecured to any companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - b) The Company has taken unsecured loans from a party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is 500 lacs and the closing balance at the year end is 155 lacs.
 - c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and condition of loans taken by the company are not prima facie prejudicial to the interest of the company.
 - d) According to the information and explanation given to us, the payment of principal amount and interest are regularly made as per terms stipulated.
 - e) There is no overdue amount outstanding for more than 1 lacs at the end of the year in respect of the above loans.
- iii. In our opinion and according to the information and explanations given to us, there is 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, 2012 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.11.78 lacs for A.Y.2007-08 , Rs.9.74 lacs for A.Y. 2008-09 and Rs.32.19 lacs for A.Y. 2009-10 which are pending with Income Tax Appellate Tribunal for all the said assessment years, however the company has paid Rs.5 lacs for A.Y 2008-09 and Rs. 13.50 lacs for A.Y.2009-10 under protest.
- viii. The company has positive net worth at the end of the financial year. The Company has no accumulated losses and has incurred any cash losses of Rs. 10.84 lacs during the current financial year but has not incurred in 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: 21st May, 2012

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

BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	100,000,000	100,000,000
(b) Reserves and Surplus	2	312,396,108	314,411,125
		412,396,108	414,411,125
2 Non-Current Liabilities			
(a) Deferred Tax Liability (Net)	3	3,707,064	3,110,903
		3,707,064	3,110,903
3 Current Liabilities			
(a) Short-Term Borrowings	4	15,500,000	-
(b) Trade Payables	5	13,810,473	30,265,295
(c) Other Current Liabilities	6	1,530,716	1,631,893
		30,841,189	31,897,188
TOTAL		446,944,361	449,419,216
B ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	7		
(i) Tangible Assets		54,302,517	5,277,410
(ii) Intangible Assets		17,550,000	17,550,000
		71,852,517	22,827,410
(b) Non-Current Investments	8	322,856,516	326,944,157
(c) Long-Term Loans and Advances	9	23,136,676	21,312,620
		345,993,192	348,256,777
2 Current Assets			
(a) Trade Receivables	10	278,873	487,236
(b) Cash and Cash Equivalents	11	28,652,064	77,155,891
(c) Short-Term Loans and Advances	12	167,715	691,902
		29,098,652	78,335,029
TOTAL		446,944,361	449,419,216

 Significant Accounting Policies
 Notes on Financial Statement

1 to 29

As per our report of even date

For RAJEN DAMANI & ASSOCIATES
 Chartered Accountants

CA Rajen J. Damani
 Partner
 M No. 034375

 Place: Mumbai.
 Date : 21st May 2012

For and on behalf of the Board of Directors

R. Sundaresan : Director
Viraf Katrak : Director
Yogendra Chaturvedi : Director
Makhan Lal Chaturvedi : Director
Suresh Chaturvedi : Executive Director

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012 (Amount in Rs.)

Particulars	Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
1 Revenue from Operations (gross)	13	8,190,043	18,499,335
2 Other Income	14	2,874,745	519,918
3 Total Revenue (1+2)		<u>11,064,788</u>	<u>19,019,253</u>
4 Expenses			
(a) Employee Benefits Expenses	15	1,622,965	1,603,226
(b) Finance Costs	16	508,608	464,632
(c) Depreciation and Amortisation Expenses		930,914	455,432
(d) Other Expenses	17	6,639,458	11,338,793
Total Expenses		<u>9,701,945</u>	<u>13,862,083</u>
5 Profit / (Loss) before Exceptional and Extraordinary Items and Tax (3 - 4)		1,362,843	5,157,170
6 Exceptional Items		-	-
7 Profit / (Loss) before Extraordinary Items and Tax (5 ± 6)		<u>1,362,843</u>	<u>5,157,170</u>
8 Extraordinary Items		-	11,000
9 Profit / (Loss) before Tax (7 ± 8)		<u>1,362,843</u>	<u>5,146,170</u>
10 Tax Expense:			
(a) Current Tax Expense		225,000	1,350,000
(b) Deferred Tax		595,962	(313,314)
(c) Current Tax Expense relating to prior years		2,556,898	-
		<u>3,377,860</u>	<u>1,036,686</u>
11 Profit / (Loss) for the year (9 ± 10)		<u>(2,015,017)</u>	<u>4,109,484</u>
12 Earnings per equity share of face value of Rs. 10 each	18		
(a) Basic		(0.20)	0.41
(b) Diluted		(0.20)	0.41
Significant Accounting Policies			
Notes on Financial Statement	1 to 29		

As per our report of even date

For RAJEN DAMANI & ASSOCIATES

Chartered Accountants

CA Rajen J. Damani

Partner

M No. 034375

Place: Mumbai.

Date : 21st May 2012

For and on behalf of the Board of Directors

R. Sundaresan : Director

Viraf Katrak : Director

Yogendra Chaturvedi : Director

Makhan Lal Chaturvedi : Director

Suresh Chaturvedi : Executive Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012 (Amount in Rs.)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
A Cash flow from operating Activities		
Net Profit before tax, Extraordinary and prior period items	1,362,843	5,157,170
Adjustment for :		
Non cash items		
Depreciation	930,914	455,432
Profit/(Loss) on sale of Investment	(529,282)	(679,490)
Dividend received from Investments	(468,086)	(515,870)
Operating profit before working capital changes	1,296,389	4,417,242
Adjustment for:		
Trade & Receivables	208,363	32,646,504
Trade Payable	(1,055,999)	(80,754,170)
Loan & Advances	(1,299,870)	92,443,309
Cash (used) in/ generated from operations	(851,116)	48,752,886
Direct Taxes paid	2,781,898	1,350,000
Cash inflow/(outflow) before extraordinary and prior period items	(3,633,014)	47,402,886
extraordinary and prior period items		(11,000)
Net Cash from/(Used) in operation activities	<u>(3,633,014)</u>	<u>47,391,886</u>
B Cash flow from investment activities		
Purchase of fixed assets	(49,956,020)	(18,400)
Sale of Investments	4,617,121	2,965,162
Dividend received on investments	468,086	515,870
Net Cash (used) in investment activities	<u>(44,870,813)</u>	<u>3,462,632</u>
C Cash flow from financial activities		
Unsecured Loan (ICD)	-	-
Net cash from /(used) in financial activities	<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents	(48,503,827)	50,854,518
Cash and cash equivalents as at 1st April 2011	77,155,891	26,301,373
Cash and cash equivalents as at 31st March 2012	28,652,064	77,155,891

As per our report of even date

For RAJEN DAMANI & ASSOCIATES
Chartered Accountants

CA Rajen J. Damani
Partner
M No. 034375

Place: Mumbai.
Date : 21st May 2012

For and on behalf of the Board of Directors

R. Sundaresan : Director
Viraf Katrak : Director
Yogendra Chaturvedi : Director
Makhan Lal Chaturvedi : Director
Suresh Chaturvedi : Executive Director

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 Statement of Profit & Loss.
- iv) Loss arising on account of mark to market of the un-expired Futures at the year end is charged to Statement of Profit & Loss.

(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 Statement of Profit and Loss 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 Statement of profit and loss 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 statement of profit and loss 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 statement of profit and loss.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
-------------	---------------------------	---------------------------

NOTE 1 - SHARE CAPITAL
(A) SHARE CAPITAL:
Authorised Share Capital :

1,00,00,000 Equity Shares of Re. 10 each
 (1,00,00,000)

100,000,000	100,000,000
100,000,000	100,000,000

Issued, Subscribed and Paid up :

1,00,00,000 Equity Shares of Re. 10 each
 (1,00,00,000)

100,000,000	100,000,000
100,000,000	100,000,000

Figures in bracket represent previous year figures

(B) The reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year

Particulars	2011-12	2010-11
No. of Shares outstanding at the beginning of the year	1,00,00,000	1,00,00,000
No. of Shares outstanding at the end of the year	1,00,00,000	1,00,00,000

(C) Per value per share:

The per value of Equity Shares is Re.10/-.

(D) The rights, preferences and restrictions attaching to each class of shares including to restrictions on the distribution of dividends and repayment of capital:

Equity Shares- The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The equity shareholders are entitled to dividend only if dividend in a particular financial year is recommended by the Board of Directors and approved by the members at the annual general meeting of that year. In case of winding up, if the assets available for distribution are less than the paid up share capital, then the shortfall will be borne by the members proportionately. Where there is an excess, the same shall be distributed proportionately among the members.

(E) Details of shares in the Company held by each shareholder holding more than 5% shares:
Equity Shares:

Sr. No.	Name of Shareholder	As at 31st March, 2012		As at 31st March, 2011	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
(i)	Shardul Securities Limited	9,999,992	100	9,999,992	100

NOTE 2 - RESERVES & SURPLUS
Surplus / (Deficit) in the statement of profit and loss

Balance as per the last financial statement	314,411,125	310,301,641
Add : Profit / (Loss) for the year	(2,015,017)	4,109,484
Amount available for Appropriations	312,396,108	314,411,125
TOTAL	312,396,108	314,411,125

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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
-------------	---------------------------	---------------------------

NOTE 3 - DEFERRED TAX LIABILITY

Deferred Tax Liability		
Related to Fixed Assets	3,707,064	3,110,903
TOTAL	<u>3,707,064</u>	<u>3,110,903</u>

NOTE 4 - SHORT - TERM BORROWINGS

Unsecured Loans		
Other Loans and Advances	15,500,000	-
TOTAL	<u>15,500,000</u>	<u>-</u>

NOTE 5- TRADE PAYABLES

a) Micro, Small and Medium Enterprises	-	-
b) Others	13,810,473	30,265,295
TOTAL	<u>13,810,473</u>	<u>30,265,295</u>

NOTE 6 - OTHER CURRENT LIABILITIES

a) Related to Expenditure	1,089,956	1,097,068
b) TDS payable	21,943	116,008
c) Other Payables	418,817	418,817
TOTAL	<u>1,530,716</u>	<u>1,631,893</u>

NOTE 7 - FIXED ASSETS

Description	Gross Block				Depreciation/ Amortisation				Net Block	
	As at 1st April, 2011	Additions	Deductions / Adjustments	As at 31st March, 2012	Upto 31st March, 2011	For the Year	Deductions/ Adjustments	Upto 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Tangible Assets										
Office Premises	3,477,490	49,956,020	-	53,433,510	403,381	528,269	-	931,650	52,501,860	3,074,109
Computers	6,247,848	-	5,853,448	394,400	6,070,497	63,931	5,853,448	280,980	113,420	177,351
Furniture and Fixtures	1,368,501	-	-	1,368,501	1,187,632	86,627	-	1,274,259	94,242	180,869
Vehicles	1,622,964	-	-	1,622,964	987,043	154,181	-	1,141,224	481,740	635,921
Office Equipment	2,061,194	-	-	2,061,194	852,034	97,905	-	949,939	1,111,255	1,209,160
TOTAL	14,777,997	49,956,020	5,853,448	58,880,569	9,500,587	930,913	5,853,448	4,578,052	54,302,517	5,277,410
Intangible Assets										
Stock Exchange Membership Card	17,550,000	-	-	17,550,000	-	-	-	-	17,550,000	17,550,000
TOTAL	17,550,000	-	-	17,550,000	-	-	-	-	17,550,000	17,550,000
GRAND TOTAL	32,327,997	49,956,020	5,853,448	76,430,569	9,500,587	930,913	5,853,448	4,578,052	71,852,517	22,827,410
PREVIOUS YEAR	32,309,597	18,400	-	32,327,997	9,045,155	455,432	-	9,500,587	22,827,410	-

Notes :

1. Office Premises includes 10 shares of Rs.50 each of Tulsiani Chamber Premises Co operative Society Limited.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Amount in Rs.)

	As at 31st March, 2012		As at 31st March, 2011	
	No of Shares	Value	No of Shares	Value
NOTE 8 - NON-CURRENT INVESTMENTS				
Investments in equity shares - Unquoted				
In Associates				
Antique Finance Pvt Ltd	21,300,525	268,382,000	21,300,525	268,382,000
Total		<u>268,382,000</u>		<u>268,382,000</u>
Trade Investments in equity shares - Quoted				
Reliance Capital Limited	394	488,487	394	488,487
Reliance Infrastructure Limited	591	510,617	591	510,617
Reliance Power Limited	1,970	392,063	1,970	392,063
State Bank of India	-	-	50	117,484
Reliance Communication Limited	14,883	8,094,346	14,883	8,094,346
Reliance Industries Ltd.	33,166	43,947,549	35,166	46,597,706
Engineers India Ltd	8,750	561,458	8,750	561,458
Ingersoll Rand India Ltd	2,000	479,996	7,500	1,799,996
		<u>54,474,516</u>		<u>58,562,157</u>
Total Investments		<u>322,856,516</u>		<u>326,944,157</u>
Market value of Quoted Investments		29,949,415		45,467,717

Particulars	(Amount in Rs.)	
	As at 31st March, 2012	As at 31st March, 2011

NOTE 9 - LONG - TERM LOANS AND ADVANCES
(Unsecured and Considered Good) :

a) Security Deposits	20,980,000	20,730,000
b) Income Tax (Net)	2,084,696	510,640
c) Other Loans and Advances	71,980	71,980
TOTAL	<u>23,136,676</u>	<u>21,312,620</u>

NOTE 10 - TRADE RECEIVABLES
(Unsecured and Considered Good) :

a) Over six months	239,704	240,645
b) Others	39,169	246,591
	278,873	487,236
Less : Provision for Doubtful Debts	-	-
TOTAL	<u>278,873</u>	<u>487,236</u>

NOTE 11 - CASH AND BANK BALANCES
Cash and Cash Equivalents

a) Cash on Hand	4,055	5,731
b) Balances with Banks	16,148,009	4,453,945
c) Fixed Deposits with Bank	12,500,000	72,696,215
TOTAL	<u>28,652,064</u>	<u>77,155,891</u>

NOTE 12 - SHORT - TERM LOANS AND ADVANCES
(Unsecured, Considered Good)

a) Prepaid Expenses	130,410	273,570
b) Interest receivable	9,504	324,446
c) Deposits	25,000	-
d) Others	2,801	93,886
TOTAL	<u>167,715</u>	<u>691,902</u>

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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Amount in Rs.)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
NOTE 13 - REVENUES FROM OPERATIONS		
a) Brokerage	6,256,466	16,819,048
b) Interest (Net)	1,404,295	1,000,797
c) Net Profit on Sale of Investments : - From Non - Current Investments	529,282	679,490
TOTAL	<u>8,190,043</u>	<u>18,499,335</u>
NOTE 14 - OTHER INCOME		
a) Dividend Income	468,086	515,870
b) Rent Income	2,400,000	-
c) Miscellaneous Income	6,659	4,048
TOTAL	<u>2,874,745</u>	<u>519,918</u>
NOTE 15 - EMPLOYEE BENEFITS EXPENSES		
a) Salaries and Wages	1,559,140	1,366,844
b) Contribution to Provident and Other Funds	63,825	236,382
TOTAL	<u>1,622,965</u>	<u>1,603,226</u>
NOTE 16 - FINANCE COST		
a) Demat Charges	451,101	451,768
b) Bank Charges	57,507	12,864
TOTAL	<u>508,608</u>	<u>464,632</u>
NOTE 17 - OTHER EXPENSES		
i) Payment to Auditors		
a) Audit Fees	70,000	70,000
b) Tax Audit Fees	20,000	20,000
c) Other Services	10,000	10,000
ii) Operating / Administrative and General Expenses		
a) Rent Rates and Taxes	3,466,699	6,466,818
b) Other Repairs :		
i) Repair and maintenance (Computer)	207,172	137,405
ii) Repair and maintenance (Office)	118,769	83,685
c) Insurance	101,059	127,089
d) Travelling and Conveyance	-	10,071
e) Telephone and lease line charges	564,887	568,162
f) Directors Sitting Fees	3,500	4,750
g) Stamp Duty Charges	455,035	723,025
h) Business Promotion	16,000	58,000
i) Printing & Stationery	40,010	74,589
j) Electricity Charges	77,788	289,550
k) Securities Transaction Tax	5,772	3,696
l) Fees & Subscription	280,760	290,442
m) Professional Fees	933,000	1,994,500
n) Miscellaneous Expenses	38,877	45,380
o) Transaction Charges	149,124	235,768
p) Exchange General Charges	81,006	125,863
TOTAL	<u>6,639,458</u>	<u>11,338,793</u>
NOTE 18 - EARNINGS PER EQUITY SHARES		
(A) Net Profit After Tax before extra-ordinary items (Net of Tax) Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Amt In Rs.)	(2,015,017)	4,109,484
Add : Extra-ordinary Items (Net of Tax)	-	-
Net Profit After Tax Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Amt in Rs.)	(2,015,017)	4,109,484

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Amount in Rs.)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
(B) Weighted Average Number of Equity Shares Outstanding During the Year for Basic EPS and Diluted EPS (in Nos.)	10,000,000	10,000,000
(C) Basic and Diluted Earning per share of Rs. 10 each (in Rs.)		
Before Extra-ordinary items	(0.20)	0.41
After Extra-ordinary items	(0.20)	0.41
(D) Face Value per Equity Share (in Rs.)	10	10

NOTE 19 -

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.

Note 20 -

Balances of Sundry Receivables and Sundry Payables are subject to confirmation.

Note 21-

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.

Note 22 -
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 Income-Tax assessment of the company have been completed up to the assessment year 2009-10. The disputed demand outstanding up to the said assessment year is Rs. 53.71 lacs against which company has paid Rs.18.50 lacs under protest. Based on the decision of the Appellate Authorities and the interpretations of the relevant provisions, the company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

Note 23 -

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 0.42 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	2011-12	2010-11
1 Summary of Membership DATA		
Number of Employees	2	2
Average age (in years)	35	34
Average Monthly Salary (in Rupees)	32,500.00	29,700.00
Average Past Service	11	10
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%

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Sr.No. Period of Accounting	2011-12	2010-11
4 Results of Valuation		
PV of Past Service Benefit (Rs.in lacs)	2.78	2.26
Current Service Cost (Rs. in lacs)	0.13	0.18
Total Service Gratuity (Rs. in lacs)	13.14	12.16
Accrued Gratuity (Rs. in lacs)	5.15	4.29
LCSA (Rs. in lacs)	3.50	3.50
LC Premium (Rs. in lacs)	0.01	0.01
Service Tax @ 10.30%	0.001	0.001
5 Recommended Contribution Rate		
Fund Value as on Renewal Date (Rs. in lacs)	2.51	0.29
Additional Contribution for existing fund (Rs. in lacs)	0.28	1.97
Current Service cost (Rs. in lacs)	0.13	0.17
6 Total Amount paid (Rs. in lacs)	0.42	2.15

NOTE 24 - 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

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
Loan / Advances				
Investment:				
Made during the year	-	-	-	-
	(-)	(-)	(-)	(-)
Sold during the year	-	-	-	-
	(0.08)	(-)	(-)	(0.08)
As at 31.03.2012	-	2683.82	-	2683.82
	(-)	(2683.82)	(-)	(2683.82)
Loan taken				
As at 31.03.2012	155.00	-	-	155.00
	(-)	(-)	(-)	(-)
Sundry Creditors				
As at 31.03.2012	-	-	-	-
	(100.00)	(-)	(-)	(100.00)
Payment for remuneration and services:				
Paid during the year	-	-	10.00	10.00
	(-)	(-)	(10.00)	(10.00)
Income from Trading Activities:				
Received/ (Paid) during the year (Net)	3.43	0.65	-	4.08
	(4.89)	(1.91)	(-)	(6.80)
Expenses for Trading Activities:				
Compensation paid during the year	30.00	-	-	30.00
	(60.00)	(-)	(-)	(60.00)

(Figure in bracket indicates figure of previous year)

Significant related party transaction during the year :

- i. Income from Trading Activities received from group companies includes Rs.0.63 lacs from A to Z Broking Service Pvt. Ltd. and Rs. 0.02 lacs from Pradeep Sandeep Trading & Investment Pvt. Ltd.
- ii. Payment for remuneration and services includes Rs.10 lacs as salary paid to Shri Yogendra Chaturvedi.
- iii. Expenses for Trading Activities include Rs.30 lacs paid to Shardul Securities Ltd. as compensation.

NOTE 25 - 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.

NOTE 26 - PAYMENT TO AUDITORS

	Current Year	(Rs.in Lacs) Previous Year
Audit Fees	0.70	0.70
Tax Audit Fees	0.20	0.20
Certification Charges	0.10	0.10
TOTAL	1.00	1.00

NOTE 27 - DIRECTORS REMUNERATION

	Current Year	(Rs.in Lacs) Previous Year
Salary to Director as under:		
Shri Yogendra Chaturvedi	10.00	10.00
(Included under the head payment to employees)		

NOTE 28 -

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.

NOTE 29 -

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
 M No. 034375

 Place: Mumbai.
 Date : 21st May 2012

For and on behalf of the Board of Directors

R. Sundaresan : Director
Viraf Katrak : Director
Yogendra Chaturvedi : Director
Makhan Lal Chaturvedi : Director
Suresh Chaturvedi : Executive Director

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