

# **SHARDUL**

## **SECURITIES LIMITED**



### **32<sup>ND</sup>**

# **ANNUAL REPORT**

## **2016 - 2017**

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

## 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>Prashant 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

**Shriyam Broking (IFSC) Private Limited**  
 Unit 36/20, Gift aspire - 1 Business centre,  
 Ground floor, Block 12, road 1d,  
 zone-1 Gift sez, Gandhinagar, Gujarat - 382355

**REGISTRARS AND SHARE TRANSFER AGENT**  
**Link Intime India Private Ltd**  
**Address:** C-101, 247 Park,  
 LBS Marg, Vikhroli West,  
 Mumbai – 400 083  
 Tel.No.: +91 22 49186270  
 Fax : +91 22 49186060  
 E mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## NOTICE

NOTICE is hereby given that the Thirty-Second Annual General Meeting of the Members of Shardul Securities Limited will be held on Friday, 29<sup>th</sup> September 2017 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 2017 the Statement of Profit & Loss and cash flow statement for the year ended on that date and the Reports thereon.
2. To appoint a director in place of Ms. Monika Agarwal (DIN: 07100711), who retires by rotation and being eligible, offers herself for re-appointment.
3. To declare dividend on the Paid-up Equity Share Capital of the Company.
4. To appoint M/s Khimji Kunverji & Co., Chartered Accountants, Mumbai (Firm Registration no 105146W), to hold office from the conclusion of this Annual General Meeting, until the conclusion of 37<sup>th</sup> Annual General Meeting to be held in 2022, subject to ratification at every Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company.

### AS SPECIAL BUSINESS:

5. **To confirm the Remuneration of Mr. R. Sundaresan (DIN: 00029840), Chairman & Executive Director of the Company 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 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V to the Act (including any statutory modification or re-enactment thereof, for the time being in force) and in partial modification of the resolution passed at the Annual General Meeting held on 11<sup>th</sup> September 2015 and in the event in any financial year during the tenure of Mr. R Sundaresan (DIN: 00029840), Whole-time Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay remuneration and benefits to Mr. R Sundaresan Whole-time Director of the Company for the unexpired period of his term as set out in the Statement annexed to the Notice convening this Meeting.

**RESOLVED FURTHER THAT** save as aforesaid, all other terms and conditions of appointment of Mr. R Sundaresan, as approved by the shareholders at the Annual General Meeting held on 11<sup>th</sup> September 2015, shall remain unchanged.

**RESOLVED FURTHER THAT** the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 and/ or as approved by the Central Government or such other competent authority.”

6. **To confirm the Remuneration of Ms. Monika Agarwal (DIN: 07100711), Company Secretary & Executive Director of the Company 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 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V to the Act (including any statutory modification or re-enactment thereof, for the time being in force) and in partial modification of the resolution passed at the Annual General Meeting held on 11<sup>th</sup> September 2015 and in the event in any financial year during the tenure of Ms Monika Agarwal (DIN: 07100711), Whole-time Director and Company Secretary, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay remuneration and benefits to Monika Agarwal ,Whole-time Director of the Company for the unexpired period of her term as set out in the Statement annexed to the Notice convening this Meeting.

**RESOLVED FURTHER THAT** save as aforesaid, all other terms and conditions of appointment of Ms. Monika Agarwal, as approved by the shareholders at the Annual General Meeting held on 11<sup>th</sup> September 2015, shall remain unchanged.

**RESOLVED FURTHER THAT** the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 and/ or as approved by the Central Government or such other competent authority.”

7. **To confirm the Remuneration of Mr. Yogendra Chaturvedi (DIN: 00013613), Chief Executive Officer & Executive Director of the Company 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 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V to the Act (including any statutory modification or re-enactment thereof, for the time being in force) and in partial modification of the resolution passed at the Annual General Meeting held on 14<sup>th</sup> September 2016 and in the event in any financial year during the tenure of Mr. Yogendra Chaturvedi (DIN: 00013613), Whole-time Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay remuneration and benefits to Mr. Yogendra Chaturvedi Whole-time Director of the Company for the unexpired period of his term as set out in the Statement annexed to the Notice convening this Meeting.

**RESOLVED FURTHER THAT** save as aforesaid, all other terms and conditions of appointment of Mr. Yogendra Chaturvedi, as approved by the shareholders at the Annual General Meeting held on 14<sup>th</sup> September 2016, shall remain unchanged.

**RESOLVED FURTHER THAT** the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 and/ or as approved by the Central Government or such other competent authority.”

**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 2008-09. 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 23<sup>rd</sup> September 2017 to 28<sup>th</sup> September 2017 (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-Id.

Members 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 32<sup>nd</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 26<sup>th</sup> September 2017 and ends on 5.00 P.M on 28<sup>th</sup> September 2017. 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 22<sup>nd</sup> September 2017, 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) 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.

(xix) 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 22<sup>nd</sup> September 2017.

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, on recommendation of Nomination and Remuneration Committee, in its meeting held on May 26, 2017 and subject to the approval of the shareholders in the General Meeting approved the payment of remuneration to Mr. R Sundaresan (DIN: 00029840), Whole-time Director, for the unexpired period of his term in the event where in any financial year during the tenure of the director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013.

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 cost Rs. 6,50,000/- per annum.
- b) Company’s contribution to Provident Fund and payment of Gratuity shall be as per the Company Rules and Regulations.

Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder and Annexure to this Notice.

Brief resume of Mr. R Sundaresan, 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.

The appointment as well as payment of remuneration was approved by the Board based on industry standards, responsibilities handled by the Chairman & Executive Director of the Company. However, due to inadequacy of profits, the managerial remuneration paid/payable needs to be approved.

Approval of the shareholders is sought for ratification of remuneration paid/remuneration payable for the remaining period of existing appointment to Mr. R. Sundaresan as Chairman & Executive Director of the Company.

Except Mr. R. Sundaresan, 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, on recommendation of Nomination and Remuneration Committee, in its meeting held on May 26, 2017 and subject to the approval of the shareholders in the General Meeting, approved the payment of remuneration to Ms. Monika Agarwal (DIN: 07100711), Whole Time Director & Company Secretary, for the unexpired period of her term in the event where in any financial year during the tenure of the director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013.

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. 12,19,023/- per annum.
- b) Company's contribution to Provident Fund and payment of Gratuity shall be as per the Company Rules and Regulations.

Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder and Annexure to this Notice.

Brief resume of Ms. Monika Agarwal, nature of her 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.

The appointment as well as payment of remuneration was approved by the Board based on industry standards, responsibilities handled by the Whole Time Director & Company Secretary of the Company. However, due to inadequacy of profits, the managerial remuneration paid/payable needs to be approved.

Approval of the shareholders is sought for ratification of remuneration paid/remuneration payable for the remaining period of existing appointment to Ms. Monika Agarwal, Whole Time Director & Company Secretary of the Company.

Except Ms. Monika Agarwal, 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.

**ITEM NO. 7**

The Board of Directors, on recommendation of Nomination and Remuneration Committee, in its meeting held on May 26, 2017 and subject to the approval of the shareholders in the General Meeting approved the payment of remuneration to Mr. Yogendra Chaturvedi (DIN: 00013613), Whole Time Director & Chief Executive Officer, for the unexpired period of his term in the event where in any financial year during the tenure of the director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013.

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. 14,17,024/- per annum.
- b) Company's contribution to Provident Fund and payment of Gratuity shall be as per the Company Rules and Regulations.

Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder and Annexure to this Notice.

Brief resume of Mr. Yogendra Chaturvedi, nature of his 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 Obligation and disclosure requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.

The appointment as well as payment of remuneration was approved by the Board based on industry standards, responsibilities handled by the Whole Time Director & Chief Executive Officer of the Company. However, due to inadequacy of profits, the managerial remuneration paid/payable needs to be approved.

Approval of the shareholders is sought for ratification of remuneration paid/remuneration payable for the remaining period of existing appointment to Mr. Yogendra Chaturvedi as Whole Time Director & Chief Executive Officer of the Company.

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. 7.

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

Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder:

**I. General Information –**

Nature of Industry	Financial
Date or expected date of Commercial Production	Not applicable since the Company has already commenced its business activities
In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable

**Financial performance**

(Rs. in lakhs)

Particulars	For the year ended		
	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017
Total Income	1304.57	702.36	350.74
Total Expenses	203.05	198.08	315.27
Tax Expense	183.97	19.56	13.60
Net Profit after tax	917.55	484.73	21.87
Paid up Capital	1749.84	1749.84	1749.84
Reserves & Surplus	8910.99	9269.36	9164.87

**Foreign Investments or collaborations, if any –** There is no direct foreign investment in the Company except to the extent shares held by Non-Resident Indians (NRI) acquired through secondary market. There is no foreign collaboration in the Company.

**II. Information about the Appointees –**

	<b>Mr. R. Sundaresan</b>	<b>Ms. Monika Agarwal</b>	<b>Mr. Yogendra Chaturvedi</b>
Background details	As provided in the Corporate Governance Report	As provided in the Corporate Governance Report	As provided in the Corporate Governance Report
Past Remuneration (Rs. in lakhs)	6.50 Lakhs	10.72 Lakhs	00.70 Lakhs
Job profile and suitability	As provided in the Corporate Governance Report	As provided in the Corporate Governance Report	As provided in the Corporate Governance Report
Remuneration proposed	As mentioned in explanatory statement	As mentioned in the explanatory statement	As mentioned in the explanatory statement
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Apart from receiving managerial remuneration, he does not have any other pecuniary relationship with the Company	Apart from receiving managerial remuneration, she does not have any other pecuniary relationship with the Company	Apart from receiving managerial remuneration, he does not have any other pecuniary relationship with the Company

**Comparative remuneration profile with respect to industry, size of company, profile of the person and position**

The proposed remuneration is commensurate with size and nature of business of the company. The remuneration do differ from company to company in the industry depending on the respective operation.

**III. Other information:**

**1. Reasons of loss or inadequate profits:**

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

**2. Steps taken or proposed to be taken for improvement:**

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 by making risk mitigating investments.

**3. Expected increase in productivity and profits in measurable terms:**

The Company is pursuing cost cutting measures; rationalization of manpower and also favorable market conditions is expected to result into better profitability of the company.

**IV. Disclosures:**

- The remuneration package of all the managerial persons are given in the respective explanatory statements.
- Additional information is given in Corporate Governance report.

The above explanatory statement (together with Annexure thereto) shall be construed to be memorandum setting out the terms of the appointment/re-appointment as specified under Section 190 of the Companies Act, 2013.

**By Order of the Board of Directors**

**Place : Mumbai**  
**Date : 26<sup>th</sup> May 2017**

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

**Monika Agarwal**  
**Executive Director and Company Secretary**

**Regd. Office:**

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

## DIRECTORS REPORT

To,  
The Members of  
Shardul Securities Ltd.

Your Directors are pleased to present the Thirty-Second Annual Report and the Audited Accounts for the year ended March 31, 2017.

### 1. Financial Results: -

	(Rs. in lakh)	
	2016-2017	2015-2016
Profit/(Loss) before Depreciation	67.71	545.86
Less: Depreciation	32.24	41.57
Profit/(Loss) before Taxation	35.47	504.29
Less: Tax Expenses		
Provision for tax	2.25	17.00
Current tax expense relating to prior years	(6.74)	0.75
Deferred Tax Liability/(Asset)	18.09	1.81
Profit / (Loss) after Taxation	21.87	484.73
Surplus/(Deficit) brought forward from previous years	4178.90	3917.47
	<u>4200.77</u>	<u>4402.20</u>
Appropriations:		
Statutory Reserve Fund as per RBI Guidelines	4.37	96.94
Interim/ Proposed Dividend (including dividend tax) on Equity Shares	126.36	126.36
Balance carried to Balance Sheet	4070.04	4178.90
	<u>4200.77</u>	<u>4402.20</u>

### 2. Dividend:-

Your Directors recommend a dividend of Re. 0.60 per Equity Share on 1,74,98,433 equity shares of Rs.10 each aggregating to Rs. 126.36 lakh (including dividend tax) for the financial year ended 31<sup>st</sup> March 2017 which if approved at the ensuing Annual General Meeting, will be paid to (i) all those Equity Shareholders whose names appear in the Register of Members as on 23<sup>rd</sup> September 2017 and (ii) to those whose names as beneficial owners are furnished by the National Securities Depositories Ltd., and Central Depositories Service (India) Ltd.

### 3. Transfer to Reserves:-

As per requirement of RBI regulations, the Company has transferred the Statutory Reserve an amount of Rs. 4.37 Lakh in Financial Year ended March 31, 2017.

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

#### (i) Financial Performance:

Your Company has posted a net profit of Rs 21.87 lakhs as against a net profit of Rs.484.73 lakhs during the previous year. The dividend income during the last year contributed to increased levels of profit during the last year.

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

The continued drought conditions that prevailed during the year under report had an adverse effect on the agricultural output, and added to that, a general down trend arising out of the demonetization measures initiated by the Government of India also affected the growth in many sectors of the economy leading to lower GDP numbers. The continued sluggish economic activities in Europe and Middle East on account of fall in the oil prices did not help either in improving the trading and manufacturing activities across the Globe. The change of guard in the administration of the US also brought about uncertainty in the I.T.Sector for India in particular. We also witnessed a lower growth in the Chinese economy that further weakened the overall outlook for global growth factors.

The capital markets witnessed huge volatility initially on a positive note in view of prospects of faster economic reforms, foreign direct investments and anticipated faster GDP growth etc. Later, during the middle of the year, the demonetization measures caused a virtual reversal of the trend leading to a depressed capital market. The scenario again started changing during the later part of the year after restoration of money supply. The wild swings in the capital market as a result of such changes caused lots of uncertainty and a negative outlook for investments.

Notwithstanding the negatives, there were some positives also. Certain corrective measures by the RBI like stabilization of interest rates, changes in the foreign investment policies and better monetary control enabled the inflation rate pegged below 5% for the year under report. This enabled the foreign exchange reserves moving to about 365 Billion Dollars besides bringing about stability of the Indian currency.

**(iii) Business Review:**

In view of the extreme volatility and other negative factors stated as above, your Company could not achieve the desired levels of growth and profitability during the year under report. The Company however looks forward for a better performance during the ensuing year in view of better monsoon conditions and a more positive outlook due to certain positive measures taken by the Government.

**(iv) Opportunities and Threats:**

The GDP growth at a less than 7% during the current year is expected to improve with a number of changes contemplated by the Government of India. The introduction of GST is not only expected to improve the indirect tax collection but also provide a boost to trade and commerce in view of an equitable distribution of tax. The Government has launched on to improve the power production in the country, more support for manufacturing sector under the 'Make In India' policy, reforms in the banking sector, disinvestment in public sector industries and privatization of Defence production. These measures are bound to improve the overall growth supported by a reduced fiscal deficit and better agricultural output, thanks to a normal monsoon forecast for the year.

**(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 anticipated positive developments, your company expects the capital market conditions to improve, the signs of which are already seen during the first quarter of the year. If this situation is sustained over the next two quarters, your company could achieve better results for the coming year.

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

Your company's activities which are essentially in the capital market segments and 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 may vary. 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 Financial 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.

Shriyam Broking (IFSC) Private Limited a wholly owned subsidiary of Shriyam Broking Intermediary Limited was incorporated on 15<sup>th</sup> December 2016. However the company has not yet started any business activities.

**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.

Shriyam Broking Intermediary Limited had formed a wholly owned subsidiary named Shriyam Broking (IFSC) Private Limited on 15<sup>th</sup> December 2016.

**7. Directors:-**

In accordance with Articles 155 of the Articles of Association of the Company and the provisions of the Companies Act, 2013, Ms. Monika Agarwal (DIN: 07100711), director is liable to retire by rotation at the ensuing AGM and is eligible for reappointment.

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 her 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 she 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 31<sup>st</sup> Annual General Meeting of the company held on 14<sup>th</sup> September 2016, confirmation of appointment of Mr. Devesh Vasavada (holding DIN: 000273128) who was appointed as an Additional Director was done as an Independent Non-Executive Director of the Company for a period of five years with effect from 5<sup>th</sup> February 2016 and Mr. Yogendra Chaturvedi, (DIN: 00013613) who was appointed as an Additional Executive Director, was re-appointed as a Whole Time Director designated as Executive Director and Chief Executive Officer (CEO) with effect from 5<sup>th</sup> February, 2016.

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. Prashant Chaturvedi was appointed as the Chief Financial Officer (CFO) of the Company with effect from 11<sup>th</sup> February 2017 in place of Mr. Saurabh Chaturvedi who has resigned as the CFO 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:-**

Four 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 2017 comprises of Independent Directors namely Mr. Devesh Vasavada (Chairman), Mr. Kantilal Shah, Mr. Charul Abuwala and Mr. Yogendra Chaturvedi (Executive Director) as other members. All the recommendations made by the Audit Committee were accepted by the Board.

#### **13. 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.

#### **14. Taxation:-**

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

#### **15. Cash flow:-**

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

#### **16. 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, 2017, 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, 2017 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.

**17. 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.

M/s Khimji Kunverji & Co. Chartered Accountants, (Firm Registration no 105146W) have confirmed their eligibility to the effect that their 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.

**18. 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.

**19. Internal Audit:-**

The Company's 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. The Audit Committee of the Board of Directors and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken.

**20. 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.

**21. 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.

**22. 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.

**23. 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.

**24. 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.

Weblink of the same is: <http://www.shardulsecurities.com/related%20party%20transaction%20policy.pdf>

**25. 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)

**26. 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.

**27. 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 2016-17 and hence no complaint is outstanding as on 31.03.2017 for redressal.

**28. Change in registered office address of the Registrar & Share Transfer Agent**

During the year under review M/s Link Intime India Private Limited the Registrar & Share Transfer Agent of the Company shifted their registered office from C-13 Pannalal Silk Mills Compound LBS Marg Bhandup (West) Mumbai 400 078 to their own premises at C 101, 247 Park LBS Marg Vikhroli (West) Mumbai 400 083 with effect from 24<sup>th</sup> February 2017.

**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**

**R Sundaresan**  
Executive Director

**Monika Agarwal**  
Executive Director and Company Secretary

**Place : Mumbai**

**Dated : 26<sup>th</sup> May 2017**

**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 31.03.2017**

[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 – 400 021. Tel.No.: 40090500 Fax No.: 22846585
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Link Intime India Private Ltd</b> Address: C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083 Tel. No: +91 22 49186270 Fax: +91 22 49186060 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	93.19
2	Management consultancy services	702	06.81

**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)
2	Shriyam Broking (IFSC) Pvt. Ltd. Unit 36/20, Gift Aspire – 1, Business Centre, Ground floor, Block 12, Road 1D, Zone-1 Gift SEZ, Gandhinagar, Gujarat - 382 355	U65999GJ2016PTC094725	SUBSIDIARY COMPANY (of Shriyam Broking Intermediary Limited)	100%	Section 2 (87)

**IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

**(i) Category-wise Shareholding**

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2016				Shareholding at the end of the year - 2017				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	9570007	100	9570107	54.6912	9570107	0	9570107	54.6912	0.0000
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Bodies Corporate	3525300	400	3525700	20.1487	3525700	0	3525700	20.1487	0.0000
	Sub Total (A)(1)	13095307	500	13095807	74.8399	13095807	0	13095807	74.8399	0.0000
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>Total Shareholding of Promoter and Promoter Group(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>

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2016				Shareholding at the end of the year - 2017				% change during the year	
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
(B)	Public Shareholding										
[1]	Institutions										
(a)	Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(f)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(i)	Any Other (Specify)										
	Sub Total (B)(1)	0	0	0	0.0000	0	0	0	0.0000	0.0000	
[2]	Central Government/ State Government(s)/ President of India										
	<b>Sub Total (B)(2)</b>	0	0	0	0.0000	0	0	0	0.0000	0.0000	
[2]	Non-Institutions										
(a)	Individuals										
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	978153	887105	1865258	10.6596	956847	875805	1832652	10.4732	-0.1864	Decrease
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	428691	80100	508791	2.9076	477425	80100	557525	3.1861	0.2785	Increase
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(c)	Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(e)	Any Other (Specify)										
	Hindu Undivided Family	48765	0	48765	0.2787	49806	0	49806	0.2846	0.0059	Increase
	Non Resident Indians (Non Repat)	3434	0	3434	0.0265	1434	0	1434	0.0183	-0.0082	Decrease
	Non Resident Indians (Repat)	1296	0	1296	0.0074	2316	0	2316	0.0132	0.0058	Increase
	Clearing Member	14266	0	14266	0.0815	26589	0	26589	0.1520	0.0705	Increase
	Bodies Corporate	1946416	14400	1960816	11.2057	1917904	14400	1932304	11.0427	-0.1630	Decrease
	<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>3421021</b>	<b>981605</b>	<b>4402626</b>	<b>25.1601</b>	<b>3432321</b>	<b>970305</b>	<b>4402626</b>	<b>25.1601</b>	<b>0.0000</b>	
	<b>Total (A)+(B)</b>	<b>16516828</b>	<b>981605</b>	<b>17498433</b>	<b>100.0000</b>	<b>16528128</b>	<b>970305</b>	<b>17498433</b>	<b>100.0000</b>	<b>0.0000</b>	
(C)	Non Promoter - Non Public										
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000	
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000	
	<b>Total (A)+(B)+(C)</b>	<b>16516828</b>	<b>981605</b>	<b>17498433</b>	<b>100.0000</b>	<b>16528128</b>	<b>970305</b>	<b>17498433</b>	<b>100.0000</b>	<b>0.0000</b>	

## (ii) SHARE HOLDING OF PROMOTERS

SI No.	Promoter's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares held	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares held	% of total shares of the company	% of shares pledged encumbered to total shares	
1	SHRUTI G CHATURVEDI	2752300	15.7288	0.0000	136000	0.7772	0.0000	-14.9516
2	VARSHA R CHATURVEDI	2517700	14.3881	0.0000	136000	0.7772	0.0000	-13.6109
3	DEVESH D CHATURVEDI	2554169	14.5966	0.0000	1902419	10.8719	0.0000	-3.7247
4	A TO Z BROKING SERVICES LLP	1586150	9.0645	0.0000	2118400	12.1062	0.0000	-3.0417
5	SHRIYAM COMMODITIES INTERMEDIARY LLP	932000	5.3262	0.0000	932000	5.3262	0.0000	0.0000
6	MANI D CHATURVEDI	712600	4.0724	0.0000	350450	2.0027	0.0000	-2.0697
7	PRADEEP SANDEEP CORPORATE ADVISORS LLP	507150	2.8983	0.0000	475000	2.7145	0.0000	-0.1838
8	CHATURVEDI AND SHAH CONSULTING LLP	500100	2.8574	0.0000	0	0.0000	0.0000	-2.8574
9	BRIJESH D CHATURVEDI	227400	1.2995	0.0000	999867	5.714	0.0000	4.4145
10	BABITA D CHATURVEDI	169600	0.9692	0.0000	169600	0.9692	0.0000	0.0000
12	RAGHAV R CHATURVEDI	131100	0.7492	0.0000	131100	0.7492	0.0000	0.0000
13	RAMYA R CHATURVEDI	127500	0.7286	0.0000	127500	0.7286	0.0000	0.0000
14	RAJESH D CHATURVEDI	103169	0.5896	0.0000	2605586	14.8904	0.0000	14.3008
15	MOHINI G CHATURVEDI	99700	0.5698	0.0000	99700	0.5698	0.0000	0.0000
16	GAGAN D CHATURVEDI	99169	0.5667	0.0000	2836185	16.2082	0.0000	15.6415
17	RAJESH DINANATH (HUF)	75700	0.4326	0.0000	75700	0.4326	0.0000	0.0000
19	KAMVAN CONSTRUCTION PRIVATE LIMITED	300	0.0017	0.0000	0	0.0000	0.0000	0.0000
	<b>TOTAL</b>	<b>13095807</b>	<b>74.84</b>	<b>0.0000</b>	<b>13095807</b>	<b>74.84</b>	<b>0.0000</b>	<b>0.0000</b>

## (iii) Change in Promoters' Shareholding ( please specify, if thereis no change)

Sr. No.	Name	Shareholding at the beginning of the year 01-04-16/ and end of the year 31-03-17			Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of shares	% of total shares of the company	Date			No. of shares	% of total shares of the company
1	DEVESH CHATURVEDI	2554169	14.60	01-04-2016	-651750	Transfer	2554169	14.60
		1902419	14.60	31/03/2017			1902419	10.8719
				31/03/2017			1902419	10.8719
2	RAJESH CHATURVEDI	103169	0.5896	01-04-2016	2502417	Transfer	103169	0.7821
		2605586	0.5896	31/03/2017			2605586	14.8904
				31/03/2017			2605586	14.8904
3	MANI CHATURVEDI	712600	4.0724	01-04-2016	-362150	Transfer	712600	4.0724
		350450	4.07	31/03/2017			350450	2.0028
				31/03/2017			350450	2.0028
4	GAGAN CHATURVEDI	99169	0.5667	01-04-2016	2737016	Transfer	99169	0.5667
		2836185	16.21	31/03/2017			2836185	16.2082
				31/03/2017			2836185	16.2082
5	SHRUTI CHATURVEDI	2752300	15.7288	01-04-2016	-2616300	Transfer	2752300	15.7288
		136000	15.7288	31/03/2017			136000	0.7772
				31/03/2017			136000	0.7772
6	VARSHA CHATURVEDI	2517700	14.3881	01-04-2016	-2381700	Transfer	2517700	14.3881
		136000		31/03/2017			136000	0.7772
				31/03/2017			136000	0.7772
7	BRIJESH CHATURVEDI	227400	1.2995	01-04-2016	772467	Transfer	227400	1.2995
		999867		31/03/2017			999867	5.714
				31/03/2017			999867	5.714
8	PRADEEP SANDEEP CORPORATE ADVISORS LLP	507150	2.8983	01-04-2016	-32150 475000	Transfer	0	0
				31/03/2017			475000	2.7145
		475000	2.8983	31/03/2017			475000	2.7145

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

Sr. No.	Name	Shareholding at the beginning of the year 01-04-16/ end of the year 31-03-17			Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of shares	% of total shares of the company	Date			No. of shares	% of total shares of the company
1	ANGULAR TRADING PRIVATE LIMITED	681843	3.90	01-04-2016		Nil Movement during the year	681843	3.90
		681843	3.90	31/03/2017				
2	RECKON TRADING PRIVATE LIMITED	610728	3.4902	01-04-2016		Nil Movement during the year	610728	3.4902
		610728	3.4902	31/03/2017				
3	GLENMORD COMMERCIAL SERVICES PRIVATE LIMITED	200000	1.1430	01-04-2016		Nil Movement during the year	200000	1.1430
		200000	1.1430	31/03/2017				
4	DHANASTRA FINANCE AND INVESTMENT COMPANY PRIVATE LIMITED	184960	1.0570	01-04-2016		Nil Movement during the year	184960	1.0570
		184960	1.0570	31/03/2017				
5	BHASKAR ARVIND HINGAD	153544	0.8775	01-04-2016		Market Buy	153544	0.8775
				10/6/2016			100	0.878
				17/6/2016			100	0.8786
				24/06/2016			41	0.8789
				30/06/2016			1600	0.8880

				08/07/2016	2633	Market Buy	158018	0.9030
				15/07/2016	5448	Market Buy	163466	0.9342
				22/07/2016	1635	Market Buy	165101	0.9435
				29/07/2016	28	Market Buy	165129	0.9437
				05/08/2016	141	Market Buy	165270	0.9445
				12/08/2016	293	Market Buy	165563	0.9462
				19/08/2016	404	Market Buy	165967	0.9485
				30/09/2016	1365	Market Buy	167332	0.9563
				07/10/2016	1580	Market Buy	168912	0.9653
				14/10/2016	309	Market Buy	169221	0.9671
				28/10/2016	1040	Market Buy	170261	0.9730
				04/11/2016	175	Market Buy	170436	0.9740
				11/11/2016	672	Market Buy	171108	0.9778
				30/12/2016	425	Market Buy	171553	0.9804
				20/01/2017	1016	Market Buy	172549	0.9861
				27/01/2017	1400	Market Buy	173949	0.9941
				03/02/2017	1720	Market Buy	175669	1.0039
				10/02/2017	4900	Market Buy	180569	1.0319
				17/02/2017	2520	Market Sell	183089	1.0463
				24/02/2017	100	Market Buy	183189	1.0469
				17/03/2017	322	Market Buy	183511	1.0487
				24/03/2017	7	Market Buy	183518	1.0488
				31/03/2017	13867	Market Buy	197385	1.1280
		197385	1.13	31/03/2017		Market Buy	197385	1.1280
6	SHARDA SHARES AND SECURITIES PRIVATE LIMITED	113750	0.6501	01-04-2016		Nil Movement during the year		
		113750	0.6501	31/03/2017			113750	0.6501
7	JAGDISH AMRITLAL SHAH	50000	0.2857	01-04-2016		Nil Movement during the year		
		50000	0.2857	31/03/2017			50000	0.2857
8	NANDKISHOR CHATURVEDI	41367	0.2364	01-04-2016		Nil Movement during the year		
		41367	0.2364	31/03/2017			41367	0.2364
9	BRIJANAND CHATURVEDI	35000	0.2000	01-04-2016		Nil Movement during the year		
		35000	0.2000	31/03/2017			35000	0.2000
10	PARMANAND MODI	30100	0.1720	01-04-2016		Nil Movement during the year		
		30100	0.1720	31/03/2017			30100	0.1720

## Note:

1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 17498433 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

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

Sl. No.	Name	Shareholding at the beginning of the year 01-04-16/ end of the year 31-03-17			Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of shares	% of total shares of the company	Date			No. of shares	% of total shares of the company
1	Devesh Vasavada	0	0	01-04-2016	0	Nil Movement during the year		
		0	0	31/03/2017			0	0
2	Yogendra Chaturvedi	0	0	01-04-2016	0	Nil Movement during the year		
		0	0	31/03/2017			0	0
3	Kantilal Shah	0	0	01-04-2016	0	Nil Movement during the year		
		0	0	31/03/2017			0	0
4	Charul Abuwala	0	0	01-04-2016	0	Nil Movement during the year		
		0	0	31/03/2017			0	0
5	R Sundaresan	0	0	01-04-2016	0	Nil Movement during the year		
		0	0	31/03/2017			0	0
6	Monika Agarwal	0	0	01-04-2016	0	Nil Movement during the year		
		0	0	31/03/2017			0	0
7	Prashant Chaturvedi	0	0	01-04-2016	0	Nil Movement during the year		
		0	0	31/03/2017			0	0

**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	Nil	Nil	Nil	Nil
ii) Interest due but not paid				
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	Nil	Nil	Nil	Nil
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager :** (Rs. In Lakh)

Sl. 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 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	6.50	12.19	14.17	36.16
		Nil	Nil	Nil	Nil
		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 (A)	6.50	12.19	14.17	36.16
	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 11% of the net profit of the company calculated as per section 198 of the Companies Act, 2013. However, the remuneration paid to such Directors is exceeding the said limit but is in accordance with Schedule V of the Companies Act, 2013.			

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

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Devesh Vasavada	Kantilal Shah	Charul Abuwala	
1	Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify	0.26	0.45	0.26	0.97
		-	-	-	-
		-	-	-	-
	Total (1)	0.26	0.45	0.26	0.97
2	Other Non- Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	-	-	-	-
		-	-	-	-
		-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	0.26	0.45	0.26	0.97
	Total Managerial Remuneration (A+B)				37.13
	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.			

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**
*(Rs. in Lakh)*

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				
		CEO Mr. Yogendra Chaturvedi who is also Executive Director	CFO* Mr. Saurabh Chaturvedi	CFO** Mr. Prashant Chaturvedi	CS Ms Monika Agarwal who is also Executive Director	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	14.17 Nil Nil	10.40 Nil Nil	1.21 Nil Nil	12.19 Nil Nil	37.97 Nil Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>14.17</b>	<b>10.40</b>	<b>1.21</b>	<b>12.19</b>	<b>37.97</b>

\* Mr. Saurabh Chaturvedi vacated the office of the CFO vide his resignation letter dated 10<sup>th</sup> February, 2017.

\*\* Mr. Prashant Chaturvedi was appointed as the new CFO of the Company with effect from 11<sup>th</sup> February, 2017 upto 10<sup>th</sup> February 2022 for a period of 5 years.

**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, 2017**

[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:** L50100MH1985PLC036937

**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 2017 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-1**” for the financial year ended on 31<sup>st</sup> March 2017 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, 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 bought 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.

- (ii) The Listing Agreement entered into by the Company with BSE Limited & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iii) The Non-Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions issued by RBI from time to time.

**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, 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 Dhirendra Maurya & Associates  
Company Secretaries**

**Dhirendra R. Maurya  
Proprietor**

**Mem. No: 22005  
C.P. No.: 9594**

**Place:** Mumbai  
**Date:** 26<sup>th</sup> May 2017

**Annexure-1**

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: 22005  
C.P. No.: 9594**

**Place:** Mumbai  
**Date:** 26<sup>th</sup> May 2017

**To,**  
**The Members,**  
**Shardul Securities Limited**  
**CIN:** L50100MH1985PLC036937  
**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: 22005  
C.P. No.: 9594**

**Place:** Mumbai  
**Date:** 26<sup>th</sup> May 2017

**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. Yogendra Chaturvedi	Member	Executive Director

3. **Average net profit of the company for last three financial years:** Rupees 679.36 Lakh  
4. **Prescribed CSR Expenditure (Two percent of the amount as in item 3 above):** Rupees 13.59 Lakh  
5. **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 Lakh)	Amount spent on the project or Programs 1. Direct expenditure on projects or programs 2. Overheads (Rs. in Lakh)	Cumulative expenditure upto the reporting period (Rs. in Lakh)	Amount Spent : Direct or through implementing agency
1	Promoting Education	Education	Ahmedabad	0.19	0.19	0.19	0.19
2	Promoting Education	Education	Delhi	0.50	0.50	0.50	0.50
3	Promoting Education	Education	Local	2.45	2.45	2.45	2.45
4	Promoting Education	Education	Mathura U.P.	0.92	0.92	0.92	0.92
5	Promoting Education	Education	Shahajanpur	0.23	0.23	0.23	0.23
6	Eradicating Hunger Poverty	Education	Local	0.40	0.40	0.40	0.40
7	Eradicating Hunger Poverty	Poverty	Pandharpur	0.05	0.05	0.05	0.05
8	Eradicating Hunger Poverty	Poverty	Ahmendabad	0.20	0.20	0.20	0.20
9	Eradicating Hunger Poverty	Poverty	Mathura U.P.	6.20	6.20	6.20	6.20
10	Eradicating Hunger Poverty	Poverty	Local	0.76	0.76	0.76	0.76
11	Promoting Health care	Medical Help	Mathura U.P.	0.38	0.38	0.38	0.38
12	Promoting Health care	Medical Help	Vadodara Gujrat	0.25	0.25	0.25	0.25

The Company has paid Rs 13.75 Lakhs to Tulsi Public Charitable Trust (Registered trust) at the end of financial year 2016-2017. However the company shall ensure to undertake such activities as early as possible.

6. **Details of implementing agency:**

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.

**For and on behalf of Board**

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

**Monika Agarwal**  
**Executive Director and Company Secretary**

**Place : Mumbai**

**Dated : 26<sup>th</sup> May 2017**

**Regd. Office:**

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

## Corporate Governance Report:

Your Company has been practicing the principle of good corporate governance since inception. Good corporate governance comprises of all activities that result in the control of the company in a regular manner which makes management transparent, accountable and fair. In accordance with Clause 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, 2017 consists of Six Directors out of which three are Executive Director including women director and Three Non-Executive Directors. The Company has an Executive Director Chairman and therefore the Board consists of Three Independent Directors. The names of directors and their position are as follows:

Sr.No.	Name of the Director	Status	
1	Mr. R. Sundaresan	Executive Director	Chairman
2	Mr. Kantilal Shah	Non Executive Director	Independent Director
3	Mr. Charul Abuwala	Non Executive Director	Independent Director
4	Mr. Devesh Vasavada	Non Executive Director	Independent Director
5	Ms. Monika Agarwal	Executive Director and Company Secretary	Non Independent Director
6	Mr. Yogendra Chaturvedi	Executive Director & Chief Executive Officer	Non Independent Director

#### • Board Meetings:

The Board of Directors of the Company met four times during financial year ended 31<sup>st</sup> March 2017. The Board Meetings were held on 27<sup>th</sup> May 2016, 04<sup>th</sup> August 2016, 11<sup>th</sup> November 2016 and 10<sup>th</sup> February 2017. The Annual General Meeting of the Company was 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.

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	4	Yes	1	1	--
Mr. Kantilal Shah	NED	4	Yes	--	1	--
Mr. Charul Abuwala	NED	2	No	1	3	2
Mr. Devesh Vasavada	NED	2	Yes	--	2	1
Ms Monika Agarwal	ED	4	Yes	--	--	--
Mr. Yogendra Chaturvedi	ED	4	Yes	1	2	--

CH - Chairman

ED - Executive Director

NED - Non Executive Director

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

**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
Ms. Monika Agarwal	33	ACS, B.com and LLB	Ms Monika Agarwal being the Company Secretary of the Company has varied experience in legal and Compliance Field and as an inducted woman director she will lend the required balance to the board.	NIL	NIL
Mr. R. Sundaresan	72	M.Sc, MBA, CAIIB	Mr. R. Sundaresan is having immense understanding in Financial, Banking and Corporate Advisory Sector.	1. Shriyam Broking Intermediary Limited 2. Shriyam Broking (IFSC) Private Limited	Member of the Audit Committee of Shriyam Broking Intermediary Limited
Mr. Yogendra Chaturvedi	59	B.com	Mr. Yogendra Chaturvedi, is an experienced finance professional and heads the team as the Executive Director	1. Chaturvedi Agriculture Private Limited 2. Acuvision Capital and Finance Private Limited 3. Shriyam Broking Intermediary Limited 4. Shriyam Broking (IFSC) Private Limited 5. Zeal Mining Private Limited	Member of Shareholders/ Investors Grievance Committee, & Audit Committee

\*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 16<sup>th</sup> August 2016, 02<sup>nd</sup> January 2017, 20<sup>th</sup> February 2017.

The Composition of the said committee as on 31<sup>st</sup> March 2017 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. Charul Abuwala	Chairman	Non Executive Independent Director	3	3
2	Mr. Devesh Vasavada	Member	Non Executive Independent Director	3	3
3	Mr. Yogendra Chaturvedi	Member	Executive Director	3	3

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 7.

The Shares held by Non Executive Directors as on 31.03.2017 are given below:

Sr No.	Name of the Director	Status	No of Shares	% Holding
1	Mr. Kantilal Shah	Non Executive Director	Nil	-
2	Mr. Charul Abuwala	Non Executive Director	Nil	-
3	Mr. Devesh Vasavada	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 2016-2017, the Committee met four times. The Committee Meetings were held on 27<sup>th</sup> May 2016, 04<sup>th</sup> August 2016, 11<sup>th</sup> November 2016 and 10<sup>th</sup> February 2017.

The Composition of Audit Committee as on 31<sup>st</sup> March 2017 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	2
2	Mr. Charul Abuwala	Member	Non Executive Independent Director	4	2
3	Mr. Kantilal M Shah	Member	Non Executive Independent Director	4	4
4	Mr. Yogendra Chaturvedi	Member	Executive Director	4	4

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 1 meeting on 10<sup>th</sup> February 2017

Composition of the committee as on 31<sup>st</sup> March 2017 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	1	1
2	Mr. Charul Abuwala	Member	Non Executive Independent Director	1	1
3	Mr. R. Sunderasan	Member	Executive Chairman	1	1

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, 2017: -**

**(a) Non Executive Directors**

Name of Director	Sitting Fees (Rs)
Mr. Kantilal Shah	45000
Mr. Charul Abuwala	26000
Mr. Devesh Vasavada	26000
<b>Total</b>	<b>97000</b>

**(b) Executive Directors**

Particulars	Mr. R Sundaesan Chairman and Executive Director	Ms Monika Agarwal Company Secretary and Executive Director	Mr. Yogendra Chaturvedi Executive Director
Salary	Rs. 6, 50, 000	Rs. 10, 67,023	Rs. 14,17,024
Perquisites	-	-	-
Variable Pay	-	Rs. 1,52,000	-
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 30<sup>th</sup> March 2017

Composition of the committee as on 31<sup>st</sup> March 2017 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. Yogendra Chaturvedi	Member	Executive Director	1	1

The Company formulated CSR Policy which is uploaded on the website of the company (Weblink:<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 July 11, 2016 and October 27, 2016.

Composition of the committee as on 31<sup>st</sup> March 2017 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. Yogendra Chaturvedi	Member	Executive Director	2	2
4	Ms Monika Agarwal	Member	Executive Director	2	2

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

- a. To borrow monies from bank or any other financial institution;
- b. To invest the funds of the company;
- c. To grant loans or give guarantee or provide security in respect of loans;
- d. 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 February 10, 2017, inter alia to discuss:

- i. review the performance of non-independent directors and the Board as a whole;
- ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- iii. 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 97,000. 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.

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. 22 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.

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 31st March 2017.

Place: Mumbai

Date: 26<sup>th</sup> May 2017

Yogendra Chaturvedi  
Executive Director & CEO

## **GENERAL SHAREHOLDER INFORMATION**

### 1. Annual General Meeting:

Date & Time : 29<sup>th</sup> September 2017 at 10.00 a.m.  
 Venue : Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400 021.

### 2. Financial Calendar 2017-18

Board Meetings	Tentative dates
Results for the quarter ending June 30, 2017	Second week of August, 2017
Results for the quarter ending September 30, 2017	Second week of November, 2017
Results for the quarter ending December 31, 2017	Second week of February, 2018
Results for the year ending March 31, 2018	Last week of May, 2018

3. Book closure dates : 23<sup>rd</sup> September 2017 to 28<sup>th</sup> September 2017  
 (Both days inclusive) in connection with the AGM.

4. Dividend Payment Date : On or after 29<sup>th</sup> September 2017

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: -

94.45% of the Equity Shares have been dematerialized up to 31<sup>st</sup> March 2017. Trading in Equity Shares of the Company is permitted only in dematerialized form with effect from 24<sup>th</sup> July 2000 as per notification issued by the Securities and Exchange Board of India (SEBI). The shares of the company are regularly traded at Bombay Stock Exchange. Total number of shares traded during the year 2016-17 were 7082857 and its value was Rs 287817582.

### 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 2017: -

I) The Distribution of Shareholding as on 31<sup>st</sup> March 2017: -

No. of Equity Shares held	Shareholders		Shares held	
	No.	%	No.	%
1 -- 500	10630	95.7140	1159095	6.6240
501 -- 1000	200	1.8008	163860	0.9364
1001 -- 2000	109	0.9815	167713	0.9584
2001 -- 3000	55	0.4952	142887	0.8166
3001 -- 4000	26	0.2341	91348	0.5220
4001 -- 5000	18	0.1621	82680	0.4725
5001 -- 10000	23	0.2071	169948	0.9712
10001 and above	45	0.4052	15520902	88.6988
TOTAL	11106	100.0000	17498433	100.0000

II) Shareholding Pattern as on 31<sup>st</sup> March 2017: -

Category	No. of Shares	%
Promoters	13095807	74.84
Financial Institutions / Banks / Mutual Funds / Insurance Company	0	0
Hindu Undivided Family	49806	0.28
Corporate Bodies	1932304	11.05
Indian Public	2390177	13.66
NRI / OCB	3750	0.02
Others (Share in Transit)	26589	0.15
<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
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
2015-2016	Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400 021	14.09.2016	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	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
2	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.
3	14.09.2016	Confirmation of appointment of Mr. Devesh Vasavada as a Director designated as Independent Non-Executive Director and confirmation of appointment of Mr. Yogendra Chaturvedi (DIN: 00013613) as Whole time Director designated as Executive Director and Chief Executive Officer

No special resolution was passed during the year 2016-17 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 2016-2017 were as follows:

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

Month	Share Price		BSE Sensex	
	High	Low	High	Low
April 2016	46.90	38.00	26100.54	24523.20
May 2016	40.00	35.10	26837.20	25057.93
June 2016	37.80	34.00	27105.41	25911.33
July 2016	39.10	33.75	28240.20	27034.14
August 2016	43.90	35.20	28532.25	27627.97
September 2016	43.00	36.10	29077.28	27716.78
October 2016	42.00	38.50	28477.65	27488.30
November 2016	41.35	37.65	28029.80	25717.93
December 2016	40.00	36.00	26803.76	25753.74
January 2017	41.85	34.50	27980.39	26447.06
February 2017	40.45	33.05	29065.31	27590.10
March 2017	44.10	36.10	29824.62	28716.21

**14. Address for Correspondence:**

	<b>For Shares held in physical form:</b>	<b>For shares held in demat form:</b>
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-101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083	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-101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083

Tel. No.: +91 22 49186270, Fax: +91 22 49186060

Email: rnt.helpdesk@linkintime.co.in

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**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

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

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

1. This certificate is issued in accordance with the terms of our engagement with Shardul Securities Limited ("the Company").
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

**MANAGEMENT'S RESPONSIBILITY**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance the conditions of the Corporate Governance stipulated in Listing Regulations.

**AUDITOR'S RESPONSIBILITY**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Chartered Accountants of India (the ICAI), the standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**OPINION**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. We state that such compliance is neither an assurance as to 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)

**Place : Mumbai**  
**Date : 26<sup>th</sup> May 2017**

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

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**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 2017 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: 26<sup>th</sup> May 2017**

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

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

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**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, 2017, 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, 2017;
- 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 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, 2017, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2017, 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 27 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.
  - iv. The Company has provided requisite disclosure in the standalone financial statement as regards its holding and dealings in Specified Bank Notes as defined in the Notification S. O. 3407 (E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by management we report that the disclosures are in accordance with books of accounts maintained by the Company and as produced to us.

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

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

Place: Mumbai  
Date: 26<sup>th</sup> May, 2017

### **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, 2017, 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

**CA Rajen J. Damani**  
Partner

Membership No. : 034375

Place: Mumbai

Date: 26<sup>th</sup> May, 2017

## **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, 2017 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

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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, 2017, 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: 26<sup>th</sup> May, 2017

**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2017**

(Rs. In Lakh)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	1,749.84	1,749.84
(b) Reserves and Surplus	2	9,164.87	9,269.36
		<u>10,914.71</u>	<u>11,019.20</u>
<b>Non-Current Liabilities</b>			
(a) Deferred Tax Liability (net)	3	167.04	148.95
		<u>167.04</u>	<u>148.95</u>
<b>Current Liabilities</b>			
(a) Trade payables	4		
Micro, Small and Medium Enterprises		-	-
Others		-	-
(b) Other Current Liabilities	5	33.91	153.58
(c) Short-Term Provisions	6	130.60	-
		<u>164.51</u>	<u>153.58</u>
<b>TOTAL</b>		<u><u>11,246.26</u></u>	<u><u>11,321.73</u></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	7		
(i) Tangible Assets		1,343.20	1,377.38
(ii) Intangible Assets		2.09	0.04
		<u>1,345.29</u>	<u>1,377.42</u>
(b) Non-Current Investments	8	4,383.77	4,456.15
(c) Long-Term Loans and Advances	9	59.25	29.48
		<u>5,788.31</u>	<u>5,863.05</u>
<b>Current Assets</b>			
(a) Inventories	10	1,989.06	3,476.93
(b) Trade Receivables	11	357.15	1,370.94
(c) Cash and Cash Equivalents	12	1,851.33	609.68
(d) Short-Term Loans and Advances	13	1,260.41	1.13
		<u>5,457.95</u>	<u>5,458.68</u>
<b>TOTAL</b>		<u><u>11,246.26</u></u>	<u><u>11,321.73</u></u>
Significant Accounting Policies	A to P		
Notes on Standalone 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**
**CA Rajen J. Damani**  
 Partner  
 M No. 034375

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

 Place :- Mumbai  
 Date :- 26<sup>th</sup> May, 2017

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

(Rs. in Lakh)

Particulars	Note No.	2016-17	2015-16
<b>INCOME</b>			
Revenue from Operations	14	293.56	64.95
Other Income	15	57.18	637.41
<b>Total Revenue</b>		<b>350.74</b>	<b>702.36</b>
<b>EXPENDITURE</b>			
(a) Employee Benefits Expenses	16	70.07	46.58
(b) Finance Costs	17	71.50	16.93
(c) Depreciation and Amortisation Expenses	7	32.24	41.57
(d) Other Expenses	18	137.22	93.00
(e) Contingent Provisions against Standard Assets		4.24	(0.01)
<b>Total Expenses</b>		<b>315.27</b>	<b>198.07</b>
<b>Profit before Tax</b>		<b>35.47</b>	<b>504.29</b>
<b>Tax Expense:</b>			
(a) Current Tax		2.25	17.00
(b) Current Tax Relating to Prior Years		(6.74)	0.75
(c) Deferred Tax		18.09	1.81
		<b>13.60</b>	<b>19.56</b>
<b>Profit for the year</b>		<b>21.87</b>	<b>484.73</b>
<b>Earnings per equity share of face value of Rs. 10/- each:</b>	19		
(a) Basic (In Rs.)		0.12	2.77
(b) Diluted (In Rs.)		0.12	2.77
Significant Accounting Policies	A to P		
Notes on Standalone 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****CA Rajen J. Damani**

Partner

M No. 034375

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

Place :- Mumbai

Date :- 26<sup>th</sup> May, 2017

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

(Rs. in Lakh)

	2016-17	2015-16
<b>A. Cash Flow from Operating Activities</b>		
Net Profit / (Loss) before tax, as per Statement of Profit and Loss	35.47	504.29
<b>Adjusted for:</b>		
Depreciation and Amortisation Expenses	32.24	41.57
Contingent Provisions against Standard Assets	4.24	(0.01)
(Profit) / Loss on sale of Investments	(718.94)	(70.47)
Rent Income	(2.40)	(183.40)
Sundry Balances w/back	-	(0.07)
Dividend received on Investments	(45.94)	(434.92)
<b>Operating Profit / (Loss) before working capital changes</b>	<b>(695.33)</b>	<b>(143.01)</b>
<b>Adjusted for:</b>		
Trade & Other Receivables	1,013.79	(957.31)
Inventories	1,487.87	2,862.35
Trade & Other Payables	(110.09)	3.31
	<b>2,391.57</b>	<b>1,908.35</b>
<b>Cash generated from / (used in) operations</b>	<b>1,696.24</b>	<b>1,765.34</b>
Income Tax paid	(25.28)	(40.23)
<b>Net Cash from / (used) in Operating Activities</b>	<b>1,670.96</b>	<b>1,725.11</b>
<b>B. Cash Flow from Investing Activities</b>		
Adjustment in Fixed Assets	2.39	-
Purchase of Fixed Assets	(2.50)	(12.67)
Purchase of investments	(8,315.39)	(6,723.71)
Sale of investments	9,106.71	5,133.65
Rent Income	2.40	183.40
Dividend received on investments	45.94	434.92
Loans & Advances (Long-Term)	-	(0.70)
Loans & Advances (Short-Term)	(1,259.28)	1.55
<b>Net Cash from / (used) in investment activities</b>	<b>(419.73)</b>	<b>(983.56)</b>
<b>C. Cash Flow from Financing Activities</b>		
Dividend paid on Equity Shares including tax	(9.58)	(286.47)
<b>Net cash from / (used) in Financing Activities</b>	<b>(9.58)</b>	<b>(286.47)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,241.65</b>	<b>455.08</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>609.68</b>	<b>154.60</b>
<b>Closing Balance of Cash and Cash Equivalents (Refer Note No. 12)*</b>	<b>1,851.33</b>	<b>609.68</b>
* Balances with Banks includes Unclaimed Dividend of Rs. 29.04 lakhs (P.Y. Rs. 38.62 Lakhs )		

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

For and on behalf of the Board

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

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

 Place :- Mumbai  
 Date :- 26<sup>th</sup> May, 2017

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### SIGNIFICANT ACCOUNTING POLICIES

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

- 1) The Standalone Financial Statements are prepared on accrual basis under the historical cost convention, in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and the relevant provisions of the Companies Act, 2013, as adopted consistently by the Company. The financial statements are presented in Indian rupees rounded off to the nearest rupees in lakh.
- 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 in conformity with Indian GAAP requires judgements, 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.

#### (E) Depreciation:

Depreciation on Fixed Assets is provided as per Straight Line Method (SLM) based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Intangible assets (Computer Software) are amortized over a period of 5 years.

#### (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:

- 1) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
- 2) Monetary items denominated in foreign currencies, if any at the year end are restated at year end rates.
- 3) Non monetary foreign currency items are carried at cost.
- 4) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

#### (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:

- 1) Investments are classified into current investments and long term investments.
- 2) Current Investments are valued, scrip wise, at cost or market price/quoted value whichever is lower.
- 3) Long term investments are valued at cost. Provision for diminution is made scrip wise to recognise a decline, only if such decline is other than temporary.

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

Stock-in-trade is valued item wise, at cost or market price/quoted value 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. An impairment loss is charged to the 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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****(Rs. In Lakh)**

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Note 1 - Share Capital</b>		
<b>(A) SHARE CAPITAL:</b>		
<b>Authorised Share Capital:</b>		
10,00,00,000 (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 (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 year:**

Particulars	2016-17	2015-16
No. of Shares outstanding at the beginning of the year	1,74,98,433	1,74,98,433
Addition during the year	-	-
Deletion during the year	-	-
No. of Shares outstanding at the end of the year	1,74,98,433	1,74,98,433

**(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, 2017		As at 31st March, 2016	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
(i)	Shruti G Chaturvedi	1,36,000	0.78	27,52,300	15.73
(ii)	Gagan D Chaturvedi	28,36,185	16.21	99,169	0.57
(iii)	Devesh D Chaturvedi	19,02,419	10.87	25,54,169	14.60
(iv)	Brijesh D Chaturvedi	9,99,867	5.71	2,27,400	1.30
(v)	Varsha R Chaturvedi	1,36,000	0.78	25,17,700	14.39
(vi)	Rajesh D Chaturvedi	26,05,586	14.89	1,03,169	0.59
(vii)	A to Z Broking Services LLP (Previously known as A to Z Broking Services Pvt. Ltd.)	21,18,400	12.11	15,86,150	9.06
(viii)	Shriyam Commodities Intermediary LLP (Previously known as Shriyam Commodities Intermediary Pvt. Ltd.)	9,32,000	5.33	9,32,000	5.33

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

(Rs. In Lakh)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Note 2 - Reserves &amp; Surplus</b>		
<b>(A) Capital Reserve</b>		
Balance as per the last financial statement	6.90	6.90
Addition/(Deletion) during the year	-	-
	<b>6.90</b>	6.90
<b>(B) Securities Premium Account</b>		
Balance as per the last financial statement	2,666.69	2,666.69
Addition/(Deletion) during the year	-	-
	<b>2,666.69</b>	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	-	-
	<b>328.58</b>	328.58
<b>(D) Statutory Reserve Fund (As per RBI Guidelines)</b>		
Balance as per the last financial statement	2,088.29	1,991.35
Add : Amount transferred from surplus balance in the Statement of Profit and Loss	4.37	96.94
	<b>2,092.66</b>	2,088.29
(Created pursuant to Section 45-IC of Reserve Bank of India Act, 1934)		
<b>(E) Profit and Loss Account</b>		
Balance as per the last financial statement	4,178.90	3,917.47
Add : Profit for the year	21.87	484.73
Amount available for Appropriations	4,200.77	4,402.20
<b>Less : Appropriations</b>		
Transferred to Statutory Reserve Fund (As per RBI Guidelines)	4.37	96.94
Proposed Dividend on Equity Shares [Dividend per Share Re 0.6 (Previous Year Rs Nil)]	104.99	-
Tax on Proposed Dividend	21.37	-
Interim Dividend on Equity Shares [Dividend per Share Rs. Nil (Previous Year Re. 0.6)]	-	104.99
Tax on Interim Dividend	-	21.37
<b>Total</b>	<b>9,164.87</b>	<b>9,269.36</b>
<b>Note 3 - Deferred Tax Liability</b>		
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	167.04	148.95
<b>Total</b>	<b>167.04</b>	<b>148.95</b>
<b>Note 4 - Trade Payables</b>		
The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:		
Particulars	As at 31st March, 2017	As at 31st March, 2016
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****(Rs. In Lakh)**

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Note 5 - Other Current Liabilities</b>		
(a) Unclaimed Dividends *	29.04	38.62
(b) Security Deposit	-	108.00
(c) Other Payables**	4.87	6.96
<b>Total</b>	<b>33.91</b>	<b>153.58</b>

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

\*\* These figures includes Statutory dues & Creditors for Expenses.

**Note 6 - Short - Term Provisions**

(a) Contingent Provisions against Standard Assets	4.24	-
(b) Proposed Dividend	104.99	-
(c) Tax on Proposed Dividend	21.37	-
<b>Total</b>	<b>130.60</b>	<b>-</b>

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

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April, 2016	Additions	Deductions/ Adjustments	As at 31st March, 2017	Upto 31st March, 2016	For the Year	Deductions/ Adjustments	Upto 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
<b>Tangible Assets:</b>										
Office Premises	1,665.04	-	(0.01)	1,665.05	325.41	25.10	(2.05)	352.56	1,312.49	1,339.63
Computers	3.12	0.21	-	3.33	1.21	0.78	-	1.99	1.34	1.91
Furniture and Fixtures	139.02	-	-	139.02	119.63	4.41	-	124.04	14.98	19.39
Vehicles	51.52	-	7.85	43.67	38.66	1.61	7.50	32.77	10.90	12.86
Office Equipment	69.78	-	-	69.78	66.19	0.10	-	66.29	3.49	3.59
<b>Total (A)</b>	<b>1,928.48</b>	<b>0.21</b>	<b>7.84</b>	<b>1,920.85</b>	<b>551.10</b>	<b>32.00</b>	<b>5.45</b>	<b>577.65</b>	<b>1,343.20</b>	<b>1,377.38</b>
<b>Intangible Assets:</b>										
Computer Software	0.76	2.29	-	3.05	0.72	0.24	-	0.96	2.09	0.04
<b>Total (B)</b>	<b>0.76</b>	<b>2.29</b>	<b>-</b>	<b>3.05</b>	<b>0.72</b>	<b>0.24</b>	<b>-</b>	<b>0.96</b>	<b>2.09</b>	<b>0.04</b>
<b>Grand Total (A+B)</b>	<b>1,929.24</b>	<b>2.50</b>	<b>7.84</b>	<b>1,923.90</b>	<b>551.82</b>	<b>32.24</b>	<b>5.45</b>	<b>578.61</b>	<b>1,345.29</b>	<b>1,377.42</b>
Previous Year	1,916.57	12.67	-	1,929.24	510.25	41.57	-	551.82	1,377.42	

**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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**
**Note 8 - Non - Current Investments**

(Long - Term Investments)

(Valued at cost less other than temporary diminution in value, if any)

(Rs. In Lakh)

Particulars	Face Value (In Rs.)	Quantity		Amount	
		As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
<b>Other Investments</b>					
<b>(A) Quoted</b>					
<b>In Equity shares - Fully Paid-up</b>					
Cummins India Ltd	2	-	20,000	-	176.13
Genus Paper Boards Ltd	1	-	3,10,850	-	43.43
Larsen Toubro Ltd	2	-	15,000	-	213.05
Axis Bank Ltd	2	<b>2,000</b>	-	<b>10.18</b>	-
Glaxosmithkline Pharmaceuticals Ltd	10	<b>6,000</b>	-	<b>162.35</b>	-
Lakshmi Machine Works Ltd	10	<b>201</b>	-	<b>8.22</b>	-
Dishman Pharmaceuticals & Chemicals Ltd	2	<b>6,500</b>	-	<b>13.41</b>	-
Equitas Holdings Ltd	10	<b>10,000</b>	-	<b>17.31</b>	-
Insecticides (India) Ltd	10	<b>3,000</b>	-	<b>12.50</b>	-
LIC Housing Finance Ltd	2	<b>3,000</b>	-	<b>14.85</b>	-
MRF Ltd	10	<b>30</b>	-	<b>10.59</b>	-
RBL Bank Ltd*	10	<b>1,00,000</b>	-	<b>300.99</b>	-
Shriram City Union Finance Ltd	10	<b>600</b>	-	<b>9.61</b>	-
Repc Home Finance Ltd	10	-	59,000	-	92.10
HDFC Bank Ltd*	2	<b>1,00,000</b>	1,00,000	<b>931.27</b>	931.27
State Bank of India	1	<b>6,000</b>	-	<b>14.56</b>	-
Ultratech Cement Ltd	10	<b>10,000</b>	10,000	<b>253.52</b>	253.52
Essar Shipping Ltd	10	<b>78,233</b>	78,233	<b>23.46</b>	23.46
Reliance Industries Ltd *	10	<b>4,64,000</b>	4,64,000	<b>1,024.90</b>	1,024.90
<b>Total (A)</b>				<b>2,807.72</b>	<b>2,757.86</b>
<b>(B) Unquoted</b>					
<b>In Equity shares - Fully Paid-up</b>					
Banglore Stock Exchange Ltd	1	<b>8,350</b>	8,350	<b>0.08</b>	0.08
Bombay Stock Exchange Ltd	1	-	58,838	-	0.05
Antique Finance Pvt Ltd	10	<b>31,22,125</b>	31,22,125	-	-
<b>Sub Total</b>				<b>0.08</b>	<b>0.13</b>
<b>In Preference shares - Fully Paid up</b>					
Vaibhav Property & Advisors Pvt Ltd	10	<b>22,50,000</b>	22,50,000	<b>225.00</b>	225.00
<b>Sub Total</b>				<b>225.00</b>	<b>225.00</b>
<b>In Equity shares of Subsidiary companies - Fully Paid up</b>					
Shriyam Broking Intermediary Ltd	10	<b>1,00,00,000</b>	1,00,00,000	<b>1,000.00</b>	1,000.00
<b>Sub Total</b>				<b>1,000.00</b>	<b>1,000.00</b>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

(Rs. In Lakh)

Particulars	Face Value (In Rs.)	Quantity		Amount	
		As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
<b>In Bullion</b>					
Gold		<b>12.46 KG</b>	20.46 KG	<b>133.72</b>	207.19
Silver		<b>30.13 KG</b>	30.13 KG	<b>5.65</b>	5.65
<b>Sub Total</b>				<b>139.37</b>	212.84
<b>Investment in Funds -Unquoted</b>					
HDFC India Real Estate Fund	1000	<b>4,443</b>	4,621	<b>44.44</b>	46.21
Urban Infrastructure fund (Previous year's Face Value Rs. 86,160/-)	61911	<b>270</b>	270	<b>167.16</b>	214.11
<b>Sub Total</b>				<b>211.60</b>	260.32
<b>Total (B)</b>				<b>1,576.05</b>	1,698.29
<b>Total Investments (A+B)</b>				<b>4,383.77</b>	4,456.15
Aggregate amount of quoted investments				<b>2,807.72</b>	2,757.86
Market Value of Quoted Investments				<b>8,780.73</b>	6,968.31
Aggregate amount of unquoted investments				<b>1,576.05</b>	1,698.29

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

(Rs. In Lakh)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Note 9 - Long - Term Loans and Advances (Unsecured and Considered Good)</b>		
(a) Security Deposits	<b>2.25</b>	2.25
(b) Advance Income Tax (Net of Provision)	<b>57.00</b>	27.23
<b>Total</b>	<b>59.25</b>	29.48
<b>Note 10 - Inventories</b>		
Stock-in-Trade	<b>1,989.06</b>	3,476.93
<b>Total</b>	<b>1,989.06</b>	3,476.93
<b>Note 11 - Trade Receivables (Unsecured and Considered Good)</b>		
(a) Outstanding for a period exceeding six months	-	0.02
(b) Others	<b>357.15</b>	1,370.92
<b>Total</b>	<b>357.15</b>	1,370.94
<b>Note 12 - Cash and Cash Equivalents</b>		
(a) Cash on Hand	-	0.02
(b) Balances with Banks *	<b>1,851.33</b>	609.66
<b>Total</b>	<b>1,851.33</b>	609.68

\* Balances with Banks includes Unclaimed Dividend of Rs. 29.04 lakhs (P.Y. Rs. 38.62 Lakhs)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**
**Note 12.1 - Disclosure for Specified Bank Notes (SBNs) held and transacted during the period: (Amount in Rs.)**

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11. 2016	1,000	142	1,142
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	1,000	-	1,000
Closing cash in hand as on 30.12. 2016	-	142	142

**(Rs. In Lakh)**

Particulars	As at 31st March, 2017	As at 31st March, 2016
-------------	------------------------	------------------------

**Note 13 - Short - Term Loans and Advances (Unsecured and Considered Good)**

(a) Inter Corporate Deposits:		
To Related Parties (Refer Note 13.1)	150.00	-
To Other Corporate Bodies	1,060.00	-
(b) Prepaid Expenses	0.82	0.60
(c) Interest receivable	43.64	-
(d) Others	2.84	0.53
(e) Service Tax Receivable	3.11	-
<b>Total</b>	<b>1,260.41</b>	<b>1.13</b>

**Note 13.1 - Loans and advances in the nature of loans given to subsidiaries (Rs. In Lakh)**

Sr. No.	Name of Company	As at 31st March, 2017	As at 31st March, 2016	Maximum Balance during the year
(a)	Shriyam Broking Intermediary Limited (short term interest bearing loan for business purpose)	150.00	-	150.00

**(Rs. In Lakh)**

Particulars	2016-17	2015-16
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**Note 14 - Revenue from Operations**

(a) Profit/ (loss) on dealing in securities (Net)	(544.86)	(39.66)
(b) Profit/ (loss) on dealing in Commodities (Net)	-	14.13
(c) Income from Advisory Fees and Services	20.00	20.00
(d) Interest Income	99.48	0.01
(e) Net Profit on Sale of Investments	718.94	70.47
<b>Total</b>	<b>293.56</b>	<b>64.95</b>

**Note 15 - Other Income**

(a) Dividend Income	45.94	434.92
(b) Rent Income	2.40	183.40
(c) Bad Debt Recovery	-	18.75
(d) Miscellaneous Income	8.84	0.34
<b>Total</b>	<b>57.18</b>	<b>637.41</b>

**Note 16 - Employee Benefits Expenses**

(a) Salaries and Wages	67.91	43.78
(b) Contribution to Provident and Other Funds	1.40	1.13
(c) Staff Welfare Expenses	0.72	0.71
(d) Premium towards Group Gratuity Scheme	0.04	0.96
<b>Total</b>	<b>70.07</b>	<b>46.58</b>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

			(Rs. In Lakh)	
Particulars	2016-17	2015-16		
<b>Note 17 - Finance Cost</b>				
(a) Interest Expenses	71.29	16.83		
(b) Bank Charges	0.21	0.10		
<b>Total</b>	<b>71.50</b>	<b>16.93</b>		
<b>Note 18 - Other Expenses</b>				
<b>(A) Payment to Auditor (excluding Service Tax)</b>				
(a) Statutory 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	34.48	26.88		
(b) Other Repairs :				
i) Equipments	0.59	0.64		
ii) Office Premises	0.10	0.30		
(c) Travelling Expenses	2.88	2.29		
(d) Telephone and lease line charges	1.12	1.65		
(e) Directors Sitting Fees	0.97	2.51		
(f) Postage & Telegram	1.03	1.06		
(g) Printing & Stationery	1.40	1.71		
(h) Electricity Charges	9.12	3.54		
(i) Securities Transaction Tax	34.24	11.45		
(j) Fees & Subscription	3.69	3.47		
(k) Professional Fees	17.02	12.80		
(l) Advertisement	0.96	0.86		
(m) Insurance	1.61	1.52		
(n) Donation (including CSR Expenses) (Refer Note No. 29)	13.75	12.54		
(o) Motor Car Expenses	5.91	4.65		
(p) Miscellaneous Expenses	5.35	2.13		
<b>Total</b>	<b>137.22</b>	<b>93.00</b>		
Particulars	2016-17	2015-16		
<b>Note 19 - Earnings Per Equity share</b>				
(A) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. In Lakhs)	21.87	484.72		
(B) Weighted average number of equity shares used as denominator for calculating EPS (in Nos.)	1,74,98,433	1,74,98,433		
(C) Basic and diluted earnings/ (loss) per share of face value of Rs. 10 each (Amount in Rs.)	0.12	2.77		

**Note 20**

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

**Note 21**

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

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

**Note 22** As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

(i) List of related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Shriyam Broking Intermediary Limited	Subsidiary
2	Shriyam Broking (IFSC) Private Limited (w.e.f. 15.12.2016)	Step-down Subsidiary
3	Mr. R. Sundaresan - Executive Chairman	Key Managerial Personnel (KMP)
4	Mr. Yogendra Chaturvedi - Executive Director (w.e.f. 05.02.2016)	Key Managerial Personnel (KMP)
5	Ms. Monika Agrawal - Executive Director & Company Secretary	Key Managerial Personnel (KMP)
6	Mr. Saurabh Chaturvedi - CFO (upto 10.02.2017)	Key Managerial Personnel (KMP)
7	Mr. Prashant Chaturvedi - CFO (w.e.f. 11.02.2017)	Key Managerial Personnel (KMP)

(ii) Transactions during the year with related parties (excluding reimbursements): (Rs. In Lakh)

Sr. No.	Nature of Transactions	Subsidiary	(KMP)	Total
1	Loan Given	150.00	-	150.00
		-	-	-
2	Interest Received on loan	0.03	-	0.03
		-	-	-
3	Expenses for Trading Activities	11.31	-	11.31
		(5.50)	-	(5.50)
4	Payment for remuneration and services	-	44.47	44.47
		-	(28.54)	(28.54)
Balance as at 31st March, 2017				
5	Share capital	1,000.00	-	1,000.00
		(1,000.00)	-	(1,000.00)
6	Short-term loans and advances - ICD to Related Party	150.00	-	150.00
		-	-	-
7	Short-term loans and advances - Others	1.60	-	1.60
		-	-	-
8	Trade Payables	-	-	-
		(2.08)	-	(2.08)

Figures in bracket represents previous year's amount.

(iii) Disclosure in respect of material related party transactions during the year: (Rs. In Lakh)

Sr. No.	Particulars	Relationship	2016-17	2015-16
1	<b>Short-term loans and advances</b>			
	Shriyam Broking Intermediary Limited	Subsidiary	150.00	-
2	<b>Interest Received on loan</b>			
	Shriyam Broking Intermediary Limited	Subsidiary	0.03	-
3	<b>Expenses for Trading Activities</b>			
	Shriyam Broking Intermediary Limited	Subsidiary	11.31	5.50
4	<b>Payment for remuneration and services</b>			
	Mr. R. Sundaresan	KMP	6.50	6.50
	Mr. Yogendra Chaturvedi	KMP	14.17	0.70
	Ms. Monika Agrawal	KMP	12.19	10.72
	Mr. Saurabh Chaturvedi	KMP	10.40	10.62
	Mr. Prashant Chaturvedi	KMP	1.21	-

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****Note 23**

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

- i) Contribution to Provident Fund of Rs. **1.40 Lakh** (P.Y. Rs. 1.13 lakh) is charged to the Statement of Profit and Loss as per applicable law / rules.
- ii) 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. **0.04 Lakh** (P.Y. Rs. 0.96 lakh) has been made during the year by the company based on the valuation report of the Life Insurance Corporation (Actuarial Valuer).
- iii) The Company belongs to an industry which faces a high attrition rate and hence the leave balance accrued is either availed or fully paid off.

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

<b>1</b>	<b>SUMMARY OF MEMBERSHIP DATA</b>	<b>2016-17</b>	<b>2015-16</b>
	Number of Employees	<b>6</b>	5
	Average Age (in years)	<b>47.17</b>	43.80
	Average Monthly Salary ( in Rs)	<b>41,391.00</b>	34,942.00
	Average Past Service	<b>9.33</b>	10.20
<b>2</b>	<b>VALUATION METHOD</b>	<b>Projected Unit Credit Method</b>	Projected Unit Credit Method
<b>3</b>	<b>ACTUARIAL ASSUMPTIONS</b>		
	Mortality Rate	<b>LIC(2006-08) Ultimate</b>	LIC(2006-08) 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>	<b>(Rs. In Lakh)</b>	<b>(Rs. In Lakh)</b>
	PV of Past Service Benefit	<b>7.20</b>	6.10
	Current Service Cost	<b>0.71</b>	0.41
	Total Service Gratuity	<b>33.60</b>	29.21
	Accrued Gratuity	<b>11.62</b>	9.81
	LCSA	<b>8.29</b>	6.50
	LC Premium	<b>0.03</b>	0.01
	Service Tax	<b>0.01</b>	0.00
	Interest	<b>0.00</b>	-
<b>5</b>	<b>RECOMMENDED CONTRIBUTION RATE</b>	<b>(Rs. In Lakh)</b>	<b>(Rs. In Lakh)</b>
	Fund Value as on Renewal Date	<b>13.50</b>	10.70
	Additional Contribution for existing fund	-	0.95
	Current Service Cost	-	0.00
<b>6</b>	<b>TOTAL AMOUNT PAID</b>	<b>0.04</b>	0.96

**Note 24****Directors Remuneration :**

Salary to Executive Directors as under (include under the head payment to employees): (Rs. In Lakh)

	<b>2016-17</b>	<b>2015-16</b>
Mr. R. Sundaresan	<b>6.50</b>	6.50
Mr. Yogendra Chaturvedi	<b>14.17</b>	0.70
Ms. Monika Agrawal	<b>12.19</b>	10.72

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.



**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

(Rs. In Lakh)

Particulars	Amount outstanding		Amount overdue	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :				
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-
* Please see Note 1 below				

Particulars	Amount outstanding	
	31.03.2017	31.03.2016
<b>Assets side</b>		
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured	-	-
(b) Unsecured	<b>1,210.00</b>	-
(4) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(5) Break-up of Investments		
Current Investments (including Stock in trade):		
1 Quoted		
(i) Shares		
(a) Equity	<b>1,989.06</b>	3,476.93
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2 Unquoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

(Rs. In Lakh)

Particulars	Amount outstanding	
	31.03.2017	31.03.2016
Long Term investments:		
1 Quoted		
(i) Shares		
(a) Equity	<b>2,807.72</b>	2,757.86
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2 Unquoted		
(i) Shares		
(a) Equity	<b>1,000.08</b>	1,000.13
(b) Preference	<b>225.00</b>	225.00
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	<b>211.60</b>	260.32
(iv) Government Securities	-	-
(v) Others - Gold & Silver	<b>139.37</b>	212.84

Category	Amount net of provisions			
	Secured		Unsecured	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
(6) Borrower group-wise classification of assets financed as in (3) and (4) above : Please see Note 2 below				
1 Related Parties **				
(a) Subsidiaries	-	-	<b>149.47</b>	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2 Other than related parties	-	-	<b>1,056.29</b>	-
Total	-	-	<b>1,205.76</b>	-
(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : Please see note 3 below				
Category	Market Value / Break up or fair value or NAV		Book Value (Net of Provisions)	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
1 1 Related Parties **				
(a) Subsidiaries	<b>4,268.18</b>	4,217.79	<b>1,000.00</b>	1,000.00
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2 Other than related parties	<b>3,244.40</b>	3,243.31	<b>3,244.40</b>	3,243.31
Total	<b>7,512.58</b>	7,461.10	<b>4,244.40</b>	4,243.31

\*\* As per Accounting Standard of ICAI (Please see Note 3)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

(Rs. In Lakh)

Particulars	31.03.2017	31.03.2016
(8) Other information		
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	-	-
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	-	-

## Notes :

- 1 As defined in point xix of paragraph 3 of Chapter -2 of these Directions.
- 2 Provisioning norms shall be applicable as prescribed in these Directions.
- 3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

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

**For and on behalf of the Board**

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

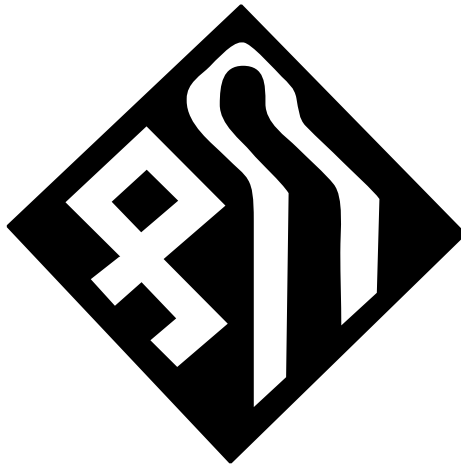
<b>R. Sundaresan</b>	<b>(Chairman)</b>
<b>Kantilal Shah</b>	<b>(Director)</b>
<b>Devesh Vasavada</b>	<b>(Director)</b>
<b>Yogendra Chaturvedi</b>	<b>(Executive Director &amp; CEO)</b>
<b>Monika Agarwal</b>	<b>(Executive Director &amp; Company Secretary)</b>
<b>Prashant Chaturvedi</b>	<b>(CFO)</b>

Place :- Mumbai

Date :- 26<sup>th</sup> May, 2017

# **SHARDUL**

## **SECURITIES LIMITED**



**CONSOLIDATED  
FINANCIAL STATEMENTS  
2016 - 2017**

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## INDEPENDENT AUDITORS' REPORT

**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, 2017, 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.

While conducting the 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 2017, 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, 2017, and taken

on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on March 31, 2017, 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' which is based on the auditor's reports of the Holding Company and its Subsidiary Company ; 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 Company as referred to in Note 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.
  - iv. The Holding Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained by the Holding Company and its Subsidiary Company.

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

**CA Rajen J. Damani**  
Partner

Membership No. : 034375

Place: Mumbai  
Date: 26<sup>th</sup> May, 2017

## **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, 2017 we have audited the internal financial controls over financial reporting of Shardul Securities Limited (hereinafter referred to as "the Holding Company") and its subsidiary company ( the Holding company and its Subsidiary Company together referred to as "the Group") 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 Holding company and its Subsidiary 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, 2017, 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: 26<sup>th</sup> May, 2017

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017**

(Rs. In Lakh)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	1,749.84	1,749.84
(b) Reserves and Surplus	2	12,429.22	12,487.14
		<u>14,179.06</u>	<u>14,236.98</u>
<b>Non-Current Liabilities</b>			
(a) Deferred Tax Liability (Net)	3	213.94	180.59
		<u>213.94</u>	<u>180.59</u>
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	4	1,115.00	-
(b) Trade payables	5		
Micro, Small and Medium Enterprises		-	-
Others		1,969.04	338.18
(c) Other Current Liabilities	6	97.52	172.22
(d) Short-Term Provisions	7	130.60	-
		<u>3,312.16</u>	<u>510.40</u>
		<u>17,705.16</u>	<u>14,927.97</u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	8		
(i) Tangible Assets		1,828.86	1,869.28
(ii) Intangible Assets		177.59	175.54
		<u>2,006.45</u>	<u>2,044.82</u>
(b) Non-Current Investments	9	7,019.49	5,630.39
(c) Long-Term Loans and Advances	10	1,975.43	414.16
		<u>11,001.37</u>	<u>8,089.37</u>
<b>Current Assets</b>			
(a) Inventories	11	2,108.80	4,399.10
(b) Trade Receivables	12	357.15	1,394.32
(c) Cash and Cash Equivalents	13	3,041.07	1,020.82
(d) Short-Term Loans and Advances	14	1,196.77	24.36
		<u>6,703.79</u>	<u>6,838.60</u>
		<u>17,705.16</u>	<u>14,927.97</u>
Significant Accounting Policies	A to D		
Notes on Consolidated Financial Statement	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**
**CA Rajen J. Damani**  
 Partner  
 M No. 034375

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

 Place :- Mumbai  
 Date :- 26<sup>th</sup> May, 2017

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. In Lakh)

Particulars	Note No.	2016-17	2015-16
<b>INCOME</b>			
Revenue from Operations	15	524.38	89.88
Other Income	16	71.01	750.01
<b>Total Revenue</b>		<b>595.39</b>	<b>839.89</b>
<b>EXPENDITURE</b>			
(a) Employee Benefits Expense	17	117.13	101.16
(b) Finance Costs	18	87.02	27.95
(c) Depreciation and Amortisation Expense	8	41.59	51.73
(d) Other Expenses	19	233.61	149.30
(e) Contingent Provisions against Standard Assets		4.24	(0.01)
<b>Total Expenses</b>		<b>483.59</b>	<b>330.14</b>
<b>Profit before Tax</b>		<b>111.80</b>	<b>509.76</b>
<b>Tax Expense:</b>			
(a) Current Tax		16.75	17.00
(b) Current Tax Relating to Prior Years		(6.74)	(7.52)
(c) Deferred Tax		33.35	6.89
		<b>43.36</b>	<b>16.37</b>
<b>Profit for the year</b>		<b>68.44</b>	<b>493.39</b>
<b>Profit / (Loss) from Associate Co.</b>		-	-
<b>Profit for the year</b>		<b>68.44</b>	<b>493.39</b>
<b>Earnings per equity share of face value of Rs. 10/- each:</b>	20		
(a) Basic (In Rs.)		0.39	2.82
(b) Diluted (In Rs.)		0.39	2.82
Significant Accounting Policies	A to D		
Notes on Consolidated Financial Statement	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**

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

<b>R. Sundaresan</b>	<b>(Chairman)</b>
<b>Kantilal Shah</b>	<b>(Director)</b>
<b>Devesh Vasavada</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>Prashant Chaturvedi</b>	<b>(CFO)</b>

Place :- Mumbai  
Date :- 26<sup>th</sup> May, 2017

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

(Rs. In Lakh)

	2016-17	2015-16
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit / (Loss) before tax, as per Statement of Profit and Loss</b>	<b>111.80</b>	509.76
<b>Adjusted for:</b>		
Depreciation and Amortisation Expenses	41.59	51.73
Contingent Provisions against Standard Assets	4.24	(0.01)
(Profit) / Loss on sale of Investments	(754.84)	(88.20)
Rent Income	(2.40)	(211.40)
Sundry Balances w/back	-	(0.07)
Dividend received on Investments	(57.96)	(518.83)
<b>Operating Profit / (Loss) before working capital changes</b>	<b>(657.57)</b>	(257.02)
<b>Adjusted for:</b>		
Trade & Other Receivables	1,037.17	(1,318.45)
Inventories	2,290.30	1,940.18
Trade & Other Payables	1,565.75	150.49
<b>Cash generated from / (used in) operations</b>	<b>4,893.22</b>	772.22
Income Tax paid	(46.28)	(50.09)
<b>Net Cash from / (used) in Operating Activities</b>	<b>4,189.37</b>	465.11
<b>B. Cash Flow from Investing Activities</b>		
Adjustment in Fixed Assets	2.39	-
Purchase of Fixed Assets	(5.61)	(13.26)
Purchase of investments	(11,888.37)	(14,583.39)
Sale of investments	11,254.11	12,350.07
Rent Income	2.40	211.40
Dividend received on investments	57.96	518.83
Loans & Advances (Long-Term)	(1,525.00)	503.05
Loans & Advances (Short-Term)	(1,172.42)	1,556.66
<b>Net Cash from / (used) in investment activities</b>	<b>(3,274.54)</b>	543.36
<b>C. Cash Flow from Financing Activities</b>		
Dividend paid on Equity Shares including tax	(9.58)	(286.47)
Unsecured Loan taken (net)	1,115.00	-
<b>Net cash from / (used) in Financing Activities</b>	<b>1,105.42</b>	(286.47)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2,020.25</b>	722.00
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>1,020.82</b>	298.82
<b>Closing Balance of Cash and Cash Equivalents (Refer Note No. 13)*</b>	<b>3,041.07</b>	1,020.82
* Balances with Banks includes Unclaimed Dividend of Rs. 29.04 lakhs (P.Y. Rs. 38.62 Lakhs )		

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

For and on behalf of the Board

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

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

 Place :- Mumbai  
 Date :- 26<sup>th</sup> May, 2017

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## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### SIGNIFICANT ACCOUNTING POLICIES

#### **A Basis of preparation of Consolidated Financial Statements:**

The Consolidated Financial Statements are prepared on accrual basis under the historical cost convention, in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and the relevant provisions of the Companies Act, 2013, as adopted consistently by the Company. The financial statements are presented in Indian Rupees rounded off to the nearest rupees in lakh.

#### **B Principles of Consolidation:**

a) The consolidated financial statements relate to Shardul Securities Limited ('the Company') and its subsidiary companies (collectively referred to as "Group")

b) **The consolidated financial statements have been prepared on the following basis:**

- i) The financial statements of the Company and its subsidiary companies are 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 in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements".
- ii) In case of associates (if any) where the company directly or indirectly through subsidiaries holds more than 20% of equity, Investments in associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 "Accounting for investments in associates in consolidated financial statements".
- iii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- iv) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.

**C** Investments other than in subsidiaries and associate have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

#### **D Other Significant Accounting Policies:**

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements & its subsidiaries company.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

(Rs. In Lakh)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Note 1 - Share Capital</b>		
<b>(A) SHARE CAPITAL:</b>		
<b><u>Authorised Share Capital</u></b>		
10,00,00,000 (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><u>Issued, Subscribed and Paid up</u></b>		
1,74,98,433 (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 year**

Particulars	2016-17	2015-16
No. of Shares outstanding at the beginning of the year	1,74,98,433	1,74,98,433
Addition during the year	-	-
Deletion during the year	-	-
No. of Shares outstanding at the end of the year	1,74,98,433	1,74,98,433

**(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, 2017		As at 31st March, 2016	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
(i)	Shruti G Chaturvedi	1,36,000	0.78	27,52,300	15.73
(ii)	Gagan D Chaturvedi	28,36,185	16.21	99,169	0.57
(iii)	Devesh D Chaturvedi	19,02,419	10.87	25,54,169	14.60
(iv)	Brijesh D Chaturvedi	9,99,867	5.71	2,27,400	1.30
(v)	Varsha R Chaturvedi	1,36,000	0.78	25,17,700	14.39
(vi)	Rajesh D Chaturvedi	26,05,586	14.89	1,03,169	0.59
(vii)	A to Z Broking Services LLP (Previously known as A to Z Broking Services Pvt. Ltd.)	21,18,400	12.11	15,86,150	9.06
(viii)	Shriyam Commodities Intermediary LLP (Previously known as Shriyam Commodities Intermediary Pvt. Ltd.)	9,32,000	5.33	9,32,000	5.33

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****(Rs. In Lakh)**

<b>Particulars</b>	<b>As at 31st March, 2017</b>		<b>As at 31st March, 2016</b>	
<b>Note 2 - Reserves &amp; Surplus</b>				
<b>(A) Capital Reserve</b>				
Balance as per the last financial statement	<b>6.90</b>		6.90	
Addition/(Deletion) during the year	<u>-</u>	<b>6.90</b>	<u>-</u>	6.90
<b>(B) Securities Premium Account</b>				
Balance as per the last financial statement	<b>2,666.69</b>		2,666.69	
Addition/(Deletion) during the year	<u>-</u>	<b>2,666.69</b>	<u>-</u>	2,666.69
<b>(C) General Reserve</b>				
Balance as per the last financial statement	<b>328.58</b>		328.58	
Add : Amount transferred from surplus balance in the Statement of Profit and Loss	<u>-</u>	<b>328.58</b>	<u>-</u>	328.58
<b>(D) Statutory Reserve Fund (As per RBI Guidelines)</b>				
Balance as per the last financial statement	<b>2,088.29</b>		1,991.35	
Add : Amount transferred from surplus balance in the Statement of Profit and Loss	<u>4.37</u>	<b>2,092.66</b>	<u>96.94</u>	2,088.29
(Created pursuant to Section 45-IC of Reserve Bank of India Act, 1934)				
<b>(E) Profit and Loss Account</b>				
Balance as per the last financial statement	<b>7,396.68</b>		7,126.59	
Add : Profit for the year	<b>68.44</b>		493.39	
Amount available for Appropriations	<b>7,465.12</b>		7,619.98	
<b>Less : Appropriations</b>				
Transferred to Statutory Reserve Fund (As per RBI Guidelines)	<b>4.37</b>		96.94	
Proposed Dividend on Equity Shares [Dividend per Share Re 0.6 (Previous Year Rs Nil)]	<b>104.99</b>		-	
Tax on Proposed Dividend	<b>21.37</b>		-	
Interim Dividend on Equity Shares [Dividend per Share Rs Nil (Previous Year Re 0.6)]	<b>-</b>		104.99	
Tax on Interim Dividend	<b>-</b>		-	
<b>Total</b>		<b><u>7,334.39</u></b>	<b><u>21.37</u></b>	<b><u>7,396.68</u></b>
		<b><u>12,429.22</u></b>		<b><u>12,487.14</u></b>
<b>Note 3 - Deferred Tax Liability (net)</b>				
<b>Deferred Tax Liability</b>				
Related to Fixed Assets		<b>213.94</b>		180.59
<b>Total</b>		<b><u>213.94</u></b>		<b><u>180.59</u></b>
<b>Note 4 - Short - Term Borrowings</b>				
<b>Unsecured Loans</b>				
Loans and Advances (from Body corporate)		<b>1,115.00</b>		-
<b>Total</b>		<b><u>1,115.00</u></b>		<b><u>-</u></b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### Note 5 - Trade Payables

The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:  
 (Rs. In Lakh)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### Note 6 - Other Current Liabilities

(a) Unclaimed Dividends *	<b>29.04</b>	38.62
(b) Security Deposit	-	108.00
(c) Other Payables **	<b>68.48</b>	25.60
<b>Total</b>	<b>97.52</b>	172.22

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

\*\* These figures includes Statutory dues & Creditors for Expenses.

### Note 7 - Short Term Provisions

(a) Contingent Provisions against Standard Assets	<b>4.24</b>	-
(b) Proposed Dividend	<b>104.99</b>	-
(c) Tax on Proposed Dividend	<b>21.37</b>	-
<b>Total</b>	<b>130.60</b>	-

### Note 8 - FIXED ASSETS

(Rs. In Lakh)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April, 2016	Additions	Deductions/ Adjustments	As at 31st March, 2017	Upto 31st March, 2016	For the Year	Deductions/ Adjustments	Upto 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
<b>Tangible Assets</b>										
Office Premises	2,198.10	-	(0.01)	<b>2,198.11</b>	368.92	<b>33.49</b>	(2.05)	<b>404.46</b>	<b>1,793.65</b>	1,829.18
Computers	5.80	3.32	1.45	<b>7.67</b>	3.49	<b>1.14</b>	1.45	<b>3.18</b>	<b>4.49</b>	2.31
Furniture and Fixtures	152.71	-	13.69	<b>139.02</b>	133.32	<b>4.41</b>	13.69	<b>124.04</b>	<b>14.98</b>	19.39
Vehicles	59.39	-	7.85	<b>51.54</b>	46.14	<b>1.61</b>	7.50	<b>40.25</b>	<b>11.29</b>	13.25
Office Equipment	90.98	-	0.16	<b>90.82</b>	85.83	<b>0.70</b>	0.16	<b>86.37</b>	<b>4.45</b>	5.15
<b>Total (A)</b>	<b>2,506.98</b>	<b>3.32</b>	<b>23.14</b>	<b>2,487.16</b>	<b>637.70</b>	<b>41.35</b>	<b>20.75</b>	<b>658.30</b>	<b>1,828.86</b>	<b>1,869.28</b>
<b>Intangible Assets</b>										
Computer Software	0.76	2.29	-	<b>3.05</b>	0.72	<b>0.24</b>	-	<b>0.96</b>	<b>2.09</b>	0.04
Stock Exchange Membership Card	175.50	-	-	<b>175.50</b>	-	-	-	-	<b>175.50</b>	175.50
<b>Total (B)</b>	<b>176.26</b>	<b>2.29</b>	-	<b>178.55</b>	<b>0.72</b>	<b>0.24</b>	-	<b>0.96</b>	<b>177.59</b>	<b>175.54</b>
<b>Grand Total (A+B)</b>	<b>2,683.24</b>	<b>5.61</b>	<b>23.14</b>	<b>2,665.71</b>	<b>638.42</b>	<b>41.59</b>	<b>20.75</b>	<b>659.26</b>	<b>2,006.45</b>	<b>2,044.82</b>
Previous Year	2,669.98	13.26	-	2,683.24	586.69	51.73	-	638.42	2,044.82	

Notes:

Office Premises includes :

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

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****(Rs. In Lakh)**

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Note 9 - Non Current Investments</b>		
In Others	7,019.49	5,630.39
Total	<u>7,019.49</u>	<u>5,630.39</u>
<b>Note 10 - Long - Term Loans and Advances (Unsecured and Considered Good)</b>		
(a) Security Deposits	1,887.78	362.78
(b) Advance Income Tax (Net of Provision)	87.65	51.38
Total	<u>1,975.43</u>	<u>414.16</u>
<b>Note 11 - Inventories</b>		
Stock-in-Trade	2,108.80	4,399.10
Total	<u>2,108.80</u>	<u>4,399.10</u>
<b>Note 12 - Trade Receivables (Unsecured and Considered Good)</b>		
(a) Outstanding for a period exceeding six months	-	0.02
(b) Others	357.15	1,394.30
Total	<u>357.15</u>	<u>1,394.32</u>
<b>Note 13 - Cash and Cash Equivalents</b>		
(a) Cash on Hand	0.50	0.05
(b) Balances with Banks *		
In Current Accounts	2,790.57	770.77
In Fixed Deposits	250.00	250.00
Total	<u>3,041.07</u>	<u>1,020.82</u>

\* Balances with Banks includes Unclaimed Dividend of Rs. 29.04 lakhs (P.Y. Rs. 38.62 Lakhs)

**Note 13.1 Disclosure for Specified Bank Notes (SBNs) held and transacted during the period:****(Amount in Rs.)**

Particulars	SBNs	Other Denomination Notes/ New Notes	Total
Closing cash in hand as on 08.11. 2016	1,000	657	1,657
(+) Permitted receipts	-	50,000	50,000
(-) Permitted payments	-	100	100
(-) Amount deposited in Banks	1,000	-	1,000
Closing cash in hand as on 30.12. 2016	-	50,557	50,557

**(Rs. In Lakh)**

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Note 14 - Short - Term Loans and Advances (Unsecured and Considered Good)</b>		
(a) Inter Corporate Deposits	1,060.00	-
(b) Prepaid Expenses	2.95	3.30
(c) Interest receivable	58.63	17.31
(d) Deposits	1.00	1.00
(e) Others	71.08	2.75
(f) Service Tax Receivable	3.11	-
Total	<u>1,196.77</u>	<u>24.36</u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

(Rs. In Lakh)

Particulars	2016-17	2015-16
<b>Note 15 - Revenue from Operations</b>		
(a) Profit/ (loss) on dealing in securities (Net)	(460.10)	(114.00)
(b) Profit/ (loss) on dealing in Commodities (Net)	-	14.13
(c) Income from Advisory Fees and Services	20.00	20.00
(d) Interest Income	119.00	19.90
(e) Net Profit / (Loss) on Sale of Investments	754.84	88.20
(f) Brokerage	90.64	61.65
<b>Total</b>	<b>524.38</b>	<b>89.88</b>
<b>Note 16 - Other Income</b>		
(a) Dividend Income	57.96	518.83
(b) Rent Income	2.40	211.40
(c) Bad Debts Recovery	-	18.75
(d) Interest on Income Tax Refund	-	0.65
(e) Miscellaneous Income	10.65	0.38
<b>Total</b>	<b>71.01</b>	<b>750.01</b>
<b>Note 17 - Employee Benefits Expense</b>		
(a) Salaries and Wages	112.39	95.24
(b) Contribution to Provident and Other Funds	2.64	2.58
(c) Staff Welfare Expenses	0.72	0.71
(d) Premium towards Group Gratuity Scheme	1.38	2.63
<b>Total</b>	<b>117.13</b>	<b>101.16</b>
<b>Note 18 - Finance Cost</b>		
(a) Interest Expenses	73.27	16.83
(b) Bank Charges	8.99	6.32
(c) Demat Charges	4.76	4.80
<b>Total</b>	<b>87.02</b>	<b>27.95</b>
<b>Note 19 - Other Expenses</b>		
<b>(A) Payment to Auditors (excluding Service Tax)</b>		
(a) Statutory Audit Fees	3.00	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	78.33	49.62
(b) Other Repairs :		
i) Equipments	2.39	1.72
ii) Office Premises	0.32	1.19

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

(Rs. In Lakh)

(c) Insurance	2.08	2.01
(d) Travelling & Conveyance	5.97	4.98
(e) Telephone and lease line charges	4.85	5.45
(f) Directors Sitting Fees	0.97	2.54
(g) Postage & Telegram	1.03	1.06
(h) Business Promotion	0.72	-
(i) Printing & Stationary	1.73	2.30
(j) Electricity Charges	14.26	8.49

Particulars	2016-17	2015-16
(k) Securities Transaction Tax	39.02	13.34
(l) Fees & Subscription	6.29	5.72
(m) Professional Fees	20.23	16.80
(n) Miscellaneous Expenses	10.92	2.55
(o) Stamp Duty Charges	8.92	7.03
(p) Advertisement	0.96	0.86
(q) Motor Car Expenses	5.91	4.65
(r) Donation (including CSR Expenses)	13.75	12.54
(s) Transaction Charges	9.63	2.37
(t) Exchange General Charges	1.28	0.08
<b>Total</b>	<b>233.61</b>	<b>149.30</b>

Particulars	2016-17	2015-16
<b>Note 20 Earnings Per Equity share</b>		
(A) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. In Lakhs)	68.44	493.39
(B) Weighted average number of equity shares used as denominator for calculating EPS (in Nos.)	1,74,98,433	1,74,98,433
(C) Basic and diluted earnings/ (loss) per share of face value of Rs. 10 each (Amount in Rs.)	0.39	2.82

**Note 21**

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 22**

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

**Note 23**

The profit or loss on account of dealing errors such as incorrect punching of prices or client/ custodial codes is considered as business expenditure, it is the company's policy not to carry out any speculative activities.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**
**Note 24**

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

(i) List of related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Shriyam Broking Intermediary Limited	Subsidiary
2	Shriyam Broking (IFSC) Private Limited (w.e.f. 15.12.2016)	Step-down Subsidiary
3	Mr. R. Sundaresan - Executive Chairman (Director in Subsidiary)	Key Managerial Personnel (KMP)
4	Mr. Yogendra Chaturvedi - Executive Director (Holding Co. w.e.f. 05.02.2016) (Subsidiary Co. upto 04.02.2016)	Key Managerial Personnel (KMP)
5	Ms. Monika Agrawal - Executive Director & Company Secretary	Key Managerial Personnel (KMP)
6	Mr. Saurabh Chaturvedi - CFO (upto 10.02.2017)	Key Managerial Personnel (KMP)
7	Mr. Prashant Chaturvedi - CFO (w.e.f. 11.02.2017)	Key Managerial Personnel (KMP)
8	Mr. Suresh Chaturvedi - Executive Chairman (Subsidiary)	Key Managerial Personnel (KMP)
9	Mr. Gaurav Chaturvedi - CFO (Subsidiary)	Key Managerial Personnel (KMP)
10	A to Z Broking Services Pvt Ltd	Group Company
11	Shriyam Commodities Intermediary Pvt Ltd	Group Company

(ii) Transactions during the year with related parties (excluding reimbursements): (Rs. In Lakh)

Sr. No.	Nature of Transactions	Group Companies	(KMP)	Total
1	Payment for remuneration and services	-	61.70	61.70
		-	(55.75)	(55.75)
2	Expenses for Trading Activities (Compensation paid during the year)	-	-	-
		(20.10)	-	(20.10)

Figures in bracket represents previous year's amount.

(iii) Disclosure in respect of material related party transactions during the year: (Rs. In Lakh)

Sr. No.	Particulars	Relationship	2016-17	2015-16
3	<b>Payment for remuneration and services</b>			
	Mr. R. Sundaresan	KMP	6.50	6.50
	Mr. Yogendra Chaturvedi	KMP	14.17	13.39
	Ms. Monika Agrawal	KMP	12.19	10.72
	Mr. Saurabh Chaturvedi	KMP	10.40	10.62
	Mr. Prashant Chaturvedi	KMP	1.21	-
	Mr. Suresh Chaturvedi	KMP	10.82	9.15
	Mr. Gaurav Chaturvedi	KMP	6.41	5.37
4	<b>Expenses for Trading Activities (Compensation paid during the year)</b>			
	Shriyam Commodities Intermediary Pvt Ltd	Group Co.	-	19.50
	A to Z Broking Services Pvt Ltd	Group Co.	-	0.60

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****Note 25**

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

- i) Contribution to Provident Fund of Rs. **2.64 Lakh** (P.Y. Rs. 2.58 lakh) is charged to the Statement of Profit and Loss as per applicable law / rules.
- ii) 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. **1.38 Lakh** (P.Y. Rs. 2.63 lakh) has been made during the year by the company based on the valuation report of the Life Insurance Corporation (Actuarial Valuer).
- iii) The Company belongs to an industry which faces a high attrition rate and hence the leave balance accrued is either availed or fully paid off.

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

1	VALUATION METHOD	Projected Unit Credit Method	Projected Unit Credit Method
2	<b>ACTUARIAL ASSUMPTIONS</b>		
	Mortality Rate	<b>LIC(2006-08) Ultimate</b>	LIC(2006-08) 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.
3	<b>RESULTS OF VALUATION</b>	<b>(Rs. In Lakh)</b>	<b>(Rs. In Lakh)</b>
	PV of Past Service Benefit	<b>10.93</b>	8.47
	Current Service Cost	<b>1.78</b>	1.37
	Total Service Gratuity	<b>57.76</b>	51.58
	Accrued Gratuity	<b>17.22</b>	13.62
	LCSA	<b>24.76</b>	23.22
	LC Premium	<b>0.09</b>	0.07
	Service Tax	<b>0.01</b>	0.01
	Interest	<b>0.00</b>	-
4	<b>RECOMMENDED CONTRIBUTION RATE</b>	<b>(Rs. In Lakh)</b>	<b>(Rs. In Lakh)</b>
	Fund Value as on Renewal Date	<b>17.02</b>	12.43
	Additional Contribution for existing fund	<b>0.20</b>	1.59
	Current Service Cost	<b>1.07</b>	0.96
5	<b>TOTAL AMOUNT PAID</b>	<b>1.38</b>	2.63

**Note 26 - Directors Remuneration :**

Salary to Executive Directors as under (include under the head payment to employees):	(Rs. In Lakh)	
	2016-17	2015-16
Mr. R. Sundaresan	<b>6.50</b>	6.50
Mr. Yogendra Chaturvedi	<b>14.17</b>	13.39
Ms. Monika Agrawal	<b>12.19</b>	10.72
Mr. Suresh Chaturvedi	<b>10.82</b>	9.15

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.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**
**Note 27 - Contingent Liabilities:**

(Rs. In Lakh)

Sr. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1	Bank Guarantees Outstanding	<b>1,000</b>	1,000

**Note 28 - Disputed Tax Liabilities:**

The Income-Tax assessments of the company have been completed up to the assessment year 2014-15. The disputed demand outstanding up to the said assessment year is Rs. 21.78 Lakh against which company has paid Rs. 3.78 Lakh under protest. Based on the decision of the Appellate Authorities and the interpretations of the relevant provisions, the company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

**Note 29** - Previous year's figures have been regrouped, rearranged and / or reclassified wherever necessary.

**Note 30** - Enterprises consolidated as Subsidiary in accordance with Accounting Standard 21 - Consolidated Financial Statement:

Name of the Enterprise	Country of Incorporation	Proportion of ownership interest
Shriyam Broking Intermediary Limited	India	100.00%
Shriyam Broking (IFSC) Private Limited	India	100.00%

**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 (Rs. In Lakh)	As % of Consolidated profit or loss	Amount (Rs. In Lakh)
<b>Parent</b>				
Shardul Securities Limited	69.92	<b>9,914.70</b>	31.96	<b>21.87</b>
<b>Subsidiary - Indian</b>				
Shriyam Broking Intermediary Limited	29.04	<b>4,118.18</b>	73.62	<b>50.39</b>
Shriyam Broking (IFSC) Private Limited	1.03	<b>146.18</b>	(5.58)	<b>(3.82)</b>

**Annexure - A**
**Salient Features of Financial Statement of Subsidiary Company as per Companies Act, 2013**

(Rs. In Lakh)

Name of Subsidiary company	Reporting Currency	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed dividend	% of Shareholding
Shriyam Broking Intermediary Limited	INR	1,000.00	3,268.18	7,614.26	2,034.25	3,785.72	244.68	80.15	29.76	50.39	-	100%
Shriyam Broking (IFSC) Private Limited	INR	150.00	(3.82)	146.24	0.06	-	-	(3.82)	-	(3.82)	-	100%

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****Note 32 - Segment Reporting:**

The Company is organised into following reportable segments as per Accounting Standard (AS) 17 on "Segment Reporting":

(Rs. In Lakh)

Particulars	Investment with Related activities		Others activities		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>Segment Revenue</b>						
External	<b>362.05</b>	707.87	<b>233.37</b>	132.02	<b>595.42</b>	839.89
Inter Segment	<b>(11.34)</b>	(5.50)	<b>11.31</b>	5.50	<b>(0.03)</b>	-
Net Revenue from Operations	<b>350.71</b>	702.37	<b>244.68</b>	137.52	<b>595.39</b>	839.89
<b>Segment Result</b>						
Segment Result (Before Interest & Tax)	<b>106.97</b>	521.21	<b>91.89</b>	16.50	<b>198.86</b>	537.71
Less: Finance Cost (Including Financial Charges)	<b>71.50</b>	16.93	<b>15.56</b>	11.02	<b>87.06</b>	27.95
Profit before Tax	<b>35.47</b>	504.28	<b>76.33</b>	5.48	<b>111.80</b>	509.76
Less: Provision for Tax	<b>13.60</b>	19.56	<b>29.76</b>	(3.19)	<b>43.36</b>	16.37
Profit after Tax	<b>21.87</b>	484.72	<b>46.57</b>	8.67	<b>68.44</b>	493.39
<b>Capital Employed</b>						
Segment Assets	<b>10,094.65</b>	10,319.64	<b>7,610.50</b>	4,608.32	<b>17,705.15</b>	14,927.96
Segment Liabilities	<b>331.55</b>	302.53	<b>3,194.54</b>	388.45	<b>3,526.09</b>	690.98
Depreciation	<b>32.24</b>	41.57	<b>9.35</b>	10.16	<b>41.59</b>	51.73

**Note 32.1**

- i) The Company's main business segment is Investment & Related activities.  
ii) Other activities includes Broking activities.

**Note 32.2** - Since all the operations of the Company are conducted within India, as such there is no separate reportable geographical segment.

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

**For and on behalf of the Board**

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

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

Place :- Mumbai  
Date :- 26<sup>th</sup> May, 2017

## The route map to AGM VENUE



## SHARDUL SECURITIES LIMITED

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

CIN : L50100MH1985PLC036937

### 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 32nd Annual General Meeting of the Company being held on Friday, 29th September 2017 at 10.00 a.m. at Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai – 400 021.

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 reasons.**

### 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 : L50100MH1985PLC036937  
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 32nd Annual General Meeting of the company, to be held on Friday, 29th September 2017 at 10.00 a.m. at Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai – 400 021 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 Ms. Monika Agarwal, who retires by rotation.		
3	Declaration of dividend on the Paid-up Equity Share Capital of the Company.		
4	Appointment of M/s Khimji Kunverji & Co., Chartered Accountants, Mumbai as Auditors and fixing their remuneration.		
5	To confirm Remuneration of Mr. R. Sundaresan, Chairman & Executive Director of the Company.		
6	To confirm the Remuneration of Ms. Monika Agarwal, Company Secretary & Executive Director of the Company.		
7	To confirm the Remuneration of Mr. Yogendra Chaturvedi, Chief Executive Officer & Executive Director of the Company.		

Signed this..... day of .....2017

Signature of shareholder : .....

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

Affix Rs. 1/- Revenue Stamp
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- 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 32<sup>nd</sup> Annual General Meeting.
- (3)\* It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.
- (4) Please complete all details including details of member(s) in above box before submission.





*If Undelivered Please return to:*

**SHARDUL  
SECURITIES LIMITED**

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