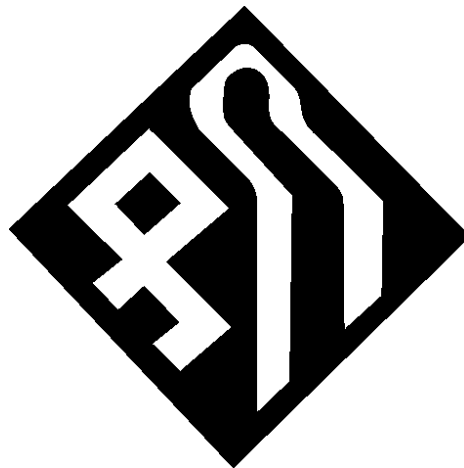


# **SHARDUL**

SECURITIES LIMITED



29<sup>th</sup>  
ANNUAL REPORT  
2013 - 2014

**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](http://www.shardulsecurities.com)  
 E Mail: [access@shriyam.com](mailto: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 Ltd**  
**Address:** C-13 Pannalal Silk Mills Compound,  
 LBS Road,  
 Bhandup West, Mumbai 400078  
 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 Ninth Annual General Meeting of the Members of Shardul Securities Limited will be held on Friday, 5<sup>th</sup> September 2014 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 2014 and the Statement of Profit & Loss for the year ended on that date and the Reports thereon.
2. To appoint a Director in place of Mr. Naveen Chaturvedi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare dividend on the Paid-up Equity Share Capital of the Company.
4. 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.

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 

“RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Kantilal Shah (holding DIN 00221939), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 34<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.”
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 

“RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Gyandeo Chaturvedi (holding DIN 00004831), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 34<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.”
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 

“RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. B. K. Shroff (holding DIN 00004596), Director of the Company whose period of office is liable to termination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 34<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.”
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 

“RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Charul Abuvala (holding DIN 00071142), Director of the Company whose period of office is liable to termination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 34<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.”
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:
 

“RESOLVED that in supersession of the Ordinary Resolution adopted at the 20<sup>th</sup> Annual General Meeting held on 16<sup>th</sup> September 2005 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/ to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of 1000 Crores (Rupees one thousand crores) over and above the aggregate of the paid up share capital and free reserves of the Company.”

**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.  

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Shareholder.
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members / Proxies are requested to bring the Attendance Slip duly filled in for attending the meeting.
6. 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.
7. 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.
8. 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 2005-06. Dividend declared in the earlier years and remaining unpaid will be deposited with the above fund of the Government at the expiry of 7 years from the date of their transfer to unclaimed dividend account. Shareholders who have not encashed the dividend warrants, declared after this period are requested to encash their dividend warrants immediately.
9. Register of Members / Transfer books will be closed from 30<sup>th</sup> August 2014 to 4<sup>th</sup> September 2014 (both days inclusive).
10. The dividend if declare will be paid on and from 6<sup>th</sup> September 2014 to those shareholders whose names appear on the register of members of the Company as on 29<sup>th</sup> August 2014.
11. 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.
12. 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.
13. 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.
14. 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.
15. 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.
16. 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.

#### 17. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Ltd.

The instructions for e-voting are as under:

#### In case of members receiving e-mail:

- i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii) Click on "Shareholders" tab.
- iii) Now, select the Shardul Securities Ltd. from the drop down menu and click on "SUBMIT"
- iv) Now, Enter your User ID
  - a. For CDSL : 16 digits beneficiary ID
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul>

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for Shardul Securities Ltd.
- xii) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- a. Please follow all steps from sl. no. (i) to sl. no. (xvii) above, to cast vote.
- b. The voting period begins on 26<sup>th</sup> August 2014 at 9.00 a.m. and ends on 28<sup>th</sup> August 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 1<sup>st</sup> August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- c. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- d. M/s. Shah & Purohit, Chartered Accountant has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- e. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of date of 1<sup>st</sup> August 2014
- f. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.shardulsecurities.com](http://www.shardulsecurities.com) and on the website of CDSL viz. [www.cdslindia.com](http://www.cdslindia.com) and communicated to the BSE Limited.

**Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out all material facts relating to special business:**

**Item no. 5 and 6**

Mr. K.M. Shah and Mr. Gyandeo Chaturvedi are Independent Directors of the Company. Mr. K.M. Shah and Mr. Gyandeo Chaturvedi retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. K.M. Shah and Mr. Gyandeo Chaturvedi being eligible and offering themselves for appointment, is proposed to be appointed as an Independent Director to hold office for five consecutive years for a term up to the conclusion of the 34<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019. Notices have been received from a members proposing each of Mr. K.M. Shah and Mr. Gyandeo Chaturvedi as a candidate for the office of Director of the Company.

Mr. K.M. Shah and Mr. Gyandeo Chaturvedi are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has also received declarations from Mr. K.M. Shah and Mr. Gyandeo Chaturvedi that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. K.M. Shah and Mr. Gyandeo Chaturvedi fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as an Independent Director of the Company and are independent of the management.

Brief resume of Mr. K.M. Shah and Mr. Gyandeo Chaturvedi, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Except Mr. K.M. Shah and Mr. Gyandeo Chaturvedi, being appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 and 6.

The Board commends the Ordinary Resolutions set out at Item Nos. 5 and 6 of the Notice for approval by the shareholders.

**Item no. 7 and 8**

Mr. B. K. Shroff and Mr. Charul Abuvala are Independent Directors of the Company. Mr. B. K. Shroff and Mr. Charul Abuvala are directors whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. B. K. Shroff and Mr. Charul Abuvala being eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors to hold office for five consecutive years for a term up to the conclusion of the 34<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019. Notices have been received from a members proposing each of Mr. B. K. Shroff and Mr. Charul Abuvala as a candidate for the office of Director of the Company.

Mr. B. K. Shroff and Mr. Charul Abuvala are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has also received declarations from Mr. B. K. Shroff and Mr. Charul Abuvala that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. B. K. Shroff and Mr. Charul Abuvala fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as an Independent Director of the Company and are independent of the management.

Brief resume of Mr. B. K. Shroff and Mr. Charul Abuvala, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Except Mr. B. K. Shroff and Mr. Charul Abuvala, being appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 7 and 8.

The Board commends the Ordinary Resolutions set out at Item Nos. 7 and 8 of the Notice for approval by the shareholders.

**Item No. 9**

The members of the Company at their 20th Annual General Meeting held on 16th September 2005 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of 1,000 Crores (Rupees one thousand crores).

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 9 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs. 1000 Crores (Rupees one thousand crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 9.

**By Order of the Board of Directors**

**Place : Mumbai**  
**Date : 29<sup>th</sup> May 2014**

**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 Ninth Annual Report** and the Audited Accounts for the year ended March 31, 2014.

**1. Financial Results: -**

	<b>(Rs. in lacs)</b>	
	<b>2013-2014</b>	<b>2012-2013</b>
Profit/(Loss) before Depreciation	388.23	344.01
<b>Less:</b> Depreciation	44.05	44.97
Profit/(Loss) before Taxation	<b>432.28</b>	<b>299.04</b>
<b>Less:</b> Tax Expenses		
Provision for tax	75.00	45.00
Current tax expense relating to prior years	(3.32)	-
Deferred Tax Liability/(Asset)	(7.39)	(11.71)
Profit / (Loss) after Taxation	367.99	265.75
Surplus/(Deficit) brought forward from previous years	3231.39	3140.81
	<b>3599.38</b>	<b>3406.56</b>
<b>Appropriations:</b>		
Statutory Reserve Fund as per RBI Guidelines	<b>73.60</b>	<b>53.15</b>
Proposed Dividend (including dividend tax) on Equity Shares	<b>143.31</b>	<b>122.02</b>
Balance carried to Balance Sheet	<b>3382.47</b>	<b>3231.39</b>
	<b>3599.38</b>	<b>3406.56</b>

**2. Dividend:**

Your Directors recommend a dividend of Rupees 0.70 per Equity Share on 1,74,98,433 equity shares of Rs.10 each aggregating to Rs. 143.31 Lacs (including dividend tax) for the financial year ended 31<sup>st</sup> March 2014 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 29<sup>th</sup> August 2014 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.367.99 lakhs after tax as against net profit of Rs.265.75 lakhs posted during the previous year. The increase in the profit level is due to favourable market condition prevailed during the year.

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

The economy continued to witness a tardy growth for most part of the year under report and the GDP was pegged below 5% despite certain emergent measures initiated by the Govt. The negative outlook due to deficiency in decision making process left the overall economy high and dry and the inflation was hovering anywhere between 8 and 9 percent. During the last quarter of the year however a sudden spurt in economic activities was seen in anticipation of a change in the incumbency of the Govt post General Elections. The continued pressure on Current account deficit had forced the Govt and RBI to keep the interest rates high, curb imports of yellow metal and take a cautious stance on Govt Expenditure affecting investments and Capital expenditure. The major segments to suffer were the Industry, Agriculture and exports.

As a consequence of the negative sentiments, the capital markets too showed a sluggish trend though this was reversed partially during the last quarter of the year. The market showed a sudden upsurge and the valuations started moving up fairly briskly bringing cheers all around.

Post Elections, the markets witnessed a huge upswing and the general upbeat mood appears to augur well during the ensuing year.

(iii) **Business Review:**

Notwithstanding the slowdown in growth parameters, your company could improve its performance due to the positive changes in the last quarter of the year. As a result, the profitability improved and your company could show better results than anticipated at the end of the year. Your associate company, Antique Finance Pvt. Ltd. also managed better results during the year under report.

(iv) **Opportunities and Threats:**

With the change in the Government at the centre there is abundant optimism with regard to the GDP growth which is projected at more than 6% for the ensuing year and the corporate results are also expected to be far better than the previous years. There is also an euphoria in the capital market segment in anticipation of more liberal economic reforms, higher foreign investments and overall thrust for the growth of industry, agriculture, infrastructure and power. The coming years therefore appear to be very positive that could speed up the overall economic growth of the country.

**(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:**

With positive developments visible after the new government has taken over, your company anticipates the overall market conditions to improve providing adequate opportunities to achieve higher levels of growth in the coming years. Your company will take advantage of the potential conditions to improve the shareholders wealth in the best possible manner.

**(vii) Risks and Concerns:**

Your company's activities which are essentially in the capital market segments is fraught with inherent risk and any adverse trend in the global economy could result in significant changes in the fortunes of your company. Your company will however exercise due caution and care to ensure that all these concerns are addressed while taking investment decisions from time to time.

**(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. Subsidiary:**

Ministry of Corporate Affairs, Government of India, vide Circular No:5/12/2007-CL-III dated 8<sup>th</sup> February 2011 has granted exemption that the requirement to attach various documents in respect of subsidiary company, 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 company are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary company, as required by the said circular is disclosed in the Annual Report. The Company will make available the Annual Accounts of the subsidiary company 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 company will also be kept open for inspection by any investor at the registered office of the Company and that of the respective subsidiary company. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary company and associate company.

Shriyam Broking Intermediary Limited, a subsidiary of the company posted improved results as compared to the previous year. However, as the operations in the subsidiary company are limited in view of our broking business being concentrated in Antique Broking, we do not anticipate in higher volume of growth in this segment.

**5. Directors: -**

In accordance with Articles 155 of the Articles of Association of the Company and the provisions of the Companies Act, 1956, Mr. Naveen Chaturvedi, director is liable to retire by rotation at the ensuing AGM and is eligible for reappointment.

Mr. K. M. Shah, Mr. Gyandeo Chaturvedi, Mr. B. K. Shroff and Mr. Charul Abuwala, directors of the Company, are being appointed as independent directors for five years for a term up to the conclusion of the 34<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019 as per provisions of Section 149 and other applicable provisions of the Companies Act 2013.

Necessary resolutions for the appointment /re-appointment of the aforesaid directors have been included in the notice convening the ensuing AGM and details of the proposal for appointment / re-appointment are mentioned in the explanatory statement of the notice.

Your directors recommend their appointment / re-appointment.

Brief resume of the Directors proposed to be appointed/ reappointed, nature of their experience in specific functions and area and number of companies in which 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 2014, 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 2014 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.

**By Order of the Board of Directors**

**Place : Mumbai**  
**Date : 29<sup>th</sup> May 2014**

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

**Naveen Chaturvedi**  
**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 Four Independent Directors. The names of directors and their position are as follows:

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	Non 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 2014. The Board Meetings were held on 28<sup>th</sup> May 2013, 06<sup>th</sup> August 2013, 13<sup>th</sup> November 2013 and 13<sup>th</sup> February 2014. The Annual General Meeting of the Company was held on Wednesday, 18th September 2013 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	Other Directorships (excluding Directorship in Pvt. Co's.)	Committee Memberships	Committee Chairmanships
Mr. Devesh Chaturvedi	CH	4	Yes	--	--	--
Mr. Bhupendra K. Shroff	NED	4	No	2	4	3
Mr. R. Sundaresan	ED	4	Yes	1	2	--
Mr. Kantilal Shah	NED	4	Yes	1	1	--
Mr. Charul Abuwala	NED	3	No	--	--	--
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. Kantilal Shah, aged 81 years, a practicing Chartered Accountant. He is a Director in Jain Sahakari Bank Ltd (co operative bank) He is a Member of Audit Committee of the Company.

Mr. Gyandeo Chaturvedi aged 47 years, B.Com and F.C.A. He is also the Chairman of the Audit Committee and Member of Shareholders /Investor Grievances Committee, Remuneration Committee, Risk Management Committee and Asset Liability Management Committee of the Company.

Mr. Bhupendra K.Shroff aged 76 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, Asian Star Company Ltd and 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. Charul Abuwala , aged 52 years B.A., LL.B., Radar Maintenance Engineer, UK is Practicing Advocate and having vast experience in legal field.

Mr. Naveen Chaturvedi aged 33 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, SVK Motors Private Limited, Antique Sectrade Private Limited 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 Five committees of Directors, namely Shareholders/Investor Grievances Committee, Remuneration Committee, Audit Committee, Risk Management Committee and Asset Liability Management 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 issue of duplicate certificates and oversees and reviews all matters connected with transfer of securities of the Company. The Committee also monitors redressal of investor's grievances. The Committee oversees performance of the Registrar and Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.

During the year, three meetings were held on April 15, 2013, September 12, 2013 and March 28, 2014.

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 16.

The Shares held by Non Executive Directors as on 31.03.2014 are given below:

Sr No.	Name of the Director	Status	No of Shares	% Holding
1	Mr. Devesh D Chaturvedi	Non Executive Chairman.	23,86,671	13.64
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 2013-2014, the Committee met four times. The Committee Meetings were held on 28<sup>th</sup> May 2013, 06<sup>th</sup> August 2013, 13<sup>th</sup> November 2013 and 13<sup>th</sup> February 2014. 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	4
4	Mr. R Sundaresan	4

• **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	40,000
Mr. Bhupendra K Shroff	NIL	47,000
Mr. Kantilal M Shah	NIL	44,000
Mr Charul Abuwala	NIL	30,000
Mr. Gyandeo Chaturvedi	NIL	47,000
Mr. R Sundaresan	6,50,000	0
Mr Naveen Chaturvedi	NIL	30,000
<b>Total</b>	<b>6,50,000</b>	<b>238,000</b>

• **Risk Management Committee:**

Risk Management Committee assist the Board in formulating risk strategy policies and assess the quality, integrity and effectiveness of the risk management systems and also effectively implement and manage the said risk policies and strategies.

Risk Management Committee consists of following members and meet once in a year to review the robustness of Risk Management policy and report to audit committee and Board. During the year, one Meeting was convened on August 6, 2013.

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

• **Asset Liability Management Committee**

The Asset-Liability Management Committee (ALCO) consisting of following members are responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the company (on assets and liabilities sides) in line with the company's budget and risk management objectives.

During the year, one Meeting was convened on August 8, 2013.

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

**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 2014.

Place: Mumbai  
Date: 29<sup>th</sup> May 2014

**R Sundaresan**  
Executive Director

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

Date & Time : 5<sup>th</sup> September 2014 at 10.00 a.m.  
Venue : Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400 021.

**2. Financial Calendar 2014-15 :**

Board Meetings	Tentative dates
Results for the quarter ending June 30, 2014	Second week of August, 2014
Results for the quarter ending September 30, 2014	Second week of November, 2014
Results for the quarter ending December 31, 2014	Second week of February, 2015
Results for the year ending March 31, 2015	Last week of May, 2015

**3. Book closure dates : 30<sup>th</sup> August 2014 to 4<sup>th</sup> September 2014**

(Both days inclusive) for payment of dividend.

**4. Dividend Payment Date : On or after 6<sup>th</sup> September 2014****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 been duly paid by the Company up to the financial year 2014-15.

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

94.21% of the Equity Shares have been dematerialized up to 31<sup>st</sup> March 2014. 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 2013-14 were 2,57,921 and its value was Rs. 89,93,836/-

**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 2014: -**

- I) The Distribution of Shareholding as on 31<sup>st</sup> March 2014: -

No. of Equity Shares held	Shareholders		Shares held	
	No.	%	No.	%
1 -- 500	11418	95.5401	1265002	7.2292
501 -- 1000	233	1.9496	191604	1.0950
1001 -- 2000	111	0.9288	169650	0.9695
2001 -- 3000	61	0.5104	157610	0.9007
3001 -- 4000	28	0.2343	98153	0.5609
4001 -- 5000	23	0.1925	105383	0.6022
5001 -- 10000	26	0.2176	190340	1.0878
10001 and above	51	0.4267	15320691	87.5546
<b>TOTAL</b>	<b>11951</b>	<b>100.00</b>	<b>17498433</b>	<b>100.00</b>

- II) Shareholding Pattern as on 31<sup>st</sup> March 2014: -

Category	No. of Shares	%
Promoters	12509840	71.49
Financial Institutions / Banks / Mutual Funds / Insurance Company	0	-
Corporate Bodies	2548649	14.57
Indian Public	2419001	13.82
NRI / OCB	7066	0.04
Others (Share in Transit)	13877	0.08
<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: -

Year	Location	Date	Time
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
2012-2013	Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400 021.	18.09.2013	10.00 a.m

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

Sr. No.	Date of AGM	Particulars of Special Business Transacted
1	10.09.2011	No special resolution was passed
2	28.09.2012	Re- appointment of Mr. R Sundaresan as Executive Director for a period of three years.
3	18.09.2013	No special resolution was passed

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 2013-2014 were as follows:

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

Month	Share Price		BSE Sensex	
	High	Low	High	Low
April, 2013	45.85	34.80	19622.68	18144.22
May, 2013	38.00	33.05	20443.62	19451.26
June, 2013	36.00	28.90	19860.19	18467.16
July, 2013	36.30	25.50	20351.06	19126.82
August, 2013	32.25	20.15	19569.20	17448.71
September, 2013	36.60	28.00	20739.69	18166.17
October, 2013	44.40	30.00	21205.44	19264.72
November, 2013	44.90	40.85	21321.53	20137.67
December, 2013	47.35	44.00	21483.74	20568.70
January, 2014	46.50	40.85	21409.66	20343.78
February, 2014	39.95	31.80	21140.51	19963.12
March, 2014	36.00	32.00	22467.21	20920.98

**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 Shares held in physical form:</b>	<b>For shares held in demat form:</b>
	<b>Link Intime India Private Limited</b> C-13 Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400 078	To the Depository Participant.

**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 400078  
Tel.No.: 25946970-78; Fax : 25946969  
Email: rnt.helpdesk@linkintime.co.in

## 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 2014, 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**  
(Registration No. 116762W)

CA Rajen J Damani  
Partner

Membership No. 034375

**Place : Mumbai**  
**Date : 29<sup>th</sup> May 2014**

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**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 2014 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: **29<sup>th</sup> May 2014**

**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 31st March 2014, 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") read with the General Circular 15/2013 dated September 13, 2013 issued by Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- 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, as required by section 227(3) of the Act, 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, notified under the Act, read with the General Circular 15/2013 dated September 13, 2013 issued by Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
  - e) On the basis of written representations received from the Directors as at 31st March, 2014 and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31st March, 2014 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: 29th May, 2014

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**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF SHARDUL SECURITIES LTD.  
FOR THE YEAR ENDED 31ST MARCH 2014.**

(Referred to in paragraph 1 of our report on other legal and regulatory requirements 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, 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 its wholly owned subsidiary, covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year Rs.255 lacs and the closing balance at year end is Rs.75 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.
- vi. According to the information and explanations given to us, the Company has not accepted any deposits from the public under 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.

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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, 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, 2014 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.
- 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 loss 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 and shares held by nominees for beneficial interest of the company.
  - 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, 2014, 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: 29th May, 2014

**BALANCE SHEET AS AT 31ST MARCH, 2014**

(Rs. In Lacs)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	1,749.84	1,749.84
(b) Reserves and Surplus	2	8,192.48	7,967.80
		<b>9,942.32</b>	9,717.64
<b>Non-Current Liabilities</b>			
(a) Deferred Tax Liability (net)	3	173.90	181.28
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	4	-	778.74
(b) Other Current Liabilities	5	142.59	247.04
(c) Short-Term Provisions	6	147.25	123.58
		<b>289.84</b>	1,149.36
<b>TOTAL</b>		<b>10,406.06</b>	<b>11,048.28</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	7		
(i) Tangible Assets		1,502.06	1,535.47
(ii) Intangible Assets		0.08	0.23
		<b>1,502.14</b>	1,535.70
(b) Non-Current Investments	8	3,733.09	4,221.97
(c) Long-Term Loans and Advances	9	89.14	114.57
		<b>5,324.37</b>	5,872.24
<b>Current Assets</b>			
(a) Inventories	10	2,731.70	4,218.26
(b) Trade Receivables	11	38.55	155.89
(c) Cash and Cash Equivalents	12	734.69	105.41
(d) Short-Term Loans and Advances	13	1,576.75	696.48
		<b>5,081.69</b>	5,176.04
<b>TOTAL</b>		<b>10,406.06</b>	<b>11,048.28</b>
Significant Accounting Policies	A to P		
Notes on Financial Statement	1 to 31		

As per our report of even date

**For RAJEN DAMANI & ASSOCIATES**

Chartered Accountants

**CA Rajen J. Damani**

Partner

M No. 034375

Place :- Mumbai

Date :- 29th May, 2014

**For and on behalf of the Board of Directors**
**Devesh Chaturvedi**
**(Chairman)**
**Kantilal Shah**
**(Director)**
**Charul Abuwala**
**(Director)**
**Gyandeo Chaturvedi**
**(Director)**
**Naveen Chaturvedi**
**(Director)**
**R. Sundaresan**
**(Executive Director & CEO)**
**Saurabh Chaturvedi**
**(CFO)**
**Monika Agarwal**
**(Company Secretary)**

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

		(Rs. In Lacs)	
Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>INCOME</b>			
Revenue from Operations	14	457.15	279.39
Other Income	15	309.69	281.07
<b>Total Revenue</b>		<b>766.84</b>	560.46
<b>EXPENDITURE</b>			
(a) Employee Benefits Expense	16	36.61	33.61
(b) Finance Costs	17	2.87	113.50
(c) Depreciation and Amortisation Expenses		44.05	44.97
(d) Other Expenses	18	72.10	69.90
(e) Bad Debts		176.56	-
(f) Contingent Provisions against Standard Assets	28	2.37	(0.56)
<b>Total Expenses</b>		<b>334.56</b>	261.42
<b>Profit before Exceptional and Extraordinary Items and Tax</b>		<b>432.28</b>	299.04
Exceptional Items		-	-
<b>Profit before Extraordinary Items and Tax</b>		<b>432.28</b>	299.04
Extraordinary Items		-	-
<b>Profit before Tax</b>		<b>432.28</b>	299.04
<b>Tax Expense:</b>			
(a) Current Tax Expense		75.00	45.00
(b) Current Tax Expense Relating to Prior Years		(3.32)	-
(c) Deferred Tax Liability / (Asset)		(7.39)	(11.71)
		<b>64.29</b>	33.29
<b>Profit for the year</b>		<b>367.99</b>	265.75
<b>Earnings per equity share of face value of Rs. 10/- each :</b>	19		
(a) Basic		2.10	1.52
(b) Diluted		2.10	1.52
Significant Accounting Policies	A to P		
Notes on Financial Statement	1 to 31		

As per our report of even date

**For RAJEN DAMANI & ASSOCIATES**

Chartered Accountants

**CA Rajen J. Damani**

Partner

M No. 034375

Place :- Mumbai

Date :- 29th May, 2014

**For and on behalf of the Board of Directors****Devesh Chaturvedi****(Chairman)****Kantilal Shah****(Director)****Charul Abuwala****(Director)****Gyandeo Chaturvedi****(Director)****Naveen Chaturvedi****(Director)****R. Sundaresan****(Executive Director & CEO)****Saurabh Chaturvedi****(CFO)****Monika Agarwal****(Company Secretary)**

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in Lacs)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
<b>A. Cash Flow from operating activities</b>				
<b>Net Profit / (Loss) before tax, Extraordinary and prior period items</b>		<b>432.28</b>		299.04
<b>Adjustments for:</b>				
Non cash Items				
Depreciation	44.05		44.97	
Provision for Contingent Standard Assets	2.37	46.42	(0.56)	44.41
Profit / (Loss) on sale of Investments		(590.25)		(345.04)
Rent Income		(207.00)		(192.00)
Dividend received on investments		(84.72)		(83.68)
<b>Operating Profit/(Loss) before working capital changes</b>		<b>(403.27)</b>		<b>(277.27)</b>
<b>Adjustments for:</b>				
Trade & Other Receivables		117.34		(90.64)
Inventories		1,486.56		(1,700.33)
Trade & Other Payables		(104.45)		203.14
		<b>1,499.45</b>		<b>(1,587.83)</b>
<b>Cash generated from (used in) operations</b>		<b>1,096.18</b>		<b>(1,865.10)</b>
Income Tax paid		(46.28)		(76.87)
<b>Cash inflow / (outflow) before extraordinary and prior period items</b>		<b>1,049.90</b>		<b>(1,941.97)</b>
Extraordinary and prior period items		-		-
<b>Net Cash from / (used) in operation activities</b>		<b>1,049.90</b>		<b>(1,941.97)</b>
<b>B. Cash flow from investment activities</b>				
Sale / (Purchase) of fixed assets		(10.49)		3.34
Purchase of investments		(12,060.00)		(1,977.24)
Sale of investments		13,139.15		2,455.56
Rent Income		207.00		192.00
Dividend received on investments		84.72		83.68
Loans & Advances (Long Term)		0.03		0.59
Loans & Advances (Short Term)		(880.27)		229.79
<b>Net cash (used) in investment activities</b>		<b>480.15</b>		<b>987.72</b>
<b>C. Cash flow from financing activities</b>				
Dividend paid on Equity Shares including tax		(122.02)		(122.02)
Loan from Corporate Body		(778.74)		778.74
<b>Net cash from / (used) in financing activities</b>		<b>(900.76)</b>		<b>656.72</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>629.28</b>		<b>(297.53)</b>
<b>Cash and cash equivalents as at 1st April 2013</b>		<b>105.41</b>		<b>402.94</b>
<b>Cash and cash equivalents as at 31st March 2014</b>		<b>734.69</b>		<b>105.41</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 :- 29th May, 2014

For and on behalf of the Board of Directors

<b>Devesh Chaturvedi</b>	<b>(Chairman)</b>
<b>Kantilal Shah</b>	<b>(Director)</b>
<b>Charul Abuwala</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>Saurabh Chaturvedi</b>	<b>(CFO)</b>
<b>Monika Agarwal</b>	<b>(Company Secretary)</b>

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## 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 Expenditure:**

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 of 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 of 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 ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. In Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
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**Note 1 Share Capital****(A) SHARE CAPITAL:****Authorised Share Capital :**

10,00,00,000 Equity Shares of Rs. 10 each

(10,00,00,000)

10,000.00

10,000.00

10,000.0010,000.00**Issued, Subscribed and Paid up :**

1,74,98,433 Equity Shares of Rs. 10 each (Fully Paid up)

(1,74,98,433)

1,749.84

1,749.84

1,749.841,749.84

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	2013 - 14	2012 - 13
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 details of Shareholders holding more than 5% shares :**

Sr. No.	Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
(i)	Shruti G Chaturvedi	2,752,300	15.73	2,752,300	15.73
(ii)	Varsha R Chaturvedi	2,517,700	14.39	2,517,700	14.39
(iii)	Devesh D Chaturvedi	2,386,671	13.64	1,808,604	10.34
(iv)	A to Z Broking Services Pvt. Limited	1,586,150	9.06	1,586,150	9.06
(v)	Shriyam Commodities Intermediary Pvt. Limited	932,000	5.33	932,000	5.33

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

(Rs. In Lacs)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
<b>Note 2 - Reserves &amp; Surplus</b>				
<b>(A) Capital Reserve</b>				
Balance as per the last financial statement	<u>6.90</u>	6.90	<u>6.90</u>	6.90
<b>(B) Securities Premium Account</b>				
Balance as per the last financial statement	<u>2,666.69</u>		2,666.69	
Less: Premium utilised	<u>-</u>	2,666.69	<u>-</u>	2,666.69
<b>(C) General Reserve</b>				
Balance as per the last financial statement	<u>328.58</u>		328.58	
Add : Amount transferred from surplus balance in the Statement of Profit and Loss	<u>-</u>	328.58	<u>-</u>	328.58
<b>(D) Statutory Reserve Fund (As per RBI Guidelines)</b>				
Balance as per the last financial statement	<u>1,734.24</u>		1,681.09	
Add : Amount transferred from surplus balance in the Statement of Profit and Loss	<u>73.60</u>	1,807.84	<u>53.15</u>	1,734.24
<b>(E) Surplus / (Deficit) in the statement of profit and loss Account</b>				
Balance as per the last financial statement	<u>3,231.39</u>		3,140.81	
Add : Profit for the year	<u>367.99</u>		265.75	
Amount available for Appropriations	<u>3,599.38</u>		3,406.56	
<b>Less : Appropriations</b>				
Transferred to Statutory Reserve Fund (As per RBI Guidelines)	<u>73.60</u>		53.15	
Proposed Dividend on Equity Shares	<u>122.49</u>		104.99	
Tax on Proposed Dividend	<u>20.82</u>	<u>3,382.47</u>	<u>17.03</u>	<u>3,231.39</u>
<b>Total</b>		<u><u>8,192.48</u></u>		<u><u>7,967.80</u></u>
<b>Note 3 - Deferred Tax Liability</b>				
<b>Deferred Tax Liability</b>				
Related to Fixed Assets		<u>173.90</u>		<u>181.28</u>
<b>Total</b>		<u><u>173.90</u></u>		<u><u>181.28</u></u>
<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		<u>-</u>		<u>28.00</u>
<b>Total</b>		<u><u>-</u></u>		<u><u>778.74</u></u>
* Secured against shares held as Stock in Trade.				
<b>Note 5 Other Current Liabilities</b>				
(a) Unclaimed Dividends *		<u>31.28</u>		32.91
(b) Security Deposit Payable		<u>108.00</u>		108.00
(c) Other Payables		<u>3.31</u>		<u>106.13</u>
<b>Total</b>		<u><u>142.59</u></u>		<u><u>247.04</u></u>

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

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. In Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>Note 6 Short - Term Provisions</b>		
(a) Contingent provision against Standard Assets	3.94	1.56
(b) Proposed Dividend	122.49	104.99
(c) Tax on Proposed Dividend	20.82	17.03
<b>Total</b>	<b>147.25</b>	<b>123.58</b>

**Note 7 - FIXED ASSETS**

(Rs. In Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April, 2013	Additions	Deductions/ Adjustments	As at 31st March, 2014	Upto 31st March, 2013	For the Year	Deductions/ Adjustments	As at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
<b>Tangible Assets</b>										
Office Premises - Owned	1,658.89	6.15	-	1,665.04	248.12	27.09	-	275.21	1,389.83	1,410.77
Computers	5.04	0.33	4.50	0.87	4.73	0.36	4.56	0.53	0.34	0.31
Furniture and Fixtures - Owned	139.02	-	-	139.02	64.02	8.80	-	72.82	66.20	74.99
Vehicles - Owned	46.17	-	3.70	42.47	30.76	4.33	7.64	27.45	15.02	15.41
Office Equipment - Owned	69.78	-	-	69.78	35.79	3.32	-	39.11	30.67	33.99
<b>TOTAL (A)</b>	<b>1,918.90</b>	<b>6.48</b>	<b>8.20</b>	<b>1,917.18</b>	<b>383.42</b>	<b>43.90</b>	<b>12.20</b>	<b>415.12</b>	<b>1,502.06</b>	<b>1,535.47</b>
<b>INTANGIBLE ASSETS</b>										
Computer Software	0.76	-	-	0.76	0.53	0.15	-	0.68	0.08	0.23
<b>TOTAL (B)</b>	<b>0.76</b>	<b>-</b>	<b>-</b>	<b>0.76</b>	<b>0.53</b>	<b>0.15</b>	<b>-</b>	<b>0.68</b>	<b>0.08</b>	<b>0.23</b>
<b>GRAND TOTAL (A + B)</b>	<b>1,919.66</b>	<b>6.48</b>	<b>8.20</b>	<b>1,917.94</b>	<b>383.95</b>	<b>44.05</b>	<b>12.20</b>	<b>415.80</b>	<b>1,502.14</b>	<b>1,535.70</b>
Previous Year	2,019.20	58.68	158.22	1,919.66	435.19	44.97	96.20	383.95	1,535.70	

**Notes:**

1. Office Premises includes :
  - a) 15 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.
2. Deductions/Adjustments includes Rs. 4.00 Lacs of excess provision of depreciation in earlier years and Rs.8.20 lacs on account of cost & accumulated depreciation of individual assets fully depreciated.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**
**Note 8 - Non - Current Investments**

(Rs. in lacs)

	Face Value/ Issue Price(Rs)	Quantity		Value	
		As at 31st March, 2014	As at 31st March,2013	As at 31st March, 2014	As at 31st March,2013
<b>In Equity shares - Quoted</b>					
<b>Fully Paid-up</b>					
I L & F S Engineering & Construction Co. Ltd	10	-	10,503	-	15.79
Essar Ports Ltd	10	<b>55,001</b>	266,666	<b>16.32</b>	84.92
Essar Shipping Ltd	10	<b>133,333</b>	262,666	<b>41.18</b>	78.77
Genus Paper & Boards Ltd	1	<b>340,395</b>	-	-	-
Genus Power Infrastructure Ltd	1	<b>340,395</b>	1,300,000	<b>62.12</b>	237.25
Reliance Industries Limited *	10	<b>464,000</b>	464,000	<b>1,024.90</b>	1,024.90
Rapco Home Finance Ltd	10	<b>143,500</b>	150,000	<b>224.02</b>	234.16
Wockhardt Ltd*	5	-	3,500	-	13.13
<b>Sub Total</b>				<b>1,368.54</b>	<b>1,688.92</b>
<b>Other Investments</b>					
<b>In Equity shares - Unquoted</b>					
<b>Fully Paid up</b>					
Banglore Stock Exchange Ltd	1	<b>8,350</b>	8,350	<b>0.08</b>	0.08
Bombay Stock Exchange Ltd	1	<b>58,838</b>	58,838	<b>0.05</b>	0.05
West Life Development Ltd	10	-	119	-	99.01
<b>Sub Total</b>				<b>0.13</b>	<b>99.14</b>
<b>In Subsidiaries (Whollyowned)</b>					
<b>Fully Paid up</b>					
Shriyam Broking Intermediary Ltd.	10	<b>10,000,000</b>	10,000,000	<b>1,000.00</b>	1,000.00
<b>In Associates</b>					
Antique Finance Pvt Ltd	10	<b>7,419,825</b>	7,419,825	<b>989.31</b>	989.31
<b>Sub Total</b>				<b>1,989.31</b>	<b>1,989.31</b>
<b>In Mutual Funds- Quoted</b>					
<b>Fully paid up units</b>					
LIC Mutual Fund - Index Fund Sensex	10	-	20,000	-	2.00
Franklin India Smaller Companies Fund	10	-	108,002	-	10.90
Birla Sun Life Savings Fund	100	-	1,940	-	1.94
<b>Sub total</b>				<b>-</b>	<b>14.84</b>
<b>Investment in Funds -Unquoted</b>					
HDFC India Real Estate Fund	1000	<b>13,688</b>	18,951	<b>136.88</b>	189.51
Urban Infrastructure fund	86750	<b>270</b>	270	<b>238.23</b>	240.25
(Previous year's Face Value Rs. 87,500/-)				<b>375.11</b>	429.76
<b>Total Investments</b>				<b>3,733.09</b>	<b>4,221.97</b>
<b>Market Value of Quoted Investments</b>				<b>4,871.01</b>	<b>4,349.66</b>

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

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. In Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>Note 9 Long - Term Loans and Advances (Unsecured and Considered Good)</b>		
(a) Security Deposits	1.35	1.38
(b) Income Tax (Net of Provision)	5.29	30.69
(c) Other Loans and Advances	<u>82.50</u>	<u>82.50</u>
<b>Total</b>	<u><u>89.14</u></u>	<u><u>114.57</u></u>
<b>Note 10 Inventories</b>		
Stock-in-Trade	<u>2,731.70</u>	<u>4,218.26</u>
<b>Total</b>	<u><u>2,731.70</u></u>	<u><u>4,218.26</u></u>
<b>Note 11 Trade Receivables (Unsecured and Considered Good)</b>		
(a) Over six months	0.04	-
(b) Others	<u>38.51</u>	<u>155.89</u>
	<b>38.55</b>	155.89
Less : Provision for Doubtful Debts	<u>-</u>	<u>-</u>
<b>Total</b>	<u><u>38.55</u></u>	<u><u>155.89</u></u>
<b>Note 12 Cash and Cash Equivalents</b>		
(a) Cash on Hand	0.04	0.01
(b) Balances with Banks *	<u>734.65</u>	<u>105.40</u>
<b>Total</b>	<u><u>734.69</u></u>	<u><u>105.41</u></u>
* Balances with Banks includes Unclaimed Dividend of Rs. <b>31.28</b> lacs ( P.Y. Rs. 32.91 Lacs )		
<b>Note 13 Short - Term Loans and Advances (Unsecured and Considered Good)</b>		
<b>(A) Loans and Advances to Related Parties</b>	<b>75.00</b>	255.70
(Refer note no. 22)		
<b>(B) Other Loans and Advances</b>		
(a) Inter Corporate Deposits	1,500.00	352.45
(b) Loans and Advances to Employees	0.35	0.34
(c) Prepaid Expenses	0.30	0.44
(d) Interest receivable	0.19	16.65
(e) Others	<u>0.91</u>	<u>70.90</u>
<b>Total</b>	<u><u>1,576.75</u></u>	<u><u>696.48</u></u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

(Rs. In Lacs)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>Note 14 Revenue from Operations</b>		
(a) Profit/ (loss) on dealing in securities (Net)	<b>(251.31)</b>	(136.49)
(b) Income from Advisory Fees and Services	<b>75.00</b>	-
(c) Interest Income	<b>43.21</b>	70.84
(d) Net Profit on Sale of Investments from		
- Non - Current Investments	<b>410.93</b>	233.50
- Current Investments	<b>179.32</b>	111.54
<b>Total</b>	<b>590.25</b>	345.04
	<b>457.15</b>	279.39
<b>Note 15 Other Income</b>		
(a) Dividend Income from		
- Non - Current Investments	<b>47.04</b>	47.06
- Current Investments	<b>37.68</b>	36.62
	<b>84.72</b>	83.68
(b) Rent Income	<b>207.00</b>	192.00
(c) Miscellaneous Income	<b>17.97</b>	5.39
<b>Total</b>	<b>309.69</b>	281.07
<b>Note 16 Employee Benefits Expense</b>		
(a) Salaries and Wages	<b>35.30</b>	32.26
(b) Contribution to Provident and Other Funds	<b>0.64</b>	0.64
(c) Staff Welfare Expenses	<b>0.65</b>	0.69
(d) Premium towards Group Gratuity Scheme	<b>0.02</b>	0.02
<b>Total</b>	<b>36.61</b>	33.61
<b>Note 17 Finance Cost</b>		
(a) Interest Expenses	<b>2.80</b>	102.48
(b) Other Borrowing Cost	-	9.20
(c) Bank Charges	<b>0.07</b>	1.82
<b>Total</b>	<b>2.87</b>	113.50

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014****(Rs. In Lacs)**

<b>Particulars</b>	<b>For the year ended 31st March, 2014</b>	<b>For the year ended 31st March, 2013</b>
<b>Note 18 Other Expenses</b>		
<b>(A) Payment to Auditors</b>		
(a) Audit Fees	<b>2.25</b>	2.25
(b) Tax Audit Fees	<b>0.50</b>	0.50
(c) Other Services	<b>0.25</b>	0.25
<b>(B) Operating / Administrative and General Expenses</b>		
(a) Rent, Rates and Taxes	<b>30.38</b>	22.61
(b) Other Repairs :		
i) Equipments	<b>0.73</b>	0.73
ii) Office Premises	<b>0.44</b>	0.09
(c) Travelling Expenses	<b>2.40</b>	1.74
(d) Telephone and lease line charges	<b>1.64</b>	1.57
(e) Directors Sitting Fees	<b>2.38</b>	2.19
(f) Postage & Telegram	<b>0.85</b>	0.86
(g) Business Promotion	<b>0.25</b>	0.33
(h) Printing & Stationery	<b>1.60</b>	3.10
(i) Electricity Charges	<b>1.03</b>	0.66
(j) Securities Transaction Tax	<b>8.33</b>	20.33
(k) Fees & Subscription	<b>1.19</b>	-
(l) Professional Fees	<b>11.23</b>	5.87
(m) Advertisement	<b>2.96</b>	0.97
(n) Miscellaneous Expenses*	<b>2.77</b>	5.85
(o) Motor Car Expenses	<b>0.92</b>	-
<b>Total</b>	<b>72.10</b>	<b>69.90</b>

\*includes Rs.0.46 lacs of prior period expenses.

**Note 19 Earnings Per Equity share**

(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)	<b>367.99</b>	265.75
Add : Extra-ordinary Items (Net of Tax)	-	-
Net Profit After Tax Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Rs. In Lacs)	<b>367.99</b>	265.75
(B) Weighted Average Number of Equity Shares Outstanding During the Year for Basic EPS and Diluted EPS (in Nos.)	<b>17,498,433</b>	17,498,433
(C) Basic and Diluted Earning per share of Rs. 10 each (in Rs.)		
Before Extra-ordinary items	<b>2.10</b>	1.52
After Extra-ordinary items	<b>2.10</b>	1.52
(D) Face Value per Equity Share (in Rs.)	<b>10.00</b>	10.00

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

**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.
- ii) *Associates / Group Cos or Firms*:  
Antique Finance Private Limited  
Chaturvedi & Shah
- iii) *Key Managerial Personnel*:  
Shri R. Sundaresan - Executive Director  
Shri Saurabh Chaturvedi - CFO
- iv) Transactions during the year with related parties. (Reimbursement of expenses has not been treated as related party transactions.)

(Rs. In Lacs)

Nature of Transactions	Subsidiary	Associates/ Group Cos	Key Management Personnel	Total
<b>Loans / Advances :</b>				
Given during the year	--	--	--	--
	(220.00)	(--)	(--)	(220.00)
Returned during the year	180.00	--	0.70	180.70
	(120.00)	(--)	(1.20)	(121.20)
Balance as at 31.03.14	75.00	--	--	75.00
	(255.00)	(--)	(0.70)	(255.70)
<b>Investments :</b>				
Made during the year	--	--	--	--
	(--)	(--)	(--)	(--)
Sold during the year	--	--	--	--
	(50.00)	(--)	(--)	(50.00)
Balance as at 31.03.14	1000.00	989.31	--	1989.31
	(1000.00)	(989.31)	(--)	(1989.31)
<b>Trade Receivable :</b>				
As at 31.03.14	24.21	--	--	24.21
	(149.49)	(--)	(--)	(149.49)
<b>Payment for remuneration and services :</b>				
Paid during the year	--	--	14.79	14.79
	(--)	(--)	(13.50)	(13.50)
<b>Exp for Trading Activities :</b>				
Paid / (Refunded) during the year. (Net)	3.98	0.28	--	4.26
	(8.44)	(0.69)	(--)	(9.13)
<b>Income:</b>				
Interest Received during the year	--	--	0.02	0.02
	(--)	(--)	(0.14)	(0.14)
Compensation received during the year	--	63.00	--	63.00
	(--)	(48.00)	(--)	(48.00)
Advisory Fees received / (payment) during the year	--	--	--	--
	(--)	(--)	(0.25)	(0.25)

(Figures in bracket indicate figures of previous year).

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

### 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. 8.29 lacs paid to Shri Saurabh Chaturvedi CFO.
2. Expenses for Trading Activities includes Rs 3.98 lacs paid to Shriyam Broking Intermediary Ltd. Subsidiary Company & Rs. 0.28 lacs paid to Antique Stock Broking Ltd, subsidiary of Antique Finance Pvt Ltd. an Associate Company.
3. Income from Compensation includes Rs. 63.00 lacs received from Chaturvedi & Shah, a Associate Firm.(Excluding Service Tax).

### 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 as per Accounting Standard (AS) 17 on "Segment Reporting".

### 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)

(Rs. In Lacs)

Particulars	Outstanding Balance as on 31 <sup>st</sup> March, 2014	Maximum Balance during the year Outstanding
i) Loans and advances in the nature of loans to subsidiaries	<b>75.00</b> (255.00)	<b>255.00</b> (375.00)
ii) Loans and advances in the nature of loans to associates	NIL NIL	NIL NIL
iii) Loans and advances in the nature of loan where there is		
a) No repayment schedule or repayment beyond seven years.	NIL NIL	NIL NIL
b) No interest or interest below section 372A of the Companies Act – Loan to employee/others (in ordinary course of business)	NIL NIL	NIL NIL
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.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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

Period of Accounting	FY. 2013 – 2014	FY. 2012 – 2013
<b>1. SUMMARY OF MEMBERSHIP DATA</b>		
Number of Employees	6	6
Average Age (in years)	45.00	44.00
Average Monthly Salary ( in Rupees)	27600.00	27600.00
Average Past Service	8.67	8.00
<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>4% P.A.</b>	5% P.A.
<b>4. RESULTS OF VALUATION</b>		
PV of Past Service Benefit (Rs. In Lacs)	6.41	6.41
Current Service Cost (Rs. In Lacs)	0.29	0.39
Total Service Gratuity (Rs. In Lacs)	23.98	23.98
Accrued Gratuity (Rs. In Lacs)	8.60	7.99
LCSA	6.33	6.38
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)	9.66	8.86
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

### Note 26

#### Directors Remuneration :

Salary to Executive Directors as under (include under the head payment to employees):-

Shri R. Sundaresan                      Rs. 6.50 Lacs ( P.Y. Rs. 6.50 Lacs )

Information relating to the payment to Executive Directors does not include payment for gratuity, which is provided for group of employees on an overall basis and as per the actuarial valuation report of the Life Insurance Corporation of India.

During the year, remuneration paid to the directors are within the prescribed limit in the Part II of Schedule XIII of the Companies Act, 1956.

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 31<sup>st</sup> March, 2014.

### Note 27

The Reserve Bank of India (RBI) vide its Notification No. DNBS. 223/CGM (US) - 2011 dated 17th January 2011 has issued directions to all NBFC's to make provision of 0.25% against standard assets with immediate effect. Accordingly, the company has made provision of Rs. 2.37 Lacs during the year against standard assets which has been charged to Statement of Profit & Loss. The above provision is treated as Tier II Capital.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

**Note 28****Contingent Liabilities:**

(Rs. in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Allotment money & Calls unpaid on partly paid shares / Debentures	98.19	101.06

**Note 29**

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

**Note 30**

Previous year's figures have been regrouped, rearranged and / or reclassified wherever necessary.

**Note 31**

Disclosure of details as required by Revised Para 13 of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, earlier Para 9BB of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

(Rs. in Lacs)

	Amount outstanding		Amount overdue	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
1 Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid.				
a) Debentures (other than falling within the meaning of public deposits)				
i. Secured	Nil	Nil	Nil	Nil
ii. Unsecured	Nil	Nil	Nil	Nil
b) Deferred Credits	Nil	Nil	Nil	Nil
c) Term Loans	Nil	Nil	Nil	Nil
d) Inter-Corporate Loans and Borrowings	Nil	Nil	Nil	Nil
e) Commercial Paper	Nil	Nil	Nil	Nil
f) Other Loans (specify nature) Bank overdraft	Nil	Nil	Nil	Nil
2 Break up of Loans and advances including bills receivable Other than those included in 3 below				
a) Secured	Nil	Nil	Nil	Nil
b) Unsecured (all loans and advances)	1665.89	811.05	Nil	Nil
3 Break up of Leased Assets and Stock on Hire and other assets counting towards AFC activities :				
Lease assets including lease rentals under sundry debtors:				
a) Financial Lease (net of Depreciation and lease adjustment)	Nil	Nil	Nil	Nil
b) Operating Lease	Nil	Nil	Nil	Nil
Stock on Hire including hire charges under sundry debtors:				
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

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	Amount outstanding		Amount overdue	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
4 Break up of Investments				
a) Current Investments: (stock in trade)				
Quoted:				
- Equity Shares	2518.86	3157.39	Nil	Nil
- Commodity Stock	Nil	751.14	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	212.84	309.73	Nil	Nil
b) Long-term Investments				
Quoted:				
- Equity Shares	1368.54	1688.92	Nil	Nil
- Preference Shares	Nil	Nil	Nil	Nil
- Debentures and Bonds	Nil	Nil	Nil	Nil
- Units of Mutual Funds	Nil	14.84	Nil	Nil
- Government Securities	Nil	Nil	Nil	Nil
- Others (please specify)	Nil	Nil	Nil	Nil
Unquoted:				
- Equity Shares	1989.44	2088.45	Nil	Nil
- Preference Shares	Nil	Nil	Nil	Nil
- Debentures and Bonds	375.11	429.76	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>8132.16</b>	<b>9248.39</b>	<b>Nil</b>	<b>Nil</b>
5 Borrower group-wise classification of assets financed as in 2 and 3 above				
a) Related Parties				
1 Subsidiaries	75.00	255.00	Nil	Nil
2 Companies in the same group	Nil	Nil	Nil	Nil
3 Other related parties	Nil	0.70	Nil	Nil
b) Other than related parties	<b>1589.37</b>	555.34	Nil	Nil
<b>Total</b>	<b>1664.37</b>	<b>811.04</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>31.03.2014</b>	31.03.2013	<b>31.03.2014</b>	31.03.2013
a) Related Parties				
1. Subsidiaries	4131.33	4132.14	1000.00	1000.00
2. Companies in the same group	2176.63	1924.07	989.31	989.31
3. Other related parties	Nil	Nil	Nil	Nil
b) Other than related parties	5441.72	5106.93	1743.78	2232.66
<b>Total</b>	<b>11749.68</b>	<b>11163.14</b>	<b>3733.09</b>	<b>4221.97</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	Amount outstanding		Amount overdue	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
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 :- 29th May, 2014

**For and on behalf of the Board of Directors****Devesh Chaturvedi****(Chairman)****Kantilal Shah****(Director)****Charul Abuwala****(Director)****Gyandeo Chaturvedi****(Director)****Naveen Chaturvedi****(Director)****R. Sundaresan****(Executive Director & CEO)****Saurabh Chaturvedi****(CFO)****Monika Agarwal****(Company Secretary)**

**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  
Shardul 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 31/03/2014 : **Rs. (0.81) lacs**
- ii For the previous financial years since it became a subsidiary : **Rs. 3,132.14 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 :- 29th May, 2014

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

<b>Devesh Chaturvedi</b>	<b>(Chairman)</b>
<b>Kantilal Shah</b>	<b>(Director)</b>
<b>Charul Abuwala</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>Saurabh Chaturvedi</b>	<b>(CFO)</b>
<b>Monika Agarwal</b>	<b>(Company Secretary)</b>

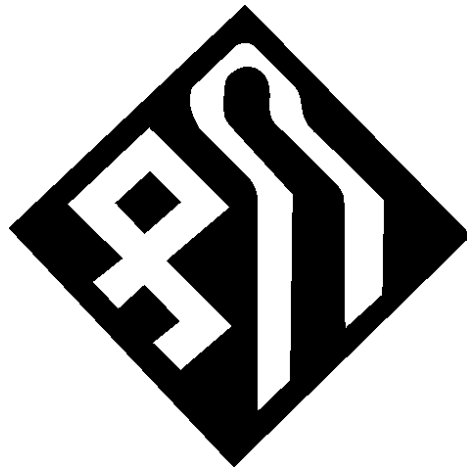
## Financial Information of Subsidiary Company for the year ended on 31st March, 2014

(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	3,131.33	4,278.62	4,278.62	3,118.79	114.87	22.21	23.02	(0.81)	-

# **SHARDUL**

## **SECURITIES LIMITED**



**CONSOLIDATED  
FINANCIAL STATEMENTS  
2013 - 2014**

## 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 BROKING INTERMEDIARY LIMITED** ("the subsidiary") and an associate company (collectively referred to as the "Group") which comprise the Consolidated Balance Sheet as at 31st March 2014, 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, 2014.

### 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") (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 issued by Ministry of Corporate Affairs). 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 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

In our opinion and to the best of information and according to the explanations given to us and based on our audited reports as aforesaid, including those of the subsidiary and unaudited financial statements and other financial information of the associate company noted below, 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, 2014;
- 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 of the subsidiary, which reflect total assets of Rs.4,278.61 lacs and total revenues of Rs.114.87 lacs and net cash flows amounting to Rs. (117.55) lacs for the year then ended, have been audited by us.
2. We have relied on unaudited financial statements of the associate company, wherein the Group's share of profit aggregates Rs. 977.50 lacs. This unaudited financial statements as approved by the Board of Directors of the associate company and have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of the associate company is based solely on such approved unaudited financial statements.
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: 29th May, 2014

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014**

( Rs. In Lacs )

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	1,749.84	1,749.84
(b) Reserves and Surplus	2	<u>15,680.05</u>	<u>14,478.68</u>
		<b>17,429.89</b>	16,228.52
<b>Non-Current Liabilities</b>			
(a) Deferred Tax Liability (Net)	3	<b>205.38</b>	215.58
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	4	-	778.74
(b) Trade Payables	5	<b>2.06</b>	0.50
(c) Other Current Liabilities	6	<b>160.14</b>	265.39
(d) Short-Term Provisions	7	<u>147.25</u>	<u>123.58</u>
		<b>309.45</b>	1,168.21
<b>TOTAL</b>		<u><b>17,944.72</b></u>	<u><b>17,612.31</b></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	8		
(i) Tangible Assets		<b>2,022.41</b>	2,066.69
(ii) Intangible Assets		<u>175.58</u>	<u>175.73</u>
		<b>2,197.99</b>	2,242.42
(b) Non-Current Investments	9	<b>10,208.12</b>	9,802.77
(c) Long-Term Loans and Advances	10	<b>486.49</b>	532.96
		<u><b>12,892.60</b></u>	<u>12,578.15</u>
<b>Current Assets</b>			
(a) Inventories	11	<b>2,731.70</b>	4,218.26
(b) Trade Receivables	12	<b>17.93</b>	107.29
(c) Cash and Cash Equivalents	13	<b>797.65</b>	260.93
(d) Short-Term Loans and Advances	14	<u>1,504.84</u>	<u>447.68</u>
		<b>5,052.12</b>	5,034.16
<b>TOTAL</b>		<u><b>17,944.72</b></u>	<u><b>17,612.31</b></u>
Significant Accounting Policies	A to C		
Notes on Financial Statement	1 to 29		

 As per our report of even date  
**For RAJEN DAMANI & ASSOCIATES**  
 Chartered Accountants

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

 Place :- Mumbai  
 Date :- 29th May, 2014

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

<b>Devesh Chaturvedi</b>	<b>(Chairman)</b>
<b>Kantilal Shah</b>	<b>(Director)</b>
<b>Charul Abuwala</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>Saurabh Chaturvedi</b>	<b>(CFO)</b>
<b>Monika Agarwal</b>	<b>(Company Secretary)</b>

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014****( Rs. In Lacs )**

<b>Particulars</b>	<b>Note No.</b>	<b>For the year ended 31st March, 2014</b>	<b>For the year ended 31st March, 2013</b>
<b>INCOME</b>			
Revenue from Operations	15	<b>517.27</b>	345.16
Other Income	16	<b>364.44</b>	335.01
<b>Total Revenue</b>		<b>881.71</b>	680.17
<b>EXPENDITURE</b>			
(a) Employee Benefits Expense	17	<b>60.17</b>	49.93
(b) Finance Costs	18	<b>7.90</b>	118.07
(c) Depreciation and Amortisation Expense		<b>55.10</b>	57.12
(d) Other Expenses	19	<b>125.13</b>	136.24
(e) Bad Debts		<b>176.56</b>	1.69
(f) Contingent Provisions against Standard Assets		<b>2.37</b>	(0.56)
<b>Total Expenses</b>		<b>427.23</b>	362.49
<b>Profit / (Loss) before Exceptional and Extraordinary Items and Tax</b>		<b>454.48</b>	317.68
Exceptional items		-	-
<b>Profit / (Loss) before Extraordinary Items and Tax</b>		<b>454.48</b>	317.68
Extraordinary Items		-	-
<b>Profit / (Loss) before Tax</b>		<b>454.48</b>	317.68
<b>Tax Expense:</b>			
(a) Current Tax Expense		<b>83.75</b>	58.25
(b) Current Tax Expense Relating to Prior Years		<b>13.76</b>	-
(c) Deferred Tax		<b>(10.21)</b>	(14.49)
<b>Profit / (Loss) for the year</b>		<b>367.18</b>	273.92
<b>Profit / (Loss) from Associate Co.</b>		<b>977.50</b>	518.61
<b>Profit / (Loss) for the year</b>		<b>1,344.68</b>	792.53
<b>Earnings per equity share of face value of Rs. 10/- each :</b>	20		
(a) Basic		<b>7.68</b>	4.53
(b) Diluted		<b>7.68</b>	4.53
Significant Accounting Policies	A to C		
Notes on Financial Statement	1 to 29		

As per our report of even date

**For RAJEN DAMANI & ASSOCIATES**

Chartered Accountants

**CA Rajen J. Damani**

Partner

M No. 034375

Place :- Mumbai

Date :- 29th May, 2014

**For and on behalf of the Board of Directors****Devesh Chaturvedi****(Chairman)****Kantilal Shah****(Director)****Charul Abuwala****(Director)****Gyandeo Chaturvedi****(Director)****Naveen Chaturvedi****(Director)****R. Sundaresan****(Executive Director & CEO)****Saurabh Chaturvedi****(CFO)****Monika Agarwal****(Company Secretary)**

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

( Rs. In Lacs )

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>A. Cash Flow from operating activities</b>		
<b>Net Profit before tax, Extraordinary and prior period items</b>	<b>454.48</b>	317.68
<b>Adjustments for:</b>		
Non cash Items		
Depreciation	55.10	57.12
Provision for Contingent Standard Assets	2.37	(0.56)
Profit on sale of Investments	(581.00)	56.56
Rent Income	(255.00)	(334.50)
Dividend received on investments	(88.38)	(240.00)
<b>Operating Profit before working capital changes</b>	<b>(412.43)</b>	<b>(605.32)</b>
<b>Adjustments for:</b>		
Trade & Receivables	127.53	(87.38)
Inventories	1,486.56	(98.61)
Trade Payable	(141.85)	(1,700.33)
	<u>1,472.24</u>	<u>127.94</u>
<b>Cash generated from / (used) in operations</b>	<b>1,059.81</b>	<b>(1,671.00)</b>
Direct Taxes paid	(58.61)	(1,958.64)
<b>Cash inflow / (outflow) before extraordinary and prior period items</b>	<b>1,001.20</b>	<b>(85.88)</b>
Extraordinary and prior period items	-	-
<b>Net cash from operation / (used) in activities</b>	<b>1,001.20</b>	<b>(2,044.52)</b>
<b>B. Cash flow from investing activities</b>		
Sale / (Purchase) of fixed assets	(11.94)	3.00
Adjustment in Fixed Assets*	1.28	-
Purchase of investments	(12,060.29)	(1,977.24)
Sale of investments	13,213.45	2,471.52
Rent Income	255.00	240.00
Dividend received on investments	88.38	87.38
Loans & Advances (Long Term)	7.56	(190.67)
Loans & Advances (Short Term)	(877.16)	225.27
<b>Net cash (used) in investing activities</b>	<b>616.28</b>	<b>859.26</b>
<b>C. Cash flow from financing activities</b>		
Dividend paid on Equity Shares including tax	(122.02)	(122.02)
Loan from Corporate Bodies	(958.74)	878.74
<b>Net cash (used) in / from financing activities</b>	<b>(1,080.76)</b>	<b>756.72</b>
<b>Net increase/ (Decrease) in cash and cash equivalents</b>	<b>536.72</b>	<b>(428.54)</b>
<b>Cash and cash equivalents as at 1st April 2013</b>	<b>260.93</b>	<b>721.11</b>
<b>Less: Opening balance of Shardul Energy Ltd.</b>	<b>-</b>	<b>31.64</b>
<b>Cash and cash equivalents as at 31st March 2014</b>	<b>797.65</b>	<b>260.93</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 :- 29th May, 2014

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

**Devesh Chaturvedi**

**(Chairman)**

**Kantilal Shah**

**(Director)**

**Charul Abuwala**

**(Director)**

**Gyandeo Chaturvedi**

**(Director)**

**Naveen Chaturvedi**

**(Director)**

**R. Sundaresan**

**(Executive Director & CEO)**

**Saurabh Chaturvedi**

**(CFO)**

**Monika Agarwal**

**(Company Secretary)**

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## SIGNIFICANT ACCOUNTING POLICIES

### A. Principles of consolidation :

The consolidated financial statements relate to Shardul Securities Limited (“the Company”) and its subsidiary company & associates. 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 subsidiary, over the net assets at the time of acquisition of shares in the subsidiary 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.
- vi) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of profit and loss being the profit or loss on disposal of investment in subsidiary.

B. Investment other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on “ Accounting for Investments.”

### 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 ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. In Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<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)	10,000.00	10,000.00
	<b>10,000.00</b>	<b>10,000.00</b>
<b><u>Issued, Subscribed and Paid up</u></b>		
1,74,98,433 Equity Shares of Rs. 10 each (1,74,98,433)	1,749.84	1,749.84
	<b>1,749.84</b>	<b>1,749.84</b>

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	2013-14	2012-13
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 details of Shareholders holding more than 5% shares :**

Sr. No.	Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
		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	2,386,671	13.64	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 ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

( Rs. In Lacs)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
<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	1,734.24		1,681.09	
Add : Amount transferred from surplus balance in the Statement of Profit and Loss	73.60		53.15	
		1,807.84		1,734.24
<b>(E) Surplus / (Deficit) in the statement of profit and loss</b>				
Balance as per the last financial statement	9,742.27		9,107.68	
Add : Loss of Shardul Energy already included in Op. balance	-		17.23	
Add : Profit for the year	1,344.68		792.53	
Amount available for Appropriations	11,086.95		9,917.44	
<b>Less : Appropriations</b>				
Transferred to Statutory Reserve Fund (As per RBI Guidelines)	73.60		53.15	
Proposed Dividend on Equity Shares	122.49		104.99	
Tax on Proposed Dividend	20.82	10,870.04	17.03	9,742.27
<b>Total</b>		<b>15,680.05</b>		<b>14,478.68</b>
<b>Note 3 - Deferred Tax Liability</b>				
<b>Deferred Tax Liability</b>				
Related to Fixed Assets		205.38		215.58
<b>Total</b>		<b>205.38</b>		<b>215.58</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>-</b>		<b>778.74</b>
* Secured against shares held as stock in trade.				
<b>Note 5 - Trade Payables</b>				
<b>(a) Micro, Small and Medium Enterprises</b>				
		-		-
<b>(b) Others</b>				
		2.06		0.50
<b>Total</b>		<b>2.06</b>		<b>0.50</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

( Rs. In Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>Note 6 - Other Current Liabilities</b>		
(a) Unclaimed Dividends *	31.28	32.91
(b) Other Payables	20.86	124.48
(c) Security Deposit Payable	108.00	108.00
<b>Total</b>	<b>160.14</b>	<b>265.39</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	3.94	1.56
(b) Proposed Dividend	122.49	104.99
(c) Tax on Proposed Dividend	20.82	17.03
<b>Total</b>	<b>147.25</b>	<b>123.58</b>

### Note 8 - FIXED ASSETS

( Rs. In Lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2013	Additions	Deductions/ Adjustments	As at 31st March, 2014	Upto 31st March, 2013	For the Year	Deductions/ Adjustments	Upto 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
<b>Tangible Assets</b>										
Office Premises - Owned	2,193.22	6.15	1.28	2,198.09	266.14	35.79	-	301.93	1,896.16	1,927.08
Computers	9.33	1.78	7.56	3.55	8.19	0.90	7.62	1.47	2.08	1.14
Furniture and Fixtures - Owned	152.71	-	-	152.71	77.64	8.88	-	86.52	66.19	75.07
Vehicles - Owned	54.04	-	3.70	50.34	34.75	5.08	7.64	32.19	18.16	19.29
Office Equipment - Owned	90.39	-	-	90.39	46.27	4.30	-	50.57	39.82	44.12
<b>TOTAL (A)</b>	<b>2,499.69</b>	<b>7.93</b>	<b>12.54</b>	<b>2,495.08</b>	<b>432.99</b>	<b>54.95</b>	<b>15.26</b>	<b>472.68</b>	<b>2,022.41</b>	<b>2,066.70</b>
<b>INTANGIBLE ASSETS</b>										
Computer Software	0.76	-	-	0.76	0.53	0.15	-	0.68	0.08	0.23
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>0.53</b>	<b>0.15</b>	<b>-</b>	<b>0.68</b>	<b>175.58</b>	<b>175.73</b>
<b>GRAND TOTAL (A+B)</b>	<b>2,675.95</b>	<b>7.93</b>	<b>12.54</b>	<b>2,671.34</b>	<b>433.52</b>	<b>55.10</b>	<b>15.26</b>	<b>473.36</b>	<b>2,197.99</b>	<b>2,242.43</b>
Previous Year	2,784.57	59.02	167.64	2,675.95	481.95	57.11	105.54	433.52	2,242.43	

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.
2. Deductions/Adjustments includes Rs. 4.00 Lacs of excess provision of depreciation in earlier years and Rs.11.26 lacs on account of cost & accumulated depreciation of individual assets fully depreciated.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. In Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>Note 9 - Non Current Investments</b>		
(a) <b>In Associates</b>		
Antique Finance Pvt Ltd	8,029.37	7,051.87
(b) <b>In Others</b>	2,178.75	2,750.90
<b>Total</b>	<u>10,208.12</u>	<u>9,802.77</u>
<b>Note 10 - Long - Term Loans and Advances (Unsecured and Considered Good) :</b>		
(a) Security Deposits	395.59	403.16
(b) Income Tax (Net of Provisions)	8.40	47.30
(c) Other Loans and Advances	82.50	82.50
<b>Total</b>	<u>486.49</u>	<u>532.96</u>
<b>Note 11 - Inventories</b>		
Stock-in-Trade	2,731.70	4,218.26
<b>Total</b>	<u>2,731.70</u>	<u>4,218.26</u>
<b>Note 12 - Trade Receivables (Unsecured and Considered Good) :</b>		
(a) Over six months	0.04	-
(b) Others	17.89	107.29
	<u>17.93</u>	<u>107.29</u>
Less : Provision for Doubtful Debts	-	-
<b>Total</b>	<u>17.93</u>	<u>107.29</u>
<b>Note 13 - Cash and Cash Equivalents</b>		
(a) Cash on Hand	0.09	0.09
(b) Balances with Banks		
In Current Accounts *	772.56	135.84
In Fixed Deposits **	25.00	125.00
<b>Total</b>	<u>797.65</u>	<u>260.93</u>
* Balances with Banks includes Unclaimed Dividend of Rs. 31.28 lacs ( P.Y. Rs. 32.91 Lacs )		
** Includes deposits with maturity of more than 12 months.		
<b>Note 14 - Short - Term Loans and Advances (Unsecured and Considered Good)</b>		
(a) Loans and Advances to Related Parties	-	0.70
(b) Inter Corporate Deposits	1,500.00	352.45
(c) Prepaid Expenses	1.49	1.40
(d) Interest receivable	0.61	18.82
(e) Deposits	1.00	1.00
(f) Others	1.74	73.31
<b>Total</b>	<u>1,504.84</u>	<u>447.68</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

(Rs. In Lacs)

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
<b>Note 15 Revenue from Operations</b>		
(a) Profit/ (loss) on dealing in securities (Net)	(247.33)	(128.05)
(b) Income from Advisory Fees and Services	75.00	-
(c) Interest Income	45.54	82.94
(d) Net Profit / (Loss) on Sale of Investments From :		
- Non - Current Investments	401.68	233.50
- Current Investments	179.32	101.00
(e) Brokerage	63.06	55.77
<b>TOTAL</b>	<b>517.27</b>	<b>345.16</b>
<b>Note 16 Other Income</b>		
(a) Dividend Income From :		
- Non - Current Investments	50.70	50.76
- Current Investments	37.68	36.62
	88.38	87.38
(b) Rent Income	255.00	240.00
(c) Interest on Income Tax Refund	2.52	-
(d) Miscellaneous Income	18.54	7.63
<b>TOTAL</b>	<b>364.44</b>	<b>335.01</b>
<b>Note 17 Employee Benefits Expense</b>		
(a) Salaries and Wages	58.14	47.16
(b) Contribution to Provident and Other Funds	1.38	2.06
(c) Staff Welfare Expenses	0.65	0.71
<b>TOTAL</b>	<b>60.17</b>	<b>49.93</b>
<b>Note 18 Finance Cost</b>		
(a) Interest Expenses	2.80	111.68
(b) Bank Charges	0.11	2.16
(c) Demat Charges	4.99	4.23
<b>TOTAL</b>	<b>7.90</b>	<b>118.07</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	0.30
<b>(B) Operating / Administrative and General Expenses</b>		
(a) Rent, Rates and Taxes	57.36	52.53
(b) Other Repairs :		
i) Equipments	1.60	1.49
ii) Office Premises	1.49	1.09
(c) Insurance	0.78	0.82
(d) Travelling & Conveyance	2.44	1.74
(e) Telephone and lease line charges	5.25	6.05
(f) Directors Sitting Fees	2.43	2.23
(g) Postage & Telegram	0.85	0.86

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

( Rs. In Lacs)

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
(h) Business Promotion	0.25	3.42
(i) Printing & Stationary	2.06	3.46
(j) Electricity Charges	4.43	3.34
(k) Securities Transaction Tax	8.40	20.35
(l) Fees & Subscription	2.46	2.39
(m) Professional Fees	15.39	12.02
(n) Miscellaneous Expenses	3.09	10.88
(o) Stamp Duty Charges	6.78	6.47
(p) Advertisement	2.96	0.97
(q) Motor Car Expenses	0.92	-
(r) Transaction Charges	2.09	1.75
(s) Exchange General Charges	0.10	0.38
<b>TOTAL</b>	<b>125.13</b>	<b>136.24</b>

**Note 20 Earnings Per Equity share**

(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)	1,344.68	792.53
Add : Extra-ordinary Items (Net of Tax)	-	-
Net Profit After Tax Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Rs. In Lacs)	1,344.68	792.53
(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	7.68	4.53
After Extra-ordinary items	7.68	4.53
(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

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

- ii) Associates :  
 Antique Finance Pvt. Ltd.
- iii) Key Managerial Personnel  
 Shri R. Sundaresan - Executive Director & Director (Subsidiary)  
 Shri Suresh Chaturvedi - Executive Director (Subsidiary)  
 Shri Saurabh Chaturvedi - Chief Financial Officer
- iv) Transactions during the year with related parties. Reimbursement of expenses has not been treated as related party transactions.
- (Rs. in Lacs )

Nature of Transaction	Associates / Group Companies	Key Management Personnel	Total
<b>Investments :</b>			
Made during the year	-- (--)	-- (--)	-- (--)
Sold during the year	-- (--)	-- (--)	-- (--)
Balance as at 31.03.14	3673.13 (3673.13)	-- (--)	3673.13 (3673.13)
<b>Loans advances and Deposit to :</b>			
Given during the year	-- (--)	-- (--)	-- (--)
Return During the year	-- (--)	0.70 (1.20)	0.70 (1.20)
Balance as at 31.03.14	-- (--)	-- (0.70)	-- (0.70)
<b>Payment for Remuneration and services:</b>			
Paid during the year	-- (--)	22.79 (21.50)	22.79 (21.50)
<b>Income Brokerages:</b>			
Received during the year	0.32 (0.76)	-- (--)	0.32 (0.76)
<b>Expenses :</b>			
Brokerages Paid during the year	0.28 (0.69)	-- (--)	0.28 (0.69)
Compensation paid during the year	24.00 (22.00)	-- (--)	24.00 (22.00)
Advisory Fees Paid during the year	-- (--)	-- (0.25)	-- (0.25)
<b>Income:</b>			
Interest Received during the year	-- (--)	0.02 (0.14)	0.02 (0.14)
Compensation received during the year	63.00 (48.00)	-- (--)	63.00 (48.00)
<b>Share of Profit</b>	977.50 (518.61)	-- (--)	977.50 (518.61)

(Figure in brackets indicates figure of previous year)

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

### 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. 8.29 Lacs 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.0.10 lacs from A to Z Broking Services Pvt. Ltd. Rs.0.09 lacs from Shriyam Commodities Intermediary Pvt. Ltd. and Rs.0.13 lacs from Pradeep Sandeep Trading & Investment Pvt. Ltd.
- iii) Brokerage of Rs. 0.28 lacs paid to Antique Finance Pvt. Ltd.
- iv) Expenses for Trading Activities include Rs.24.00 lacs paid to Shriyam Commodities Intermediary Pvt. Ltd. as compensation.
- v) Income of Compensation includes Rs. 63.00 lacs received from Chaturvedi & Shah, a Associate Firm.(Excluding Service Tax).

### 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	770.82 (568.90)	110.89 (111.27)	-- (--)	881.71 (680.17)
Inter Segment	-3.98 (-8.44)	3.98 (8.44)	-- (--)	-- (--)
Total	766.84 (560.46)	114.87 (119.71)	-- (--)	881.71 (680.17)
<b>Results</b>				
Segment Result (Before Tax)	436.26 (307.48 )	18.22 (10.20)		454.48 (317.68)
Provision for Tax	-- (--)	-- (--)		87.30 (43.76)
Profit/(Loss) after Tax	-- (--)	-- (--)		367.18 (273.92)
<b>Other Information</b>				
Segment Assets	13,666.11 (13,112.66)	4,278.61 (4,499.65)		17,944.72 (17,612.31)
Segment Liabilities	463.74 (1,330.64)	51.09 (53.15)		514.83 (1,383.79)
Depreciation	44.05 (44.97)	11.05 (12.15)		55.10 (57.12)

(Figure in brackets indicates figure of previous year)

### 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.

### Note 25

#### Payments to Auditors :

	(Rs. in lacs)	
	Current Year	Previous Year
Audit Fees	2.95	2.95
Tax Audit Fees	0.70	0.70
Certification Charges & Other capacity	0.35	0.35
<b>TOTAL</b>	<b>4.00</b>	<b>4.00</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

**Note 26**
**Directors Remuneration :**

Salary to Executive Directors as under :-

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

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, 2014.

**Note 27**

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 28**
**Contingent Liabilities:**

	(Rs. in Lacs)	
Particulars	As at 31.03.2014	As at 31.03.2013
Allotment money & Calls unpaid on partly paid shares / Debentures	<b>98.19</b>	101.06
Income Tax disputed matter pending with CIT ( Appeal ) & ITAT	<b>11.35</b>	19.52
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 29**

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 :- 29th May, 2014

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

<b>Devesh Chaturvedi</b>	<b>(Chairman)</b>
<b>Kantilal Shah</b>	<b>(Director)</b>
<b>Charul Abuwala</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>Saurabh Chaturvedi</b>	<b>(CFO)</b>
<b>Monika Agarwal</b>	<b>(Company Secretary)</b>

# SHARDUL SECURITIES LIMITED

CIN : L50100MH1985PLC36937

Registered Office: G-12, Tulsiani Chambers, 212, Nariman Point, Mumbai. 400021

## ATTENDANCE SLIP

Only shareholders or the Proxies will be allowed to attend the meeting

D.P. ID*		L.F.No.	
Client ID*		No. of Shares held	

I/ We hereby record my / our presence at the 29<sup>th</sup> Annual General Meeting of the Company being held on Friday, 5<sup>th</sup> September, 2014 at 10.00 a.m. at Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400021.

Signature of Shareholder(s) 1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

Signature of the Proxy holder \_\_\_\_\_

\*Applicable for investors holding shares in electronic form.

**Note: Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue. Please bring your identity proof for security reason.**

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L50100MH1985PLC36937  
Name of the Company : SHARDUL SECURITIES LIMITED  
Registered Office : G-12, Tulsiani Chambers, 212, Nariman Point, Mumbai, 400021

Name of the member(s)	
Registered Address	
Email ID	
Folio No./ Client ID	
DP ID	

I/ We, being the member(s) of..... shares of the above named company, hereby appoint:

(1) Name ..... Address .....

E-mail ID..... Signature.....or failing him;

(2) Name ..... Address .....

E-mail ID..... Signature.....or failing him;

(3) Name ..... Address .....

E-mail ID..... Signature.....or failing him;

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 29<sup>th</sup> Annual General Meeting of the company, to be held on Friday, 5<sup>th</sup> September, 2014 at 10.00 a.m. at Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
1	Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors		
2	Declaration of Dividend on Equity Shares		
3	Re-appointment of Mr. Naveen Chaturvedi, who retires by rotation.		
4	Appointment of M/s. Rajen Damani & Associates, Chartered Accountants as Auditors and fixing their remuneration		
5	Appointment of Mr. Kantilal Shah as an Independent Director.		
6	Appointment of Mr. Gyandeo Chaturvedi as an Independent Director.		
7	Appointment of Mr. B. K. Shroff as an Independent Director.		
8	Appointment of Mr. Charul Abuvala as an Independent Director.		
9	Special resolution under section 180(1)(c) of the Companies Act, 2013 for borrowing money upto Rs.1000 crore over and above the aggregate of the paid-up share capital and free reserves of the Company.		

Signed this..... day of .....2014

Signature of shareholder : .....

Affix Rs. 1/- Revenue Stamp
--------------------------------------

Signature of Proxy holder(s) : .....

- Note: (1) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**
- (2) For the Resolutions, Explanatory Statement and Notes, Please refer to the Notice of the 29<sup>th</sup> Annual General Meeting.
- \*(3) It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.
- (4) Please complete all details including details of member(s) in above box before submission.





*If Undelivered Please return to:*

**SHARDUL  
SECURITIES LIMITED**

G-12, Tulsiani Chambers,  
212, Nariman Point, Mumbai. 400021