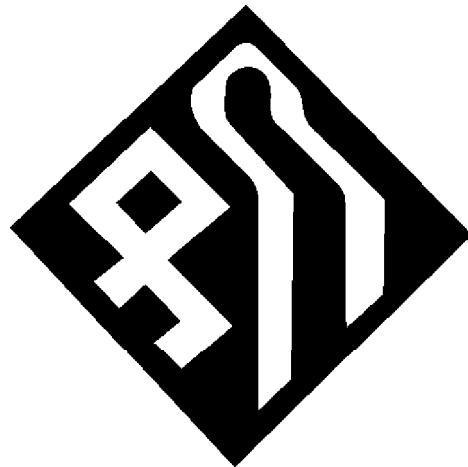


# **Shardul**

**SECURITIES LIMITED**



**28<sup>th</sup>**  
**ANNUAL REPORT**  
**2012 - 2013**

## SHARDUL SECURITIES LIMITED

**Regd. Office :** G-12, Tulsiani Chambers, 212, Nariman Point, Mumbai 400 021.

### BOARD OF DIRECTORS

<b>Devesh Chaturvedi</b>	- Chairman
<b>Bhupendra Shroff</b>	- Director
<b>Kantilal Shah</b>	- Director
<b>Charul Abuwala</b>	- Director
<b>Gyandeo Chaturvedi</b>	- Director
<b>Naveen Chaturvedi</b>	- Director
<b>R. Sundaresan</b>	- Executive Director
<b>Monika Agarwal</b>	- Company Secretary and Compliance Officer
<b>Saurabh Chaturvedi</b>	- Chief Financial Officer

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### AUDITORS:

**Rajen Damani & Associates**

### BANKERS:

HDFC Bank Limited  
Indian Overseas Bank

### REGISTERED OFFICE:

G-12, Tulsiani Chambers,  
212, Nariman Point,  
Mumbai - 400 021.  
Tel.No. : 40090500  
Fax No. : 22846585  
Website: www.shardulsecurities.com  
E Mail : access@shriyam.com

### SUBSIDIARY COMPANY:

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

### REGISTRARS AND SHARE TRANSFER AGENT

**Link Intime India Private Limited**  
**Address :** C-13 Pannalal Silk Mills Compound,  
LBS Road, Bhandup West, Mumbai - 400 078.  
Tel.No. : 25946970-78  
Fax : 25946969  
E mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## NOTICE

**NOTICE** is hereby given that the **Twenty Eighth Annual General Meeting** of the Members of **Shardul Securities Limited** will be held on **Wednesday, 18<sup>th</sup> September 2013 at 10.00 a.m.**, at Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400 021 to transact the following business :-

### AS ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2013 and the Statement of Profit & Loss for the year ended on that date and the Reports thereon.
2. To declare dividend on the Paid-up Equity Share Capital of the Company.
3. To appoint a Director in place of Mr. Bhupendra Shroff, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Naveen Chaturvedi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint M/s. Rajen Damani & Associates, Chartered Accountants, Mumbai (Registration No. 116762W) as the Statutory Auditors of the Company and to fix their remuneration as may be mutually agreed between the Board of Directors/ or Audit Committee of Directors and Auditors.

### NOTES :-

1. A Member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company, the instrument appointing proxy should however, be deposited at the Registered Office of the Company not less than forty eight hours before commencement of the meeting.
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. In terms of Articles 155 of the Articles of Association of the Company, Mr. Bhupendra Shroff and Mr. Naveen Chaturvedi retires by rotation and are eligible for re appointment, the brief resumes of these Directors, nature of their expertise in specific functional areas and names of the Companies in which they hold directorship and membership/chairmanship of Board Committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, are provided in the report on Corporate Governance forming part of the Annual Report, the Board of Directors of the Company recommends the respective reappointments of the aforesaid Directors.
4. Members / Proxies are requested to bring the Attendance Slip duly filled in for attending the meeting.
5. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting, and those who hold shares in physical form are requested to write their Folio Numbers in the Attendance Slip for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members are hereby informed that the Company has transferred to "Investor Education and Protection Fund" of the Central Government all unclaimed Dividends up to Dividend for the Financial Years 2004-05. Dividend declared in the earlier years and remaining unpaid will be deposited with the above fund of the Government at the expiry of 7 years from the date of their transfer to unclaimed dividend account. Amounts transferred to this Fund cannot be recovered. Shareholders who have not encashed the dividend warrants, declared after this period are requested to encash their dividend warrants immediately.
8. Register of Members / Transfer books will be closed from 13th September 2013 to 17th September 2013 (both days inclusive).
9. The dividend if declare will be paid on and from 19th September 2013 to those shareholders whose names appear on the register of members of the Company as on 12th September 2013.
10. Members may please note that the Dividend Warrants are payable at par at the designated branches of the Bank printed on reverse of the Dividend Warrant for an initial period of three months only. Thereafter, the Dividend Warrant on revalidation is payable only at limited centers/branches of the said Bank. The members are therefore, advised to encash Dividend Warrants within the initial validity period.
11. In order to provide protection against fraudulent encashment of the warrants, shareholders holding shares in physical form are requested to intimate the Company under the signature of the Sole/First joint holder, the following information to be incorporated on the dividend warrants:
  - a) Name of the Sole/First joint holder and the Folio Number
  - b) Particulars of Bank Account, viz.: 1) Name of the Bank 2) Name of Branch 3) Complete address of the Bank with Pin Code Number 4) Account type, whether Savings (SB) or Current Account (CA) 5) Bank Account number allotted by the Bank.

12. Shareholders holding shares in electronic form may kindly note that their Bank accounts details as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such shareholders for deletion of/change in such bank details.
13. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Shareholders who wish to change such Bank Account details are therefore requested to advise their Depositories Participants about such change, with complete details of Bank Account.
14. Member desirous of getting any information on the accounts or operations of the Company is requested to forward his / her queries to the Company at least eight days prior to the meeting so that the required information can be made available at the Meeting.
15. Members holding shares in physical form are requested to notify /send the following to the Company's Registrars and Share Transfer Agents to facilitate better service :
  - a. Any change in their address/mandate/bank details.
  - b. Particulars of their bank account in case the same have not been sent earlier.
  - c. Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholding into one account.

Members holding shares in electronic form are requested to notify /send their change in address/bank details to the respective Depositories, viz. NSDL & CDSL.

### **Important communication for Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses so far are requested to register their e-mail addresses, respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with Link Intime India Private Limited

**By Order of the Board of Directors**

**Place : Mumbai**  
**Date : 28<sup>th</sup> May 2013**

**R. Sundaresan**  
**Executive Director**

**Naveen Chaturvedi**  
**Director**

**Regd. Office:**  
G-12, Tulsiani Chambers,  
212, Nariman Point,  
Mumbai 400 021.

To,  
The Members of  
**Shardul Securities Ltd.**

Your Directors are pleased to present the **Twenty Eight Annual Report** and the Audited Accounts for the year ended March 31, 2013.

(Rs. in lacs)

**1. Financial Results :-**

	<b>2012-2013</b>	<b>2011-2012</b>
Profit/(Loss) before Depreciation	344.01	466.05
<b>Less:</b> Depreciation	44.97	46.16
Profit / (Loss) before Taxation	<b>299.04</b>	<b>419.89</b>
<b>Less:</b> Tax Expenses		
Provision for tax	45.00	80.00
Deferred Tax Liability/(Asset)	(11.71)	0.65
Profit / (Loss) after Taxation	<b>265.75</b>	<b>339.24</b>
Surplus/(Deficit) brought forward from previous years	<b>3140.81</b>	<b>2991.44</b>
	<b>3406.56</b>	<b>3330.68</b>
<b>Appropriations:</b>		
Statutory Reserve Fund as per RBI Guidelines	<b>53.15</b>	<b>67.85</b>
Proposed Dividend (including dividend tax) on Equity Shares	<b>122.02</b>	<b>122.02</b>
Balance carried to Balance Sheet	<b>3231.40</b>	<b>3140.81</b>
	<b>3406.57</b>	<b>3330.68</b>

**2. Dividend:**

Your Directors recommend a dividend of Rupees 0.60 per Equity Shares on 1,74,98,433 equity shares of Rs.10 each aggregating to Rs. 122.02 Lacs (including dividend tax) for the financial year ended 31<sup>st</sup> March 2013 which if approved at the ensuing Annual General Meeting, will be paid to (i) all those Equity Shareholders whose names appear in the Register of Members as on 12<sup>th</sup> September 2013 and (ii) to those whose names as beneficial owners are furnished by the National Securities Depositories Ltd., and Central Depositories Service (India) Ltd.

**3. Management Discussions and analysis Report :-**

**(i) Financial Performance:**

Your Company has posted a net profit of Rs.265.75 lakhs after tax as against net profit of Rs.339.24 lakhs posted during the previous year. The drop in the profit level is due

to adverse market conditions that prevailed during the year on account of economic slowdown and uncertainties in the global markets.

**(ii) Trend in Global and Indian Economy & Financial Markets:**

The slackness in the demand in developed economies especially in Europe which narrowly missed acute recession coupled with a general decline in the growth of the trade in goods and services globally had adverse impact on the Indian economy also. Macro Financial Parameters indicated a widening current account deficit and a persistent consumer price inflation, though the fall in the prices of crude oil and gold during the year provided some relief. The inflationary trend was marginally lower at 7.3% with a low of 6% in the month of March, 2013 and the GDP growth decelerated to 5% during the current year from a growth level of 6.6% during the previous year. The decline in the GDP growth was prominently reflected in the agricultural and service sector. The Index of Industrial Production (IIP) was abysmally low at 1% as compared to 2.9% during the previous year largely due to raising cost and infrastructure constraints. The capital goods and mining sector showed adverse growth due to the prevailing trend as a result of which the corporate results and guidelines for the ensuing year have also been discouraging. The export growth also witnessed a sluggishness though it was expected to pick up during the second half of the year. Though the fiscal deficit was contained at 5.2% of the GDP, the current account deficit has posed a serious challenge as it is much above the threshold level of 2.5%.

Though the Government has been attempting to bring more reforms in the financial sector, lack of measures for speedy implementation has made the outlook for investments muted.

**(iii) Business Review:**

As a result of the slump in the economic growth during the year under report, your company could not sustain the same level of growth momentum achieved during the previous year. The capital market was highly volatile and your company's core business being that of investments in capital market instruments, the results showed a marginal decline in profitability levels as compared to the previous year. However, your company still managed to post a positive result and your associate company, Antique Finance Pvt.Ltd. also managed to post positive results during the year under report.

**(iv) Opportunities and Threats:**

The continued economic slowdown affecting the GDP growth which is projected at about 5.7% for the ensuing year and poor guidance in corporate results could pose serious challenges during the ensuing year notwithstanding sizeable influx of funds through FIIs. The uncertainty in the capital markets are likely to cause aberrations in terms

of achieving desired levels of profitability and growth. The ensuing year therefore could be a challenging time and your company's performance will therefore be dependent on extent to which the above said factors would influence the general economic growth.

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

Your company is mainly engaged in the business of investment activities and all other activities are revolving around the main activity and as such there are no separate reportable segments.

**(vi) Outlook:**

Your company will spare no efforts to improve the profitability and the shareholder's wealth though there is a heavy dependency on the market trend in the equity segment of the capital market. Your company expects the general market conditions to improve and would strive hard to take advantage of the situation and also when opportunities arise.

**(vii) Risks and Concerns:**

Your company's activities which are essentially in the capital market segments is fraught with inherent risk and the downward trend in the growth of global economy resulted in significant erosion in the value of the investment. While all efforts will be made to safeguard further erosion, your company will exercise due caution and care to ensure that all these concerns are addressed while taking future investment decisions.

**(viii) Internal Control Systems and their Adequacy:**

Your company has in place adequate interest control measures. The requisite Management Information System is already in place to take corrective measures when required.

**(ix) Human Resources:**

Your company has adequate trained professionals to manage the affairs of the company in the most prudent manner.

**4. Subsidiaries:**

Ministry of Corporate Affairs, Government of India, vide Circular No: 5/12/2007-CL-III dated 8th February 2011 has granted exemption that the requirement to attach various documents in respect of subsidiary companies, as set out in sub-section (1) of the Section 212 of the Companies Act 1956, shall not apply to the Company provided certain conditions as mentioned in the circular is fulfilled. Accordingly, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary companies, as required by the said circular is disclosed in the Annual Report. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same on any working day except Saturday and Sunday between 11 a.m to 2 p.m. The annual accounts of subsidiary companies will also be kept open for

inspection by any investor at the registered office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies and associate companies.

Shriyam Broking Intermediary Limited, a subsidiary of the company 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 subsidiary 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

During the year under review your company sold its entire investment of 5,00,000 fully paid of equity shares of Rs 10/- each held at par in its wholly owned subsidiary named Shardul Energy Limited and consequently the mentioned subsidiary has ceased to be wholly owned subsidiary of the Company with effect from 23<sup>rd</sup> November 2012.

**5. Directors :-**

In terms of Article 155 of the Articles of Association of the Company, Mr. Bhupendra Shroff and Mr. Naveen Chaturvedi, Directors retire by rotation and being eligible offer themselves for re-appointment at the Annual General Meeting.

Brief resume of the Directors proposed to be appointed/reappointed, nature of their experience in specific functions and area and number of companies in which they hold membership/chairmanship of Board Committees as stipulated under clause 49 of the Listing Agreement of Stock Exchange are provided in the Report of Corporate Governance forming part of the Annual Report.

**6. Taxation :-**

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

**7. Cashflow :-**

As required by Clause 37 of the Listing Agreement, a Cash Flow Statement is appended with this report.

**8. Directors' Responsibility Statement :-**

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

- (i) That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March 2013, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the 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 accounts for the financial year ended 31<sup>st</sup> March 2013 on a 'going concern' basis.

**9 Auditors and Auditors' Report :-**

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

The notes to the Financial Statement referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

**10. Corporate Governance :-**

Report on Corporate Governance stipulated under Clause 49 of the Listing Agreement with Stock Exchange form part of this annual report. A certificate from the auditors of the Company M/s Rajen Damani & Associates, Chartered Accountants confirming compliance of conditions of Corporate Governance as stipulated under aforesaid clause 49 is annexed to and forms part of this Report.

**11. Consolidated Accounts :-**

In accordance with the requirements of Listing Agreement and the Accounting Standard -21 prescribed by the Institute of Chartered Accountants of India, Company had made additional disclosure in respect of Consolidated Financial Statements and Accounting Standard-18 for Related Party transactions.

**12. Transfer of Unpaid and Unclaimed amounts to IEPF**

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 the declared dividends and interest on debentures which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act.

**13. Statutory information :-**

**a. Personnel :-**

Details of remuneration paid to employees as required by Section 217(2A) of the Companies Act, 1956, is not applicable to the Company as none of the employees is paid remuneration as stipulated in that Section.

**b. 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 or not relevant to the working of Company. The Directors keep themselves acquainted with ongoing seminars and research papers.
- (ii) The Company has neither earned nor spent any amount by way of Foreign Exchange.

**c. Deposits :-**

- i) There are no deposits, which has remained unclaimed or claimed but not paid for which information is required to be given in this report. The Company does neither hold any Public Deposits nor is accepting any deposits.
- ii) The Company has complied with various requirements in terms of the capital adequacy under the guidelines issued by the Reserve Bank of India for the Non-Banking Financial Companies.

**14. Acknowledgment: -**

Your Directors appreciate the co-operation and support extended by the Shareholders, Employees, Financial Institutions and Banks.

**For and on behalf of Board**

**Place : Mumbai                      R. Sundaresan                      Naveen Chaturvedi**  
**Dated : 28<sup>th</sup> May 2013                      Executive Director                      Director**

**Regd. Office:**  
G-12, Tulsiani Chambers  
212, Nariman Point,  
Mumbai 400 021.

**Corporate Governance Report:**

Your Company has been practicing the principle of good corporate governance since inception. Good corporate governance comprises of all activities that result in the control of the company in a regular manner which makes management transparent, accountable and fair. In accordance with Clause 49 of the listing agreement with stock exchange and best practices followed by reputed corporations on corporate governance the details of compliance by the Company are as under:

**1. Philosophy of the Company on the Code of Governance :-**

The Company's philosophy on Corporate Governance envisage attainment of the highest levels of transparency, accountability and equity at all levels of its operation and in all its interactions with its stakeholders including shareholders, employees, Government Agencies and others. The Company strives for excellence with twin objective of enhancing customer satisfaction and shareholder's value.

The Company is committed to achieve the highest standards of Corporate Governance.

**2. Board of Directors :-****Composition of Board:**

The current strength of the Board consists of Seven Directors out of which One is Whole-Time (Executive) Director and Six Non-Executive Directors. The Company does have a non-executive Chairman and the Board already consists of Five Independent Directors. The names of directors and their position are as follows:

Sr. No.	Name of the Director	Status	
1	Mr. Devesh D Chaturvedi	Non Executive Chairman.	Promoter Director
2	Mr. Bhupendra Shroff	Non Executive Director	Independent Director
3	Mr. Kantilal Shah	Non Executive Director	Independent Director
4	Mr. Charul Abuwala	Non Executive Director	Independent Director
5	Mr. Gyandeo Chaturvedi	Non Executive Director	Independent Director
6	Mr. Naveen Chaturvedi	Non Executive Director	Independent Director
7	Mr. R Sundaresan	Executive Director and CEO	Whole time Director

**• Board Meetings: -**

The Board of Directors of the Company met Four times during financial year ended 31<sup>st</sup> March 2013. The Board Meetings were held on 21<sup>st</sup> May 2012, 08<sup>th</sup> August 2012, 08<sup>th</sup> November 2012 and 07<sup>th</sup> February 2013. The Annual General Meeting of the Company was held on 28<sup>th</sup> September 2012 at 10.00 a.m., at Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400 021.

The Company has held at least one meeting in every three months and the maximum time gap between any two Board Meetings was not more than four months. None of the directors of the Company was a member of more than ten committees or the Chairman of more than five committees across all public limited companies in which he is a Director. None of the Directors of the Company has exceeded maximum number of directorship in other companies.

For the purpose of considering the limit of the Committees as stated above, only Audit Committee and Shareholders/ Investors Grievances Committee across all public limited companies has been considered in accordance with clause 49 of the Listing Agreement.

**• Directors Attendance records and Directorships held :-**

Attendance of each Director at the Board Meetings, last Annual General Meeting, and number of other Directorship of each Director in various companies as given below :

Name of the Director	Category	Attendance Particulars		No. of other directorships and committee member/chairmanship*		
		Board Meetings	Last AGM (excluding Directorship in Pvt. Co's.)	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Devesh Chaturvedi	CH	4	Yes	—	—	—
Mr. Bhupendra K. Shroff	NED	2	Yes	2	4	3
Mr. R. Sundaresan	ED	3	Yes	1	2	—
Mr. Kantilal Shah	NED	4	Yes	1	1	—
Mr. Charul Abuwala	NED	3	Yes	—	—	—
Mr. Gyandeo Chaturvedi	NED	4	Yes	—	2	1
Mr Naveen Chaturvedi	NED	3	Yes	1	—	—

CH - Chairman, ED - Executive Director, NED - Non Executive Director

\*This includes the Chairmanship/Membership only in Audit Committee and the Shareholder's/Investors Grievance Committee

- **Details of Directors being appointed/re-appointed at the Annual General Meeting: -**

Mr. Bhupendra K. Shroff aged 75 years M.Com, LL.B, F.C.S, C.I.A(USA) was appointed as a Director on 6<sup>th</sup> April 1993. He is a Practicing Company Secretary and a Company Law Consultant for several years. He holds Directorship in Shriyam Broking Intermediary Ltd, Asian Star Diamonds International Pvt. Ltd, Intuitive Endeavours Private Limited and Asian Star Company Ltd, Khira Steel Works Pvt. Ltd, He is the Chairman of the Shareholders /Investor Grievances Committee and Remuneration Committee and Member of Audit Committee of the Company. He is also the Chairman of Audit Committee and Shareholders / Investor Grievances Committee and member of Remuneration committee and Corporate Governance Committee in Asian Star Company Ltd

Mr. Naveen Chaturvedi aged 32 years a Chartered Accountant and having vast experience in the field of finance, accounts, audits, taxation, legal etc. He holds Directorship in Antique Wealth Advisors Private Limited, Antique Capital Markets Private Limited, Antique Stock Broking Limited, Antique Finance Pvt. Ltd, Antique Securities Asia Pte Ltd and A To Z Plants Private Limited

- **Disclosure of Relationship between directors inter-se**

None of the Directors are related to each other.

### 3. Board Committees :-

The Company has constituted three committees of Directors, namely Shareholders/Investor Grievances Committee, Remuneration Committee and Audit Committee to deal with matters requiring urgent decisions and monitoring of the activities falling within their terms of reference, comprising mainly of non-executive Directors. Each of these committees has their respective charters approved by the Board. The minutes of the meeting are recorded and placed before the Board for its information.

- **Shareholders /Investor Grievances Committee :-**

The said committee approves and monitors, transfers, transmission, duplicate, split and consolidation of share certificates, issued by the Company investors complaint if any and any other matters related to shareholders and investors grievances. The Committee meets once in a fortnight and all effects to transfer are given and duly endorsed Share Certificates are dispatched within a period of 30 days from the date of receipt, if documents are clear in all respects. Request for dematerialization (demat) received from the Shareholders are effected within an average period of 15 days.

The Composition of the said committee is as follows:

Sr No.	Name of the Member	Status in Committee	Director status
1	Mr. Bhupendra Shroff	Chairman	Non Executive Independent Director
2	Mr. Gyandeo Chaturvedi	Member	Non Executive Independent Director
3	Mr. R Sundaresan	Member	Executive Director

The Board has designated Ms. Monika Agarwal, Company Secretary as the Compliance Officer.

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (duly amended), the Company has formulated the guidelines and Code of Conduct for Prevention of Insider Trading.

The total number of complaints / requests / queries received and replied to the satisfaction of the investors during the year under review was 18.

The Shares held by Non Executive Directors as on 31.03.2013 are given below :

Sr. No.	Name of the Director	Status	No of Shares	% Holding
1	Mr. Devesh D Chaturvedi	Non Executive Chairman.	18,08,604	10.34
2	Mr. Bhupendra K. Shroff	Non Executive Director	400	-
3	Mr. Kantilal Shah	Non Executive Director	Nil	-
4	Mr. Charul Abuwala	Non Executive Director	Nil	-
5	Mr. Gyandeo Chaturvedi	Non Executive Director	400	-
6	Mr Naveen Chaturvedi	Non Executive Director	Nil	-

- **Audit Committee : -**

The Board of Directors has constituted Audit Committee of Directors to exercise powers and discharge function as stipulated in section 292A of the Companies Act, 1956, Clause 49 of the Listing Agreement with Stock Exchanges and other statutory / regulatory provisions.

The Composition of Audit Committee is as under –

Sr No.	Name of the Member	Status in Committee	Director status
1	Mr. Gyandeo Chaturvedi	Chairman	Non Executive Independent Director
2	Mr. Bhupendra Shroff	Member	Non Executive Independent Director
3	Mr Kantilal M Shah	Member	Non Executive Independent Director
4	Mr. R Sundaresan	Member	Executive Director

Ms. Monika Agarwal, Company Secretary acts as Secretary of the Committee

The terms of reference of the Audit Committee include :-

- i) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to :
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
- v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- vii) Reviewing, with the management, performance of statutory and internal auditors, if any, and adequacy of the internal control systems.
- viii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ix) Discussion with internal auditors, if any, any significant findings and follow up there on.
- x) Reviewing the findings of any internal investigations by the internal auditors, if any, into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- xi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- xiii) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- xiv) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- xv) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee is vested with powers to investigate any activity of Company or seek information from any employee.

Besides the Committee Members, Senior Executives of accounts, finance, internal audit, statutory auditors were standing invitees for on the spot clarification / explanation.

• **Meetings of the Audit Committee :-**

During the year 2012-2013, the Committee met four times. The Committee Meetings were held on 21<sup>st</sup> May 2012, 08<sup>th</sup> August 2012, 08<sup>th</sup> November 2012 and 07<sup>th</sup> February 2013. The attendance of each Member of the Committee is given below :-

Sr. No.	Name of Director	No. of Meeting attended
1	Mr. Gyandeo Chaturvedi	4
2	Mr. Kantilal M Shah	4
3	Mr. Bhupendra Shroff	2
4	Mr. R Sundaresan	3

• **Remuneration Committee :-**

Remuneration Committee has been constituted to determine and review the remuneration package of Executive Directors, Senior Executive, etc.

Sr No.	Name of the Member	Status in Committee	Director status
1	Mr. Bhupendra Shroff	Chairman	Non Executive Independent Director
2	Mr. Charul Abuwala	Member	Non Executive Independent Director
3	Mr. Gyandeo Chaturvedi	Member	Non Executive Independent Director
4	Mr. R Sundaresan	Member	Executive Director

**Details of Remuneration / Sitting fees paid to Directors :-**

Name of Director	Remuneration (Rs.)	Sitting Fees (Rs.)
Mr. Devesh D Chaturvedi	NIL	41,000
Mr. Bhupendra K Shroff	NIL	26,000
Mr. Kantilal M Shah	NIL	44,000
Mr Charul Abuwala	NIL	30,000
Mr. Gyandeo Chaturvedi	NIL	48,000
Mr. R Sundaresan	6,50,000	0
Mr Naveen Chaturvedi	NIL	30,000
<b>Total</b>	<b>6,50,000</b>	<b>2,19,000</b>

4. **Disclosure on material transactions with related parties :-**

Details of the material transactions with related parties have been disclosed in note no. 22 of notes forming part of financial statements.

5. **Whistle blower policy and adoption of model code of Business Conduct & Ethics:-**

The Compliance officer and Audit committee of the Company has reviewed the functioning of the whistle blower mechanism and no personnel has been denied access to the audit committee. The Company has adopted the model Code of Business Conduct & Ethics for Directors and Senior Management and the same is posted on the Company's website namely: [www.shardulsecurities.com](http://www.shardulsecurities.com)

6. **Compliance with Mandatory Requirements:-**

The Company has complied with the mandatory requirement of the Code of Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges. The Company has also complied with the requirement of amended clause 49 after it came into force.

7. **Means of Communications :-**

The quarterly results are published in the Performa prescribed by the Listing Agreement in one English language Newspaper (Free Press Journal) and one Marathi language Newspaper (Navshakti). Management Discussion and Analysis forms part of the Directors' Report. The quarterly results are also available on the Company's website namely [www.shardulsecurities.com](http://www.shardulsecurities.com).

**Declaration on Compliance of the Company's Code of Conduct:**

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchange to further strengthen corporate governance practices in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non compliance thereof during the year ended 31<sup>st</sup> March 2013.

Place : Mumbai  
Date : 28<sup>th</sup> May 2013

**R Sundaresan**  
Executive Director

**GENERAL SHAREHOLDER INFORMATION****1. Annual General Meeting :**

Date & Time : 18<sup>th</sup> September 2013 at 10.00 a.m.

Venue : Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400 021.

**2. Financial Calendar 2013-14**

Board Meetings	Tentative dates
Results for the quarter ending June 30, 2013	Second week of August, 2013
Results for the quarter ending September 30, 2013	Second week of November, 2013
Results for the quarter ending December 31, 2013	Second week of February, 2014
Results for the year ending March 31, 2014	Last week of May, 2014

**3. Book closure dates** : 13<sup>th</sup> September 2013 to 17<sup>th</sup> September 2013  
(Both days inclusive) for payment of dividend.

**4. Dividend Payment Date** : On or after 19<sup>th</sup> September 2013

**5. Registered Office** : G-12, Tulsiani Chambers, 212, Nariman Point, Mumbai 400 021.

**6. Equity shares listed on Stock Exchanges at:-**

The Stock Exchange, Mumbai

**7. Annual Listing fees :-**

The listing fees to the Stock Exchange Mumbai have duly paid by the Company up to the financial year 2013-14.

**8. Dematerialisation of shares and Liquidity :-**

94.15% of the Equity Shares have been dematerialized up to 31<sup>st</sup> March 2013. Trading in Equity Shares of the Company is permitted only in dematerialized form with effect from 24<sup>th</sup> July 2000 as per notification issued by the Securities and Exchange Board of India (SEBI). The shares of the company are regularly traded at Mumbai Stock Exchange. Total number of shares traded during the year 2012-13 were 10,77,668 and its value was Rs. 4,23,40,391/-

**9. Stock Code :-**

i) Trading symbol at The Stock Exchange, Mumbai (Physical Segment) SHARDUL SECU.

ii) Demat ISIN Number in NSDL & CDSL – Equity Shares - INE037B01012

**10. Distribution of Shareholding and Shareholding Pattern as on 31<sup>st</sup> March 2013 :-**

i) The Distribution of Shareholding as on 31<sup>st</sup> March 2013 :-

No. of Equity Shares held	Shareholders		Shares held	
	No.	%	No.	%
Up to 500	11598	95.4018	1289610	7.3699
501 – 1000	244	2.0071	198940	1.1369
1001-2000	118	0.9706	180317	1.0305
2001-3000	62	0.5100	159314	0.9104
3001-4000	32	0.2632	111949	0.6398
4001-5000	21	0.1727	96399	0.5509
5001-10,000	26	0.2139	190701	1.0898
10,001 and above	56	0.4606	15271203	87.2718
<b>TOTAL</b>	<b>12157</b>	<b>100.00</b>	<b>17498433</b>	<b>100.00</b>

**II) Shareholding Pattern as on 31<sup>st</sup> March 2013 :-**

<b>Category</b>	<b>No. of Shares</b>	<b>%</b>
Promoters	11752204	67.16
Financial Institutions / Banks / Mutual Funds / Insurance Company	0	-
Corporate Bodies	2772239	15.85
Indian Public	2741074	15.66
NRI / OCB	7090	0.04
Others (Share in Transit)	225826	1.29
<b>TOTAL</b>	<b>17498433</b>	<b>100.00</b>

**11. General Body Meetings :-**
**i) The last three Annual General Meetings of the Company were held as under :-**

<b>Year</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
2009-2010	Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400 021.	28.08.2010	10.30 a.m
2010-2011	Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400 021.	10.09.2011	10.30 a.m
2011-2012	Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400 021.	28.09.2012	10.00 a.m

**ii) The following special resolutions were passed with required majority during the last three Annual General Meetings :**

<b>Sr. No.</b>	<b>Date of AGM</b>	<b>Particulars of Special Business Transacted</b>
1.	28.08.2010	No special resolution was passed
2.	10.09.2011	No special resolution was passed
3.	28.09.2012	Re- appointment of Mr. R Sundaresan as Executive Director for a period of three years.

No special resolution was passed during the year 2012-13 through postal ballot.

**12. Share Transfer Systems :-**

Presently Share Transfer in physical form are processed and share certificate returned within a period of 30 days from the date of receipts, subject to the documents being clear in all respects.

**13. Market Price Data :-**

Monthly high/low market price of the Company's Equity Shares traded on The Stock Exchange, Mumbai and BSE Sensex during the last financial year 2012-2013 were as follows :

**The Stock Exchange, Mumbai - Code No. 512393**

<b>Month</b>	<b>Share Price</b>		<b>BSE Sensex</b>	
	<b>High</b>	<b>Low</b>	<b>High</b>	<b>Low</b>
April, 2012	58.00	46.00	17664.1	17010.16
May, 2012	49.00	39.85	17432.33	15809.71
June, 2012	43.50	36.05	17448.48	15748.98
July, 2012	46.70	37.00	17631.19	16598.48
August, 2012	42.10	34.10	17972.54	17026.97
September, 2012	41.90	35.35	18869.94	17250.8
October, 2012	45.00	36.00	19137.29	18393.42
November, 2012	43.50	37.15	19372.7	18255.69
December, 2012	44.60	37.00	19612.18	19149.03
January, 2013	45.95	40.00	20203.66	19508.93
February, 2013	43.95	35.00	19966.69	18793.97
March, 2013	42.40	26.05	19754.66	18568.43

**14. Address for Correspondence:**

Investors Correspondence for Transfer / dematerialization of shares, payment of dividend on shares and any other query relating to shares.	<b>For Share held in physical form:</b> <b>Link Intime India Private Limited</b> C-13 Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai - 400 078.	<b>For shares held in demat form:</b> To the Depository Participant.
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**15. Compliance officer** : **Ms. Monika Agarwal**  
**Tel: 022- 40090500**  
**Fax: 022- 22846585**

**16. Registrar & Share Transfer Agent** : **Link Intime India Private Limited**  
**Address:**C-13 Pannalal Silk Mills Compound,  
LBS Road, Bhandup West, Mumbai 400 078.  
Tel. No. : 25946970-78  
Fax : 25946969  
Email: rnt.helpdesk@linkintime.co.in

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### COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Board of Directors  
**Shardul Securities Limited**  
G-12 Tulsiani Chambers,  
Nariman Point,  
Mumbai 400 021.

We have examined the compliance of conditions of corporate governance by Shardul Securities Limited, for the year ended 31<sup>st</sup> March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange in India.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination, conducted in the manner described in the 'Guidance Note on Certification of Corporate Governance' issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Rajen Damani & Associates**  
**Chartered Accountants**

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

**Place : Mumbai**  
**Date : 28<sup>th</sup> May 2013**

**CEO & CFO Certification issued pursuant to the provisions of clause 49 of the listing agreement**

**To,  
The Board of Directors  
Shardul Securities Limited**

**Subject: CEO & CFO Certificate**

We to the best of our knowledge and belief, certify that ;

1. We have reviewed the financial statements and cash flow statement for the year ended 31<sup>st</sup> March 2013 and that to the best of our knowledge and belief ;
  - i) these statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violating the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls over financial reporting and we have evaluated the effectiveness of internal controls systems of the company over financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls over financial reporting, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting.
4. We have indicated to the auditors and the Audit Committee;
  - i) Significant changes in the internal controls over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year, as disclosed in notes forming part of financial statement.
  - iii) Instances of significant fraud of which we have become aware and the involvement there in, if any, of the management or an employee having a significant role in the company's internal controls systems on financial reporting. To our knowledge and belief, there were no frauds during the year.

Place : **Mumbai**  
Date : **28<sup>th</sup> May 2013**

**R. Sundaresan**  
Chief Executive Officer (CEO)  
Executive Director

**Saurabh Chaturvedi**  
Chief Financial Officer (CFO)

**INDEPENDENT AUDITORS' REPORT**

To  
The Members of,  
**SHARDUL SECURITIES LTD.**

**Report on the Financial Statement**

We have audited the accompanying financial statement of **SHARDUL SECURITIES LTD** ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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)

**CA Rajen. J. Damani**  
(Partner)

Membership No: 034375

Place : Mumbai  
Dated : 28<sup>th</sup> May, 2013

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**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF SHARDUL SECURITIES LTD.  
FOR THE YEAR ENDED 31<sup>ST</sup> 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 its inventories :
- a) As explained to us, the inventories, which are held in dematerialized & physical forms except stock lying with third parties, have been verified by the management with the supporting evidence during the year. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanation given to us, the procedure of verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) Based on our examination of inventory records, we are of the opinion that the company is maintaining proper records of inventory. As explained to us, no material discrepancies have been noticed on verification between the dematerialized stocks or physical stocks and the book records.
- iii. In respect of loans:
- a) The Company has not taken loans, secured or unsecured from companies, firms or parties covered in register maintained under section 301 of the companies Act, 1956.  
  
Hence, clause (iii) (b) to (iii) (d) of paragraph 4 of the Companies (Auditor's Report) orders 2003 are not applicable to the company.
  - b) The Company has given unsecured loan to 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.
- iv. 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 towards fees based income. 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.
- v. 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 purchase and sale of securities and 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.

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- vi. 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.
- vii. The Company has internal audit system commensurate with its size and nature of its business.
- viii. 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. 12.32 lacs for A.Y. 10-11 which are pending with Asst. Commissioner of Income Tax.
- ix. The company has positive net worth at the end of the financial year. The Company has no accumulated losses and has not incurred any cash losses during the current financial year and has also not incurred any cash loss in the immediately preceding financial year.
- x. Based on our audit procedures and according to the information & explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution.
- xi. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted based on security by way of pledge of shares, debentures and other securities.
- xii. The company has maintained proper records of transactions and contracts in respect of trading in shares, debentures and other securities and timely entries have been made therein. The investments are held by the company in its own name except shares held as margin with third parties.
- xiii. According to the information and explanation given by the management, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- xiv. According to the information and explanations given to us the company has not obtained any term loans.
- xv. 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.
- xvi. 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 (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 (xviii), (xix) and (xx), the said clauses are, at present, not applicable.

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

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

Place : Mumbai  
Dated : 28<sup>th</sup> May, 2013

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2013**
**(Rs. In Lacs)**

Particulars	Note No.	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	1	1,749.84	1,749.84
(b) Reserves and Surplus	2	7,967.80	7,824.07
		<u>9,717.64</u>	<u>9,573.91</u>
<b>2 Non-Current Liabilities</b>			
(a) Deferred Tax Liability (net)	3	181.28	193.00
<b>3 Current Liabilities</b>			
(a) Short-Term Borrowings	4	778.74	-
(b) Other Current Liabilities	5	247.04	45.08
(c) Short-Term Provisions	6	123.58	124.15
		<u>1,149.36</u>	<u>169.23</u>
<b>TOTAL</b>		<u><u>11,048.28</u></u>	<u><u>9,936.14</u></u>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets	7		
(i) Tangible Assets		1,535.47	1,524.94
(ii) Intangible Assets		0.23	0.38
(iii) Capital Work-in-Progress		-	58.68
		<u>1,535.70</u>	<u>1,584.00</u>
(b) Non-Current Investments	8	4,221.97	4,467.62
(c) Long-Term Loans and Advances	9	83.88	84.47
<b>2 Current Assets</b>			
(a) Inventories	10	4,218.26	2,455.59
(b) Trade Receivables	11	155.89	65.25
(c) Cash and Cash Equivalents	12	105.41	402.94
(d) Short-Term Loans and Advances	13	727.17	876.27
		<u>5,206.73</u>	<u>3,800.05</u>
<b>TOTAL</b>		<u><u>11,048.28</u></u>	<u><u>9,936.14</u></u>

Significant Accounting Policies A to P  
Notes on Financial Statement 1 to 33

As per our report of even date

**For RAJEN DAMANI & ASSOCIATES**  
Chartered Accountants

**CA Rajen J. Damani**  
Partner  
M No. 034375

Place : Mumbai  
Date : 28<sup>th</sup> May 2013

**For and on behalf of the Board of Directors**

**Devesh Chaturvedi** Chairman  
**Kantilal Shah** Director  
**Bhupendra Shroff** Director  
**Gyandeo Chaturvedi** Director  
**Naveen Chaturvedi** Director  
**R. Sundaresan** Executive Director & CEO  
**Monika Agarwal** Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013****(Rs. In Lacs)**

<b>Particulars</b>	<b>Note No.</b>	<b>For the year ended 31<sup>st</sup> March, 2013</b>	<b>For the year ended 31<sup>st</sup> March, 2012</b>
1 Revenue from Operations	14	<b>279.39</b>	321.30
2 Other Income	15	<b>281.07</b>	263.94
<b>3 Total Revenue (1+2)</b>		<b>560.46</b>	585.24
<b>4 Expenses</b>			
(a) Employee Benefits Expenses	16	<b>33.61</b>	30.24
(b) Finance Costs	17	<b>113.50</b>	30.79
(c) Depreciation and Amortisation Expenses		<b>44.97</b>	46.16
(d) Other Expenses	18	<b>69.90</b>	56.86
(e) Contingent Provisions against Standard Assets	28	<b>(0.56)</b>	1.30
<b>Total Expenses</b>		<b>261.42</b>	165.35
<b>5 Profit / (Loss) before Exceptional and Extraordinary Items and Tax (3-4)</b>		<b>299.04</b>	419.89
6 Exceptional Items		-	-
<b>7 Profit / (Loss) before Extraordinary Items and Tax (5 ± 6)</b>		<b>299.04</b>	419.89
8 Extraordinary Items		-	-
<b>9 Profit / (Loss) before Tax (7 ± 8)</b>		<b>299.04</b>	419.89
<b>10 Tax Expense:</b>			
(a) Current Tax Expense		<b>45.00</b>	80.00
(b) Deferred Tax Liability / (Asset)		<b>(11.71)</b>	0.65
		<b>33.29</b>	80.65
<b>11 Profit / (Loss) for the year (9 ± 10)</b>		<b>265.75</b>	339.24
<b>12 Earnings per equity share of face value of Rs. 10/- each :</b> 19			
(a) Basic		1.52	1.94
(b) Diluted		1.52	1.94
Significant Accounting Policies	A to P		
Notes on Financial Statement	1 to 33		

As per our report of even date

**For RAJEN DAMANI & ASSOCIATES**

Chartered Accountants

**CA Rajen J. Damani**

Partner

M No. 034375

Place : Mumbai

Date : 28<sup>th</sup> May 2013**For and on behalf of the Board of Directors**

<b>Devesh Chaturvedi</b>	<b>Chairman</b>
<b>Kantilal Shah</b>	<b>Director</b>
<b>Bhupendra Shroff</b>	<b>Director</b>
<b>Gyandeo Chaturvedi</b>	<b>Director</b>
<b>Naveen Chaturvedi</b>	<b>Director</b>
<b>R. Sundaresan</b>	<b>Executive Director &amp; CEO</b>
<b>Monika Agarwal</b>	<b>Company Secretary</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013

(Rs. in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A. Cash Flow from operating activities</b>		
<b>Net Profit / (Loss) before tax, Extraordinary and prior period items</b>	<b>299.04</b>	419.89
<b>Adjustments for:</b>		
Non cash Items		
Depreciation	44.97	46.16
Provision for Contingent Standard Assets	<u>(0.56)</u> 44.41	1.30      47.46
Profit / (Loss) on sale of Investments	(345.04)	(275.79)
Dividend received on investments	<u>(83.68)</u> (384.31)	<u>(63.33)</u> (291.66)
<b>Operating Profit/(Loss) before working capital changes</b>	<b>(85.27)</b>	128.23
<b>Adjustments for:</b>		
Trade & Receivables	(90.64)	61.56
Inventories	(1,700.33)	(325.31)
Other Current Liabilities	203.14	(97.04)
Loans & Advances (Long Term)	0.59	1.21
Loans & Advances (Short Term)	<u>229.79</u>	<u>(537.12)</u>
	<u>(1,357.45)</u>	(896.70)
<b>Cash generated from (used in) operations</b>	<b>(1,442.72)</b>	(768.47)
Income Tax paid	<u>(76.87)</u>	<u>(50.15)</u>
<b>Cash inflow / (outflow) before extraordinary and prior period items</b>	<b>(1,519.59)</b>	(818.62)
Extraordinary and prior period items	-	-
<b>Net Cash from / (used) in operation activities</b>	<b>(1,519.59)</b>	(818.62)
<b>B. Cash flow from investment activities</b>		
Sale / (Purchase) of fixed assets (including capital work-in-progress)	3.34	(500.00)
Purchase of investments	(1,977.24)	(3,755.11)
Sale of investments	2,455.56	5,502.97
Dividend received on investments	<u>83.68</u>	<u>63.33</u>
<b>Net cash (used) in investment activities</b>	<b>565.34</b>	1,311.19
<b>C. Cash flow from financing activities</b>		
Dividend paid on Equity Shares including tax	(122.02)	(244.86)
Loan from Corporate Body	<u>778.74</u>	-
<b>Net cash from / (used) in financing activities</b>	<b>656.72</b>	(244.86)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(297.53)</b>	247.71
<b>Cash and cash equivalents as at 1st April 2012</b>	<b>402.94</b>	155.23
<b>Cash and cash equivalents as at 31st March 2013</b>	<b>105.41</b>	402.94

**Note :** The above cash flow statement does not include non cash transactions taken place during the year.

As per our report of even date

**For RAJEN DAMANI & ASSOCIATES**  
Chartered Accountants

**CA Rajen J. Damani**  
Partner  
M No. 034375

Place : Mumbai  
Date : 28<sup>th</sup> May 2013

**For and on behalf of the Board of Directors**

**Devesh Chaturvedi**      Chairman  
**Kantilal Shah**          Director  
**Bhupendra Shroff**      Director  
**Gyandeo Chaturvedi**    Director  
**Naveen Chaturvedi**     Director  
**R. Sundaresan**          Executive Director & CEO  
**Monika Agarwal**        Company Secretary

## **SIGNIFICANT ACCOUNTING POLICIES:**

### **(A) Basis of preparation of Financial Statements:**

- 1) 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, as adopted consistently by the Company.
- 2) All items of income and expenditure having a material bearing on the financial statements are recognised on accrual basis.

### **(B) Use of Estimates:**

The preparation of financial statements requires estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. The difference between the actual results and estimates are recognised in the period in which the results are known or materialised.

### **(C) Revenue Recognition:**

Revenue is recognised on accrual basis except dividend income which is accounted in the year in which it is received.

### **(D) Fixed Assets :**

The Fixed Assets are stated at Cost less accumulated depreciation and after taking into consideration the lease adjustment account. All cost including financing costs relating to the borrowings attributable to the Fixed Assets are capitalised till the asset is put to use. Intangible assets are amortized over a period of 5 years.

### **(E) Depreciation:**

Depreciation is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

### **(F) Lease Transactions:**

In respect of the leases prior to 1.4.2001, transactions have been accounted / restated as per the guidance note issued by the Institute of Chartered Accountants of India on Accounting for leases and in respect of leases after 1.4.2001 the transactions have been accounted as per the (AS) 19 Leases issued by The Institute of Chartered Accountants of India.

### **(G) Foreign Currency Transactions:**

Income and Expenditures transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

### **(H) Borrowing Costs:**

Borrowing Costs which are directly attributable to the acquisition / construction of fixed assets, till the time such assets are ready for intended use, are capitalised as part of the assets. Other borrowing costs are recognised as an expense in the year in which they are incurred.

### **(I) Miscellaneous Expenditures:**

Preliminary expenses and deferred revenue expenditure are written off over a period of five years.

### **(J) Investments:**

Investments are valued as follows :

- i) Investments are classified into current investments and long term investments.
- ii) Current Investments are valued, scrip wise, at cost or market price whichever is lower.
- iii) Long term investments are valued at cost. Provision for diminution is made scrip wise to recognise a decline, other than temporary.

### **(K) Stock-in Trade:**

Stock-in-trade is valued scrip wise, at cost or market price whichever is lower. Cost is arrived at using First in First out (FIFO) method.

**(L) Impairment of Assets:**

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

**(M) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognised 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 recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

**(N) Provision for Current and Deferred Tax:**

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

**(O) Employee Benefits:**

1. Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
2. Post employment and other long- term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised 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 the Statement of Profit and Loss.

**(P) Derivative Trading**

1. Loss or Profit on settlement of Futures during the year is charged / credited to Statement of Profit and Loss.
2. Loss arising on account of Mark to Market of the un-expired Futures at the year end is charged to Statement of Profit and Loss.

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

(Rs. In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Note 1 - Share Capital</b>		
<b>(A) Share Capital:</b>		
<b>Authorised Share Capital :</b>		
10,00,00,000 Equity Shares of Rs. 10 each (10,00,00,000)	10,000.00	10,000.00
	10,000.00	10,000.00
<b>Issued, Subscribed and Paid up :</b>		
1,74,98,433 Equity Shares of Rs. 10 each (Fully Paid up) (1,74,98,433)	1,749.84	1,749.84
	1,749.84	1,749.84

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 reporting year**

Particulars	2012 - 13	2011 - 12
No. of Shares outstanding at the beginning of the year	17,498,433	17,498,433
No. of Shares outstanding at the end of the year	17,498,433	17,498,433

**(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) The details of Shareholders holding more than 5% 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)	Varsha R Chaturvedi	2,517,700	14.39	2,517,700	14.39
(ii)	Devesh D Chaturvedi	1,808,604	10.34	1,808,604	10.34
(iii)	Shruti G Chaturvedi	2,752,300	15.73	2,752,300	15.73
(iv)	Shriyam Commodities Intermediary Pvt. Limited	932,000	5.33	932,000	5.33
(v)	A to Z Broking Services Pvt. Limited	1,586,150	9.06	1,586,150	9.06

**NOTES FORMING PART OF THE FINANCIAL STATEMENT**
**(Rs. In Lacs)**

Particulars	As at 31st March, 2013		As at 31st March, 2012	
<b>Note 2 - Reserves &amp; Surplus</b>				
<b>(A) Capital Reserve</b>				
Balance as per the last financial statement	6.90	6.90	6.90	6.90
<b>(B) Securities Premium Account</b>				
Balance as per the last financial statement	2,666.69		2,666.69	
Less: Premium utilised	-	2,666.69	-	2,666.69
<b>(C) General Reserve</b>				
Balance as per the last financial statement	328.58		328.58	
Add : Amount transferred from surplus balance in the Statement of Profit and Loss Account	-	328.58	-	328.58
<b>(D) Statutory Reserve Fund (As per RBI Guidelines)</b>				
Balance as per the last financial statement	1,681.09		1,613.24	
Add : Amount transferred from surplus balance in the Statement of Profit and Loss Account	53.15	1,734.24	67.85	1,681.09
<b>(E) Surplus / (Deficit) in the statement of profit and loss</b>				
Balance as per the last financial statement	3,140.81		2,991.44	
Add : Profit for the year	265.75		339.24	
Amount available for Appropriations	3,406.56		3,330.68	
<b>Appropriations</b>				
Transferred to Statutory Reserve Fund (As per RBI Guidelines)	53.15		67.85	
Proposed Dividend on Equity Shares	104.99		104.99	
Tax on Proposed Dividend	17.03	3,231.39	17.03	3,140.81
<b>Total</b>		<b>7,967.80</b>		<b>7,824.07</b>
<b>Note 3 - Deferred Tax Liability</b>				
<b>Deferred Tax Liability</b>				
Related to Fixed Assets		181.28		193.00
<b>Total</b>		<b>181.28</b>		<b>193.00</b>
<b>Note 4 - Short - Term Borrowings</b>				
<b>(A) Secured Loans *</b>				
(a) Other Loans and Advances		750.74		-
<b>(B) Unsecured Loans</b>				
(a) Other Loans and Advances		28.00		-
<b>Total</b>		<b>778.74</b>		<b>-</b>
* Secured against shares held as Stock in Trade.				
<b>Note 5 Other Current Liabilities</b>				
(a) Unclaimed Dividends *		32.91		29.99
<b>(b) Other Payables</b>				
i) TDS payable		7.39		0.98
ii) Provisions for Tax (Net off Advance Tax)		-		1.18
iii) Service Tax Payable		-		5.06
iv) Other Payables		98.74		7.87
v) Security Deposit Payable		108.00		-
<b>Total</b>		<b>247.04</b>		<b>45.08</b>

\* These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

**NOTES FORMING PART OF THE FINANCIAL STATEMENT****(Rs. In Lacs)**

<b>Particulars</b>	<b>As at 31st March, 2013</b>	<b>As at 31st March, 2012</b>
<b>Note 6 Short - Term Provisions</b>		
(a) Contingent provision against Standard Assets	1.56	2.13
(b) Provisions for Proposed Dividend on Equity Shares	104.99	104.99
(c) Provisions for Tax on Proposed Dividend	17.03	17.03
<b>Total</b>	<b>123.58</b>	<b>124.15</b>

**Note 7 - FIXED ASSETS****(Rs. In Lacs)**

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
<b>Tangible Assets</b>										
Office Premises - Owned	1,600.21	58.68	-	1,658.89	221.80	26.32	-	248.12	1,410.77	1,378.41
Computers	8.71	-	3.67	5.04	7.43	0.97	3.67	4.73	0.31	1.28
Furniture and Fixtures - Owned	203.11	-	64.09	139.02	118.87	9.24	64.09	64.02	74.99	84.24
Vehicles - Owned	77.95	-	31.78	46.17	54.23	4.97	28.44	30.76	15.41	23.72
Office Equipment - Owned	69.78	-	-	69.78	32.48	3.31	-	35.79	33.99	37.30
<b>TOTAL (A)</b>	<b>1,959.76</b>	<b>58.68</b>	<b>99.54</b>	<b>1,918.90</b>	<b>434.81</b>	<b>44.81</b>	<b>96.20</b>	<b>383.42</b>	<b>1,535.47</b>	<b>1,524.94</b>
<b>INTANGIBLE ASSETS</b>										
Computer Software	0.76	-	-	0.76	0.38	0.15	-	0.53	0.23	0.38
<b>TOTAL (B)</b>	<b>0.76</b>	<b>-</b>	<b>-</b>	<b>0.76</b>	<b>0.38</b>	<b>0.15</b>	<b>-</b>	<b>0.53</b>	<b>0.23</b>	<b>0.38</b>
<b>TOTAL (A + B)</b>	<b>1,960.52</b>	<b>58.68</b>	<b>99.54</b>	<b>1,919.66</b>	<b>435.19</b>	<b>44.97</b>	<b>96.20</b>	<b>383.95</b>	<b>1,535.70</b>	<b>1,525.32</b>
<b>Capital Work in Progress</b>	58.68	-	58.68	-	-	-	-	-	-	58.68
<b>Grand Total</b>	<b>2,019.20</b>	<b>58.68</b>	<b>158.22</b>	<b>1,919.66</b>	<b>435.19</b>	<b>44.97</b>	<b>96.20</b>	<b>383.95</b>	<b>1,535.70</b>	<b>1,584.00</b>
Previous Year	1,534.08	500.00	14.88	2,019.20	403.91	46.16	14.88	435.19	1,584.00	-

**Notes:**

Office Premises includes :

- 15 shares of Rs. 50/- each of Tulsiani Chamber Premises Co-op. Society Limited.
- 5 shares of Rs. 50/- each of Parekh Vora Chamber Premises Co-op. Society Limited.
- 10 shares of Rs. 50/- each of Laxmi Finance & Leasing Companies Commercial Premises Co-op. Society Limited.

**NOTES FORMING PART OF THE FINANCIAL STATEMENT**
**Note 8 - Non - Current Investments**
**(Rs. in lacs)**

	Face Value/ Issue Price(Rs)	Quantity		Value	
		As at 31st March, 2013	As at 31st March,2012	As at 31st March, 2013	As at 31st March,2012
<b>In Equity shares - Quoted</b>					
<b>Fully Paid-up</b>					
IL&FS Engineering & Construction Co. Ltd	10	10,503	40,000	15.79	60.16
Reliance Industries Limited *	10	464,000	464,000	1,024.90	1,024.90
Essar Shipping Ltd	10	262,666	266,666	78.77	78.40
Essar Ports Ltd	10	266,666	533,333	84.92	156.80
Future Ventures India Ltd	10	-	900,000	-	90.00
Relaxo Footware Ltd	10	-	3,970	-	13.23
Repcos Home Finance Ltd.	10	150,000	-	234.16	-
Wockhardt Ltd*	5	3,500	-	13.13	-
Genus Power Infrastructure Ltd	1	1,300,000	1,300,000	237.25	237.25
<b>Sub Total</b>				<b>1,688.92</b>	<b>1,660.74</b>
<b>Other Investments</b>					
<b>In Equity shares - Unquoted</b>					
<b>Fully Paid up</b>					
Bangalore Stock Exchange Ltd	1	8,350	8350	0.08	0.08
Bombay Stock Exchange Ltd	1	58,838	58,838	0.05	0.05
Teracom Ltd	10	-	31,700	-	99.86
West Point Realtors Pvt Ltd	10	119	239	99.01	198.85
<b>Sub Total</b>				<b>99.14</b>	<b>298.84</b>
<b>In Subsidiaries (Whollyowned)</b>					
<b>Fully Paid up</b>					
Shriyam Broking Intermediary Ltd.	10	10,000,000	10,000,000	1,000.00	1,000.00
Shar dul Energy Ltd.	10	-	500,000	-	50.00
<b>In Associates</b>					
Antique Finance Pvt Ltd	10	7,419,825	7,419,825	989.31	989.31
<b>Sub Total</b>				<b>1,989.31</b>	<b>2,039.31</b>
<b>In Mutual Funds- Quoted</b>					
<b>Fully paid up units</b>					
LIC Mutual Fund - Index Fund Sensex	10	20,000	20,000	2.00	2.00
Franklin India Smaller Companies Fund	10	108,002	108,002	10.90	10.90
Birla Sun Life Savings Fund	100	1,940	1,814	1.94	1.81
<b>Sub total</b>				<b>14.84</b>	<b>14.71</b>
<b>Investment in Funds -Unquoted</b>					
HDFC India Real Estate Fund	1000	18,951	20,298	189.51	202.97
Urban Infrastructure fund	87500	270	270	240.25	251.05
<b>Sub total</b>				<b>429.76</b>	<b>454.02</b>
<b>Total Investments</b>				<b>4,221.97</b>	<b>4,467.62</b>
<b>Market Value of Quoted Investments</b>				<b>4,349.66</b>	<b>4,259.92</b>

\*\* Lien/Pledge with the banks and corporates against loan taken / margins.

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

(Rs. in lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Note 9 Long - Term Loans and Advances</b>		
<b>(Unsecured and Considered Good) :</b>		
(a) Security Deposits	1.38	1.27
(b) Loans and Advances to Employees	-	0.70
(c) Other Loans and Advances	82.50	82.50
<b>Total</b>	<b>83.88</b>	<b>84.47</b>
<b>Note 10 Inventories</b>		
<b>Stock-in-Trade</b>		
<b>Total</b>	<b>4,218.26</b>	<b>2,455.59</b>
<b>Note 11 Trade Receivables</b>		
<b>(Unsecured and Considered Good) :</b>		
(a) Over six months	-	-
(b) Others	155.89	65.25
	155.89	65.25
Less : Provision for Doubtful Debts	-	-
<b>Total</b>	<b>155.89</b>	<b>65.25</b>
<b>Note 12 Cash and Cash Equivalents</b>		
<b>Cash and Cash Equivalents</b>		
(a) Cash on Hand	0.01	0.02
(b) Balances with Banks*	105.40	277.92
(c) Fixed Deposits with Bank	-	125.00
<b>Total</b>	<b>105.41</b>	<b>402.94</b>
* Balances with Banks includes Unclaimed Dividend of Rs. 32.91 lacs (P.Y. Rs. 29.99 Lacs)		
<b>Note 13 - Short - Term Loans and Advances</b>		
<b>(Unsecured and Considered Good)</b>		
(a) Loans and Advances to Related Parties	255.70	156.20
(b) Inter Corporate Deposits	352.45	650.00
(c) Loans and Advances to Employees	0.34	-
(d) Prepaid Expenses	0.44	0.68
(e) Interest receivable	16.65	23.96
(f) Income Tax (Net)	30.69	-
(g) Deposits	-	0.25
(h) Other	70.90	45.18
<b>Total</b>	<b>727.17</b>	<b>876.27</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENT**

Particulars	(Rs. in lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>Note 14 Revenue from Operations</b>		
(a) Profit/ (loss) on dealing in securities (Net)	(136.49)	(151.38)
(b) Income from Advisory Fees and Services	-	154.10
(c) Interest Income	70.84	42.79
(d) Net Profit / (Loss) on Sale of Investments		
- From Non - Current Investments	233.50	230.56
- From Current Investments	111.54	45.23
	<u>345.04</u>	<u>275.79</u>
<b>Total</b>	<b><u>279.39</u></b>	<b><u>321.30</u></b>
<b>Note 15 Other Income</b>		
(a) Dividend Income		
- From Non - Current Investments	47.06	40.97
- From Current Investments	36.62	22.47
	<u>83.68</u>	<u>63.44</u>
(b) Rent Income	192.00	200.50
(c) Miscellaneous Income	5.39	-
<b>Total</b>	<b><u>281.07</u></b>	<b><u>263.94</u></b>
<b>Note 16 Employee Benefits Expense</b>		
(a) Salaries and Wages	32.26	28.99
(b) Contribution to Provident and Other Funds	0.64	0.64
(c) Staff Welfare Expenses	0.69	0.59
(d) Gratuity	0.02	0.02
<b>Total</b>	<b><u>33.61</u></b>	<b><u>30.24</u></b>
<b>Note 17 Finance Cost</b>		
(a) Interest Expenses	102.48	4.79
(b) Other Borrowing Cost	9.20	25.51
(c) Bank Charges	1.82	0.49
<b>Total</b>	<b><u>113.50</u></b>	<b><u>30.79</u></b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>(Rs. in lacs)</b>		
<b>Note 18 Other Expenses</b>		
<b>(A) Payment to Auditors</b>		
(a) Audit Fees	2.25	2.25
(b) Tax Audit Fees	0.50	0.50
(c) Other Services	0.25	0.25
<b>(B) Operating / Administrative and General Expenses</b>		
(a) Rent, Rates and Taxes	22.61	16.60
(b) Other Repairs :		
i) Repair and maintenance (Computer)	0.73	0.64
ii) Repair and maintenance (Office)	0.09	1.42
(c) Travelling	1.74	2.66
(d) Telephone and lease line charges	1.57	2.58
(e) Directors Sitting Fees	2.19	2.62
(f) Postage & Telegram	0.86	1.36
(g) Business Promotion	0.33	1.03
(h) Printing & Stationary	3.10	2.09
(i) Electricity Charges	0.66	1.01
(j) Securities Transaction Tax	20.33	8.96
(k) Professional Fees	5.87	7.56
(l) Advertisement	0.97	1.96
(m) Miscellaneous Expenses	5.85	3.37
<b>Total</b>	<b>69.90</b>	<b>56.86</b>

**Note 19 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 (Rs. In Lacs)	265.75	339.24
Add : Extra-ordinary Items (Net of Tax)	-	-
Net Profit After Tax Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Rs. In Lacs)	265.75	339.24
(B) Weighted Average Number of Equity Shares Outstanding During the Year for Basic EPS and Diluted EPS (in Nos.)	17,498,433	17,498,433
(C) Basic and Diluted Earning per share of Rs. 10 each (in Rs.)		
Before Extra-ordinary items	1.52	1.94
After Extra-ordinary items	1.52	1.94
(D) Face Value per Equity Share (in Rs.)	10.00	10.00

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### Note 20

The Company has followed the Reserve Bank of India Guidelines applicable to the Non Banking Financial Companies in respect of prudential norms for Income Recognition, Assets Classification and Capital Adequacy.

### Note 21

In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated, if realised in the ordinary course of business. The provisions of all known liabilities are adequate and neither in excess of or nor short of the amounts reasonably necessary.

### Note 22

#### Related Party Disclosures:

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

i) *Subsidiary :*

Shriyam Broking Intermediary Limited.  
Shar dul Energy Limited (Up to 23<sup>rd</sup> November, 2012)

ii) *Associates / Group Cos or Firms:*

Antique Finance Private Limited  
Chaturvedi & Shah

iii) *Key Managerial Personnel:*

Shri R. Sundaresan - Executive Director  
Shri K M Shah - Director  
Shri Saurabh Chaturvedi - CFO

iv) Transactions during the year with related parties. (Reimbursement of expenses has not been treated as related party transactions.)

Nature of Transactions	Subsidiary	Associates/ Group Cos.	Key Management Personnel	Total
	(Rs. in Lacs)			
<b>Loans / Advances :</b>				
Given during the year	220.00 (155.00)	-	-	220.00 (155.00)
Returned during the year	120.00 (-)	-	1.20 (1.20)	121.20 (1.20)
Balance as at 31.03.13	255.00 (155)	-	0.70 (1.90)	255.70 (156.90)
<b>Investments :</b>				
Made during the year	-	-	-	-
Sold during the year	50.00 (-)	-	-	50.00 (-)
Balance as at 31.03.13	1000.00 (1050.00)	989.31 (989.31)	-	1989.31 (2039.31)
<b>Trade Receivable :</b>				
As at 31.03.13	149.49 (-)	-	-	149.49 (-)

**NOTES FORMING PART OF THE FINANCIAL STATEMENT**

Nature of Transactions	(Rs. in Lacs)			
	Subsidiary	Associates/ Group Cos.	Key Management Personnel	Total
<b>Payment for remuneration and services :</b>				
Paid during the year	-	-	13.50	13.50
	(-)	(-)	(12.50)	(12.50)
<b>Exp for Trading Activities :</b>				
Paid/(Refunded) during the year. (Net)	8.44	0.69	-	9.13
	(3.43)	(0.07)	(-)	(3.50)
<b>Income:</b>				
Interest Received during the year	-	-	0.14	0.14
	(-)	(-)	(0.26)	(0.26)
Compensation received during the year	-	48.00	-	48.00
	(30.00)	(-)	(-)	(30.00)
Advisory Fees received / (payment) during the year	-	-	(0.25)	(0.25)
	(-)	(25.00)	(-)	(25.00)

(Figures in bracket indicate figures of previous year).

**Significant Related Party Transactions during the year:**

1. Payment and provision for remuneration and services, includes Rs. 6.50 lacs as Salary paid to Shri R. Sundaresan Executive Director, and Rs. 7.00 lacs paid to Shri Saurabh Chaturvedi CFO.
2. Expenses for Trading Activities paid includes Rs 8.44 lacs paid to Shriyam Broking Intermediary Ltd. Subsidiary Co. and Rs. 0.69 lacs paid to Antique Stock Broking Ltd, subsidiary of Antique Finance Pvt Ltd.
3. Income from Compensation includes Rs. 48.00 lacs received from Chaturvedi & Shah, a Associate Firm.(Excluding Service Tax).
4. Payment towards services includes Rs. 0.25 lacs as advisory fees paid to Shri K M Shah, Director.

**Note 23**

In the opinion of the management, the Company is mainly engaged in the business of Investment Activities and all other activities of the Company revolve around the main business, and as such, there are no separate reportable segments.

**Note 24**

Disclosure of loans / advances and investments in its own shares by the listed companies, their subsidiary, associates etc. (as certified by the management)

Particulars	(Rs. In Lacs)	
	Outstanding Balance as on 31 <sup>st</sup> March,2013	Maximum Balance Outstanding during the year
i) Loans and advances in the nature of loans to subsidiaries	<b>255.00</b> (155.00)	<b>375.00</b> (2075.00)
ii) Loans and advances in the nature of loans to associates	<b>NIL</b> (NIL)	NIL (NIL)
iii) Loans and advances in the nature of loan where there is		
a) no repayment schedule or repayment beyond seven years.	<b>NIL</b> (NIL)	NIL (NIL)
b) No interest or interest below section 372A of the Companies Act – Loan to employee/others (in ordinary course of business)	<b>NIL</b> (NIL)	NIL (NIL)

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

(Rs. In Lacs)

Particulars	Outstanding Balance as on 31 <sup>st</sup> March,2013	Maximum Balance Outstanding during the year
iv) Loans and advances in nature of loans to firms / companies in which directors are interested.	NIL (NIL)	NIL (NIL)
v) Investments by loanee in the shares of parent company and subsidiary company when the company has made a loan or advance in the nature of loan	NIL (NIL)	NIL (NIL)

(Figures in bracket indicate figures of previous year).

### Note 25

The Company has followed Accounting Standard 15(revised), Accounting for Retirement benefits.

- Contribution to Provident Fund of Rs. 0.64 lacs 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 employees. 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. 0.02 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)

Period of Accounting	FY. 2012 - 2013	FY. 2011 - 2012
<b>1. SUMMARY OF MEMBERSHIP DATA</b>		
Number of Employees	6	6
Average Age (in years)	44.00	43.00
Average Monthly Salary (in Rupees)	27600.00	25016.66
Average Past Service	8.00	7.17
<b>2. VALUATION METHOD</b>	<b>Projected Unit Credit Method</b>	Projected Unit Credit Method
<b>3. ACTUARIAL ASSUMPTIONS</b>		
Mortality Rate	<b>LIC (1994-96) Ultimate</b>	LIC (1994-96) Ultimate
Withdrawal rate	<b>1 % to 3% depending on age</b>	1 % to 3% depending on age
Discount Rate	<b>8% P.A.</b>	8% P.A.
Salary Escalation	<b>5% P.A.</b>	4% P.A.
<b>4. RESULTS OF VALUATION</b>		
PV of Past Service Benefit (Rs. In Lacs)	6.41	5.43
Current Service Cost (Rs. In Lacs)	0.39	0.29
Total Service Gratuity (Rs. In Lacs)	23.98	21.16
Accrued Gratuity (Rs. In Lacs)	7.99	6.86
LCSA	6.38	6.41
LC Premium	0.01	0.01
Service Tax @ 12.36%	0.00	0.00
<b>5 RECOMMENDED CONTRIBUTION RATE</b>		
Fund Value as on Renewal Date (Rs in Lacs)	8.86	8.13
Additional Contribution for existing fund	0.00	0.00
Current Service Cost	0.00	0.00
<b>6 TOTAL AMOUNT PAID (Rs. in Lacs)</b>	<b>0.02</b>	0.02



**NOTES FORMING PART OF THE FINANCIAL STATEMENT**

(Rs. in Lacs)

	Amount outstanding		Amount overdue	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
2. Break up of Loans and advances including bills receivable Other than those included in 3 below				
a) Secured	152.45	-	-	-
b) Unsecured (all loans and advances)	658.60	960.74	Nil	Nil
3. Break up of Leased Assets and Stock on Hire and other assets counting towards AFC activities :	Nil	Nil	Nil	Nil
Lease assets including lease rentals under sundry debtors:				
a) Financial Lease (net of Depreciation and lease adjustment)	Nil	Nil	Nil	Nil
b) Operating Lease				
Stock on Hire including hire charges under sundry debtors:	Nil	Nil	Nil	Nil
a) Assets on Hire	Nil	Nil	Nil	Nil
b) Repossessed Assets	Nil	Nil	Nil	Nil
Other Loans counting towards AFC activities				
a) Loans where assets have been repossessed	Nil	Nil	Nil	Nil
b) Loans other than above	Nil	Nil	Nil	Nil
4. Break up of Investments				
a) Current Investments: (stock in trade)				
<b>Quoted :</b>				
- Equity Shares	3157.39	2253.13	Nil	Nil
- Commodity Stock	751.14	Nil	Nil	Nil
- Debentures and Bonds	Nil	Nil	Nil	Nil
- Units of Mutual Funds	Nil	Nil	Nil	Nil
- Government Securities	Nil	Nil	Nil	Nil
- Gold & Silver	309.73	202.46	Nil	Nil
b) Long-term Investments				
<b>Quoted:</b>				
- Equity Shares	1688.92	1660.74	Nil	Nil
- Preference Shares	Nil	Nil	Nil	Nil
- Debentures and Bonds	Nil	Nil	Nil	Nil
- Units of Mutual Funds	14.84	14.71	Nil	Nil
- Government Securities	Nil	Nil	Nil	Nil
- Others (please specify)	Nil	Nil	Nil	Nil
<b>Unquoted :</b>				
- Equity Shares	2088.45	2338.15	Nil	Nil
- Preference Shares	Nil	Nil	Nil	Nil
- Debentures and Bonds	429.76	454.02	Nil	Nil
- Units of Mutual Funds	Nil	Nil	Nil	Nil
- Government Securities	Nil	Nil	Nil	Nil
- Others (Please Specify)	Nil	Nil	Nil	Nil
<b>Total</b>	<b>9248.59</b>	<b>7883.95</b>	<b>Nil</b>	<b>Nil</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENT**

(Rs. in Lacs)

	Amount outstanding		Amount overdue	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
5. Borrower group-wise classification of assets financed as in 2 and 3 above				
a) Related Parties				
1 Subsidiaries	255.00	155.00	Nil	Nil
2 Companies in the same group	Nil	Nil	Nil	Nil
3 Other related parties	0.70	1.90	Nil	Nil
b) Other than related parties	<b>555.34</b>	803.84	Nil	Nil
<b>Total</b>	<b>811.04</b>	<b>960.74</b>	<b>Nil</b>	<b>Nil</b>
6. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted excluding stock-in-trade)				
	<b>Market Value or Fair Value or NAV</b>		<b>Book Value (Net of provisions)</b>	
	<b>31.03.2013</b>	31.03.2012	<b>31.03.2013</b>	31.03.2012
a) Related Parties				
1. Subsidiaries	4132.14	4156.74	1000.00	1050.00
2. Companies in the same group	1924.07	1788.69	989.31	989.31
3. Other related parties	Nil	Nil	Nil	Nil
b) Other than related parties	5106.93	5318.13	2528.82	2428.31
<b>Total</b>	<b>11163.14</b>	<b>11263.56</b>	<b>4518.13</b>	<b>4467.62</b>
7. Other Information				
a) Gross Non-Performing Assets				
1 Related Parties	Nil	Nil	Nil	Nil
2 Other than related parties	Nil	Nil	Nil	Nil
b) Net Non-Performing Assets				
1 Related Parties	Nil	Nil	Nil	Nil
2 Other than related parties	Nil	Nil	Nil	Nil
c) Assets acquired in satisfaction of debt	Nil	Nil	Nil	Nil

As per our report of even date

**For RAJEN DAMANI & ASSOCIATES**  
Chartered Accountants

**CA Rajen J. Damani**  
Partner  
M No. 034375

Place : Mumbai  
Date : 28<sup>th</sup> May 2013

**For and on behalf of the Board of Directors**

**Devesh Chaturvedi** Chairman  
**Kantilal Shah** Director  
**Bhupendra Shroff** Director  
**Gyandeo Chaturvedi** Director  
**Naveen Chaturvedi** Director  
**R. Sundaresan** Executive Director & CEO  
**Monika Agarwal** Company Secretary

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**Statement Pursuant To Section 212 Of The Companies Act, 1956 Relating To Companies Interest in the Subsidiary Company**

- a) Name of subsidiary Company : **Shiryam Broking Intermediary Limited**
- b) Date from which it became subsidiary : **September 27, 1994**
- c) Number of shares held by  
Shar dul Securities Limited with its nominee  
in the subsidiary as at 31/3/2013 : **1,00,00,000 Equity Shares of Rs. 10/- each.**
- d) Extent of interest of holding Company  
in the subsidiary as at 31/03/2013 : **100%**
- e) Net aggregate amount of the subsidiary  
Company's profit/(loss)
- i For the subsidiary Company's year  
ended 31/03/2013 : **Rs. 9.22 lacs**
- ii For the previous financial years since  
it became a subsidiary : **Rs. 3,123.96 lacs**
- f) Net aggregate amount of the subsidiary  
Company's profit/loss dealt with in the  
Company's accounts : **Not Applicable**
- i For subsidiary Company's year ended  
31/03/2013 : **Nil**
- ii For the previous Financial year since  
it became subsidiary : **Nil**

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As per our report of even date

**For RAJEN DAMANI & ASSOCIATES**  
Chartered Accountants

**CA Rajen J. Damani**  
Partner  
M No. 034375

Place : Mumbai  
Date : 28<sup>th</sup> May 2013

**For and on behalf of the Board of Directors**

<b>Devesh Chaturvedi</b>	<b>Chairman</b>
<b>Kantilal Shah</b>	<b>Director</b>
<b>Bhupendra Shroff</b>	<b>Director</b>
<b>Gyandeo Chaturvedi</b>	<b>Director</b>
<b>Naveen Chaturvedi</b>	<b>Director</b>
<b>R. Sundaresan</b>	<b>Executive Director &amp; CEO</b>
<b>Monika Agarwal</b>	<b>Company Secretary</b>

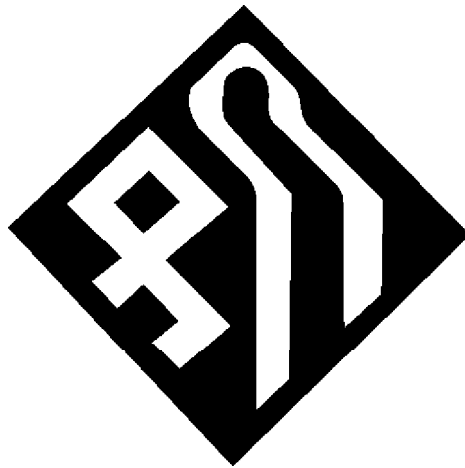
## Financial Information of Subsidiary Company for the year ended on 31st March, 2013

(Rs. In Lacs)

Sr. No.	Name of Subsidiary company	Capital	Reserve	Total Assets	Total Liabilities	Investments	Turnover	Profit / ( Loss ) before taxation	Provision for taxation	Profit / ( Loss ) after taxation	Proposed dividend
1.	Shriyam Broking Intermediary Limited	1,000.00	3,132.14	4,499.64	4,499.64	3,202.06	119.71	18.65	10.47	8.18	-

# **Shardul**

**SECURITIES LIMITED**



**CONSOLIDATED  
FINANCIAL STATEMENTS  
2012 - 2013**

**INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

To  
The Board of Directors  
**SHARDUL SECURITIES LTD.**

**Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of **SHARDUL SECURITIES LIMITED** ("the Company") and **SHRIYAM BROKINGINTERMEDIARY LIMITED** ("the subsidiary") which comprise the Consolidated Balance Sheet as at 31st March 2013, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information as at 31st March, 2013.

**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 consolidated financial position, consolidated financial performance and the consolidated 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 consolidated 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 the Standards on Auditing issued by the Institute of Chartered Accountants 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 consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements that give a true and fair view 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 consolidated financial statements. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

Based on our audit as aforesaid, including those of the subsidiary and reports of other auditors on the separate financial statements and on other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principle generally accepted in India:

- i) in the case of the Consolidated Balance Sheet, of the state of Affairs of the Group as at 31st March, 2013;
- ii) in the case of the Consolidated Statement of Profit and Loss of the Profit of the Group for the year ended on that date; and
- iii) in the case of the Consolidated Cash Flow Statements, of the Cash Flows of the Group for the year ended on that date.

**Other Matters**

1. Financial statements / consolidated financial statements of the subsidiary, which reflect total assets of Rs.4,499.65 lacs and total revenue of Rs.119.71 lacs and net cash flows amounting to Rs. (131.00) lacs for the year then ended, have been audited by us.
2. We did not audit the financial statements of an associate company in which the share of profit of the group is Rs.518.61 lacs. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditor.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 - Consolidated Financial Statements and Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial statements as notified by the Companies (Accounting Standards) Rules, 2006.

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

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

Place : Mumbai  
Dated : 28<sup>th</sup> May, 2013

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2013**
**(Rs. In Lacs)**

Particulars	Note No.	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	1	1,749.84	1,749.84
(b) Reserves and Surplus	2	14,478.68	13,790.94
		<u>16,228.52</u>	<u>15,540.78</u>
<b>2 Non-Current Liabilities</b>			
(a) Deferred Tax Liability (Net)	3	215.58	230.10
<b>3 Current Liabilities</b>			
(a) Short-Term Borrowings	4	778.74	-
(b) Trade Payables	5	0.50	138.10
(c) Other Current Liabilities	6	265.39	60.45
(d) Short-Term Provisions	7	123.58	124.15
		<u>1,168.21</u>	<u>322.70</u>
<b>TOTAL</b>		<u><u>17,612.31</u></u>	<u><u>16,093.58</u></u>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets	8		
(i) Tangible Assets		2,066.69	2,068.05
(ii) Intangible Assets		175.73	175.88
(iii) Capital Work-in-Progress		-	58.68
		<u>2,242.42</u>	<u>2,302.61</u>
(b) Non-Current Investments	9	9,802.77	9,507.32
(c) Long-Term Loans and Advances	10	502.27	315.88
		<u>12,547.46</u>	<u>12,125.81</u>
<b>2 Current Assets</b>			
(a) Inventories	11	4,218.26	2,455.59
(b) Trade Receivables	12	107.29	68.04
(c) Cash and Cash Equivalents	13	260.93	721.11
(d) Short-Term Loans and Advances	14	478.37	723.03
		<u>5,064.85</u>	<u>3,967.77</u>
<b>TOTAL</b>		<u><u>17,612.31</u></u>	<u><u>16,093.58</u></u>
Significant Accounting Policies	A to C		
Notes on Financial Statement	1 to 30		

As per our report of even date

**For RAJEN DAMANI & ASSOCIATES**  
Chartered Accountants

**CA Rajen J. Damani**  
Partner  
M No. 034375

Place : Mumbai  
Date : 28<sup>th</sup> May 2013

**For and on behalf of the Board of Directors**
**Devesh Chaturvedi** Chairman  
**Kantilal Shah** Director  
**Bhupendra Shroff** Director  
**Gyandeo Chaturvedi** Director  
**Naveen Chaturvedi** Director  
**R. Sundaresan** Executive Director & CEO  
**Monika Agarwal** Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**

				(Rs. In Lacs)	
Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012		
1 Revenue from Operations (gross)	15	345.16	403.49		
2 Other Income	16	335.01	264.33		
<b>3 Total Revenue (1+2)</b>		<b>680.17</b>	<b>667.82</b>		
<b>4 Expenses</b>					
(a) Employee Benefits Expense	17	49.93	46.46		
(b) Finance Costs	18	118.07	35.89		
(c) Depreciation and Amortisation Expense		57.12	55.64		
(d) Other Expenses	19	137.93	93.34		
(e) Contingent Provisions against Standard Assets		(0.56)	1.30		
<b>Total Expenses</b>		<b>362.49</b>	<b>232.63</b>		
<b>5 Profit / (Loss) before Exceptional and Extraordinary Items and Tax (3 - 4)</b>		<b>317.68</b>	<b>435.19</b>		
6 Exceptional items		-	-		
<b>7 Profit / (Loss) before Extraordinary Items and Tax (5 ± 6)</b>		<b>317.68</b>	<b>435.19</b>		
8 Extraordinary Items		-	-		
<b>9 Profit / (Loss) before Tax (7 ± 8)</b>		<b>317.68</b>	<b>435.19</b>		
<b>10 Tax Expense:</b>					
(a) Current Tax Expense		58.25	82.35		
(b) Current Tax Expense Relating to Prior Years		-	25.57		
(c) Deferred Tax		(14.49)	6.56		
		<b>43.76</b>	<b>114.48</b>		
<b>11 Profit / (Loss) for the year (9 ± 10)</b>		<b>273.92</b>	<b>320.71</b>		
<b>12 Profit / (Loss) from Associate Co.</b>		<b>518.61</b>	<b>534.18</b>		
<b>13 Profit / (Loss) for the year (11 ± 12)</b>		<b>792.53</b>	<b>854.89</b>		
<b>14 Earnings per equity share of face value of Rs. 10/- each :</b>	20				
(a) Basic		4.53	4.89		
(b) Diluted		4.53	4.89		
Significant Accounting Policies	A to C				
Notes on Financial Statement	1 to 30				

As per our report of even date

**For RAJEN DAMANI & ASSOCIATES**

Chartered Accountants

**CA Rajen J. Damani**

Partner

M No. 034375

Place : Mumbai

Date : 28<sup>th</sup> May 2013**For and on behalf of the Board of Directors**

<b>Devesh Chaturvedi</b>	<b>Chairman</b>
<b>Kantilal Shah</b>	<b>Director</b>
<b>Bhupendra Shroff</b>	<b>Director</b>
<b>Gyandeo Chaturvedi</b>	<b>Director</b>
<b>Naveen Chaturvedi</b>	<b>Director</b>
<b>R. Sundaresan</b>	<b>Executive Director &amp; CEO</b>
<b>Monika Agarwal</b>	<b>Company Secretary</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013**

(Rs. in Lacs)

	For the year ended 31 <sup>st</sup> March, 2013		For the year ended 31 <sup>st</sup> March, 2012	
<b>A. Cash Flow from operating activities</b>				
<b>Net Profit before tax, Extraordinary and prior period items</b>		<b>317.68</b>		<b>435.19</b>
<b>Adjustments for:</b>				
Non cash Items				
Depreciation	<b>57.12</b>		55.64	
Provision for Contingent Standard Assets	<b>(0.56)</b>	<b>56.56</b>	1.30	56.94
Profit on sale of Investments		<b>(334.50)</b>		(281.08)
Dividend received on investments		<b>(87.38)</b>		(69.65)
<b>Operating Profit before working capital changes</b>		<b>(47.64)</b>		<b>141.40</b>
<b>Adjustments for:</b>				
Trade & Receivables		<b>(98.61)</b>		63.64
Inventories		<b>(1,700.33)</b>		(325.31)
Trade Payable		<b>127.94</b>		(262.60)
Loans & Advances		<b>34.60</b>		(533.08)
		<b>(1,636.40)</b>		<b>(1,057.35)</b>
<b>Cash generated from / (used) in operations</b>		<b>(1,684.04)</b>		<b>(915.95)</b>
Direct Taxes paid		<b>(85.88)</b>		<b>(93.81)</b>
<b>Cash inflow / (outflow) before extraordinary and prior period items</b>		<b>(1,769.92)</b>		<b>(1,009.76)</b>
Extraordinary and prior period items		-		-
<b>Net cash from operation / (used) in activities</b>		<b>(1,769.92)</b>		<b>(1,009.76)</b>
<b>B. Cash flow from investing activities</b>				
Sale / (Purchase) of fixed assets (including capital work-in-progress)		<b>3.00</b>		(999.56)
Purchase of investments		<b>(1,977.24)</b>		(3,755.11)
Sale of investments		<b>2,471.52</b>		5,574.14
Dividend received on investments		<b>87.38</b>		69.65
<b>Net cash (used) in investing activities</b>		<b>584.66</b>		<b>889.12</b>
<b>C. Cash flow from financing activities</b>				
Dividend paid on Equity Shares including tax		<b>(122.02)</b>		(244.86)
Loan from Corporate Bodies		<b>878.74</b>		155.00
<b>Net cash (used) in / from financing activities</b>		<b>756.72</b>		<b>(89.86)</b>
<b>Net increase/ (Decrease) in cash and cash equivalents</b>		<b>(428.54)</b>		<b>(210.50)</b>
<b>Cash and cash equivalents as at 1st April 2012</b>		<b>721.11</b>		<b>931.61</b>
<b>Less: Opening balance of Shardul Energy Ltd.</b>		<b>31.64</b>		<b>-</b>
<b>Cash and cash equivalents as at 31st March 2013</b>		<b>260.93</b>		<b>721.11</b>

As per our report of even date

**For RAJEN DAMANI & ASSOCIATES**  
Chartered Accountants

**CA Rajen J. Damani**  
Partner  
M No. 034375

Place : Mumbai  
Date : 28<sup>th</sup> May 2013

**For and on behalf of the Board of Directors**
**Devesh Chaturvedi** Chairman  
**Kantilal Shah** Director  
**Bhupendra Shroff** Director  
**Gyandeo Chaturvedi** Director  
**Naveen Chaturvedi** Director  
**R. Sundaresan** Executive Director & CEO  
**Monika Agarwal** Company Secretary

## **SIGNIFICANT ACCOUNTING POLICIES:**

### **A. Principles of consolidation :**

The consolidated financial statements relate to Shardul Securities Limited ("the Company") and its subsidiary company. The consolidated financial statements have been prepared on the following basis;

- i) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21- Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
- ii) The financial statements of the Company and its associates company have been combined by the equity method in accordance with Accounting Standard (AS) 23- Accounting for investments in Associates in Consolidated Financial Statement issued by the Institute of Chartered Accountants of India.
- iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- iv) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.
- v) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statement as Goodwill or Capital Reserve as the case may be.

### **B. Investment other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on " Accounting for Investment."**

### **C. Other significant accounting policies :**

These are set out under "Significant Accounting Policies" of the financial statements of the Company and Shriyam Broking Intermediary Limited.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(Rs. In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Note 1 - Share Capital</b>		
<b>(A) Share Capital:</b>		
<b><u>Authorised Share Capital</u></b>		
10,00,00,000 Equity Shares of Rs. 10 each (10,00,00,000)	<b>10,000.00</b>	10,000.00
	<b>10,000.00</b>	10,000.00
<b><u>Issued, Subscribed and Paid up</u></b>		
1,74,98,433 Equity Shares of Rs. 10 each (1,74,98,433)	<b>1,749.84</b>	1,749.84
	<b>1,749.84</b>	1,749.84

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	17,498,433	17,498,433
No. of Shares outstanding at the end of the year	17,498,433	17,498,433

**(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) The details of Shareholders holding more than 5% 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)	Varsha R Chaturvedi	2,517,700	14.39	2,517,700	14.39
(ii)	Devesh D Chaturvedi	1,808,604	10.34	1,808,604	10.34
(iii)	Shruti G Chaturvedi	2,752,300	15.73	2,752,300	15.73
(iv)	Shriyam Commodities Intermediary Pvt. Limited	932,000	5.33	932,000	5.33
(v)	A to Z Broking Services Pvt. Limited	1,586,150	9.06	1,586,150	9.06

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(Rs. In Lacs)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
<b>Note 2 - Reserves &amp; Surplus</b>				
<b>(A) Capital Reserve</b>				
Balance as per the last financial statement	6.90	6.90	6.90	6.90
<b>(B) Securities Premium Account</b>				
Balance as per the last financial statement	2,666.69		2,666.69	
Less: Premium utilised	-	2,666.69	-	2,666.69
<b>(C) General Reserve</b>				
Balance as per the last financial statement	328.58		328.58	
Add : Amount transferred from surplus balance in the Statement of Profit and Loss	-	328.58	-	328.58
<b>(D) Statutory Reserve Fund (As per RBI Guidelines)</b>				
Balance as per the last financial statement	1,681.09		1,613.24	
Add : Amount transferred from surplus balance in the Statement of Profit and Loss	53.15	1,734.24	67.85	1,681.09
<b>(E) Surplus / (Deficit) in the statement of profit and loss</b>				
Balance as per the last financial statement	9,107.68		8,442.66	
Add : Loss of Shardul Energy already included in Op. balance	17.23		-	
Add : Profit for the year	792.53		854.89	
Amount available for Appropriations	9,917.44		9,297.55	
<b>Appropriations</b>				
Transferred to Statutory Reserve Fund (As per RBI Guidelines)	53.15		67.85	
Proposed Dividend on Equity Shares	104.99		104.99	
Tax on Proposed Dividend	17.03	9,742.27	17.03	9,107.68
<b>Total</b>		<b>14,478.68</b>		<b>13,790.94</b>
<b>Note 3 - Deferred Tax Liability</b>				
<b>Deferred Tax Liability</b>				
Related to Fixed Assets		215.58		230.10
<b>Total</b>		<b>215.58</b>		<b>230.10</b>
<b>Note 4 - Short - Term Borrowings</b>				
<b>(A) Secured Loans</b>				
Other Loans and Advances		750.74		-
<b>(B) Unsecured Loans</b>				
Other Loans and Advances		28.00		-
<b>Total</b>		<b>778.74</b>		<b>-</b>
<b>Note 5 - Trade Payables</b>				
(a) Micro, Small and Medium Enterprises*		-		-
(b) Others		0.50		138.10
<b>Total</b>		<b>0.50</b>		<b>138.10</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(Rs. In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Note 6 - Other Current Liabilities</b>		
(a) Unclaimed Dividends *	32.91	29.99
(b) Other Payables		
i) TDS payable	7.86	1.20
ii) Provisions for Tax (Net off Advance Tax)	-	1.18
iii) Service Tax Payable	-	5.06
iv) Other Payables	116.62	23.02
v) Security Deposit Payable	108.00	-
<b>Total</b>	<b>265.39</b>	<b>60.45</b>

\* These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

### Note 7 - Short - Term Provisions

(a) Contingent provision against Standard Assets	1.56	2.13
(b) Provisions for Proposed Dividend on Equity Shares	104.99	104.99
(c) Provisions for Tax on Proposed Dividend	17.03	17.03
<b>Total</b>	<b>123.58</b>	<b>124.15</b>

### Note 8 - FIXED ASSETS

(Rs. In Lacs)

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
<b>Tangible Assets</b>										
Office Premises - Owned	2,134.54	58.68	-	2,193.22	231.11	35.03	-	266.14	1,927.08	1,903.43
Computers	13.72	0.34	4.73	9.33	11.22	1.62	4.65	8.19	1.14	2.50
Furniture and Fixtures - Owned	216.80	-	64.09	152.71	131.62	10.11	64.09	77.64	75.07	85.18
Vehicles - Owned	94.18	-	40.14	54.04	65.64	5.91	36.80	34.75	19.29	28.54
Office Equipment - Owned	90.39	-	-	90.39	41.98	4.29	-	46.27	44.12	48.41
<b>TOTAL (A)</b>	<b>2,549.63</b>	<b>59.02</b>	<b>108.96</b>	<b>2,499.69</b>	<b>481.57</b>	<b>56.96</b>	<b>105.54</b>	<b>432.99</b>	<b>2,066.70</b>	<b>2,068.05</b>
<b>INTANGIBLE ASSETS</b>										
Computer Software	0.76	-	-	0.76	0.38	0.15	-	0.53	0.23	0.38
Stock Exchange Membership Card	175.50	-	-	175.50	-	-	-	-	175.50	175.50
<b>TOTAL (B)</b>	<b>176.26</b>	<b>-</b>	<b>-</b>	<b>176.26</b>	<b>0.38</b>	<b>0.15</b>	<b>-</b>	<b>0.53</b>	<b>175.73</b>	<b>175.88</b>
<b>TOTAL (A+B)</b>	<b>2,725.89</b>	<b>59.02</b>	<b>108.96</b>	<b>2,675.95</b>	<b>481.95</b>	<b>57.11</b>	<b>105.54</b>	<b>433.52</b>	<b>2,242.43</b>	<b>2,243.93</b>
<b>Capital Work in Progress</b>	58.68	-	58.68	-	-	-	-	-	-	58.68
<b>Grand Total</b>	2,784.57	59.02	167.64	2,675.95	481.95	57.11	105.54	433.52	2,242.43	2,302.61
PREVIOUS YEAR	1,858.42	999.56	73.41	2,784.57	499.72	55.64	73.41	481.95	2,302.61	

#### Notes:

Office Premises includes :

- a) 25 shares of Rs. 50/- each of Tulsiani Chamber Premises Co-op. Society Limited.
- b) 5 shares of Rs. 50/- each of Parekh Vora Chamber Premises Co-op. Society Limited.
- c) 10 shares of Rs. 50/- each of Laxmi Finance & Leasing Companies Commercial Premises Co-op. Society Limited.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(Rs. in lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Note 9 - Non Current Investments</b>		
<b>(A) In Associates</b>		
Antique Finance Pvt Ltd	7,051.87	6,533.26
<b>(B) In Others</b>		
	2,750.90	2,974.06
<b>Total</b>	<b>9,802.77</b>	<b>9,507.32</b>
<b>Note 10 - Long - Term Loans and Advances</b>		
<b>(Unsecured and Considered Good) :</b>		
(a) Security Deposits	403.16	211.07
(b) Loans and Advances to Employees	-	0.70
(c) Income Tax (Net)	16.61	20.89
(d) Other Loans and Advances	82.50	83.22
<b>Total</b>	<b>502.27</b>	<b>315.88</b>
<b>Note 11 - Inventories</b>		
<b>Stock-in-Trade</b>		
	4,218.26	2,455.59
<b>Total</b>	<b>4,218.26</b>	<b>2,455.59</b>
<b>Note 12 - Trade Receivables</b>		
<b>(Unsecured and Considered Good) :</b>		
(a) Over six months	-	2.40
(b) Others	107.29	65.64
	107.29	68.04
Less : Provision for Doubtful Debts	-	-
	107.29	68.04
<b>Total</b>	<b>107.29</b>	<b>68.04</b>
<b>Note 13 - Cash and Cash Equivalents</b>		
<b>Cash and Cash Equivalents</b>		
(a) Cash on Hand	0.09	0.06
(b) Balances with Banks *	135.84	467.30
(c) Fixed Deposits with Bank	125.00	253.75
<b>Total</b>	<b>260.93</b>	<b>721.11</b>
*Balances with Banks includes Unclaimed Dividend of Rs. 32.92 lacs ( P.Y. Rs. 29.99 Lacs)		
<b>Note 14 - Short - Term Loans and Advances</b>		
<b>(Unsecured, Considered Good)</b>		
(a) Loans and Advances to Related Parties	0.70	1.20
(b) Inter Corporate Deposits	352.45	650.00
(c) Prepaid Expenses	1.40	1.98
(d) Interest receivable	18.82	24.06
(e) Deposits	1.00	0.53
(f) Others	104.00	45.26
<b>Total</b>	<b>478.37</b>	<b>723.03</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

Particulars	(Rs. in lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>Note 15 - Revenue from Operations</b>		
(a) Profit/ (loss) on dealing in securities (Net)	(128.05)	(147.95)
(b) Income from Advisory Fees and Services	-	154.10
(c) Interest Income	82.94	57.13
(d) Net Profit / (Loss) on Sale of Investments		
- From Non - Current Investments	233.50	235.85
- From Current Investments	101.00	281.08
(e) Brokerage	55.77	59.13
<b>Total</b>	<b>345.16</b>	<b>403.49</b>
<b>Note 16 - Other Income</b>		
(a) Dividend Income		
- From Non - Current Investments	50.76	47.29
- From Current Investments	36.62	22.47
	87.38	69.76
(b) Rent Income	240.00	194.50
(c) Miscellaneous Income	7.63	0.07
<b>Total</b>	<b>335.01</b>	<b>264.33</b>
<b>Note 17 - Employee Benefits Expenses</b>		
(a) Salaries and Wages	47.16	44.58
(b) Contribution to Provident and Other Funds	2.06	1.29
(c) Staff Welfare Expenses	0.71	0.59
<b>Total</b>	<b>49.93</b>	<b>46.46</b>
<b>Note 18 - Finance Cost</b>		
(a) Interest Expenses	111.68	30.56
(b) Bank Charges	2.16	0.62
(c) Demat Charges	4.23	4.71
<b>Total</b>	<b>118.07</b>	<b>35.89</b>
<b>Note 19 - Other Expenses</b>		
<b>(A) Payment to Auditors</b>		
(a) Audit Fees	3.00	3.00
(b) Tax Audit Fees	0.70	0.70
(c) Other Services	0.30	0.35
<b>(B) Operating / Administrative and General Expenses</b>		
(a) Rent, Rates and Taxes	52.53	21.27
(b) Other Repairs :		
i) Repair and maintenance (Computer)	1.49	2.71
ii) Repair and maintenance (Office)	1.09	2.61
(c) Insurance	0.82	1.33
(d) Travelling	1.74	2.67
(e) Telephone and lease line charges	6.05	8.23

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
(f) Directors Sitting Fees	2.23	2.66
(g) Postage & Telegram	0.86	1.36
(h) Business Promotion	3.42	1.19
(i) Printing & Stationary	3.46	2.49
(j) Electricity Charges	3.34	1.79
(k) Securities Transaction Tax	20.35	9.02
(l) Fees & Subscription	2.39	3.52
(m) Professional Fees	12.02	16.89
(n) Miscellaneous Expenses	10.88	2.74
(o) Stamp Duty Charges	6.47	4.55
(p) Advertisement	0.97	1.96
(q) Transaction Charges	1.75	1.49
(r) Exchange General Charges	0.38	0.81
(s) Bad debts	1.69	-
<b>Total</b>	<b>137.93</b>	<b>93.34</b>

### Note 20- 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 (Rs. In Lacs)	792.53	854.89
Add : Extra-ordinary Items (Net of Tax)	-	-
Net Profit After Tax Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Rs. In Lacs)	792.53	854.89
(B) Weighted Average Number of Equity Shares Outstanding During the Year for Basic EPS and Diluted EPS (in Nos.)	17,498,433	17,498,433
(C) Basic and Diluted Earning per share of Rs. 10 each (in Rs.)		
Before Extra-ordinary items	4.53	4.89
After Extra-ordinary items	4.53	4.89
(D) Face Value per Equity Share (in Rs.)	10.00	10.00

### Note 21

- i) The Company has followed the Reserve Bank of India Guidelines applicable to the Non Banking Financial Companies in respect of prudential norms for Income Recognition, Assets Classification and Capital Adequacy.
- ii) In compliance with the Prudential Norms issued by the Reserve Bank of India, effective May, 1998 the unrealised interest / lease income on accounts which have been classified as non-performing assets has been reversed. The lease income on assets to leasee which are classified as non performing assets is not recognised

### Note 22

In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated, if realised in the ordinary course of business. The provisions of all known liabilities are adequate and neither in excess of or nor short of the amounts reasonably necessary.

### Note 23

#### Related Party Disclosures

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

- i) *Group Companies / Firms* :
  - A to Z Broking Services Pvt. Ltd.
  - Pradeep Sandeep Trading & Investments Pvt. Ltd.
  - Shriyam Commodities Intermediary Pvt. Ltd.
  - Chaturvedi & Shah
- ii) *Associates* :
  - Antique Finance Pvt. Ltd.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

iii) *Key Managerial Personnel*

- Shri R. Sundaresan - Executive Director & Director (Subsidiary)  
 Shri Suresh Chaturvedi - Executive Director (Subsidiary)  
 Shri Saurabh Chaturvedi - CFO

iv) Transactions during the year with related parties. (Reimbursement of expenses has not been treated as related party transactions.)

Nature of Transactions	(Rs. in Lacs)		
	Associates	Key Management Personnel	Total
<b>Investments :</b>			
Made during the year	-	-	-
	(-)	(-)	(-)
Sold during the year	-	-	-
	(-)	(-)	(-)
Balance as at 31.03.13	3673.13	-	3673.13
	(3673.13)	(-)	(3673.13)
<b>Loans advances and Deposit to :</b>			
Given during the year	-	-	-
	(-)	(-)	(-)
Return During the year	-	1.20	1.20
	(-)	(1.20)	(1.20)
Balance as at 31.03.13	-	0.70	0.70
	(-)	(1.90)	1.90
<b>Payment for Remuneration and services:</b>			
Paid during the year	-	21.50	21.50
	(-)	(22.50)	(22.50)
<b>Income Brokerages:</b>			
Received during the year	0.76	-	0.76
	(0.65)	(-)	(0.65)
<b>Expenses :</b>			
Brokerages Paid during the year	0.69	-	0.69
	(0.07)	(-)	(0.07)
Compensation paid during the year	22.00	-	22.00
	(-)	(-)	(-)
Advisory Fees Paid during the year	-	0.25	0.25
	(-)	(-)	(-)
<b>Income:</b>			
Interest Received during the year	-	0.14	0.14
	(-)	(0.26)	(0.26)
Compensation received during the year	48.00	-	48.00
	(-)	(-)	(-)
Advisory Fees Received during the year	-	-	-
	(25.00)	(-)	(25.00)
<b>Share of Profit</b>	518.61	-	518.61
	(534.18)	(-)	(534.18)

(Figure in brackets indicates figure of previous year)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

### Significant related party transactions during the year :

- i) Payment and provision for remuneration & services to key management personnel includes Rs. 6.50 lacs paid to Shri R. Sundaresan, Rs. 7.00 Lacs paid to Shri Saurabh Chaturvedi and Rs. 8.00 lacs paid to Shri Suresh Chaturvedi.
- ii) 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.
- iii) Brokerage of Rs. 0.69 lacs paid to Antique Finance Pvt. Ltd.
- iv) Expenses for Trading Activities include Rs.22 lacs paid to Shriyam Commodities Intermediary Pvt. Ltd. as compensation.
- v) Income from Compensation includes Rs. 48.00 lacs received from Chaturvedi & Shah, a Associate Firm.(Excluding Service Tax).
- vi) Payment towards services includes Rs. 0.25 lacs as advisory fees paid to Shri K M Shah, Director.

### Note 24

The Company is organised into following reportable segments referred to in Accounting Standard (AS 17) "Segment Reporting".

	(Rs. in Lacs)			
	Investment with Related activities	Others	Elimination	Total
<b>Revenues</b>				
External	568.90 (588.67)	111.27 (109.15)	- (-)	680.17 (697.82)
Inter Segment	8.44 (-3.43)	8.44 (3.43)	- (-)	- (-)
Total	560.46 (585.24)	119.71 (112.58)	- (-)	680.17 (697.82)
<b>Results</b>				
Segment Result (Before Tax)	307.48 (423.32)	10.20 (11.87)	- (-)	317.68 (435.19)
Provision for Tax	- (-)	- (-)	- (-)	43.76 (114.48)
Profit/(Loss) after Tax	- (-)	- (-)	- (-)	273.92 (320.71)
<b>Other Information</b>				
Segment Assets	13,112.66 (11,591.27)	4,499.65 (4,502.31)	- (-)	17,612.31 (16,093.58)
Segment Liabilities	1,330.64 (362.23)	53.15 (190.57)	- (-)	1,383.79 (552.80)
Capital Expenditure	- (500.00)	- (499.56)	- (-)	- (999.56)
Depreciation	44.97 (46.16)	12.15 (9.48)	- (-)	57.12 (55.64)

### Notes :

- i) The Company's main business segment is Investment Banking & related activities, other operation include Broking.
- ii) Since all the operations of the Company are within India, as such there is no separate reportable geographical segment.  
(Figure in brackets indicates figure of previous year)

### Note 25

#### Payments to Auditors :

	(Rs. in lacs)	
	Current Year	Previous Year
Audit Fees	3.00	3.00
Tax Audit Fees	0.70	0.70
Certification Charges & Other capacity	0.35	0.35
<b>TOTAL</b>	<b>4.05</b>	<b>4.05</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

**Note 26**

During the year under review your company sold its entire investment of 5,00,000 fully paid of equity shares of Rs 10/- each held at par in its wholly owned subsidiary named Shar dul Energy Limited and consequently the mentioned subsidiary has ceased to be wholly owned subsidiary of the Company with effect from 23rd November 2012.

**Note 27**
**Directors Remuneration :**

Salary to Executive Directors as under :-

	(Rs. in Lacs)	
	Current Year	Previous Year
Shri R. Sundaresan	6.50	6.00
Shri Suresh Chaturvedi	8.00	Nil
Shri Yogendra Chaturvedi	Nil	10.00

The company is of the opinion that the computation of net profit under section 349 of the Companies Act, 1956 is not required to be made as no commission is paid / payable to the Directors for the year ended 31st March, 2013.

**Note 28**

The subsidiary company and associate company considered in the consolidated financial statement is :-

Name of the subsidiary	-	<b>Shriyam Broking Intermediary Limited</b>
Country of Incorporation	-	<b>India</b>
Proportion of ownership		
Interest (with its nominee)	-	<b>100%</b>
Name of the associates	-	<b>Antique Finance Pvt. Limited</b>
Country of Incorporation	-	<b>India</b>
Proportion of ownership		
Interest (with its nominee)	-	<b>32.16</b>

**Note 29**
**Contingent Liabilities:**

	(Rs. in Lacs)	
Particulars	As at 31.03.2013	As at 31.03.2012
Allotment money & Calls unpaid on partly paid shares / Debentures	<b>101.06</b>	98.19
Income Tax disputed matter pending with CIT ( Appeal ) & ITAT	<b>19.52</b>	53.71
SEBI turnover fees (the appeal is pending with Supreme Court)	<b>18.83</b>	18.83
Stamp Duty from 2005 to 2009(with stamp duty officer)	<b>297.65</b>	297.65

**Note 30**

Previous year's figures have been regrouped, rearranged and / or reclassified 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 : 28<sup>th</sup> May 2013

**For and on behalf of the Board of Directors**

**Devesh Chaturvedi**      **Chairman**

**Kantilal Shah**        **Director**

**Bhupendra Shroff**     **Director**

**Gyandeo Chaturvedi**   **Director**

**Naveen Chaturvedi**   **Director**

**R. Sundaresan**        **Executive Director & CEO**

**Monika Agarwal**      **Company Secretary**



## SHARDUL SECURITIES LIMITED

Registered Office : G-12, Tulsiani Chambers, 212, Nariman Point, Mumbai 400 021.

### ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Venue

Members Folio No.

Client ID No.

Name of the Member  
attending the Meeting

In case of Proxy Name of Proxy

I hereby record my presence at the **TWENTY EIGHTH ANNUAL GENERAL MEETING** Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400 021 on **WEDNESDAY, 18<sup>th</sup> September 2013** at 10.00 a.m.

Members / Proxy Signature  
(To be filled at the time of handing over this slip)

Note: Members / Joint Members are requested to bring attendance slips with them



## SHARDUL SECURITIES LIMITED

Registered Office : G-12, Tulsiani Chambers, 212, Nariman Point, Mumbai 400 021.

### PROXY FORM

To be handed over at the entrance of the Meeting Venue

I/We \_\_\_\_\_

of \_\_\_\_\_

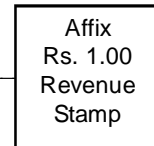
being a member / Members of Shardul Securities Limited hereby appoint \_\_\_\_\_

of or falling him \_\_\_\_\_ of

\_\_\_\_\_ as

my/our Proxy and vote for me/us and on my/our behalf of at the **TWENTY EIGHTH ANNUAL GENERAL MEETING** of the company to be held at Mumbai, on **WEDNESDAY, 18<sup>th</sup> September 2013** at 10.00 a.m. and at any adjournment hereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013



Signed by the said \_\_\_\_\_

of \_\_\_\_\_

**Note** : If a Member is unable to attend he Meeting, He may sign this form and send it to the Company's Registered Office so as to reach them not less then 48 hours before the Meeting.

BOOK -POST



*If Undelivered, please return to :*

**Shardul  
Securities Limited**

G-12, Tulsiani Chambers,  
212, Nariman Point, Mumbai 400 021.