

**SHARDUL**  
**SECURITIES LIMITED**



**31<sup>st</sup>**  
**ANNUAL REPORT**  
**2015 - 2016**

**SHARDUL**  
**SECURITIES LIMITED**

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

**BOARD OF DIRECTORS**

<b>R. Sundaresan</b>	- Executive Chairman
<b>Kantilal Shah</b>	- Independent Director
<b>Charul Abuwala</b>	- Independent Director
<b>Devesh Vasavada</b>	- Independent Director
<b>Monika Agarwal</b>	- Executive Director and Company Secretary
<b>Yogendra Chaturvedi</b>	- Executive Director and Chief Executive Officer
<b>Saurabh Chaturvedi</b>	- Chief Financial Officer

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**AUDITORS:**

**Rajen Damani & Associates**

**BANKERS:**

HDFC Bank Limited

**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: [investors@shriyam.com](mailto:investors@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 Thirty-First Annual General Meeting of the Members of Shardul Securities Limited will be held on Wednesday, 14<sup>th</sup> September 2016 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 2016 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. R. Sundaresan (DIN: 00029840), who retires by rotation and being eligible, offers himself for re-appointment.
3. To confirm payment of interim dividend of Rs. 0.60 per equity share, already paid during the year, for the year ended March 31, 2016.
4. To re-appoint M/s. Rajen Damani & Associates, Chartered Accountants, Mumbai (Registration No. 116762W) , to hold office from the conclusion of this Annual General Meeting, until the conclusion of Thirty Second Annual General Meeting to be held, subject to ratification at every Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company.

### SPECIAL BUSINESS:

5. **To confirm the appointment of Mr. Devesh Vasavada (DIN: 00273128) as a Director designated as Independent Non-Executive Director who was appointed as additional director and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of section 149, 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Devesh Vasavada (DIN: 00273128), who was appointed as an Additional Director of the Company pursuant to the provisions of section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Non-Executive Director of the Company for a period of 5 years with effect from 5<sup>th</sup> February, 2016.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. **To confirm the appointment of Mr. Yogendra Chaturvedi (DIN: 00013613) as Whole time Director designated as Executive Director and Chief Executive Officer who was appointed as an Additional Executive Director and in this regard to consider and if thought fit, to pass, the following resolution as an Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Yogendra Chaturvedi (DIN: 00013613), who was appointed as an Additional Director of the Company pursuant to the provisions of section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from him along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Executive Director of the Company, liable to retire by rotation, with effect from 5th February 2016.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of sections 196, 197, 203 and other applicable provisions of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendments thereto or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act 2013 (“the Act”), the Company in general meeting hereby approves, confirms and ratifies appointment of Mr. Yogendra Chaturvedi (DIN: 00013613), as Whole-time Director of the Company designated as “Executive Director and Chief Executive Officer”, for a period of five years with effect from 5th February 2016 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with right to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be mutually agreed, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**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 regulation 36(3) of SEBI (Listing Obligation and disclosure requirements) Regulations 2015, 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 Year 2007-08. 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 10<sup>th</sup> September 2016 to 13<sup>th</sup> September 2016 (both days inclusive).
10. Members may please note that the Dividend Warrants are payable at par at the designated branches of the Bank printed on reverse of the Dividend Warrant for an initial period of three months only. Thereafter, the Dividend Warrant on revalidation is payable only at limited centers/branches of the said Bank. The members are therefore, advised to encash Dividend Warrants within the initial validity period.
11. In order to provide protection against fraudulent encashment of the warrants, shareholders holding shares in physical form are requested to intimate the Company under the signature of the Sole/First joint holder, the following information to be incorporated on the dividend warrants:
  - a) Name of the Sole/First joint holder and the Folio Number.
  - b) Particulars of Bank Account, viz.: 1) Name of the Bank 2) Name of Branch 3) Complete address of the Bank with Pin Code Number 4) Account type, whether Savings (SB) or Current Account (CA) 5) Bank Account number allotted by the Bank.
12. Shareholders holding shares in electronic form may kindly note that their Bank accounts details as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such shareholders for deletion of/change in such bank details.
13. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Shareholders who wish to change such Bank Account details are therefore requested to advise their Depositories Participants about such change, with complete details of Bank Account.
14. Member desirous of getting any information on the accounts or operations of the Company is requested to forward his / her queries to the Company at least eight days prior to the meeting so that the required information can be made available at the Meeting.
15. Members holding shares in physical form are requested to notify /send the following to the Company's Registrars and Share Transfer Agents to facilitate better service:
  - a. Any change in their address/mandate/bank details.
  - b. Particulars of their bank account in case the same have not been sent earlier.
  - c. Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholding into one account.
  - d. Email-IdMembers holding shares in electronic form are requested to update /send their change in address/bank details/Email-id to the respective Depositories, viz. NSDL & CDSL.

## 16. 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 31<sup>st</sup> 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 shareholders voting electronically are as under:**

- (i) The voting period begins on 9.00 A.M on 11<sup>th</sup> September 2016 and ends on 5.00 P.M on 13<sup>th</sup> September 2016. 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 7<sup>th</sup> September 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (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:

	For Members holding shares in Demat Form and Physical Form
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 sequence number which is printed on address stickers</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 member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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 the relevant <Company Name> on which you choose to vote.
- (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 Resolution details.
- (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.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) 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).

M/s Dhirendra Maurya & Associates, Company Secretary in Practice, has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

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 i.e. 7<sup>th</sup> September 2016.

The Members who have cast their vote by remote e-voting shall not be entitled to cast their vote again

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” / “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer’s report and submit the same to the Chairman.. 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**

The Board of Directors have appointed Mr. Devesh Vasavada as Additional Non-Executive Independent Director of the Company, not liable to retire by rotation with effect from 05<sup>th</sup> February 2016 on the terms and conditions as set out below, subject to the approval of shareholders of the Company at the Annual General Meeting.

Also Section 149(6) of the Act, inter alia, provides for the terms and conditions required to be fulfilled by a person for being appointed as an independent director subject to the approval of the shareholders of the company at the Annual General Meeting and Mr. Devesh Vasavada has given all the necessary disclosures that justify his qualification to be so appointed.

Brief resume of Mr. Devesh Vasavada, nature of their expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.

Except Mr. Devesh Vasavada, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5

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

**Item no. 6**

The Board of Directors of your company, after reviewing the provision of the Companies Act, 2013, and based on the recommendations of the Nomination and Remuneration Committee, at their meeting held on 04<sup>th</sup> February 2016 appointed Mr. Yogendra Chaturvedi, as an Additional Director designated as an Executive Director and Chief Executive Officer with effect from 05<sup>th</sup> February 2016 as he fulfills the conditions specified in the Act, and the Rules made there under and SEBI (Listing Obligation and disclosure requirements) Regulations 2015 as amended from time to time by Stock Exchanges as per directions of SEBI.

The company proposes to appoint Mr. Yogendra Chaturvedi as Whole-time Director designated as “Executive Director and Chief Executive Officer”, liable to retire by rotation as per the provisions of Section 149, 152, 161, 196 and 197 of the Companies Act, 2013 read with relevant Rules of 2014 for a period of five years w.e.f from 05<sup>th</sup> February 2016.

The terms and conditions set out for re-appointment and payment of remuneration may be altered and varied from time to time by the Board of Directors of the company as it may at its discretion deem fit so as not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

The remuneration and other details are mentioned below for your information.

- a) Salary including other benefits: Rs.13.37 Lakhs per annum.
- b) Company's contribution to Provident Fund and payment of Gratuity shall be as per the Company Rules and Regulations.

Brief resume of Mr. Yogendra Chaturvedi, nature of their expertise in specific functional areas and names of companies in which she holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under regulation 36(3) of SEBI(Listing Obligation and disclosure requirements) Regulations 2015, are provided in the Corporate Governance Report forming part of the Annual Report.

Except Mr. Yogendra Chaturvedi, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6

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

#### By Order of the Board of Directors

Place : Mumbai

Date : 27<sup>th</sup> May 2016

R Sundaresan  
Executive Director

Monika Agarwal  
Executive Director and Company Secretary

#### Regd. Office:

G-12, Tulsiani Chambers

212, Nariman Point, Mumbai 400 021.

### The route map to AGM VENUE



## DIRECTORS REPORT

To,  
 The Members of  
 Shardul Securities Ltd.

Your Directors are pleased to present the Thirty-First Annual Report and the Audited Accounts for the year ended March 31, 2016.

### 1. Financial Results: -

(Rs. in lacs)

	2015-2016	2014-2015
Profit/(Loss) before Depreciation	545.85	1149.68
<b>Less:</b> Depreciation	41.57	48.16
Profit/(Loss) before Taxation	<u>504.28</u>	<u>1101.52</u>
<b>Less:</b> Tax Expenses		
Provision for tax	17.00	195.00
Current tax expense relating to prior years	0.75	-
Deferred Tax Liability/(Asset)	1.81	(11.03)
Profit / (Loss) after Taxation	<u>484.72</u>	<u>917.55</u>
Surplus/(Deficit) brought forward from previous years	<u>3917.47</u>	<u>3382.47</u>
	<u><b>4402.19</b></u>	<u><b>4300.02</b></u>
<b>Appropriations:</b>		
Statutory Reserve Fund as per RBI Guidelines	<b>96.94</b>	<b>183.51</b>
Proposed Dividend (including dividend tax) on Equity Shares	<b>126.36</b>	<b>168.49</b>
Adjustment relating to Fixed Assets	-	<b>30.55</b>
Balance carried to Balance Sheet	<u><b>4178.89</b></u>	<u><b>3917.47</b></u>
	<u><b>4402.19</b></u>	<u><b>4300.02</b></u>

### 2. Dividend:

Your Directors had declared interim dividend of Rs. 0.60 per Equity Share on 1,74,98,433 equity shares of Rs.10 each at their Board Meeting held on 11<sup>th</sup> March 2016 for year ending 31st March 2016 . With a view to conserve the financial resources of the company, your Directors have not recommended any Final dividend for year ending 31st March 2016.

### 3. Transfer to Reserves:-

As per requirement of RBI regulations, the Company has transferred the Statutory Reserve of Rs. 96.94 Lacs in Financial Year ended March 31, 2016.

### 4. Management Discussions and Analysis Report:-

#### (i) Financial Performance:

Your Company has posted a net profit of Rs. 484.72 lakhs as against a net profit of Rs. 917.55 lakhs during the previous year. An extraordinary income during the last year contributed to an increased levels of profit during the last year.

#### (ii) Industry Structure and developments:

The on-going global depression has continued to affect the economies all around the world as a result of which India also has suffered economically in many sectors like Steel, Cement, Consumer Goods and other services. Notwithstanding the efforts of the Government to gear up the economy, the off take has been low resulting in lower turnover and profits during the year under report. The huge losses provided for by the public sector banks would be an indication of depleted economic activities in many sectors of our economy. The brighter side of the picture however is the increase in the foreign exchange reserves that has crossed 360 billion dollars and relative stability of the Indian currency.

The Stock Exchange markets witnessed lower volumes and high volatility with index falling considerably depriving trading opportunities and profitability.

The drought conditions that prevailed during the year under report also affected the agricultural income and the consequent output levels causing inflationary trends and as a result, the interest level in general was also not lowered by the Banks to the expected levels to give a boost to the industrial activities.

However, during the ensuing year the monsoon is expected to be better, economic activities are likely to pick up and the global economy also might perform better which provides hopes for better performance.

#### (iii) Business Review:

Despite a general economic depression, your Company did well to maintain the average levels of income and profitability. The company however looks forward for better performance during the current year for various reasons stated above.

**(iv) Opportunities and Threats:**

The GDP is expected to grow around 7.6% in the coming year. The Government has taken many steps to hasten economic reforms, especially in the telecommunication, defense, and agricultural sector besides launching an aggressive campaign on 'Make In India' programme to encourage industrial activities on a larger scale. The foreign exchange reserves have already exceeded 360 Billion Dollars and if the Government is able to bring about changes in the GST Act and also tax reforms, it will boost more Foreign Direct Investments in many of the sectors. These steps would help to improve the economic activities manifolds resulting in a more vibrant capital market.

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

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

**(vi) Outlook:**

With positive developments stated as above, your company anticipates the market conditions to improve and achieve a better growth in the coming years. Your company always looks for opportunities to exploit any advantages the market would offer to improve the shareholders' wealth.

**(vii) Risks, Concerns and its Management:**

Your company's activities which are essentially in the capital market segments. The Risk perception of our activity could be discerned as under:

**Market Risk:** Your Company's major investments are mostly in Capital market Instruments like Shares, Mutual funds and Bonds and any volatility could erode the capital value of the investments. No doubt, your Company would keep a close vigil on movement of prices and take appropriate steps to minimize this risk.

**Interest risk:** The changes in interest rates by RBI and Banks could result in fluctuations in prices and consequently the income of various investments and borrowings by the company. Your company has put in measures to hedge this risk but this cannot be eliminated totally.

**Operation Risk:** The stock market operations are fraught with certain risks associated with market judgments by operational executives and their decision making process based on certain perceptions prevailing at any given time and these could change suddenly resulting in unexpected adverse positions. As the operations are human dependent, the error factor is always inbuilt in this activity. Some of the risks could be wrong data input, deviations from the rules of SEBI or Exchange due to oversight, lack of coordination amongst the dealing and back office, administrative delays in adhering to schedules etc. This is not exhaustive and your company strives to minimize this type of risk through adequate training and motivation periodically.

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

Your company has in place adequate interest control measures. There is continuous monitoring of all the activities and necessary creative measures are taken periodically to manage any unforeseen risk factors.

**(ix) Human Resources:**

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

**5. Subsidiaries:-**

Shriyam Broking Intermediary Limited, a wholly owned subsidiary of the company has started its operations again and will be achieving full scale operations during the current year. In view of the earlier cooling period the activities of the broking company was at a low level and hence the results were not comparable to the previous years.

**6. Names of Companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year:-**

During the year under review no company has ceased to be its subsidiaries, joint ventures or associate companies.

**7. Directors:-**

In accordance with Articles 155 of the Articles of Association of the Company and the provisions of the Companies Act, 2013, Mr. R. Sundaresan (holding Din No. 00029840), director is liable to retire by rotation at the ensuing AGM and is eligible for reappointment.

At a board meeting held on 04.02.2016 the board had appointed Mr. Yogendra Chaturvedi, (holding DIN: 00013613) as an Additional Executive Director and Mr. Devesh Vasavada (holding DIN: 00273128), as an Additional Independent Director and would vacate her office at the ensuing Annual General Meeting of the Company and is eligible for re-appointment at the ensuing Annual General Meeting of the Company

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 regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Report of Corporate Governance forming part of the Annual Report.

At the 30<sup>th</sup> Annual General Meeting of the company held on 11<sup>th</sup> September 2015, Mr. R. Sundaresan (holding Din: 00029840) was re-appointment as Whole-time Director of the Company for a period of three years with effect from 16<sup>th</sup> June 2015 and Ms Monika Agarwal, Company Secretary (Din: 07100711) who was appointed as an Additional Executive Director, was re-appointed as Executive Director.

Mr Devesh Chaturvedi, and Mr Gyandeo Chaturvedi have resigned from Board of Directors of the company with effect from February 05, 2016. Mr Bhupendra Shroff and Mr Naveen Chaturvedi also resigned from Board of Directors of the company with effect from May 26, 2016. The Directors place on record their appreciation of the valuable advice and guidance given by them while they were Directors of the Company.

All independent directors have given declaration that they meet the criteria of independence as laid under section 149(6) of the Companies Act, 2013 and regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **8. Appointments/Resignations of the Key Managerial Personnel:-**

Mr. Yogendra Chaturvedi was appointed as Executive Director and CEO of the Company with effect from 5<sup>th</sup> February 2016 in place of Mr. R. Sundaresan who has resigned as CEO of the Company.

#### **9. Board Evaluation:-**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### **10. Remuneration Policy:-**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

#### **11. Number of Meetings of the Board:-**

Five Meetings of the Board of Directors were held during the year and the details of such meetings forms part of the Corporate Governance Report.

#### **12. Audit Committee:-**

The Audit Committee as on 31<sup>st</sup> March 2016 comprises of Independent Directors namely Mr. Devesh Vasavada (Chairman), Mr. Kantilal Shah, Mr Bhupendra Shroff and Mr. Yogendra Chaturvedi (Executive Director) as other members. Due to Resignation of Mr Bhupendra Shroff w-e-f 26<sup>th</sup> May 2016, Mr Charul Abuwala, independent director was appointed as Audit Committee member at the board meeting held on 27<sup>th</sup> May 2016. All the recommendations made by the Audit Committee were accepted by the Board.

#### **13. Corporate Social Responsibility Committee:-**

Corporate Social Responsibility Committee on 31<sup>st</sup> March 2016 comprises of Mr. Devesh Vasavada (Chairman), Mr R Sundaresan and Mr Naveen Chaturvedi as other members.

Due to Resignation of Mr Naveen Chaturvedi w-e-f 26<sup>th</sup> May 2016, Mr Yogendra Chaturvedi, Executive director was appointed as Corporate Social Responsibility Committee member at the board meeting held on 27<sup>th</sup> May 2016.

#### **14. Extract of Annual Return:-**

The details forming part of the extract of the Annual Return in form MGT-9 as required under section 92 of the Companies Act 2013, is included in this Report as Annexure –I and forms as integral part of this Report.

#### **15. Taxation:-**

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

#### **16. Cash flow:-**

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Cash Flow Statement is appended with this report

#### **17. Directors' Responsibility Statement:-**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **18. Statutory Auditors and Auditors' Report:-**

The Company's Auditors, M/s Rajen Damani & Associates, Chartered Accountants, hold office up to the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

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

#### **19. Secretarial Audit:-**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed M/s Dhirendra Maurya & Associates, Company Secretary in Practice to undertake Secretarial Audit of the Company. The Secretarial Audit Report is included in Annexure –II and forms an integral part of this Report.

There is no secretarial audit qualification for the year under review.

#### **20. Internal Audit:-**

The Company internal control system is commensurate with its size, scale and complexities of the operations. The internal audit is entrusted to M/s. Sandeep R. Maheshwari and Co., Chartered Accountants formerly known as R. Jaitlia & Co. The Audit Committee of the Board of Directors and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken.

#### **21. Significant and material orders passed by the regulators or courts:-**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

#### **22. Corporate Governance:-**

Report on Corporate Governance stipulated under Regulation 34(3) and Regulation 53(f) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 regulation is annexed to and forms part of this Report.

#### **23. Consolidated Accounts:-**

In accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

#### **24. Particulars of loans, guarantees or investments by the Company:-**

Details of Loans, guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.

#### **25. Related Party Transactions:-**

There were no materially significant related party transactions, which could have had a potential conflict with the interests of the Company.

As required under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated policy on dealing with Related Party Transactions. The Policy is available on the website of the Company and Weblink of the same is: <http://www.shardulsecurities.com/related%20party%20transaction%20policy.pdf>

#### **26. Whistle blower policy and vigil mechanism:-**

The Company has established a whistle blower policy and vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct policy. The mechanism provides for adequate safeguards against victimization of directors and employees. None of the personnel have been denied access to the Audit Committee of the Board. The details of Whistle Blower Policy are available on the website of the Company [www.shardulsecurities.com](http://www.shardulsecurities.com)

**27. Corporate Social Responsibility Committee:-**

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Report as Annexure III.

**28. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:-**

The Company has in place a requisite policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, temporary, trainees) are covered under the policy. There was no complaint received from any employee during the financial year 2015-16 and hence no complaint is outstanding as on 31.03.2016 for redressal.

**29. Other Statutory information:-****a. Particulars of Employees:**

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company secretary and the same will be furnished on request

**b. Conservation of Energy, Technology Absorption and foreign Exchange earnings and outgo:**

- (i) Provisions 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 covered under Chapter V of the Act, 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.

**30. CEO/CFO Certification:-**

The Chief Executive Officer and Chief Financial Officer have issued a certificate pursuant to the provisions SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

**31. Acknowledgment:-**

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

**For and on behalf of Board**

**Place : Mumbai**  
**Dated : 22<sup>nd</sup> May 2015**

<b>R Sundaresan</b>	<b>Monika Agarwal</b>
<b>Executive Director</b>	<b>Executive Director &amp; Company Secretary</b>

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

**Annexure I**

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31.03.2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	L50100MH1985PLC036937
ii)	Registration Date	23/07/1985
iii)	Name of the Company	SHARDUL SECURITIES LIMITED
iv)	Category / Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
v)	Address of the Registered office and contact details	G-12, TULSIANI CHAMBERS, 212, NARIMAN POINT, MUMBAI – 400021. Tel.No.: 40090500 Fax No.: 22846585
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	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: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Investment activity	643	69.21
2	Management consultancy services	702	30.79

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Shriyam Broking Intermediary Limited. 712-713, Tulsiani Chambers, 212, Nariman Point, Mumbai 400 021.	U67120MH1994PLC081401	SUBSIDIARY COMPANY	100%	Section 2 (87)

**IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)****(i) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	9570007	100	9570107	54.6912	9570107	0	9570107	54.6912	0.0000	0.0000
b) Central Govt. or State Govt.	0	0	0	0.0000	0	0	0	0.0000	0.0000	0.0000
c) Bodies Corporates	3525300	400	3525700	20.1487	3525700	0	3525700	20.1487	0.0000	0.0000
d) Bank/FI	0	0	0	0.0000	0	0	0	0.0000	0.0000	0.0000
e) Any other	0	0	0	0.0000	0	0	0	0.0000	0.0000	0.0000
<b>SUB TOTAL: (A) (1)</b>	<b>13095307</b>	<b>500</b>	<b>13095807</b>	<b>74.8399</b>	<b>13095807</b>	<b>0</b>	<b>13095807</b>	<b>74.8399</b>	<b>0.0000</b>	<b>0.0000</b>
(2) Foreign										
a) NRI- Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000	0.0000
b) Other Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000	0.0000
c) Bodies Corp.	0	0	0	0.0000	0	0	0	0.0000	0.0000	0.0000
d) Banks/FI	0	0	0	0.0000	0	0	0	0.0000	0.0000	0.0000
e) Any other...	0	0	0	0.0000	0	0	0	0.0000	0.0000	0.0000
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>13095307</b>	<b>500</b>	<b>13095807</b>	<b>74.8399</b>	<b>13095807</b>	<b>0</b>	<b>13095807</b>	<b>74.8399</b>	<b>0.0000</b>	<b>0.0000</b>
<b>B. PUBLIC SHAREHOLDING</b>										
(1) Institutions										
a) Mutual Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000	0.0000
b) Banks/FI	0	0	0	0.0000	0	0	0	0.0000	0.0000	0.0000
c) Central govt	0	0	0	0.0000	0	0	0	0.0000	0.0000	0.0000

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
d) State Govt.	0	0	0	0.0000	0	0	0	0.0000	0.0000	
e) Venture Capital Fund	0	0	0	0.0000	0	0	0	0.0000	0.0000	
f) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000	
g) FIIS	0	0	0	0.0000	0	0	0	0.0000	0.0000	
h) Foreign Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000	
i) Unit Trust of India	0	0	0	0.0000	0	0	0	0.0000	0.0000	
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>	
(2) Non Institutions										
a) Bodies corporates										
i) Indian	1989079	14500	2003579	11.4500	1946416	14400	1960816	11.2057	-0.2444	Decrease
ii) Overseas	0	0	0	0.0000	0	0	0	0.0000	0.0000	
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	1089829	903205	1993034	11.3898	978153	887105	1865258	10.6596	-0.7302	Decrease
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	305237	80100	385337	2.2021	428691	80100	508791	2.9076	0.7055	Increase
c) Others (specify)										
Non Resident Indians (Repat)	1487	0	1487	0.0085	1296	0	1296	0.0074	-0.0011	Decrease
Non Resident Indians (Non Repat)	4634	0	4634	0.0265	3434	0	3434	0.0196	-0.0069	Decrease
Foreign Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000	
Clearing Member	14555	0	14555	0.0832	14266	0	14266	0.0815	-0.0017	Decrease
Foreign Nationals	0	0	0	0.0000	0	0	0	0.0000	0.0000	
HUF	0	0	0	0.0000	48765	0	48765	0.2787	0.2787	Increase
Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000	
<b>SUB TOTAL (B)(2):</b>	<b>3404821</b>	<b>997805</b>	<b>4402626</b>	<b>25.1601</b>	<b>3421021</b>	<b>981605</b>	<b>4402626</b>	<b>25.1601</b>	<b>0.0000</b>	
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>3404821</b>	<b>997805</b>	<b>4402626</b>	<b>25.1601</b>	<b>3421021</b>	<b>981605</b>	<b>4402626</b>	<b>25.1601</b>	<b>0.0000</b>	
C. Shares held by Custodian for GDRs & ADRs										
<b>Grand Total (A+B+C)</b>	<b>16500128</b>	<b>998305</b>	<b>17498433</b>	<b>100.0000</b>	<b>16516828</b>	<b>981605</b>	<b>17498433</b>	<b>100.0000</b>	<b>0.0000</b>	

**(ii) SHARE HOLDING OF PROMOTERS**

Sl No.	Promoter's Name	Shareholding at the beginning of the year			Shareholding at the end of the year		
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares
1	SHRUTI G CHATURVEDI	2752300	15.7288	Nil	2752300	15.7288	Nil
2	VARSHA R CHATURVEDI	2517700	14.3881	Nil	2517700	14.3881	Nil
3	DEVESH D CHATURVEDI	2417319	13.8139	Nil	2554169	14.5966	Nil
4	A TO Z BROKING SERVICES PRIVATE LTD	1586150	9.0645	Nil	1586150	9.0645	Nil
5	SHRIYAM COMMODITIES INTERMEDIARY PRIVATE LIMITED	932000	5.3262	Nil	932000	5.3262	Nil
6	MANI D CHATURVEDI	689100	3.9381	Nil	712600	4.0724	Nil
7	PRADEEP SANDEEP TRADING & INVESTMENT PRIVATE LIMITED	507150	2.8983	Nil	507150	2.8983	Nil
8	CHATURVEDI AND SHAH CONSULTING PRIVATE LIMITED	500100	2.8574	Nil	500100	2.8574	Nil
9	BRIJESH D CHATURVEDI	227400	1.2995	Nil	227400	1.2995	Nil
10	BABITA DEVESH CHATURVEDI	169600	0.9692	Nil	169600	0.9692	Nil
11	DEVESH DINANATH	136850	0.7821	Nil	0.0000	0.0000	Nil
12	RAGHAV R CHATURVEDI	131100	0.7492	Nil	131100	0.7492	Nil
13	RAMYA R CHATURVEDI	127500	0.7286	Nil	127500	0.7286	Nil
14	RAJESH D CHATURVEDI	103169	0.5896	Nil	103169	0.5896	Nil
15	MOHINI G CHATURVEDI	99700	0.5698	Nil	99700	0.5698	Nil
16	GAGAN D CHATURVEDI	99169	0.5667	Nil	99169	0.5667	Nil
17	RAJESH DINANATH	75700	0.4326	Nil	75700	0.4326	Nil
18	DINANATH CHATURVEDI	23500	0.1343	Nil	0.0000	0.0000	Nil
19	KAMVAN CONSTRUCTION PVT LTD	300	0.0017	Nil	300	0.0017	Nil
	<b>TOTAL</b>	<b>13095807</b>	<b>74.84</b>	<b>0</b>	<b>13095807</b>	<b>74.84</b>	<b>0</b>

## (iii) Change in Promoters' Shareholding

Sr. No.	Name	Shareholding at the beginning of the year 01-04-15/ end of the year 31-03-16			Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of shares	% of total shares of the company	Date			No. of shares	% of total shares of the company
1	DEVESH CHATURVEDI	2417319	13.81	04-01-15	136850	Transfer	2417319	13.8139
				12-04-15			2554169	14.5966
		2554169	14.60	31-03-2016			2554169	14.5966
2	DEVESH DINANATH CHATURVEDI	136850	2.71	04-01-15	-136850	Transfer	136850	0.7821
				12-04-15			0	0.0000
		0	0.00	31-03-2016			0	0.0000
3	MANI CHATURVEDI	689100	3.94	04-01-15	23500	Transfer	689100	3.9381
				12-04-15			712600	4.0724
		712600	4.07	31-03-2016			712600	4.0724
4	DINANATH CHATURVEDI	23500	0.1343	04-01-15	-23500	Transfer	23500	0.1343
				12-04-15			0	0.0000
		0	0.00	31-03-2016			0	0.0000

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding at the beginning of the year 01-04-15/ end of the year 31-03-16			Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)			
		No. of shares	% of total shares of the company	Date			No. of shares	% of total shares of the company		
1	ANGULAR TRADING PVT LTD	681843	3.9000	04-01-2015		Nil Movement during the year	681843	3.9000		
		681843	3.9000	31-03-2016						
2	RECKON TRADING PRIVATE LIMITED	610728	3.4902	04-01-2015		Nil Movement during the year	610728	3.4902		
		610728	3.4902	31-03-2016						
3	GLENMORD COMMERCIAL SERVICES PVT LTD	200000	1.1430	04-01-2015		Nil Movement during the year	200000	1.1430		
		200000	1.1430	31-03-2016						
4	DHANASTRA FINANCE AND INVESTMENT COMPANY PVT LTD	184960	1.0570	04-01-2015		Nil Movement during the year	184960	1.0570		
		184960	1.0570	31-03-2016						
5	BHASKAR ARVIND HINGAD	26840	0.1534	04-01-2015			26840	0.1534		
				10-04-2015			2780	Market Buy	29620	0.1693
				17-04-2015			3135	Market Buy	32755	0.1872
				24-04-2015			2855	Market Buy	35610	0.2035
				01-05-2015			11738	Market Buy	47348	0.2706
				08-05-2015			3107	Market Buy	50455	0.2883
				15-05-2015			754	Market Buy	51209	0.2926
				06-05-2015			526	Market Buy	51735	0.2957
				12-06-2015			1971	Market Buy	53706	0.3069
				19-06-2015			3607	Market Buy	57313	0.3275
				26-06-2015			2158	Market Buy	59471	0.3399
				30-06-2015			126	Market Buy	59597	0.3406
				03-07-2015			2657	Market Buy	62254	0.3558
				24-07-2015			100	Market Buy	62354	0.3563
				31-07-2015			466	Market Buy	62820	0.3590
				08-07-2015			1116	Market Buy	63936	0.3654
				14-08-2015			366	Market Buy	64302	0.3675
				21-08-2015			3733	Market Buy	68035	0.3888
				28-08-2015			5918	Market Buy	73953	0.4226
04-09-2015	6609	Market Buy	80562	0.4604						
11-09-2015	5974	Market Buy	86536	0.4945						
18-09-2015	1175	Market Buy	87711	0.5013						
25-09-2015	87731	Market Buy	175442	1.0026						
30-09-2015	(84620)	Market Sell	90822	0.5190						

Sl. No.	Name	Shareholding at the beginning of the year 01-04-15/ end of the year 31-03-16			Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of shares	% of total shares of the company	Date			No. of shares	% of total shares of the company
				10-09-2015	5209	Market Buy	96031	0.5488
				16-10-2015	1120	Market Buy	97151	0.5552
				23-10-2015	1536	Market Buy	98687	0.5640
				30-10-2015	315	Market Buy	99002	0.5658
				06-11-2015	1350	Market Buy	100352	0.5735
				13-11-2015	200	Market Buy	100552	0.5746
				20-11-2015	9020	Market Buy	109572	0.6262
				27-11-2015	1680	Market Buy	111252	0.6358
				04-12-2015	395	Market Buy	111647	0.6380
				11-12-2015	1110	Market Buy	112757	0.6444
				18-12-2015	2115	Market Buy	114872	0.6565
				25-12-2015	300	Market Buy	115172	0.6582
				22-01-2016	1425	Market Buy	116597	0.6663
				29-01-2016	1250	Market Buy	117847	0.6735
				05-02-2016	396	Market Buy	118243	0.6757
				12-02-2016	903	Market Buy	119146	0.6809
				19-02-2016	11110	Market Buy	130256	0.7444
				26-02-2016	1201	Market Buy	131457	0.7513
				04-03-2016	16050	Market Buy	147507	0.8430
				11-03-2016	2279	Market Buy	149786	0.8560
				18-03-2016	607	Market Buy	150393	0.8595
				25-03-2016	1951	Market Buy	152344	0.8706
				31-03-2016	1200	Market Buy	153544	0.8775
6	SHARDA SHARES AND SECURITIES PVT LTD	113750	0.6501	04-01-2015		Nil Movement during the year		
		113750	0.6501	31-03-2016			113750	0.6501
7	JAGDISH AMRITLAL SHAH	50000	0.2857	04-01-2015		Nil Movement during the year		
		50000	0.2857	31-03-2016			50000	0.2857
8	NANDKISHOR CHATURVEDI	41367	0.2364	04-01-2015		Nil Movement during the year		
		41367	0.2364	31-03-2016			41367	0.2364
9	BRIJANAND CHATURVEDI	35000	0.2000	04-01-2015		Nil Movement during the year		
		35000	0.2000	31-03-2016			35000	0.2000
10	PARMANAND MODI	30100	0.1720	04-01-2015		Nil Movement during the year		
		30100	0.1720	31-03-2016			30100	0.1720

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name	Shareholding at the beginning of the year 01-04-15/ end of the year 31-03-16			Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of shares	% of total shares of the company	Date			No. of shares	% of total shares of the company
1	Devesh Vasavada	0	0.00	04-01-15	0	Nil Movement during the year	0	0.00
		0	0.00	31-03-2016	0			
2	Yogendra Chaturvedi	0	0	04-01-15	0	Nil Movement during the year		
		0	0	31-03-2016			0	0
3	Bhupendra Shroff	400	0	04-01-15	0	Nil Movement during the year		
		400	0	31-03-2016			400	0

Sl. No.	Name	Shareholding at the beginning of the year 01-04-15/ end of the year 31-03-16			Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of shares	% of total shares of the company	Date			No. of shares	% of total shares of the company
4	K M Shah	0	0	04-01-15	0	Nil Movement during the year	0	0
		0	0	31-03-2016				
5	Naveen Chaturvedi	0	0	04-01-15	0	Nil Movement during the year	0	0
		0	0	31-03-2016				
6	Charul abuwala	0	0	04-01-15	0	Nil Movement during the year	0	0
		0	0	31-03-2016				
7	R Sundaresan	0	0	04-01-15	0	Nil Movement during the year	0	0
		0	0	31-03-2016				
8	Monika Agarwal	0	0	04-01-15	0	Nil Movement during the year	0	0
		0	0	31-03-2016				

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
• Addition	Nil	Nil	Nil	Nil
• Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager : (Rs. In Lacs)

Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Name of MD/WTD/ Manager	Name of MD/WTD/ Manager	Total Amount
		Mr. R Sundaresan	Ms Monika Agarwal	*Mr. Yogendra Chaturvedi	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9.80	10.72	00.70	21.22
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil

Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Name of MD/WTD/ Manager	Name of MD/WTD/ Manager	Total Amount
		Mr. R Sundaresan	Ms Monika Agarwal	*Mr. Yogendra Chaturvedi	
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	9.80	10.72	00.70	21.22
	Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the total remuneration payable to Whole time Directors shall not exceed 10% of the net profit of the company calculated as per section 198 of the Companies Act, 2013. The remuneration paid to such Directors is well within the said limit.			

**B. Remuneration to other directors**
*(Rs. In Lacs)*

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount
		*Devesh Vasavada	K M Shah	Bhupendra Shroff	Naveen Chaturvedi	Charul Abuwala	
1	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	0.10 -	0.50 -	0.10 -	0.30 -	0.50 -	1.50 -
	Total (1)	0.10	0.50	0.10	0.30	0.50	1.50
2	Other Non- Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	- -	0.05 -	0.02 -	- -	0.03 -	0.10 -
	Total (2)	-	0.05	0.02	-	0.03	0.10
	Total (B)=(1+2)	0.10	0.55	0.12	0.30	0.53	1.60
	Total Managerial Remuneration (A+B)						35.49
	Overall Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the total Managerial remuneration payable to Directors shall not exceed 11% of the net profit of the company calculated as per section 198 of the Companies Act, 2013 except that the remuneration of the directors shall not be deducted for the gross profit. The remuneration paid to such Directors is well within the said limit.					

\*Mr. Devesh Vasavada and Mr. Yogendra Chaturvedi were appointed on the board of the company with effect from 05<sup>th</sup> February 2016.

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD(in lacs):

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO Mr. Yogendra Chaturvedi who is also Executive Director	CFO Mr. Saurabh Chaturvedi	CS Ms Monika Agarwal who is also Executive Director	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	00.70	10.62	10.72	22.04
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total	00.70	10.62	10.72	22.04

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/COURT)	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS &amp; OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Annexure II

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

**for the financial year ended 31<sup>st</sup> March, 2016**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
**The Members,**  
**Shardul Securities Limited**  
**CIN: L65990MH1990PLC056475**  
**Regd. Off:** G-12, Tulsiani Chambers 212,  
Nariman Point Mumbai – 400021,  
Maharashtra, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Shardul Securities Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, as given in "**Annexure-I A**" for the financial year ended on 31<sup>st</sup> March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder and the applicable provisions of the Companies Act, 1956;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (Upto 14<sup>th</sup> May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15<sup>th</sup> May 2015);
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **[Not applicable to the Company during the Audit period as the company has not made any further issue of the shares];**
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **[Not applicable to the Company during the Audit period as the company has not introduced any such scheme];**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not applicable to the Company during the Audit period as the company has not issued and listed any Debt Securities];**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **[Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the period under review];**
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit period as the company has not delisted / proposed to delist its Equity Shares from the Stock Exchange);** and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit period as the company has not brought back / nor proposed to buy-back any of its Securities);**
- (vi) I have relied on the Representation made by the company and its officers for systems and mechanism formed by the company for compliance under other applicable Acts, Laws & Regulations to the Company. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with regard to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective from 1<sup>st</sup> July, 2015.
- (ii) The Listing Agreement entered into by the Company with BSE Limited & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 made effective 1st December, 2015.

**I further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors.
- The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice was given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent generally seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members view's, if any, are captured and recorded as part of the minutes.

**I further report that** based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

- As informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

**I further report that** during the audit period, the company has not undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc, referred to above.

**For Dharendra Maurya & Associates  
Company Secretaries**

**(Dhirendra R. Maurya)  
Proprietor**

**Mem. No: A22005  
C.P. No.: 9594**

Place : Mumbai  
Date : 27<sup>th</sup> May 2016

**Annexure-I A**

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished and representations made to me by the company, its officer and agents, I report that the Company has, during the financial year under review, complied with the provisions of the Acts, the Rules made thereunder the Memorandum of Association & Articles of Association of the Company with regard to:-

1. Minutes of the Meetings of the Board of Directors, Committee meetings held during the financial year under review;
2. Minutes of the General body meeting held during the financial year under review;
3. Maintenance of various statutory Registers and documents and making necessary entries therein;
4. Notice and Agenda papers submitted to all the directors for the Board meetings;
5. E-forms filed by the Company from time-to-time, under applicable provisions of the companies Act, 2013 and attachments thereof during the financial year under review;
6. Intimations / documents / reports / returns filed with the stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under review;
7. Declarations received from the Directors of the Company pursuant to the provisions of section 184 of the companies Act, 2013 and attachments thereto during the financial year under review;
8. Appointment and remuneration of Internal & Statutory Auditor;
9. Closure of Register of members.

**For Dharendra Maurya & Associates**  
**Company Secretaries**

**(Dhirendra R. Maurya)**  
**Proprietor**  
**Mem. No: A22005**  
**C.P. No.: 9594**

Place : Mumbai  
Date : 27<sup>th</sup> May 2016

**To,**  
**The Members,**  
**Shardul Securities Limited**  
**CIN: L65990MH1990PLC056475**  
**Regd. Off: G-12, Tulsiani Chambers 212,**  
**Nariman Point Mumbai – 400021,**  
**Maharashtra, India**

**Our Secretarial Audit Report of even date is to be read along with this letter:**

**Management's Responsibility:**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulation and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliance.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

5. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Dharendra Maurya & Associates**  
**Company Secretaries**

**(Dhirendra R. Maurya)**  
**Proprietor**  
**Mem. No: A22005**  
**C.P. No.: 9594**

Place : Mumbai  
Date : 27<sup>th</sup> May 2016

**Annexure III****The Annual Report on Corporate Social Responsibility (CSR) Activities****1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

Corporate Social Responsibility (CSR) is a Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner. Corporate Social Responsibility (CSR) builds a dynamic relationship between a company on one hand and the society and environment on the other.

Activities proposed to be undertaken under CSR shall be activities mentioned in Schedule VII of Section 135(3) (a) of the companies Act 2013

The Company formulated CSR Policy which is uploaded on the website of the company (Weblink: <http://www.shardulsecurities.com/Corporate%20Social%20Responsibility%20Policy.pdf>)

**2. The Composition of CSR Committee**

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

\*Resigned w-e-f 26<sup>th</sup> May 2016

\*\* Appointed w-e-f 27<sup>th</sup> May 2016

**4. Average net profit of the company for last three financial years:**

Rupees 610.95 Lacs

**5. Prescribed CSR Expenditure ( Two percent of the amount as in item 3 above):**

Rupees 12.22 Lacs

**6. Details of CSR spend for the financial year:**

Sr. No.	CSR Project or activity identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013. As amended)	Projects or Programs 1. Local Area or other 2. Specify the state and district where projects or program was undertakes	Amount outlay (budget) project or program wise (Rs. in Lacs)	Amount spent on the project or Programs 1. Direct expenditure on projects or programs 2. Overheads (Rs. in Lacs)	Cumulative expenditure upto the reporting period (Rs. in Lacs)	Amount Spent : Direct or through implementing agency
1	Promoting Education	Education	Local	3.09	3.09	3.09	Shriyam Public Charitable Trust
2	Eradicating Hunger & Poverty	Poverty	Local	0.40	0.40	0.40	Shriyam Public Charitable Trust
3	Promoting Health Care	Medical Help	Local	0.25	0.25	0.25	Shriyam Public Charitable Trust
4	Promoting Education	Education	Mathura(UP)	0.15	0.15	0.15	Shriyam Public Charitable Trust
5	Eradicating Hunger & Poverty	Poverty	Mathura(UP)	2.83	2.83	2.83	Shriyam Public Charitable Trust
6	Promoting Health Care	Medical Help	Valsad (Gujarat)	0.25	0.25	0.25	Shriyam Public Charitable Trust
7	Promoting Health Care	Medical Help	Mathura(UP)	0.51	0.51	0.51	Shriyam Public Charitable Trust
8	Animal Welfare	Cow Feeds & Medicine	Valsad (Gujarat)	0.27	0.27	0.27	Shriyam Public Charitable Trust
				7.75	7.75	7.75	

As provision of Section 135 of the Companies Act 2013 became applicable to the company at the end of financial year 2013-2014, Rupees 7.75 Lacs has been paid to Shriyam Public Charitable Trust (Registered trust and implementing agency) for undertaking CSR Activities in the year 2013-2014. Since the above transfer was at the end of financial year it was not feasible to undertake CSR activities within such limited period of time and the activity was undertaken the year 2015-2016.

The Company has paid Rs 12.50 Lakhs to Tulsi Public Charitable Trust (Registered trust) at the end of financial year 2015-2016. However the company shall ensure to undertake such activities as early as possible.

**7. Details of implementing agency:**

Shriyam Public Charitable Trust (Registered trust)

Tulsi Public Charitable Trust (Registered trust)

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

## 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 34(3) and Clause 53(f) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 strength of the Board as on 31<sup>st</sup> March 2016 consists of Eight Directors out of which three are Executive Director including women director and Five Non-Executive Directors. The Company does have an Executive Director Chairman and therefore the Board consists of Four Independent Directors. The names of directors and their position are as follows:

No.	Name of the Director	Status	
1	Mr. R Sundaresan	Executive Director	Chairman.
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. Devesh Vasavada*	Non Executive Director	Independent Director
6	Mr. Naveen Chaturvedi	Non Executive Director	Non Independent Director
7	Ms. Monika Agarwal	Executive Director and Company Secretary	Non Independent Director
8	Mr. Yogendra Chaturvedi **	Executive Director	Non Independent Director

\*Mr. Devesh Vasavada was appointed as an Additional Independent Director w-e-f 05<sup>th</sup> February 2016 at the Board Meeting held on 04<sup>th</sup> February 2016.

\*\*Mr. Yogendra Chaturvedi was appointed as an Additional Executive Director w-e-f 05<sup>th</sup> February 2016 at the Board Meeting held on 04<sup>th</sup> February 2016.

#### • Board Meetings:

The Board of Directors of the Company met Five times during financial year ended 31<sup>st</sup> March 2016. The Board Meetings were held on 22<sup>nd</sup> May 2015, 08<sup>th</sup> August 2015, 10<sup>th</sup> November 2015, 04<sup>th</sup> February 2016, and 11<sup>th</sup> March 2016. The Annual General Meeting of the Company was held on Friday, 11<sup>th</sup> September 2015 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 120 days. 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, only Audit Committee and Shareholders/ Investors Grievances Committee across all public limited companies has been considered in accordance SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### • 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. R. Sundaresan	CH	3	No	1	1	--
Mr. Bhupendra K. Shroff	NED	1	No	1	1	--
Mr. Kantilal Shah	NED	5	Yes	--	--	--
Mr. Charul Abuwala	NED	5	No	--	--	--
Mr. Devesh Vasavada**	NED	1	No	--	--	--
Mr. Naveen Chaturvedi	NED	3	No	--	--	--
Ms Monika Agarwal	ED	5	Yes	--	--	--
Mr. Yogendra Chaturvedi***	ED	1	No	1	--	--

CH - Chairman

ED - Executive Director

NED - Non Executive Director

\*This includes the Chairmanship/Membership only in Audit Committee and Shareholders/ Investors Grievances Committee.

\*\*Mr. Devesh Vasavada was appointed as an Additional Independent Director w-e-f 05<sup>th</sup> February 2016 at the Board Meeting held on 04<sup>th</sup> February 2016.

\*\*\*Mr. Yogendra Chaturvedi was appointed as an Additional Executive Director w-e-f 05<sup>th</sup> February 2016 at the Board Meeting held on 04<sup>th</sup> February 2016.

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

As required under regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of membership of the Director and other relevant details in respect of Directors who are being recommended for reappointment are given hereunder:

Name of the Director	Age	Qualification	Experience	Directorship in other Companies	*Chairman/Member of the Committees of Companies
Mr. Devesh Vasavada	59	FCA and B.com	Mr. Devesh Vasavada is a practicing chartered accountant and heads the team as an independent director.	Observer(India) Private Limited. Girdhar Morari Financial Services Private Limited. Newgen Brands Private Limited.	Member of Shareholders/Investors Grievance Committee and Chairman of the Audit Committee, Nomination & Remuneration Committee, and CSR Committee of the Company.
Mr. Yogendra Chaturvedi	58	B.com	Mr. Yogendra Chaturvedi, is an experienced finance professional and heads the team as the Executive Director.	Chaturvedi Agriculture Private Limited. Acuvision Capital and Finance Private Limited and Shriyam Broking Intermediary Limited	Member of Shareholders/Investors Grievance Committee & Audit Committee
Mr. R. Sundresan	71	M.Sc, MBA, CAIIB	Mr R.Sundaresan is having immense understanding in Financial, Banking and Corporate Advisory Sector.	Shriyam Broking Intermediary Limited	Member of the Nomination & Remuneration Committee and CSR Committee of the Company and of the Audit Committee of Shriyam Broking Intermediary Limited

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

#### • 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 1.Shareholders/Investor Grievances Committee, 2.Audit Committee 3.Nomination and Remuneration Committee, 4.Corporate Social Responsibility Committee and 5. Investment and Finance 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 23<sup>rd</sup> July 2015, 1<sup>st</sup> September 2015, and 04<sup>th</sup> December 2015.

The Composition of the said committee as on 31<sup>st</sup> March 2016 and its attendance is as follows:

Sr No.	Name of the Member	Status in Committee	Director status	No. of meeting held	No. of meeting attended
1	Mr. Bhupendra Shroff	Chairman	Non Executive Independent Director	3	1
2	Mr. Devesh Vasavada	Member	Non Executive Independent Director	3	0
3	Mr. Yogendra Chaturvedi	Member	Executive Director	3	0
4	**Mr. Gyandeo Chaturvedi	Member	Non Executive Independent Director	3	3
5	**Mr. R Sundaresan	Member	Executive Director	3	3

\*Due to the change in the Board of Directors the Committee was reconstituted at the Board Meeting held on 04th February 2016.

\*\*ceased to be a member w.e.f. 05<sup>th</sup> February 2016

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

In pursuance of the SEBI (Prohibition of Insider Trading) Regulations, 2015, 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 21.

The Shares held by Non Executive Directors as on 31.03.2016 are given below:

Sr No.	Name of the Director	Status	No of Shares	% Holding
1	Mr. Bhupendra K. Shroff	Non Executive Director	400	-
2	Mr. Kantilal Shah	Non Executive Director	Nil	-
3	Mr. Charul Abuwala	Non Executive Director	Nil	-
4	Mr. Devesh Vasavada	Non Executive Director	Nil	-
5	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 177 of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges and other statutory / regulatory provisions.

During the year 2015-2016, the Committee met four times. The Committee Meetings were held on 22<sup>nd</sup> May 2015, 08<sup>th</sup> August 2015, 10<sup>th</sup> November 2015 and 04<sup>th</sup> February 2016.

The Composition of Audit Committee as on 31<sup>st</sup> March 2016 and its attendance is as under –

Sr No.	*Name of the Member	Status in Committee	Director status	No. of meeting held	No. of meeting attended
1	Mr. Devesh Vasavada	Chairman	Non Executive Independent Director	4	0
2	Mr. Bhupendra Shroff	Member	Non Executive Independent Director	4	1
3	Mr Kantilal M Shah	Member	Non Executive Independent Director	4	4
4	Mr. Yogendra Chaturvedi	Member	Executive Director	4	0
5	**Mr. Gyandeo Chaturvedi	Chairman	Non Executive Independent Director	4	4
6	**R. Sundaresan	Member	Executive Director	4	3

\*Due to the change in the Board of Directors the Committee was reconstituted at the Board Meeting held on 04th February 2016.

\*\*ceased to be a member w.e.f. 05.02.2016

Ms. Monika Agarwal, Director and 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 for appointment, remuneration and terms of appointment of auditors of the Company
- 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 (c) of sub-section 134 of the Companies Act, 2013.
  - 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) Review and monitor the auditor's independence and performance, and effectiveness of audit process.
  - viii) Approval or any subsequent modification of transactions of the company with related parties.
  - ix) Scrutiny of inter-corporate loans, investments and guarantee.
  - x) Valuation of undertakings or assets of the company, wherever it is necessary.
  - xi) Evaluation of internal financial controls and risk management systems.
  - xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  - xiii) 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.
  - xiv) Discussion with internal auditors, if any, any significant findings and follow up there on.
  - xv) 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.
  - xvi) 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.
  - xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
  - xviii) To review the functioning of the Whistle Blower mechanism.
  - xix) 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.
  - xx) 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.

• **Nomination and Remuneration Committee: -**

In Compliance with Section 178 of Companies Act 2013 the Board renamed the Remuneration Committee as 'Nomination and Remuneration Committee'.

During the year the Committee had 2 meetings on 22<sup>nd</sup> May 2015 and 04<sup>th</sup> February 2016.

Composition of the committee as on 31<sup>st</sup> March 2016 and its attendance is as follows

Sr No.	Name of the Member	Status in Committee	Director status	No. of meeting held	No. of meeting attended
1	Mr. Devesh Vasavada	Chairman	Non Executive Independent Director	2	Nil
2	Mr. Charul Abuwala	Member	Non Executive Independent Director	2	2
3	Mr. R. Sunderasan	Member	Executive Chairman	2	Nil
4	**Mr. Bhupendra Shroff	Chairman	Non Executive Independent Director	2	Nil
5	**Mr. Gyandeo Chaturvedi	Member	Non Executive Independent Director	2	2

\*Due to the change in the Board of Directors the Committee was reconstituted at the Board Meeting held on 04th February 2016.

\*\*ceased to be a member w.e.f. 05.02.2016

The terms of reference of the committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

**Details of Remuneration paid to Directors for the year ended March 31, 2016: -**

**(a) Non Executive Directors**

Name of Director	Sitting Fees (Rs)
Mr. Bhupendra K Shroff	12000
Mr. Kantilal M Shah	55000
Mr. Charul Abuwala	53000
Mr. Naveen Chaturvedi	30000
Mr. Devesh Vasavada	10000
<b>Total</b>	<b>160000</b>

**(b) Executive Directors**

Particulars	Mr.R Sundaresan Chairman and Executive Director	Ms Monika Agarwal Company Secretary and Executive Director	Mr. Yogendra Chaturvedi Executive Director
Salary	Rs. 6, 50, 000	Rs 10, 12, 000	Rs 70, 000
Variable Pay	Rs 3, 30, 000	Rs 60,000	-
Sitting Fees	-	-	-
Notice Period and Severance Fees	One Months Notice or One month's Salary in lieu There of	One Months Notice or One month's Salary in lieu There of	One Months Notice or One month's Salary in lieu There of

• **Corporate Social Responsibility Committee**

Pursuant to Section 135 of the Companies Act 2013, the Corporate Social Responsibility (CSR) Committee was duly constituted. During the year, one Meeting was convened on March 30, 2016.

Composition of the committee as on 31<sup>st</sup> March 2016 and its attendance is as follows:

Sr No.	*Name of the Member	Status in Committee	Director status	No. of meeting held	No. of meeting attended
1	Mr. Devesh Vasavada	Chairman	Independent Director	1	1
2	Mr. R Sundaresan	Member	Executive Chairman	1	1
3	Mr. Naveen Chaturvedi	Member	Non Executive Non Independent Director	1	1
4	**Mr. Gyandeo Chaturvedi	Chairman	Independent Director	1	0

\*Due to the change in the Board of Directors the Committee was reconstituted at the Board Meeting held on 04<sup>th</sup> February 2016.

\*\*ceased to be a member w.e.f. 05.02.2016

The Company formulated CSR Policy which is uploaded on the website of the company (Weblink: [http://www.shardulsecurities.com/Corporate%20 Social%20 Responsibility%20 Policy.pdf](http://www.shardulsecurities.com/Corporate%20Social%20Responsibility%20Policy.pdf))

The Terms of reference of the committee broadly comprises of following:

- i. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013;
- ii. To recommend the amount of expenditure to be incurred on the activities referred to in Corporate Social Responsibility Policy in a financial year;
- iii. To monitor the Corporate Social Responsibility Policy of the company from time to time.
- iv. Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

#### • Investment and Finance Committee

Pursuant to Section 179 of the Companies Act 2013, the Investment and Finance Committee was duly constituted.

During the year, two Meetings were convened on April 16, 2015 and October 23, 2015.

Composition of the committee as on 31<sup>st</sup> March 2016 and its attendance is as follows:

Sr No.	*Name of the Member	Status in Committee	Director status	No. of meeting held	No. of meeting attended
1	Mr. R Sundaresan	Chairman	Executive Chairman	2	2
2	**Mr. Naveen Chaturvedi	Member	Non Executive Non Independent Director	2	2
3	**Mr. Gyandeo Chaturvedi	Chairman	Independent Director	2	2
4	Ms Monika Agarwal	Member	Executive Director	2	0
5	Mr. Yogendra Chaturvedi	Member	Executive Director	2	0

\*Due to the change in the Board of Directors the Committee was reconstituted at the Board Meeting held on 04<sup>th</sup> February 2016.

\*\*ceased to be a member w.e.f. 05.02.2016

The Terms of reference of the committee broadly comprises of following:

- To borrow monies from bank or any other financial institution;
- To invest the funds of the company;
- To grant loans or give guarantee or provide security in respect of loans;
- To sign, execute any document or give authority to any authorized signatory and to do any other act, deeds, things to give effect to any of the above matters.

#### • INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on May 29, 2015, inter alia to discuss:

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### 4. Remuneration Policy

##### • Remuneration to Non- Executive Directors

The Non- Executive Directors are paid remuneration by way of sitting fees. The Total amount of sitting fees paid during the Financial Year 2016-2017 is Rs 1.60 Lakhs. The Directors do not have any material pecuniary relationship or transactions with the Company.

##### • Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including, Whole-time Director is governed by the Board of Directors and shareholders of the Company. The remuneration package of Executive Director comprises of salary, allowances and contribution to Provident and other Retirement Benefit Funds as approved by the Shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof. The remuneration policy is directed towards rewarding performance, based on review of achievements and is aimed at attracting and retaining high competency.

Currently, the Company does not have a scheme for grant of stock options.

#### 5. Performance evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction.

#### **6. Familiarization Programme for Independent Director**

The Company had conducted various programmes during the financial year to familiarize Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the company operates, business model of the company, etc. Further, the Directors were encouraged to attend the training programmes being organized by various regulators/ bodies/ institutions on above matters. The details of the policy relating to conducting familiarization programmes are displayed on the website of the Company and web link of the same is <http://www.shardulsecurities.com/program%20for%20independent%20directors.pdf>

#### **7. Subsidiary Company monitoring framework**

The Company has one material non listed Indian subsidiary named “Shriyam Broking Intermediary Limited as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has formulated the material subsidiary policy and uploaded on the website of the company and Weblink of same is <http://www.shardulsecurities.com/material%20subsidiary%20policy.pdf>

#### **8. Disclosure on related party transactions with related parties: -**

During the period under review, the Company has not entered into any material transaction with any of its related parties. None of the transactions with any related parties were in conflict with the interests of Company at large.

Details of the transactions with related parties have been disclosed in note no. 21 of notes forming part of financial statements.

As required under regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated policy on dealing with Related Party Transactions. The Policy is available on the website of the Company and Weblink of same is: <http://www.shardulsecurities.com/related%20party%20transaction%20policy.pdf>

#### **9. Whistle blower policy:**

The Company has established a whistle blower policy and vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company’s code of conduct policy. The mechanism provides for adequate safeguards against victimization of directors and employees. None of the personnel have been denied access to the Audit Committee of the Board. The details of Whistle Blower Policy are available on the website of the Company [www.shardulsecurities.com](http://www.shardulsecurities.com)

#### **10. Code of Business Conduct & Ethics:-**

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)

#### **11. Compliance with Mandatory Requirements: -**

The Company has complied with the mandatory requirement of the Code of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

#### **12. Means of Communications: -**

The quarterly results are published in the Performa prescribed by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in one English language Newspaper (Business Standard) and one Marathi language Newspaper (Mahanayak). 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 2016.

Place: Mumbai  
Date: 27<sup>th</sup> May 2016

**Yogendra Chaturvedi**  
Executive Director & CEO

## **GENERAL SHAREHOLDER INFORMATION**

### 1. Annual General Meeting:

Date & Time : 14<sup>th</sup> September 2016 at 10.00 a.m.

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

### 2. Financial Calendar 2016-17

<b>Board Meetings</b>	<b>Tentative dates</b>
Results for the quarter ending June 30, 2016	Second week of August, 2016
Results for the quarter ending September 30, 2016	Second week of November, 2016
Results for the quarter ending December 31, 2016	Second week of February, 2017
Results for the year ending March 31, 2017	Last week of May, 2017

3. Book closure dates : 10<sup>th</sup> September 2016 to 13<sup>th</sup> September 2016

(Both days inclusive) in connection with the AGM.

4. Dividend Payment Date : Not Applicable

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 2016-17.

### 8. Dematerialization of shares and Liquidity: -

94.39% of the Equity Shares have been dematerialized up to 31st March 2016. Trading in Equity Shares of the Company is permitted only in dematerialized form with effect from 24th July 2000 as per notification issued by the Securities and Exchange Board of India (SEBI). The shares of the company are regularly traded at Bombay Stock Exchange. Total number of shares traded during the year 2015-16 were 216861 and its value was Rs 9737242.

### 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 2016: -

I) The Distribution of Shareholding as on 31<sup>st</sup> March 2016: -

<b>No. of Equity Shares held</b>	<b>Shareholders</b>		<b>Shares held</b>	
	<b>No.</b>	<b>%</b>	<b>No.</b>	<b>%</b>
1 -- 500	10805	95.6787	1182519	6.7579
501 -- 1000	209	1.8507	172501	0.9858
1001 -- 2000	104	0.9209	159356	0.9107
2001 -- 3000	57	0.5047	148127	0.8465
3001 -- 4000	28	0.2479	99107	0.5664
4001 -- 5000	20	0.1771	91690	0.5240
5001 -- 10000	22	0.1948	159948	0.9141
10001 and above	48	0.4250	15485185	88.4947
<b>TOTAL</b>	<b>11293</b>	<b>100.0000</b>	<b>17498433</b>	<b>100.0000</b>

II) Shareholding Pattern as on 31<sup>st</sup> March 2016: -

<b>Category</b>	<b>No. of Shares</b>	<b>%</b>
Promoters	13095807	74.84
Financial Institutions / Banks / Mutual Funds / Insurance Company	0	0
Hindu Undivided Family	48765	0.28
Corporate Bodies	1960816	11.21
Indian Public	2374049	13.56
NRI / OCB	4730	0.03
Others (Share in Transit)	14266	0.08
<b>TOTAL</b>	<b>17498433</b>	<b>100</b>

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

Year	Location	Date	Time
2012-2013	Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400 021.	18.09.2013	10.00 a.m
2013-2014	Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400 021.	05.09.2014	10.00 a.m
2014-2015	Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400 021	11.09.2015	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	18.09.2013	No special resolution was passed
2	05.09.2014	Approval under section 180(1)(c) of the Companies Act, 2013 to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company
3	11.09.2015	Re- appointment of Mr. R Sundaresan as a Whole time Director, Confirmation of appointment of Ms Monika Agarwal as a Whole time Women Director of the Company and Adoption of new set of Articles of Association of the Company.

No special resolution was passed during the year 2015-16 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 2015-2016 were as follows:

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

Month	Share Price		BSE Sensex	
	High	Low	High	Low
April 2015	52.00	40.95	29094.61	26897.54
May 2015	53.80	39.15	28071.16	26423.99
June 2015	51.00	40.15	27968.75	26307.07
July 2015	58.00	45.25	28578.33	27416.39
August 2015	53.00	45.00	28417.59	25298.42
September 2015	51.00	44.00	26471.82	24833.54
October 2015	48.80	45.50	27618.14	26168.71
November 2015	50.00	45.00	26824.30	25451.42
December 2015	55.40	45.00	26256.42	24867.73
January 2016	49.00	45.00	26197.27	23839.76
February 2016	47.70	39.00	25002.32	22494.61
March 2016	44.80	35.70	25479.62	23133.18

**14. Address for Correspondence:**

	For Shares held in physical form:	For shares held in demat form:
Investors Correspondence for Transfer / dematerialization of shares, payment of dividend on shares and any other query relating to shares.	<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 2016, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Regulation.

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 : 27<sup>th</sup> May 2016**

## **CEO & CFO Certification issued pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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 2016 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: 27<sup>th</sup> May 2016**

**Yogendra Chaturvedi**  
**Chief Executive Officer (CEO)**

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

## INDEPENDENT AUDITOR'S REPORT

To

The Members of,

**SHARDUL SECURITIES LTD.**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **SHARDUL SECURITIES LTD** ("The Company"), which comprises of the Balance Sheet as at March 31, 2016, the Statement of Profit and 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 Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 financial control relevant to the Company's preparation of the 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 the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2016;
- ii. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date and;
- iii. In the case of the Cash Flow Statement, of its Cash Flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016(the "Order"), issued by the Central Government of India in terms of sun section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 & 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements as referred to in Note 28 to the financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, or material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

Place: Mumbai  
Date:27<sup>th</sup> May, 2016

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

## ANNEXURE A TO THE AUDITORS' REPORT

The Annexure referred to in the Independent Auditors Report to the members of the Company on the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2016, we report that:

- i. In respect of its Fixed Assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- 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) 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. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act with respect to the loans and investments made.
- v. The company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities in India;
- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly paragraph 3(viii) of the order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly paragraph 3(ix) of the order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in Compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly paragraph 3(xv) of the order is not applicable.
- xvi. The Company is duly registered under Section 45-IA of the Reserve Bank Of India Act, 1934.

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

Place: Mumbai  
Date: 27<sup>th</sup> May, 2016

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

## ANNEXURE B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **Shardul Securities Limited** (the Company) as of 31st March, 2016 in conjunction with over audit of the standalone financial statement of the company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence of the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparations of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with the authorizations of the Management and directors of the Company.
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Due to the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluations of the internal financial controls over financial reporting to future periods are subject to the risk that internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants Of India.

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

Place: Mumbai  
Date:27<sup>th</sup> May, 2016

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

**BALANCE SHEET AS AT 31ST MARCH, 2016**

(Rs. In Lacs)

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	1,749.84	1,749.84
(b) Reserves and Surplus	2	9,269.35	8,910.99
		<b>11,019.19</b>	10,660.83
<b>Non-Current Liabilities</b>			
(a) Deferred Tax Liability (net)	3	148.95	147.14
<b>Current Liabilities</b>			
(a) Other Current Liabilities	4	153.58	141.96
(b) Short-Term Provisions	5	-	168.50
		<b>153.58</b>	310.46
<b>TOTAL</b>		<b>11,321.72</b>	<b>11,118.43</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	6		
(i) Tangible Assets		1,377.37	1,406.28
(ii) Intangible Assets		0.04	0.04
		<b>1,377.41</b>	1,406.32
(b) Non-Current Investments	7	4,456.15	2,795.62
(c) Long-Term Loans and Advances	8	29.48	6.30
		<b>5,863.04</b>	4,208.24
<b>Current Assets</b>			
(a) Inventories	9	3,476.93	6,339.28
(b) Trade Receivables	10	1,370.94	413.63
(c) Cash and Cash Equivalents	11	609.68	154.60
(d) Short-Term Loans and Advances	12	1.13	2.68
		<b>5,458.68</b>	6,910.19
<b>TOTAL</b>		<b>11,321.72</b>	<b>11,118.43</b>
Significant Accounting Policies	A to P		
Notes on Financial Statements	1 to 32		

 As per our report of even date  
**For RAJEN DAMANI & ASSOCIATES**  
 Chartered Accountants  
 FRN 116762W

**For and on behalf of the Board of Directors**
**CA Rajen J. Damani**  
 Partner  
 M No. 034375

**R. Sundaresan** (Chairman)  
**Kantilal Shah** (Director)  
**Yogendra Chaturvedi** (Executive Director & CEO)  
**Monika Agarwal** (Executive Director & Company Secretary)  
**Saurabh Chaturvedi** (CFO)

 Place :- Mumbai  
 Date :- 27th May, 2016

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

(Rs. in Lacs)

Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>INCOME</b>			
Revenue from Operations	13	<b>64.95</b>	849.61
Other Income	14	<b>637.41</b>	454.96
<b>Total Revenue</b>		<b>702.36</b>	1,304.57
<b>EXPENDITURE</b>			
(a) Employee Benefits Expenses	15	<b>46.58</b>	38.95
(b) Finance Costs	16	<b>16.93</b>	46.32
(c) Depreciation and Amortisation Expenses		<b>41.57</b>	48.16
(d) Other Expenses	17	<b>93.01</b>	73.55
(e) Contingent Provisions against Standard Assets		<b>(0.01)</b>	(3.93)
<b>Total Expenses</b>		<b>198.08</b>	203.05
<b>Profit before Exceptional and Extraordinary Items and Tax (3 - 4)</b>		<b>504.28</b>	1,101.52
Exceptional Items		-	-
<b>Profit before Extraordinary Items and Tax</b>		<b>504.28</b>	1,101.52
Extraordinary Items		-	-
<b>Profit before Tax</b>		<b>504.28</b>	1,101.52
<b>Tax Expense:</b>			
(a) Current Tax Expense		<b>17.00</b>	195.00
(b) Current Tax Expense Relating to Prior Years		<b>0.75</b>	-
(c) Deferred Tax		<b>1.81</b>	(11.03)
		<b>19.56</b>	183.97
<b>Profit for the year</b>		<b>484.72</b>	917.55
<b>Earnings per equity share of face value of Rs. 10/- each :</b>	18		
(a) Basic		<b>2.77</b>	5.24
(b) Diluted		<b>2.77</b>	5.24
Significant Accounting Policies	A to P		
Notes on Financial Statements	1 to 32		

As per our report of even date  
**For RAJEN DAMANI & ASSOCIATES**  
Chartered Accountants  
FRN 116762W

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

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

**R. Sundaresan** (Chairman)  
**Kantilal Shah** (Director)  
**Yogendra Chaturvedi** (Executive Director & CEO)  
**Monika Agarwal** (Executive Director & Company Secretary)  
**Saurabh Chaturvedi** (CFO)

Place :- Mumbai  
Date :- 27th May, 2016

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(Rs. in Lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>A. Cash Flow from operating activities</b>		
<b>Net Profit / (Loss) before tax, Extraordinary and prior period items</b>	<b>504.28</b>	1,101.52
<b>Adjustments for:</b>		
Non cash Items		
Depreciation	41.57	48.16
Provision for Contingent Standard Assets	(0.01)      41.56	(3.93)      44.23
Profit / (Loss) on sale of Investments	(70.47)	(807.17)
Profit/ (loss) on dealing in Commodities (Net)	(14.13)	-
Income from Advisory Fees and Services	(20.00)	-
Profit on sale of Fixed Assets	-	(0.88)
Rent Income	(183.40)	(241.00)
Sundry bal w/off	(0.07)	-
Dividend received on investments	(434.92)	(155.75)
<b>Operating Profit/(Loss) before working capital changes</b>	<b>(177.15)</b>	<b>(59.05)</b>
<b>Adjustments for:</b>		
Trade & Other Receivables	(957.31)	(375.08)
Inventories	2,862.35	(3607.58)
Trade & Other Payables	11.62	(0.63)
	<b>1,916.66</b>	<b>(3983.29)</b>
<b>Cash generated from (used in) operations</b>	<b>1,739.51</b>	<b>(4,042.34)</b>
Income Tax paid	(40.23)	(194.46)
<b>Cash inflow / (outflow) before extraordinary and prior period items</b>	<b>1,699.28</b>	<b>(4,236.80)</b>
Extraordinary and prior period items	-	-
<b>Net Cash from / (used) in operation activities</b>	<b>1,699.28</b>	<b>(4,236.80)</b>
<b>B. Cash flow from investment activities</b>		
Sale / (Purchase) of fixed assets	(12.66)	2.25
Purchase of investments	(6,729.41)	(8,385.00)
Sale of investments	5,139.35	10,129.65
Rent Income	183.40	241.00
Dividend received on investments	434.92	155.75
Loans & Advances (Long Term)	(0.70)	82.30
Loans & Advances (Short Term)	1.55	1,574.07
<b>Net cash (used) in investment activities</b>	<b>(983.56)</b>	<b>3,800.02</b>
<b>C. Cash flow from financing activities</b>		
Dividend paid on Equity Shares including tax	-	(143.31)
Loan from Corporate Body	-	-
<b>Net cash from / (used) in financing activities</b>	<b>-</b>	<b>(143.31)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>715.72</b>	<b>(580.09)</b>
<b>Cash and cash equivalents as at 1st April 2015</b>	<b>154.60</b>	<b>734.69</b>
<b>Cash and cash equivalents as at 31st March 2016</b>	<b>870.32</b>	<b>154.60</b>

 As per our report of even date  
**For RAJEN DAMANI & ASSOCIATES**  
 Chartered Accountants  
 FRN 116762W

For and on behalf of the Board of Directors

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

**R. Sundaresan** (Chairman)  
**Kantilal Shah** (Director)  
**Yogendra Chaturvedi** (Executive Director & CEO)  
**Monika Agarwal** (Executive Director & Company Secretary)  
**Saurabh Chaturvedi** (CFO)

 Place :- Mumbai  
 Date :- 27th May, 2016

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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 2013, 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 affect 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 based on useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013.

### (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 item 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, 2016

(Rs. In Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Note 1 Share Capital</b>		
<b>(A) SHARE CAPITAL:</b>		
<b>Authorised Share Capital :</b>		
10,00,00,000 Equity Shares of Rs. 10 each	10,000.00	10,000.00
	<u>10,000.00</u>	<u>10,000.00</u>
<b>Issued, Subscribed and Paid up :</b>		
1,74,98,433 Equity Shares of Rs. 10 each (Fully Paid up)	1,749.84	1,749.84
	<u>1,749.84</u>	<u>1,749.84</u>

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

Particulars	2015 - 16	2014 - 15
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, 2016		As at 31st March, 2015	
		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)	Devesh D Chaturvedi	2,554,169	14.60	2,417,319	13.81
(iii)	Varsha R Chaturvedi	2,517,700	14.39	2,517,700	14.39
(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, 2016

(Rs. In Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Note 2 - Reserves &amp; Surplus</b>		
<b>(A) Capital Reserve</b>		
Balance as per the last financial statement	6.90	6.90
	<u>6.90</u>	<u>6.90</u>
<b>(B) Securities Premium Account</b>		
Balance as per the last financial statement	2,666.69	2,666.69
Less: Premium utilised	-	-
	<u>2,666.69</u>	<u>2,666.69</u>
<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	-	-
	<u>328.58</u>	<u>328.58</u>
<b>(D) Statutory Reserve Fund (As per RBI Guidelines)</b>		
Balance as per the last financial statement	1,991.35	1,807.84
Add : Amount transferred from surplus balance in the Statement of Profit and Loss	96.94	183.51
	<u>2,088.29</u>	<u>1,991.35</u>
<b>(E) Surplus / (Deficit) in the statement of profit and loss Account</b>		
Balance as per the last financial statement	3,917.47	3,382.47
Add : Profit for the year	484.72	917.55
Amount available for Appropriations	<u>4,402.19</u>	<u>4,300.02</u>
<b>Less : Appropriations</b>		
Adjustment relating to Fixed Assets	-	30.55
Transferred to Statutory Reserve Fund (As per RBI Guidelines)	96.94	183.51
Proposed Dividend on Equity Shares	-	139.99
Tax on Proposed Dividend	-	28.50
Interim Dividend on Equity Shares	104.99	-
Tax on Interim Dividend	21.37	-
	<u>4,178.89</u>	<u>3,917.47</u>
<b>Total</b>	<u><u>9,269.35</u></u>	<u><u>8,910.99</u></u>
<b>Note 3 - Deferred Tax Liability</b>		
Related to Fixed Assets	148.95	147.14
<b>Total</b>	<u>148.95</u>	<u>147.14</u>
<b>Note 4 Other Current Liabilities</b>		
(a) Unclaimed Dividends *	38.62	30.24
(b) Security Deposit	108.00	108.00
(c) Other Payables	6.96	3.72
<b>Total</b>	<u>153.58</u>	<u>141.96</u>
*These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.		
<b>Note 5 Short - Term Provisions</b>		
(a) Contingent provision against Standard Assets	-	0.01
(b) Proposed Dividend	-	139.99
(c) Tax on Proposed Dividend	-	28.50
<b>Total</b>	<u>-</u>	<u>168.50</u>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### Note 6 - FIXED ASSETS

(Rs. In Lacs)

Description	Gross Block			Depreciation / Amortisation				Net Block		
	As at 1st April, 2015	Additions	Deductions/ Adjustments	As at 31st March, 2016	Upto 31st March, 2015	For the Year	Deductions/ Adjustments	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
<b>Tangible Assets</b>										
Office Premises - Owned	1,665.04	-	-	<b>1,665.04</b>	300.31	25.10	-	<b>325.41</b>	<b>1,339.63</b>	1,364.73
Computers	0.87	2.25	-	<b>3.12</b>	0.66	0.55	-	<b>1.21</b>	<b>1.91</b>	0.21
Furniture and Fixtures - Owned	139.02	-	-	<b>139.02</b>	107.76	11.87	-	<b>119.63</b>	<b>19.39</b>	31.26
Vehicles - Owned	41.10	10.42	-	<b>51.52</b>	34.75	3.91	-	<b>38.66</b>	<b>12.86</b>	6.35
Office Equipment - Owned	69.78	-	-	<b>69.78</b>	66.05	0.14	-	<b>66.19</b>	<b>3.59</b>	3.73
<b>TOTAL (A)</b>	<b>1,915.81</b>	<b>12.67</b>	-	<b>1,928.48</b>	<b>509.53</b>	<b>41.57</b>	-	<b>551.10</b>	<b>1,377.38</b>	<b>1,406.28</b>
<b>INTANGIBLE ASSETS</b>										
Computer Software	0.76	-	-	<b>0.76</b>	0.72	-	-	<b>0.72</b>	<b>0.04</b>	0.04
<b>TOTAL (B)</b>	<b>0.76</b>	-	-	<b>0.76</b>	<b>0.72</b>	-	-	<b>0.72</b>	<b>0.04</b>	<b>0.04</b>
<b>Grand Total (A+B)</b>	<b>1,916.57</b>	<b>12.67</b>	-	<b>1,929.24</b>	<b>510.25</b>	<b>41.57</b>	-	<b>551.82</b>	<b>1,377.41</b>	<b>1,406.32</b>
Previous Year	1,917.94	-	1.37	<b>1,916.57</b>	415.80	48.16	46.29	<b>510.25</b>	<b>1,406.32</b>	

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.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**
**Note 7 - Non - Current Investments (At Cost)**

(Rs. in lacs)

	Face Value/ Issue Price (Rs)	Quantity		Value	
		As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
<b>In Equity shares - Quoted</b>					
<b>Fully Paid-up</b>					
Cummins India Ltd	2	20,000	-	176.13	-
Essar Shipping Ltd	10	78,233	133,333	23.46	39.98
Genus Paper Boards Ltd	1	310,850	327,000	43.43	45.68
HDFC Bank Ltd	2	100,000	-	931.27	-
Larsen Toubro Ltd	2	15,000	-	213.05	-
*Reliance Industries Ltd	10	464,000	464,000	1,024.90	1,024.90
Repcos Home Finance Ltd	10	59,000	59,000	92.10	92.11
Ultratech Cement Ltd	10	10,000	-	253.52	-
<b>Sub Total</b>				<b>2,757.86</b>	<b>1,202.67</b>
<b>Other Investments</b>					
<b>In Equity Shares - Unquoted</b>					
<b>Fully Paid up</b>					
Bangalore Stock Exchange Ltd	1	8,350	8,350	0.08	0.08
Bombay Stock Exchange Ltd	1	58,838	58,838	0.05	0.05
Antique Finance Pvt Ltd	10	3,122,125	3,122,125	-	-
<b>Sub Total</b>				<b>0.13</b>	<b>0.13</b>
<b>In Preference shares - Unquoted</b>					
<b>Fully Paid up</b>					
Vaibhav Property & Advisors Pvt Ltd	10	2,250,000	2,250,000	225.00	225.00
<b>Sub Total</b>				<b>225.00</b>	<b>225.00</b>
<b>In Subsidiary (Whollyowned)</b>					
<b>Fully Paid up</b>					
Shriyam Broking Intermediary Ltd.	10	10,000,000	10,000,000	1,000.00	1,000.00
<b>Sub Total</b>				<b>1,000.00</b>	<b>1,000.00</b>
<b>In Bullion</b>					
Gold		20.46 Kg.		207.19	-
Silver		30.13 Kg.		5.65	-
<b>Sub total</b>				<b>212.84</b>	<b>-</b>
<b>Investment in Funds - Unquoted</b>					
HDFC India Real Estate Fund	1000	4,621	13,688	46.21	136.88
Urban Infrastructure fund (Previous year's Face Value Rs. 86,750/-)	86160	270	270	214.11	230.94
				<b>260.32</b>	<b>367.82</b>
<b>Total Investments</b>				<b>4,456.15</b>	<b>2,795.62</b>
<b>Market Value of Quoted Shares</b>				<b>6,968.31</b>	<b>4,239.56</b>

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

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(Rs. In Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Note 8 Long - Term Loans and Advances (Unsecured and Considered Good)</b>		
(a) Security Deposits	2.25	1.55
(b) Advance Income Tax (Net of Provisions)	<u>27.23</u>	<u>4.75</u>
<b>Total</b>	<u><u>29.48</u></u>	<u><u>6.30</u></u>
<b>Note 9 Inventories</b>		
(As certified by Management)		
Stock-in-Trade	<u>3,476.93</u>	<u>6,339.28</u>
<b>Total</b>	<u><u>3,476.93</u></u>	<u><u>6,339.28</u></u>
<b>Note 10 Trade Receivables (Unsecured and Considered Good)</b>		
(a) Over six months	0.02	0.04
(b) Others	<u>1,370.92</u>	<u>413.59</u>
	<b>1,370.94</b>	413.63
Less : Provision for Doubtful Debts	<u>-</u>	<u>-</u>
<b>Total</b>	<u><u>1,370.94</u></u>	<u><u>413.63</u></u>
<b>Note 11 Cash and Cash Equivalents</b>		
(a) Cash on Hand	0.02	0.02
(b) Balances with Banks *	<u>609.66</u>	<u>154.58</u>
<b>Total</b>	<u><u>609.68</u></u>	<u><u>154.60</u></u>
* Balances with Banks includes Unclaimed Dividend of Rs. <b>38.62</b> lacs ( P.Y. Rs. 30.24 Lacs )		
<b>Note 12 Short - Term Loans and Advances (Unsecured and Considered Good)</b>		
(a) Loans and Advances to Employees	-	1.40
(b) Prepaid Expenses	<u>0.60</u>	<u>0.36</u>
(c) Others	<u>0.53</u>	<u>0.92</u>
<b>Total</b>	<u><u>1.13</u></u>	<u><u>2.68</u></u>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(Rs. In Lacs)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>Note 13 Revenue from Operations</b>		
(a) Profit/ (loss) on dealing in securities (Net)	(39.66)	77.12
(b) Profit/ (loss) on dealing in Commodities (Net)	14.13	(60.35)
(c) Income from Advisory Fees and Services	20.00	-
(d) Interest Income	0.01	25.67
(e) Net Profit on Sale of Investments	70.47	807.17
<b>Total</b>	<b>64.95</b>	<b>849.61</b>
<b>Note 14 Other Income</b>		
(a) Dividend Income	434.92	155.75
(b) Rent Income	183.40	241.00
(c) Profit on sale of Fixed Assets (Net)	-	0.88
(d) Bad Debt Recovery	18.75	54.13
(e) Miscellaneous Income	0.34	3.20
<b>Total</b>	<b>637.41</b>	<b>454.96</b>
<b>Note 15 Employee Benefits Expenses</b>		
(a) Salaries and Wages	43.78	37.86
(b) Contribution to Provident and Other Funds	1.13	0.93
(c) Staff Welfare Expenses	0.71	0.14
(d) Premium towards Group Gratuity Scheme	0.96	0.02
<b>Total</b>	<b>46.58</b>	<b>38.95</b>
<b>Note 16 Finance Cost</b>		
(a) Interest Expenses	16.83	46.21
(b) Bank Charges	0.10	0.11
<b>Total</b>	<b>16.93</b>	<b>46.32</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	(Rs. In Lacs)	
Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>Note 17 Other Expenses</b>		
<b>(A) Payment to Auditors</b>		
(a) Audit Fees	2.25	2.25
(b) Tax Audit Fees	0.50	0.50
(c) Other Services	0.25	0.25
<b>(B) Operating / Administrative and General Expenses</b>		
(a) Rent, Rates and Taxes	26.88	23.04
(b) Other Repairs :		
i) Equipments	0.64	0.65
ii) Office Premises	0.30	0.14
(c) Travelling Expenses	2.29	2.51
(d) Telephone and lease line charges	1.65	1.46
(e) Directors Sitting Fees	2.51	2.41
(f) Postage & Telegram	1.06	1.06
(g) Printing & Stationery	1.71	1.28
(h) Electricity Charges	3.54	0.93
(i) Securities Transaction Tax	11.45	19.30
(j) Fees & Subscription	3.47	1.74
(k) Professional Fees	12.80	4.00
(l) Advertisement	0.86	0.96
(m) Insurance	1.52	0.12
(n) CSR Expenditure	12.54	7.75
(o) Motor Car Expenses	4.65	1.14
(p) Miscellaneous Expenses*	2.14	2.06
<b>Total</b>	<b>93.01</b>	<b>73.55</b>
<b>Note 18 Earnings Per Equity share</b>		
(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)	484.72	917.55
Add : Extra-ordinary Items (Net of Tax)	-	-
Net Profit After Tax Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Rs. In Lacs)	484.72	917.55
(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	2.77	5.24
After Extra-ordinary items	2.77	5.24
(D) Face Value per Equity Share (in Rs.)	10.00	10.00

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

**Note 19**

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 20**

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 21**
**Related Party Disclosures:**

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

 i) *Subsidiary* :

Shriyam Broking Intermediary Limited.

 ii) *Key Managerial Personnel:*

Mr. R. Sundaresan	- Executive Chairman
Mr. Yogendra Chaturvedi	- Executive Director (w.e.f. 05/02/2016)
Ms. Monika Agrawal	- Executive Director & Co Secretary
Mr. Saurabh Chaturvedi	- CFO

## iii) 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	Key Management Personnel	Total
<b>Loans / Advances :</b>			
Given during the year	-- (--)	-- (--)	-- (--)
Returned during the year	-- (75.00)	-- (--)	-- (75.00)
Balance as at 31.03.16	-- (75.00)	-- (--)	-- (75.00)
<b>Investments :</b>			
Made during the year	-- (--)	-- (--)	-- (--)
Sold during the year	-- (--)	-- (--)	-- (--)
Balance as at 31.03.16	1000.00 (1000.00)	-- (--)	1000.00 (1000.00)
<b>Trade Receivable :</b>			
As at 31.03.16	1345.76 (384.51)	-- (--)	1345.76 (384.51)
<b>Payment for remuneration and services :</b>			
Paid during the year	-- (--)	28.54 (26.00)	28.54 (26.00)
<b>Exp for Trading Activities :</b>			
Paid/(Refunded) during the year. (Net)	5.50 (8.10)	-- (--)	5.50 (8.10)
<b>Income:</b>			
Interest Received during the year	-- (2.74)	-- (--)	-- (2.74)

(Figures in bracket indicate figures of previous year).

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### Significant Related Party Transactions during the year:

1. Payment and provision for remuneration and services, includes Rs. 9.80 lacs as Salary paid to Shri R. Sundaresan, Executive Director, Rs. 0.70 lacs as Salary paid to Mr Yogendra Chaturvedi, Executive Director, Rs. 10.72 lacs as Salary paid to Ms Monika Agrawal, Executive Director & Company Secretary and Rs. 10.62 lacs paid to Shri Saurabh Chaturvedi, CFO.
2. Expenses for Trading Activities includes Rs 5.50 lacs paid to Shriyam Broking Intermediary Ltd. Subsidiary Company.

### Note 22

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 23

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, 2016	Maximum Balance Outstanding during the year
i) Loans and advances in the nature of loans to subsidiary - Shriyam Broking Intermediary Ltd	NIL (NIL)	NIL (75.00)
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	NIL	NIL
a) no repayment schedule or repayment beyond seven years.	(NIL)	(NIL)
b) No interest or interest below section 185 of the Companies Act, 2013- 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 24

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

- Contribution to Provident Fund of Rs. 1.13 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. 0.96 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, 2016

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

Period of Accounting		FY. 2015 – 2016	FY. 2014 – 2015
<b>1.</b>	<b>SUMMARY OF MEMBERSHIP DATA</b>		
	Number of Employees	5	5
	Average Age (in years)	43.80	42.80
	Average Monthly Salary ( in Rupees)	34924.00	33360.00
	Average Past Service	10.20	9.40
<b>2.</b>	<b>VALUATION METHOD</b>	<b>Projected Unit Credit Method</b>	<b>Projected Unit Credit Method</b>
<b>3.</b>	<b>ACTUARIAL ASSUMPTIONS</b>		
	Mortality Rate	<b>LIC(2006-08) 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>	4% P.A.
<b>4.</b>	<b>RESULTS OF VALUATION</b>		
	PV of Past Service Benefit (Rs. In Lacs)	6.10	5.42
	Current Service Cost (Rs. In Lacs)	0.41	0.38
	Total Service Gratuity (Rs. In Lacs)	29.21	27.76
	Accrued Gratuity (Rs. In Lacs)	9.81	8.61
	LCSA	6.50	6.55
	LC Premium	0.01	0.01
	Service Tax @ 12.36%	0.00	0.00
<b>5</b>	<b>RECOMMENDED CONTRIBUTION RATE</b>		
	Fund Value as on Renewal Date (Rs in Lacs)	10.70	9.78
	Additional Contribution for existing fund	0.95	0.01
	Current Service Cost	0.00	0.00
<b>6</b>	<b>TOTAL AMOUNT PAID (Rs. in Lacs)</b>	<b>0.96</b>	0.02

### Note 25

#### Directors Remuneration :

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

Shri R. Sundaresan	Rs. 9.80 Lacs ( P.Y. Rs. 6.50 Lacs )
Shri Yogendra Chaturvedi	Rs. 0.70 Lacs ( P.Y. Rs. Nil )
Ms. Monika Agrawal	Rs. 10.72 Lacs ( P.Y. Rs. 9.50 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 of section 196,197 & 203 read with Schedule V of the Companies Act, 2013.

### Note 26

During the year under review, Company has transferred some of its Stock in trade into Investments at cost. There is no impact on the Statement of Profit and Loss for the said transfers.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

**Note 27****Contingent Liabilities:****(Rs. in Lacs)**

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
1.	Bank Guarantees Outstanding	<b>1000.00</b>	--

**Note 28****Disputed Tax Liabilities:****(Amount in Rs.)**

Sr. No.	Particulars	A Y	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
1.	Case Pending with CIT	2012 - 2013	<b>(3,61,172/-)</b>	(3,61,172/-)
2.	Case Pending with CIT	2013 - 2014	<b>1,12,740/-</b>	--

**Note 29**

MAT credit entitlement of Rs. 363.81 lacs as per the returns filed upto assessment year 2015 - 16 is not considered in absence of certainty of encashment considering company's substantial exposure to equity market.

**Note 30**

There is no dues to Micro, Small & Medium Enterprises for the year under review.

**Note 31**

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

**Note 32**

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)**

Particulars		Amount outstanding		Amount overdue	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
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)	Nil	1.41	Nil	Nil

Particulars	Amount outstanding		Amount overdue	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
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				
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
4 Break up of Investments				
a) Current Investments: (stock in trade)				
Quoted:				
- Equity Shares	3476.93	6126.44	Nil	Nil
- Commodity Stock	Nil	Nil	Nil	Nil
- Debentures and Bonds	Nil	Nil	Nil	Nil
- Units of Mutual Funds	Nil	Nil	Nil	Nil
- Government Securities	Nil	Nil	Nil	Nil
- Gold & Silver	Nil	212.84	Nil	Nil
b) Long-term Investments				
Quoted:				
- Equity Shares	2757.86	1202.67	Nil	Nil
- Preference Shares	Nil	Nil	Nil	Nil
- Debentures and Bonds	Nil	Nil	Nil	Nil
- Units of Mutual Funds	Nil	Nil	Nil	Nil
- Government Securities	Nil	Nil	Nil	Nil
- Gold & Silver	212.84	Nil	Nil	Nil
Unquoted:				
- Equity Shares	1000.13	1000.13	Nil	Nil
- Preference Shares	225.00	225.00	Nil	Nil
- Debentures and Bonds	Nil	Nil	Nil	Nil
- Units of Mutual Funds	260.32	367.82	Nil	Nil
- Government Securities	Nil	Nil	Nil	Nil
- Others (Please Specify)	Nil	Nil	Nil	Nil
<b>Total</b>	<b>7933.08</b>	<b>9136.31</b>	<b>Nil</b>	<b>Nil</b>

Particulars	Amount outstanding		Amount overdue	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
5 Borrower group-wise classification of assets financed as in 2 and 3 above				
a) Related Parties				
1 Subsidiaries	Nil	Nil	Nil	Nil
2 Companies in the same group	Nil	Nil	Nil	Nil
3 Other related parties	Nil	Nil	Nil	Nil
b) Other than related parties	Nil	1.41	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>1.41</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>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
a) Related Parties				
1 Subsidiaries	4217.79	4209.12	1000.00	1000.00
2 Companies in the same group	Nil	Nil	Nil	Nil
3 Other related parties	Nil	Nil	Nil	Nil
b) Other than related parties	7556.63	4895.51	3243.31	1795.62
<b>Total</b>	<b>11774.42</b>	<b>9104.63</b>	<b>4243.31</b>	<b>2795.62</b>
7 Other Information				
a) Gross Non-Performing Assets				
1 Related Parties	Nil	Nil	Nil	Nil
2 Other than related parties	Nil	Nil	Nil	Nil
b) Net Non-Performing Assets				
1 Related Parties	Nil	Nil	Nil	Nil
2 Other than related parties	Nil	Nil	Nil	Nil
c) Assets acquired in satisfaction of debt	Nil	Nil	Nil	Nil

As per our report of even date

**For RAJEN DAMANI & ASSOCIATES**

Chartered Accountants

FRN 116762W

**For and on behalf of the Board of Directors****CA Rajen J. Damani**

Partner

M No. 034375

**R. Sundaresan****Kantilal Shah****Yogendra Chaturvedi****Monika Agarwal****Saurabh Chaturvedi****(Chairman)****(Director)****(Executive Director & CEO)****(Executive Director & Company Secretary)****(CFO)**

Place :- Mumbai

Date :- 27th May, 2016

# **SHARDUL**

## **SECURITIES LIMITED**



**CONSOLIDATED  
FINANCIAL STATEMENTS  
2015 - 2016**

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

The Members of,  
SHARDUL SECURITIES LTD.

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SHARDUL SECURITIES LTD** ("The Holding Company"), and its Subsidiary (collectively referred to as 'the Company') comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'consolidated financial statements').

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparations of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the act') that give a true and fair view of the financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of presentation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the 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 the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 of the state of affairs of the company as at 31<sup>st</sup> March 2016, its consolidated profit and its consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books;
  - c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2016, and taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group as referred to in Note 27 and 28 to the consolidated financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, or material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company or its Subsidiary Company.

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

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

Place: Mumbai  
Date : 27<sup>th</sup> May, 2016

## **ANNEXURE A TO THE AUDITORS' REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013**

In conjunction with our audit of the consolidated financial statements of the Company for the year ended and as of 31<sup>st</sup> March, 2016 we have audited the internal financial controls over financial reporting of Shardul Securities Limited and its subsidiary company as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and the Subsidiary Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence of the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparations of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with the authorizations of the Management and directors of the Company.
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Due to the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluations of the internal financial controls over financial reporting to future periods are subject to the risk that internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company and its subsidiary company have, in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants Of India.

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

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

Place: Mumbai  
Date : 27<sup>th</sup> May, 2016

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016**

(Rs. In Lacs)

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	1,749.84	1,749.84
(b) Reserves and Surplus	2	12,487.14	12,120.11
		<b>14,236.98</b>	13,869.95
<b>Non-Current Liabilities</b>			
(a) Deferred Tax Liability (Net)	3	180.59	173.70
<b>Current Liabilities</b>			
(a) Trade Payables	4	338.18	188.81
(b) Other Current Liabilities	5	174.30	162.78
(c) Short-Term Provisions	6	-	168.50
		<b>512.48</b>	520.09
<b>TOTAL</b>		<b>14,930.05</b>	<b>14,563.74</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	7		
(i) Tangible Assets		1,869.27	1,907.75
(ii) Intangible Assets		175.54	175.54
		<b>2,044.81</b>	2,083.29
(b) Non-Current Investments	8	5,630.39	3,308.86
(c) Long-Term Loans and Advances	9	414.16	876.60
		<b>8,089.36</b>	6,268.75
<b>Current Assets</b>			
(a) Inventories	10	4,399.10	6,339.28
(b) Trade Receivables	11	1,396.40	75.87
(c) Cash and Cash Equivalents	12	1,020.82	298.82
(d) Short-Term Loans and Advances	13	24.37	1,581.02
		<b>6,840.69</b>	8,294.99
		<b>14,930.05</b>	<b>14,563.74</b>
Significant Accounting Policies	A to C		
Notes on Financial Statement	1 to 32		

As per our report of even date

**For RAJEN DAMANI & ASSOCIATES**

 Chartered Accountants  
 FRN. 116762W

**CA Rajen J. Damani**

 Partner  
 M No. 034375

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

Place :- Mumbai

Date :- 27th May, 2016

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016****( Rs. In Lacs )**

Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>INCOME</b>			
Revenue from Operations	14	89.88	995.00
Other Income	15	750.01	505.59
<b>Total Revenue</b>		<b>839.89</b>	1,500.59
<b>EXPENDITURE</b>			
(a) Employee Benefits Expense	16	101.16	64.32
(b) Finance Costs	17	27.95	51.05
(c) Depreciation and Amortisation Expense		51.73	58.85
(d) Other Expenses	18	149.30	125.72
(e) Contingent Provisions against Standard Assets		(0.01)	(3.93)
<b>Total Expenses</b>		<b>330.13</b>	296.01
<b>Profit / (Loss) before Exceptional and Extraordinary Items and Tax</b>		<b>509.76</b>	1,204.58
Exceptional items		-	-
<b>Profit / (Loss) before Extraordinary Items and Tax</b>		<b>509.76</b>	1,204.58
Extraordinary Items		-	-
<b>Profit / (Loss) before Tax</b>		<b>509.76</b>	1,204.58
<b>Tax Expense:</b>			
(a) Current Tax Expense		17.00	217.00
(b) Current Tax Expense Relating to Prior Years		(7.52)	-
(c) Deferred Tax		6.89	(13.42)
		<b>16.37</b>	203.58
<b>Profit / (Loss) for the year</b>		<b>493.39</b>	1,001.00
<b>Profit / (Loss) from Associate Co.</b>		-	-
<b>Profit / (Loss) for the year</b>		<b>493.39</b>	1,001.00
<b>Earnings per equity share of face value of Rs. 10/- each :</b>	19		
(a) Basic		2.82	5.72
(b) Diluted		2.82	5.72
Significant Accounting Policies	A to C		
Notes on Financial Statement	1 to 32		

As per our report of even date

For and on behalf of the Board of Directors

**For RAJEN DAMANI & ASSOCIATES**Chartered Accountants  
FRN. 116762W**CA Rajen J. Damani**  
Partner  
M No. 034375

<b>R. Sundaresan</b>	<b>(Chairman)</b>
<b>Kantilal Shah</b>	<b>(Director)</b>
<b>Yogendra Chaturvedi</b>	<b>(Executive Director &amp; CEO)</b>
<b>Monika Agarwal</b>	<b>(Executive Director &amp; Company Secretary)</b>
<b>Saurabh Chaturvedi</b>	<b>(CFO)</b>

Place :- Mumbai

Date :- 27th May, 2016

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

( Rs. In Lacs )

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
<b>A. Cash Flow from operating activities</b>				
Net Profit before tax, Extraordinary and prior period items		509.76		1,204.58
<b>Adjustments for:</b>				
Non cash Items				
Depreciation	51.73		58.85	
Provision for Contingent Standard Assets	(0.01)	51.72	(3.93)	54.92
Profit on sale of Investments		(88.20)		(887.41)
Rent Income		(211.40)		(289.00)
Profit on sale of Fixed assets		-		(0.88)
Dividend received on investments	(518.83)	(766.71)	(158.30)	(1,280.67)
<b>Operating Profit before working capital changes</b>		<b>(256.95)</b>		<b>(76.09)</b>
<b>Adjustments for:</b>				
Trade & Receivables		(936.02)		(421.26)
Inventories		1,940.18		(3,607.58)
Trade Payable		(223.62)		552.70
		<b>780.54</b>		<b>(3,476.14)</b>
<b>Cash generated from / (used) in operations</b>		<b>523.59</b>		<b>(3,552.23)</b>
Direct Taxes paid		(50.09)		(219.38)
<b>Cash inflow / (outflow) before extraordinary and prior period items</b>		<b>473.50</b>		<b>(3,771.61)</b>
Extraordinary and prior period items		-		-
<b>Net cash from operation / (used) in activities</b>		<b>473.50</b>		<b>(3,771.61)</b>
<b>B. Cash flow from investing activities</b>				
Sale / (Purchase) of fixed assets	(13.26)		2.25	
Purchase of investments	(14,589.09)		(8,820.82)	
Sale of investments	12,355.77		12,251.27	
Rent Income	211.40		289.00	
Dividend received on investments	518.83		158.30	
Loans & Advances (Long Term)	503.05		(387.73)	
Loans & Advances (Short Term)	1,556.65		(1.18)	
<b>Net cash (used) in investing activities</b>		<b>543.35</b>		<b>3,491.09</b>
<b>C. Cash flow from financing activities</b>				
Dividend paid on Equity Shares including tax	(294.85)		(218.31)	
Loan from Corporate Bodies	-		-	
<b>Net cash (used) in / from financing activities</b>		<b>(294.85)</b>		<b>(218.31)</b>
<b>Net increase/ (Decrease) in cash and cash equivalents</b>		<b>722.00</b>		<b>(498.83)</b>
<b>Cash and cash equivalents as at 1st April 2015</b>		<b>298.82</b>		<b>797.65</b>
<b>Cash and cash equivalents as at 31st March 2016</b>		<b>1,020.82</b>		<b>298.82</b>

 As per our report of even date  
**For RAJEN DAMANI & ASSOCIATES**  
 Chartered Accountants  
 FRN. 116762W

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

For and on behalf of the Board of Directors

<b>R. Sundaresan</b>	<b>(Chairman)</b>
<b>Kantil Shah</b>	<b>(Director)</b>
<b>Yogendra Chaturvedi</b>	<b>(Executive Director &amp; CEO)</b>
<b>Monika Agarwal</b>	<b>(Executive Director &amp; Company Secretary)</b>
<b>Saurabh Chaturvedi</b>	<b>(CFO)</b>

 Place :- Mumbai  
 Date :- 27th May, 2016

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## SIGNIFICANT ACCOUNTING POLICIES

### Significant Accounting Policies :

#### A. Principles of consolidation :

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

- i) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21- Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
- ii) The 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.
- iii) The difference between the costs 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.
- iv) 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 has 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, 2016**

(Rs. In Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<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
	<u>10,000.00</u>	<u>10,000.00</u>
<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
	<u>1,749.84</u>	<u>1,749.84</u>

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	2015-16	2014-15
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 2016		As at 31 March 2015	
		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)	Devesh D Chaturvedi	2,554,169	14.6	2,417,319	13.81
(iii)	Varsha R Chaturvedi	2,517,700	14.39	2,517,700	14.39
(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, 2016

(Rs. In Lacs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
<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	1,991.35		1,807.84	
Add : Amount transferred from surplus balance in the Statement of Profit and Loss	96.94		183.51	
		2,088.29		1,991.35
<b>(E) Surplus / (Deficit) in the statement of profit and loss</b>				
Balance as per the last financial statement	7,126.59		10,870.04	
Add : Profit for the year	493.39		1,001.00	
Amount available for Appropriations	7,619.98		11,871.04	
<b>Less : Appropriations</b>				
Transferred to Statutory Reserve Fund (As per RBI Guidelines)	96.94		183.51	
Adjustment relating to Fixed Assets	-		36.21	
Adjustment relating to unrealised Profit from Associates for earlier years	-		4,356.24	
Proposed Dividend on Equity Shares	-		139.99	
Tax on Proposed Dividend	-		28.50	
Interim Dividend on Equity Shares	104.99		-	
Tax on Interim Dividend	21.37	7,396.68	-	7,126.59
<b>Total</b>		<b>12,487.14</b>		<b>12,120.11</b>
<b>Note 3 - Deferred Tax Liability</b>				
Related to Fixed Assets		180.59		173.70
<b>Total</b>		<b>180.59</b>		<b>173.70</b>
<b>Note 4 - Trade Payables</b>				
(a) Micro, Small and Medium Enterprises		-		-
(b) Others		338.18		188.81
<b>Total</b>		<b>338.18</b>		<b>188.81</b>
<b>Note 5 - Other Current Liabilities</b>				
(a) Unclaimed Dividends *		38.62		30.24
(b) Other Payables		27.68		24.54
(c) Security Deposit		108.00		108.00
<b>Total</b>		<b>174.30</b>		<b>162.78</b>

\* 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, 2016

(Rs. In Lacs)

Particulars	As at 31st March,2016	As at 31st March,2015
<b>Note 6 - Short Term Provisions</b>		
(a) Contingent provision against Standard Assets	-	0.01
(b) Proposed Dividend	-	139.99
(c) Tax on Proposed Dividend	-	28.50
<b>Total</b>	-	168.50

### Note 7 - FIXED ASSETS

(Rs. In Lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2015	Additions	Deductions/ Adjustments	As at 31st March, 2016	Upto 31st March, 2015	For the Year	Deductions/ Adjustments	Upto 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
<b>Tangible Assets</b>										
Office Premises - Owned	2,198.09	-	-	2,198.09	335.43	33.50	-	368.93	1,829.17	1,862.67
Computers	3.55	2.25	-	5.80	2.31	1.16	-	3.47	2.33	1.24
Furniture and Fixtures - Owned	152.71	-	-	152.71	121.46	11.87	-	133.33	19.38	31.25
Vehicles - Owned	48.97	10.42	-	59.39	41.14	5.00	-	46.14	13.25	7.83
Office Equipment - Owned	90.39	0.59	-	90.98	85.63	0.20	-	85.83	5.15	4.76
<b>Total (A)</b>	<b>2,493.71</b>	<b>13.26</b>	<b>-</b>	<b>2,506.97</b>	<b>585.97</b>	<b>51.73</b>	<b>-</b>	<b>637.70</b>	<b>1,869.28</b>	<b>1,907.75</b>
<b>Intangible Assets</b>										
Computer Software	0.76	-	-	0.76	0.72	-	-	0.72	0.04	0.04
Stock Exchange Membership Cards	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>0.72</b>	<b>-</b>	<b>-</b>	<b>0.72</b>	<b>175.54</b>	<b>175.54</b>
<b>Grand Total (A+B)</b>	<b>2,669.97</b>	<b>13.26</b>	<b>-</b>	<b>2,683.23</b>	<b>586.69</b>	<b>51.73</b>	<b>-</b>	<b>638.42</b>	<b>2,044.82</b>	<b>2,083.29</b>
Previous Year	2,671.34	-	1.37	2,669.97	473.36	58.85	54.48	586.69	2,083.29	

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.

(Rs. In Lacs)

Particulars	As at 31st March,2016	As at 31st March,2015
<b>Note 8 - Non Current Investments</b>		
(a) In Others	5,630.39	3,308.86
<b>Total</b>	<b>5,630.39</b>	<b>3,308.86</b>

### Note 9 - Long - Term Loans and Advances

(Unsecured and Considered Good)

(a) Security Deposits	362.78	865.83
(b) Income Tax (Net of Provisions)	51.38	10.77
<b>Total</b>	<b>414.16</b>	<b>876.60</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Note 10 - Inventories</b>		
(As Certified by Management)		
Stock-in-Trade	4,399.10	6,339.28
<b>Total</b>	<b><u>4,399.10</u></b>	<b><u>6,339.28</u></b>
<b>Note 11 - Trade Receivables</b>		
(Unsecured and Considered Good)		
(a) Over six months	0.02	0.04
(b) Others	1,396.38	75.83
	<u>1,396.40</u>	<u>75.87</u>
Less : Provision for Doubtful Debts	-	-
<b>Total</b>	<b><u>1,396.40</u></b>	<b><u>75.87</u></b>
<b>Note 12 - Cash and Cash Equivalents</b>		
(a) Cash on Hand	0.05	0.02
(b) Balances with Banks		
In Current Accounts *	770.77	173.80
In Fixed Deposits	250.00	125.00
<b>Total</b>	<b><u>1,020.82</u></b>	<b><u>298.82</u></b>
* Balances with Banks includes Unclaimed Dividend of Rs. 38.62 lacs ( P.Y. Rs. 30.25 Lacs )		
<b>Note 13 - Short - Term Loans and Advances</b>		
(Unsecured and Considered Good)		
(a) Prepaid Expenses	3.30	1.58
(b) Interest receivable	17.31	0.45
(c) Deposits	1.00	1.00
(d) Others	2.76	1,577.99
<b>Total</b>	<b><u>24.37</u></b>	<b><u>1,581.02</u></b>
Particulars	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
<b>Note 14 Revenue from Operations</b>		
(a) Profit/ (loss) on dealing in securities (Net)	(114.00)	85.22
(b) Profit/ (loss) on dealing in Commodities (Net)	14.13	(60.35)
(c) Income from Advisory Fees and Services	20.00	-
(d) Interest Income	19.90	25.14
(e) Net Profit / (Loss) on Sale of Investments	88.20	887.41
(f) Brokerage	61.65	57.58
<b>Total</b>	<b><u>89.88</u></b>	<b><u>995.00</u></b>
<b>Note 15 Other Income</b>		
(a) Dividend Income	518.83	158.30
(b) Rent Income	211.40	289.00
(c) Interest on Income Tax Refund	0.65	-
(d) Bad Debts Recovery	18.75	54.13
(e) Profit on sale of Fixed Assets (Net)	-	0.88
(f) Miscellaneous Income	0.38	3.28
<b>Total</b>	<b><u>750.01</u></b>	<b><u>505.59</u></b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
<b>Note 16 Employee Benefits Expense</b>		
(a) Salaries and Wages	95.24	61.76
(b) Contribution to Provident and Other Funds	2.58	1.68
(c) Staff Welfare Expenses	0.71	0.27
(d) Premium towards Group Gratuity Scheme	2.63	0.61
<b>Total</b>	<b>101.16</b>	<b>64.32</b>
<b>Note 17 Finance Cost</b>		
(a) Interest Expenses	16.83	46.21
(b) Bank Charges	6.32	0.11
(c) Demat Charges	4.80	4.73
<b>Total</b>	<b>27.95</b>	<b>51.05</b>
<b>Note 18 Other Expenses</b>		
<b>(A) Payment to Auditors</b>		
(a) Audit Fees	2.95	2.95
(b) Tax Audit Fees	0.70	0.70
(c) Other Services	0.35	0.35
<b>(B) Operating / Administrative and General Expenses</b>		
(a) Rent, Rates and Taxes	49.27	49.27
(b) Other Repairs :		
i) Equipments	1.72	1.61
ii) Office Premises	1.19	1.59
(c) Insurance	2.01	0.59
(d) Travelling & Conveyance	4.98	2.60
(e) Telephone and lease line charges	5.45	5.12
(f) Directors Sitting Fees	2.54	2.46
(g) Postage & Telegram	1.06	1.06
(h) Printing & Stationary	2.30	1.74
(i) Electricity Charges	8.49	4.81
(j) Securities Transaction Tax	13.34	19.75
(k) Fees & Subscription	5.72	3.68
(l) Professional Fees	16.80	5.41
(m) Miscellaneous Expenses	2.55	2.49
(n) Stamp Duty Charges	7.03	7.15
(o) Advertisement	0.86	0.96
(p) Motor Car Expenses	4.65	1.14
(q) CSR Expenses	12.54	7.75
(r) Transaction Charges	2.37	2.39
(s) Exchange General Charges	0.08	0.15
<b>Total</b>	<b>149.30</b>	<b>125.72</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
<b>Note 19 Earnings Per Equity share</b>		
(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)	493.39	1,001.00
Add : Extra-ordinary Items (Net of Tax)	-	-
Net Profit After Tax Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Rs. In Lacs)	493.39	1,001.00
(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	2.82	5.72
After Extra-ordinary items	2.82	5.72
(D) Face Value per Equity Share (in Rs.)	10.00	10.00

**Note 20**

- 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 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) Group Companies:
  - A to Z Broking Services Pvt. Ltd.
  - Pradeep Sandeep Trading & Investments Pvt. Ltd.
- ii) Key Managerial Personnel
  - Shri R. Sundaresan - Executive Director & Director (Subsidiary)
  - Ms Monika Agrawal - Executive Director & Co Secretary
  - Shri Yogendra Chaturvedi - Executive Director (Holding Co. w.e.f. 05/02/16) (Subsidiary up to 04/02/16)
  - Shri Saurabh Chaturvedi - Chief Financial Officer
  - Shri Suresh Chaturvedi - Executive Director (Subsidiary)
  - Shri Gaurav Chaturvedi - Chief Financial Officer (Subsidiary)

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- iii) 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>Payment for Remuneration and services</b>			
Paid during the year	--	55.74	55.74
	(--)	(38.93)	(38.93)
<b>Income Brokerage</b>			
Received during the year	--	--	--
	(0.25)	(--)	(0.25)
<b>Expenses</b>			
Compensation paid during the year	20.10	--	20.10
	(24.15)	(--)	(24.15)

(Figure in brackets indicates figure of previous year)

### Significant related party transactions during the year:

- i) Payment and provision for remuneration & services to key management personnel include Rs. 9.80 lacs paid to R. Sundaresan, Rs. 13.39 lacs to Yogendra Chaturvedi, Rs.10.72 lacs to Monika Agarwal, Rs. 10.62 Lacs to Saurabh Chaturvedi, Rs. 9.15 lacs paid to Suresh Chaturvedi and Rs 5.37 lacs paid to Gaurav Chaturvedi.
- ii) Expenses for Trading Activities include Rs.19.50 lacs paid to Shriyam Commodities Intermediary Pvt. Ltd. and Rs. 0.60 lacs paid to A to Z Broking Service Pvt. Ltd.as compensation.

### Note 23

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

	Investment with Related activities	Others	Elimination	Total
<b>(Rs. in Lacs)</b>				
<b>Revenues</b>				
External	707.86	132.03	--	839.89
	(1309.93)	(190.66)	(--)	(1500.59)
Inter Segment	-5.50	5.50	2.74	--
	(-5.36)	(8.10)	(2.74)	(--)
Total	702.36	137.53	--	839.89
	(1304.57)	(198.76)	(2.74)	(1500.59)
<b>Results</b>				
Segment Result (Before Tax)	504.28	5.48		509.76
	(1101.52)	(103.06)		(1204.58)
Provision for Tax	--	--		16.37
	(--)	(--)		(203.58)
Profit/(Loss) after Tax	--	--		493.39
	(--)	(--)		(1001.00)
<b>Other Information</b>				
Segment Assets	10321.72	4608.33		14930.05
	(9733.92)	(4829.82)		(14563.74)
Segment Liabilities	302.53	390.54		693.07
	(457.60)	(236.19)		(693.79)
Depreciation	41.57	10.16		51.73
	(48.16)	(10.69)		(58.85)

(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.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

**Note 24****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>	4.00

**Note 25****Directors Remuneration :**

Salary to Executive Directors as under :-

	(Rs. in Lacs)	
	Current Year	Previous Year
Shri R. Sundaresan	9.80	6.50
Shri Yogendra Chaturvedi	13.39	--
Ms. Monika Agarwal	10.72	9.50
Shri Suresh Chaturvedi	9.15	8.00

**Note 26****Contingent Liabilities:**

(Rs. in Lacs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
1.	Bank Guarantees Outstanding	1000.00	--

**Note 27****Disputed Tax Liabilities : Shardul Securities Limited**

(Rs. in Lacs)

Sr. No.	Particulars	A Y	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
1.	Case Pending with CIT	2012 - 2013	(3,61,172)	(3,61,172)
2.	Case Pending with CIT	2013 - 2014	1,12,740)	--

**Note 28****Disputed Tax Liabilities : Shriyam Broking Intermediary Limited**

(Rs. in Lacs)

Sr. No.	Particulars	A Y	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
1.	Case Pending with CIT	2011 - 2012	5,55,365	5,55,365
2.	Case Pending with CIT	2012 - 2013	1,31,420	1,31,420

**Note 29**

During the year under review, Company has transferred some of its Stock in trade into Investments at cost. There is no impact on the Statement of Profit and Loss for the said transfers.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

**Note 30**

Enterprises consolidated as subsidiary in accordance with AS 21- Consolidated Financial Statements

Name of the Enterprises	Country of	Incorporation ownership interest
Shriyam Broking Intermediary Limited	India	100 %

**Note 31**

Additional Information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary.

Name of the Enterprises	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount
<b>Parent</b>				
Shardul Securities Limited	70.53	10168.14	98.24	484.72
<b>Subsidiary</b>				
Shriyam Broking Intermediary Limited	29.47	4249.43	1.76	8.67

**Annexure - A**

Salient Features of Financial Statement of Subsidiary Company as per Companies Act, 2013

Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit Before Tax	Provision for Tax	Profit After Tax	Proposed Dividend	% of Shareholding
Shriyam Broking Intermediary Limited	INR	1000	3217.79	4608.33	358.90	2174.24	137.53	5.48	(3.19)	8.67	-	100 %

**Note 32**

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

As per our report of even date

For and on behalf of the Board of Directors

**For RAJEN DAMANI & ASSOCIATES**

Chartered Accountants  
FRN. 116762W

**CA Rajen J. Damani**

Partner  
M No. 034375

**R. Sundaresan** (Chairman)  
**Kantilal Shah** (Director)  
**Yogendra Chaturvedi** (Executive Director & CEO)  
**Monika Agarwal** (Executive Director & Company Secretary)  
**Saurabh Chaturvedi** (CFO)

Place :- Mumbai

Date :- 27th May, 2016

## SHARDUL SECURITIES LIMITED

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

CIN : L50100MH1985PLC36937

### ATTENDANCE SLIP

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

Name of Member	
L. F. No./ D.P. & Client ID *	
No. of Shares held	

I/ We hereby record my / our presence at the 31st Annual General Meeting of the Company being held on Wednesday, 14th September 2016 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	
L. F. No./ D.P. & Client 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.....

TEAR HERE

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 31st Annual General Meeting of the company, to be held on Wednesday, 14th September 2016 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	Re-appointment of Mr. R. Sunderasan, who retires by rotation		
3	Confirm payment of interim dividend of Rs. 0.60 per equity share, already paid during the year, for the year ended March 31, 2016		
4	Re-appointment of M/s. Rajen Damani & Associates, Chartered Accountants as Auditors and fixing their remuneration		
5	Confirmation of appointment of Mr. Devesh Vasavda as Independent Director		
6	Confirmation of appointment of Mr. Yogendra Chaturvedi as a Whole time Director designated as Executive Director & Chief Executive Officer		

Signed this..... day of .....2016

Signature of shareholder : .....

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

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

- 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 31st 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