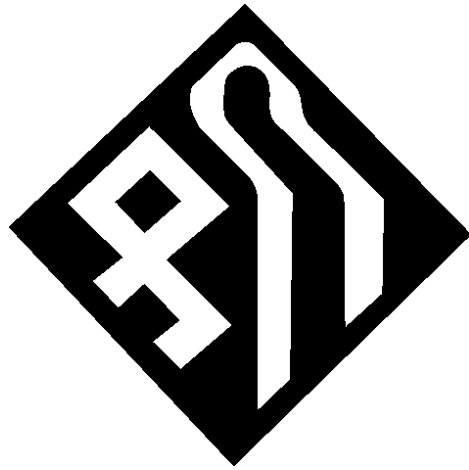


SHRIYAM

BROKING INTERMEDIARY LIMITED



ANNUAL REPORT
2012 - 2013

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, Tuisiani Chambers 212,
Nariman Point, Mumbai - 400 021.
Tel. No.:- 022-40090500/40090600
Fax No.:- 022-40090621

NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of **SHRIYAM BROKING INTERMEDIARY LIMITED** will be held on Monday, 16th September 2013 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:

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, 2013 and Auditors Report thereon.
2. To appoint Director in place of Mr. Makhan Lal Chaturvedi and Mr. Viraf Katrak who retires by rotation and being eligible offer 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.

By Order of the Board of Directors

Mumbai
Dated: 28th May 2013

Suresh Chaturvedi
Director

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.

DIRECTOR'S REPORT

To,

The Members of
Shriyam Broking Intermediary Limited
 Mumbai

Your Directors have pleasure in presenting the Eighteenth Annual Report of your company together with Audited Statement of Accounts for the year ended 31st March 2013.

(Rs. in lacs)

1. Financial Results :-

	2012-2013	2011-2012
Gross Revenue	119.71	110.64
Expenditure	88.91	87.71
Profit /(Loss) before Depreciation and Preliminary Expenses written off	30.80	22.93
Less: Depreciation and Preliminary Expenses written off	12.15	9.30
Profit/(Loss) before Taxation	18.65	13.63
Less: Provision for taxation		
Current Tax	13.25	2.25
Deferred Tax	(2.78)	5.95
Taxation adjustments of P.Y (Net)		25.56
Profit/(Loss) after Taxation	8.18	(20.15)
Surplus / (deficit) brought forward previous years	3,123.96	3,144.11
Profit available for appropriation	3,132.14	3,123.96
Appropriations		
Balance carried to Balance Sheet	3,132.14	3,123.96

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 marginally improved results as compared to the previous year. This is despite high volatility in the capital market that led to low brokerage volumes. However, in the later part of the year with the increased activities in the institutional and retail segment, your company was able to turn the corner and posted a net profit of Rs.8.18 lakhs as against the loss of Rs.20.15 lakhs during the previous year.

4. DIRECTORS :

Mr.Makhan Lal Chaturvedi and Mr.Viraf Kattrak, Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

5. DIRECTORS' RESPONSIBILITY STATEMENT :

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

- That in the preparation of the annual accounts for the financial year ended 31st March 2013, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- 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.
- 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.
- 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 Financial Statement 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 Kattrak and Mr. Yogendra Chaturvedi. During the year committee meetings were held on 21st May 2012, 08th August 2012, 08th November 2012 and 07th February 2013

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 Board

Place : Mumbai	R. Sundaresan	Suresh Chaturvedi
Dated : 28 th May 2013	Director	Executive Director

Regd. Office:

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

INDEPENDENT AUDITORS' REPORT

To

The Members of,

SHRIYAM BROKING INTERMEDIARY LTD.

Report on the Financial Statement

We have audited the accompanying financial statement of **SHRIYAM BROKING INTERMEDIARY LTD** ("the company"), which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit & Loss and the Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the Company's Management that give a true and fair view of the financial position, financial performance and the cash flows of the company in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act 1956 ("the Act"). The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered of India. Those Standards require that we comply with the ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and

according to the explanations given to us, the financial statements give the information required by the Act 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, 2013;
- ii) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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 Act, 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, the 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, the 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 Act;
 - e) On the basis of written representations received from the Directors as at 31st March, 2013 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 2013 from being appointed as a Director in terms of Section 274(1)(g) of the Act.

For Rajen Damani & Associates
Chartered Accountants
(Registration No. 116762W)

Place : Mumbai
Dated : 28th May, 2013

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

**ANNEXURE TO THE INDEPENDENT AUDITOR'S
REPORT OF SHRIYAM BROKING
INTERMEDIARY LTD.
FOR THE YEAR ENDED 31ST MARCH 2013.**

(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 based on available information.
 - 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 verification.
 - c) As per the information and explanations given to us, during the year, the Company has not disposed off any substantial part of fixed assets that would affect the going concern.
- ii. In respect of loans:
 - a) The Company has not given any loans, secured or unsecured to companies, firms or parties covered in register maintained under section 301 of the companies Act, 1956
Hence, clause (ii) (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 taken unsecured loan from a party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year 375 lacs and the closing balance at year end is 255 lacs.
 - c) In our opinion and according the information and explanation given to us, the rate of interest and other terms and condition of loans given by the company are not prima facie prejudicial to the interest of the company.
 - d) According to the information and explanations 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 lac 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 are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchases

of securities and services and fixed assets and sale of securities 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 neither have 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 appear 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 any deposits from the public and hence directives issued by Reserve Bank of India and provision 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, Wealth 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, 2013 for a period of more than six months from the date of becoming payable.

b) The 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 because of any dispute except income tax dispute of Rs.0.70 lacs for A.Y.2007-08 which is pending with Income Tax Appellate Tribunal and of Rs.10.13 lacs for A.Y. 2009-10 which is pending with Income Tax Appellate Tribunal and Rs.8.69 lacs which is pending with Commissioner of Income Tax (Appeals) however the company has paid 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 not incurred any cash losses during the current financial year but has incurred cash loss of 10.84 lacs in 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. On the basis of review of utilization of funds, which is based on overall examination of the Balance Sheet of the company as at 31st March, 2013, 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 : 28th May, 2013

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

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in Rs.)

Particulars	Note No.	As at 31 st March, 2013	As at 31 st March, 2012
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share Capital	1	100,000,000	100,000,000
b) Reserves and Surplus	2	313,213,850	312,396,108
		<u>413,213,850</u>	<u>412,396,108</u>
2 Non-Current Liabilities			
a) Deferred Tax Liability (Net)	3	3,429,347	3,707,064
		<u>3,429,347</u>	<u>3,707,064</u>
3 Current Liabilities			
a) Short-Term Borrowings	4	25,500,000	15,500,000
b) Trade Payables	5	5,986,291	13,810,473
c) Other Current Liabilities	6	1,834,766	1,530,716
		<u>33,321,057</u>	<u>30,841,189</u>
TOTAL		<u>449,964,254</u>	<u>446,944,361</u>
B ASSETS			
1 Non-Current Assets			
a) Fixed Assets	7		
(i) Tangible Assets		53,121,940	54,302,517
(ii) Intangible Assets		17,550,000	17,550,000
		<u>70,671,940</u>	<u>71,852,517</u>
b) Non-Current Investments	8	320,206,359	322,856,516
c) Long-Term Loans and Advances	9	41,838,536	23,136,676
		<u>362,044,895</u>	<u>345,993,192</u>
2 Current Assets			
a) Trade Receivables	10	1,075,661	278,873
b) Cash and Cash Equivalents	11	15,551,709	28,652,064
c) Short-Term Loans and Advances	12	620,049	167,715
		<u>17,247,419</u>	<u>29,098,652</u>
TOTAL		<u>449,964,254</u>	<u>446,944,361</u>
Significant Accounting Policies	A to M		
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

For and on behalf of the Board of Directors
Bhupendra K Shroff Director

R. Sundaresan Director

Viraf Kattrak Director

Yogendra Chaturvedi Director

Makhan Lal Chaturvedi Director

Suresh Chaturvedi Executive Director

Place : Mumbai

 Date : 28th May 2013

ANNUAL REPORT 2012-2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

Particulars	Note No.	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
1 Revenue from Operations (gross)	13	6,576,916	8,190,043
2 Other Income	14	5,394,081	2,874,745
3 Total Revenue (1+2)		11,970,997	11,064,788
4 Expenses			
(a) Employee Benefits Expense	15	1,631,700	1,622,965
(b) Finance Costs	16	457,451	508,608
(c) Depreciation and Amortisation Expense		1,214,577	930,914
(d) Other Expenses	17	6,802,245	6,639,458
Total Expenses		10,105,973	9,701,945
5 Profit / (Loss) before Exceptional and Extraordinary Items and Tax (3 - 4)		1,865,024	1,362,843
6 Exceptional Items		-	-
7 Profit / (Loss) before Extraordinary Items and Tax (5 + 6)		1,865,024	1,362,843
8 Extraordinary Items		-	-
9 Profit / (Loss) before Tax (7 + 8)		1,865,024	1,362,843
10 Tax Expense:			
(a) Current Tax		1,325,000	225,000
(b) Deferred Tax		(277,718)	595,962
(c) Current Tax Expense relating to prior years		-	2,556,898
		1,047,282	3,377,860
11 Profit / (Loss) for the year (9 + 10)		817,742	(2,015,017)
12 Earnings per equity share of the face value of Rs. 10 each :	18		
(a) Basic		0.08	(0.20)
(b) Diluted		0.08	(0.20)
Significant Accounting Policies	A to M		
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 : 28th May 2013

For and on behalf of the Board of Directors

Bhupendra K Shroff

Director

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, 2013

(Amount in Rs.)

	As at 31 st March, 2013	As at 31 st March, 2012
A Cash flow from operating Activities		
Net Profit before tax, Extraordinary and prior period items	1,865,024	1,362,843
Adjustment for :		
Non cash items		
Depreciation	1,214,577	930,914
Profit/(Loss) on sale of Investment	1,054,328	(529,282)
Dividend received from Investments	(369,734)	(468,086)
Operating profit before working capital changes	<u>3,764,195</u>	<u>1,296,389</u>
Adjustment for:		
Trade & Receivables	(796,788)	208363
Trade Payable	(7,520,132)	(16,555,999)
Loan & Advances	<u>(19,578,319)</u>	<u>274,187</u>
Cash (used) in/ generated from operations	(24,131,044)	(14,777,060)
Direct Taxes paid	900,876	4,355,954
Cash inflow/(outflow) before extraordinary and prior period items	<u>(25,031,920)</u>	<u>(19,133,014)</u>
extraordinary and prior period items	-	-
Net Cash from/(Used) in operation activities	<u><u>(25,031,920)</u></u>	<u><u>(19,133,014)</u></u>
B Cash flow from investment activities		
Purchase of fixed assets	(34,000)	(49,956,020)
Sale of Investments	1,595,831	4,617,121
Dividend received on investments	<u>369,734</u>	<u>468,086</u>
Net Cash (used) in investment activities	<u>1,931,565</u>	<u>(44,870,813)</u>
C Cash flow from financial activities		
Unsecured Loan	10,000,000	15,500,000.00
Net cash from /(used) in financial activities	<u>10,000,000.00</u>	<u>15,500,000.00</u>
Net increase / (decrease) in cash and cash equivalents	(13,100,355)	(48,503,827)
Cash and cash equivalents as at 1st April 2012	28,652,064	77,155,891
Cash and cash equivalents as at 31st March 2013	15,551,709	28,652,064

As per our report of even date

For RAJEN DAMANI & ASSOCIATES

Chartered Accountants

CA Rajen J. Damani

Partner

M No. 034375

For and on behalf of the Board of Directors

Bhupendra K Shroff	Director
R. Sundaresan	Director
Viraf Katrak	Director
Yogendra Chaturvedi	Director
Makhan Lal Chaturvedi	Director
Suresh Chaturvedi	Executive Director

Place : Mumbai

 Date : 28th May 2013

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 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 STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

	Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 1	Share Capital		
(A)	Share Capital:		
	Authorised Share Capital :		
	10,00,00,000 Equity Shares of Rs. 10 each (10,00,00,000)	10,00,00,000	10,00,00,000
		10,00,00,000	10,00,00,000
	Issued, Subscribed and Paid up :		
	10,00,00,000 Equity Shares of Rs. 10 each (10,00,00,000)	10,00,00,000	10,00,00,000
		10,00,00,000	10,00,00,000

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	2012 - 13	2011 - 12
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) Par value per share:

The par value of Equity Shares is Rs.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, 2013		As at 31st March, 2012	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
(i)	Shardul Securities Limited	99,99,992	99.99	99,99,992	99.99

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013
Note 2 - Reserves & Surplus
(Amount in Rs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Surplus / (Deficit) in the statement of Profit and Loss		
Balance as per the last financial statement	312,396,108	314,411,125
Add : Profit / (Loss) for the year	817,742	(2,015,017)
Amount available for Appropriations	313,213,850	312,396,108
TOTAL	313,213,850	312,396,108

Note 3 - Deferred Tax Liability
(Amount in Rs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Related to Fixed Assets	3,429,347	3,707,064
TOTAL	3,429,347	3,707,064

Note 4 - Short - Term Borrowings
(Amount in Rs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Unsecured Loans		
Loans and Advances (from holding co.)	25,500,000	15,500,000
TOTAL	25,500,000	15,500,000

Note 5 - Trade Payables
(Amount in Rs)

Sr. No	Particulars	As at 31st March, 2013	As at 31st March, 2012
i)	Micro, Small and Medium Enterprises	-	-
ii)	Others	5,986,291	13,810,473
	TOTAL	5,986,291	13,810,473

Note 6 - Other Current Liabilities
(Amount in Rs)

Sr. No	Particulars	As at 31st March, 2013	As at 31st March, 2012
i)	Related to Expenditure	1,391,026	1,089,956
ii)	TDS payable	46,740	21,943
iii)	Other Payables	397,000	418,817
	TOTAL	1,834,766	1,530,716

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Note 7- FIXED ASSETS

(Amount in Rs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April, 2012	Additions	Deductions/ Adjustments	As at 31st March, 2013	Upto 31st March, 2012	For the Year	Deductions/ Adjustments	Upto 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
Tangible Assets										
Office Premises	53,433,510	-	-	53,433,510	931,650	870,967	-	1,802,617	51,630,893	52,501,860
Computers	394,400	34,000	-	428,400	280,980	65,411	-	346,391	82,009	113,420
Furniture and Fixtures	1,368,501	-	-	1,368,501	1,274,259	86,627	-	1,360,886	7,615	94,242
Vehicles	1,622,964	-	835,778	787,186	1,141,224	93,667	835,778	399,113	388,073	481,740
Office Equipment	2,061,194	-	-	2,061,194	949,939	97,905	-	1,047,844	1,013,350	1,111,255
TOTAL	58,880,569	34,000	835,778	58,078,791	4,578,052	1,214,577	835,778	4,956,851	53,121,940	54,302,517
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	76,430,569	34,000	835,778	75,628,791	4,578,052	1,214,577	835,778	4,956,851	70,671,940	71,852,517
Previous Year	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	-

Notes:

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

Note 8 - Non-current investments

(Amount in Rs)

	As at 31st March 2013		As at 31st March 2012	
	No of Shares	Value	No of Shares	Value
A Investments in equity shares - Unquoted				
In Associates				
Antique Finance Pvt Ltd	21,300,525	268,382,000	21,300,525	268,382,000
SubTotal (A)		268,382,000		268,382,000
B 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
Reliance Communication Limited	14,883	8,094,346	14,883	8,094,346
Reliance Industries Ltd.	31,166	41,297,392	33,166	43,947,549
Engineers India Ltd	8,750	561,458	8,750	561,458
Ingersoll Rand India Ltd	2,000	479,996	2,000	479,996
SubTotal (B)		51,824,359		54,474,516
Total (A+B)		320,206,359		322,856,516
Market value of Quoted Investments		27,501,414		29,949,415

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013
Note 9 - Long - Term Loans and Advances
(Amount in Rs)

Sr. No	Particulars	As at 31st March, 2013	As at 31st March, 2012
	(Unsecured and Considered Good) :		
i)	Security Deposits	40,177,965	20,980,000
ii)	Income Tax (Net)	1,660,571	2,084,696
iii)	Other Loans and Advances	-	71,980
	TOTAL	41,838,536	23,136,676

Note 10 - Trade Receivable
(Amount in Rs)

Sr. No	Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(Unsecured and Considered Good) :				
i)	Over six months	-		239,704	
ii)	Others	1,075,661		39,169	
		1,075,661		278,873	
	Less : Provision for Doubtful Debts	-	1,075,661	-	278,873
	TOTAL		1,075,661		278,873

Note 11 - Cash and Cash Equivalents
(Amount in Rs)

Sr. No	Particulars	As at 31st March, 2013	As at 31st March, 2012
	Cash and Cash Equivalents		
i)	Cash on Hand	8,067	4,055
ii)	Balances with Banks	3,043,642	16,148,009
iii)	Fixed Deposits with Bank	12,500,000	12,500,000
	TOTAL	15,551,709	28,652,064

Note 12 - Short - Term Loans and Advances
(Amount in Rs)

Sr. No	Particulars	As at 31st March, 2013	As at 31st March, 2012
	(Unsecured and Considered Good) :		
i)	Prepaid Expenses	95,574	130,410
ii)	Interest receivable	217,344	9,504
iii)	Deposits	100,000	25,000
iv)	Others	207,131	2,801
	TOTAL	620,049	167,715

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Note 13 - Revenue from Operations

(Amount in Rs)

Sr. No	Particulars	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
i)	Brokerage	6,421,215	6,256,466
ii)	Interest (Net)	1,210,029	1,404,295
iii)	Net Profit / (Loss) on Sale of Investments	(1,054,328)	529,282
	TOTAL	6,576,916	8,190,043

Note 14 - Other Income

(Amount in Rs)

Sr. No	Particulars	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
i)	Dividend Income	369,734	468,086
ii)	Rent Income	4,800,000	2,400,000
iii)	Miscellaneous Income	224,347	6,659
	TOTAL	5,394,081	2,874,745

Note 15 - Employee Benefits Expenses

(Amount in Rs)

Sr. No	Particulars	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
i)	Salaries and Wages	1,489,457	1,559,140
ii)	Contribution to Provident and Other Funds	142,243	63,825
	TOTAL	1,631,700	1,622,965

Note 16 - Finance Cost

(Amount in Rs)

Sr. No	Particulars	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
i)	Demat Charges	423,040	451,101
ii)	Bank Charges	34,411	57,507
	TOTAL	457,451	508,608

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013
Note 17 - Other Expenses
(Amount in Rs)

Sr. No	Particulars	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
(A)	Payment to Auditors		
i)	Audit Fees	70,000	70,000
ii)	Tax Audit Fees	20,000	20,000
iii)	Certification Charges	10,000	10,000
(B)	Operating / Administrative and General Expenses		
i)	Rent Rates and Taxes	2,991,782	3,466,699
ii)	Repair and maintenance :		
	(a) Computer	76,350	207,172
	(b) Office	100,332	118,769
iii)	Insurance	82,270	101,059
iv)	Telephone and lease line charges	447,980	564,887
v)	Directors Sitting Fees	4,250	3,500
vi)	Stamp Duty Charges	646,676	455,035
vii)	Business Promotion	308,746	16,000
viii)	Printing & Stationary	35,646	40,010
ix)	Electricity Charges	268,475	77,788
x)	Securities Transaction Tax	1,596	5,772
xi)	Fees & Subscription	238,510	280,760
xii)	Professional Fees	615,000	933,000
xiii)	Miscellaneous Expenses	502,751	38,877
xiv)	Transaction Charges	175,131	149,124
xv)	Exchange General Charges	37,760	81,006
xvi)	Bad debts	168,990	-
	TOTAL	6,802,245	6,639,458

Note 18 - Earnings Per Equity Share
(Amount in Rs)

Sr. No	Particulars	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
(A)	Net Profit (Loss) After Tax before extra-ordinary items (Net of Tax) Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Amount in Rs.)	817,742	(2,015,017)
	Add : Extra-ordinary Items (Net of Tax)	-	-
	Net Profit (Loss) After Tax Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Amount in Rs.)	817,742	(2,015,017)
(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	0.08	(0.20)
	After Extra-ordinary items	0.08	(0.20)
(D)	Face Value per Equity Share (in Rs.)	10	10

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

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 Trade Receivables and Trade 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 2010-11. The disputed demand outstanding up to the said assessment year is Rs. 19.52 lacs against which company has paid Rs.13.50 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 1.16 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	2012 - 2013	2011 - 2012
1.	Summary of Membership Data		
	Number of Employees	2	2
	Average Age (in years)	40	35
	Average Monthly Salary (in Rupees)	25,100.00	32,500.00
	Average Past Service	4	11
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% P.A.	4% P.A.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

4. Results of Valuation			
PV of Past Service Benefit (Rs. In Lacs)		0.40	2.78
Current Service Cost (Rs. In Lacs)		0.17	0.13
Total Service Gratuity (Rs. In Lacs)		5.39	13.14
Accrued Gratuity (Rs. In Lacs)		0.80	5.15
LCSA (Rs. In Lacs)		3.50	3.50
LC Premium (Rs. In Lacs)		0.01	0.01
Service Tax @ 12.36%		0.001	0.001
5 Recommended Contribution Rate			
Fund Value as on Renewal Date (Rs in Lacs)		0.43	2.51
Additional Contribution for existing fund (Rs. In Lacs)		-	0.28
Current Service Cost (Rs. In Lacs)		0.14	0.13
6 Total amount paid (Rs. In lacs)		0.16	0.42

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 Suresh Chaturvedi - Whole time Director

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

(Rs. in Lacs)

Nature of Transactions	Holding company	Group Companies/ Associates	Key Management Personnel	Total
Loans / Advances :				
Investment:				
Made during the year	-	-	-	-
	(-)	(-)	(-)	(-)
Sold during the year	-	-	-	-
	(-)	(-)	(-)	(-)
As at 31.03.2013	-	2683.82	-	2683.82
	(-)	(2683.82)	(-)	(2683.82)

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Loan taken:				
As at 31.03.2013	255.00	-	-	255.00
	(155.00)	(-)	(-)	(155.00)
Trade Payables				
As at 31.03.2013	59.36	-	-	59.36
	(-)	(-)	(-)	(-)
Payment for remuneration and services:				
Paid during the year	-	-	8.00	8.00
	(-)	(-)	(10.00)	(10.00)
Income from Trading Activities:				
Received/ (Paid) during the year (Net)	8.44	0.76	-	9.10
	(3.43)	(0.65)	(-)	(4.08)
Expenses for Trading Activities:				
Compensation paid during the year	-	22.00	-	22.00
	(30.00)	(-)	(-)	(30.00)

(Figures in bracket indicate figures of previous year).

Significant Related Party Transactions during the year:

- Income from Trading Activities received from group companies includes Rs.0.60 lacs from A to Z Broking Service Pvt. Ltd., Rs.0.13 lacs from Shriyam Commodities Intermediary Pvt. Ltd. and Rs.0.03 lacs from Pradeep Sandeep Trading & Investment Pvt. Ltd.
- Payment for remuneration and services includes Rs.8 lacs as salary paid to Shri Suresh Chaturvedi.
- Expenses for Trading Activities include Rs.22 lacs paid to Shriyam Commodities Intermediary Pvt. 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

(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
Total	1.00	1.00

Note 27 Directors Remuneration;

(Rs.in Lacs)

	Current Year	Previous Year
Salary to Director as under:		
Shri Suresh Chaturvedi	8.00	Nil
Shri Yogendra Chaturvedi	Nil	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 : 28th May 2013

For and on behalf of the Board of Directors

Bhupendra K Shroff	Director
R. Sundaresan	Director
Viraf Katrak	Director
Yogendra Chaturvedi	Director
Makhan Lal Chaturvedi	Director
Suresh Chaturvedi	Executive Director

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