



# SHARDUL SECURITIES LIMITED

CIN : L50100MH1985PLC036937

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

Tel. : 91 22 4009 0500 Fax : 91 22 2284 6585

Email id : investors@shriyam.com Website : www.shardulsecurities.com

**Date:** 19<sup>th</sup> August 2019.

To,  
Corporate Relationship Department  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai -400001.

**Sub.:** Copy of the Annual Report for the Financial Year 2018-19

**Ref.:** 1. Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

2. Scrip Code: 512393

Dear Sir/Madam,

As required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we submit herewith the Annual Report of the Company for the Financial Year 2018-19.

Please take the above submission on record

**FOR SHARDUL SECURITIES LIMITED**

**DAYA BHALIA**  
**DIRECTOR AND COMPANY SECRETARY**



**Encl:** As Above

# **SHARDUL**

## **SECURITIES LIMITED**



### **34<sup>TH</sup>**

## **ANNUAL REPORT**

### **2018 - 2019**

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>Charul Abuwala</b>	- Independent Director
<b>Devesh Vasavada</b>	- Independent Director
<b>Yogendra Chaturvedi</b>	- Executive Director and Chief Executive Officer
<b>Daya Bhalla</b>	- Executive Director and Company Secretary
<b>Prashant Chaturvedi</b>	- Chief Financial Officer

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**AUDITOR:**  
**M/s. J. Kala & Associates**

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

**Shriyam Realtors Private Limited**  
9 Metro Commercial Centre 1st Floor,  
Behind Gujrat High Court, Ashram Road,  
Ahmedabad GJ 380009 IN

**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-Fourth Annual General Meeting of the Members of Shardul Securities Limited will be held on Thursday, 12th September 2019 at 10.00 a.m., Senate II, 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 2019, the Statement of Profit & Loss and cash flow statement for the year ended on that date and the Reports thereon.
2. To declare dividend on the Paid-up Equity Share Capital of the Company.
3. To appoint a director in place of Ms. Daya Bhalia (DIN: 07049483), who retires by rotation and being eligible, offers herself for re-appointment.

### AS SPECIAL BUSINESS:

4. Re-appointment of Mr. Charul Abuwala (DIN: 00071142) as an Independent Director of the Company.

To consider and if thought fit, to pass the following resolution as Special Resolution:

**“RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their meetings held on 27th May, 2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Charul Abuwala (DIN: 00071142) who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for five consecutive years for a Second term up to the conclusion of the 39th Annual General Meeting of the Company in the calendar year 2024.”

**“RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

5. To confirm the appointment of Mr. Lalit Shah (DIN: 08473788) as an Independent Director of the Company.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their meeting held on 27th May, 2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Lalit Shah (DIN –08473788) who was appointed as an Additional Director of the Company with effect from June 6, 2019 by the Board of Directors pursuant to Section 161 (1) of the Act to hold office upto this Annual General Meeting of the Company and who has declared his independence in terms of Section 149 (6) of the Act and Regulation 16 (1) (b) of LODR and expressed his desire to act as a Director, if appointed and in respect of whom the Company has received notice in writing from a member proposing the candidature of Mr. Lalit Shah for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office upto June 5, 2024 not liable to retire by rotation.”

### NOTES: -

1. 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.
2. 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.
3. Proxies, in order to be effective, must be received in the enclosed Proxy Form at the Registered Office of the Company not less than forty-eight hours before the time fixed for the Meeting.
4. 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.
5. Corporate Members intending to send their authorized representatives to attend the meeting in terms of Section 113 of Companies Act, 2013 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.

6. Members/Proxies/Authorised Representatives are requested to bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
7. During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company. All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days of the Company between 11:00 a.m. and 1:00 p.m. upto the date of the Annual General Meeting and at the venue of the Meeting for the duration of the Meeting.
8. Route-map to the venue of the Meeting is provided at Page no. 80 of the Annual Report.
9. Register of Members / Transfer books will be closed from 6<sup>th</sup> September 2019 to 11<sup>th</sup> September 2019 (both days inclusive).
10. The members are requested to bring their copy of Annual Report to AGM.
11. Unpaid/Unclaimed Dividend:  
 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 2010-11. 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.  
 Further, in terms of Section 124(6) of the Companies Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereto and notification issued by the Ministry of Corporate Affairs from time to time, the Company has transferred during the year, the required number of shares in respect of which dividends have remained unclaimed for a period of seven consecutive years or more to the IEPF Account.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
13. 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.
14. 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.
15. The dividend on shares as recommended by the Board, if approved at the Annual General Meeting, will be paid within thirty days from the date of declaration to those Members or their mandatees whose names appear:
  - (a) as Members in the Register of Members of the Company on 5<sup>th</sup> September, 2019 and
  - (b) as beneficial owners on that date as per the lists to be furnished by depositories in respect of shares held in electronic form.
16. 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.
17. 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 and IFSC Code 4) Account type, whether Savings (SB) or Current Account (CA) 5) Bank Account number allotted by the Bank.
18. 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.
19. 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.
20. 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.
21. 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.

## 22. 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 34<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Link Intime India Private Limited (LI IPL).

### The instructions for shareholders voting electronically are as under:

- i. The voting period begins on 9.00 A.M on 9<sup>th</sup> September 2019 and ends on 5.00 P.M on 11<sup>th</sup> September 2019. 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 5<sup>th</sup> September 2019, may cast their vote electronically. The e-voting module shall be disabled by LI IPL for voting thereafter.
- ii. Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- iii. Click on "Login" tab, available under 'Shareholders' section.
- iv. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- v. Your User ID details are given below:
  - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
  - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
- vi. Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section, register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or 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 depository Participant or in the company record are requested to use the sequence number which is printed on address stickers.</li> </ul>
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account Number as recorded in your demat account or in the company records for the said demat account or folio number. <ol style="list-style-type: none"> <li>i. Please enter the DOB/ DOI or Bank Account Number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account Number field as mentioned in instruction (v-c).</li> </ol>

If you are holding shares in demat form and had registered on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LI IPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vii. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.
- viii. On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.  
Cast your vote by selecting appropriate option i.e. Favour/Against as desired.  
Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.
- ix. If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.
- x. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
- xi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- xii. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.
- xiii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund / Corporate Body’.  
They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.
- ix. During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
- xiv. Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- xv. In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Contact LIPL at Tel : 022 - 49186000.

M/s Dharendra 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. 5<sup>th</sup> September, 2019.

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 Link Intime India Private Limited, <https://instavote.linkintime.co.in> 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. 4:**

Mr. Charul Abuwala was appointed as an Independent Non-Executive Director of the Company by the members at the 29<sup>th</sup> AGM of the Company held on 5<sup>th</sup> September, 2014 for a period of five consecutive years. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Charul Abuwala, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years upto the conclusion of the 39<sup>th</sup> Annual General Meeting of the Company in the calendar year 2024.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members. In the opinion of the Board, Mr. Charul Abuwala fulfills the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Charul Abuwala as an Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Charul Abuwala as an Independent Director for another term of five consecutive years with effect from the conclusion of this AGM upto the conclusion of the 39<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2024 for the approval by the shareholders of the Company.

Except Mr. Charul Abuwala, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the AGM. Mr. Charul Abuwala is not related to any Director of the Company

**ITEM NO. 5**

The Board of Directors, at its meeting held on 27<sup>th</sup> May, 2019 appointed Mr. Lalit Shah (DIN –08473788) as Additional Director designated as Independent Director of the Company with effect from 6<sup>th</sup> June 2019 in accordance with the Articles of Association, Policy on Appointment, Remuneration and Diversity of Board and Section 161 of the Act. As per Section 161 of the Act, Mr. Lalit Shah holds office upto the date of the 34<sup>th</sup> AGM.

The Company has received requisite notice in writing from a member under Section 160 (1) of the Act signifying the candidature of Mr. Lalit Shah to be appointed as an Independent Director not liable to retire by rotation. Mr. Lalit Shah has consented by way of form DIR-2 (in terms of Rule 8 of the Companies Appointment & Qualification of Directors Rules, 2014) and Intimation in Form DIR-8 pursuant to Section 164(2) read with Rule 14 of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013 and has declared that he meets the criteria of independence prescribed under Regulation 16 (1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), amended from time to time.

Mr. Lalit Shah is independent of the management, possesses requisite knowledge, experience and skill for the position of Director and fulfils the condition for appointment as an independent director as specified in the Act and the LODR.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Lalit Shah, to whom the resolution relates, are interested or concerned, financially in the resolution. The Board recommends Ordinary resolution set forth in item no. 5 for the approval of Members.

**For and on behalf of the Board**

**Place: Mumbai**

**Date: 27<sup>th</sup> May 2019**

**Yogendra Chaturvedi**

**Executive Director & CEO**

**Daya Bhalia**

**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-Fourth Annual Report and the Audited Accounts for the year ended March 31, 2019.

### 1. Financial Results: -

	(Rs. in lakhs)	
	2018-2019	2017-2018
Profit/(Loss) before Depreciation	314.19	319.99
Less: Depreciation	31.62	32.09
Profit/(Loss) before Taxation	282.57	287.90
Less: Tax Expenses		
Provision for tax	35.00	40.00
Deferred Tax	13.29	(5.26)
Profit / (Loss) after Taxation	234.28	253.16
Surplus/(Deficit) brought forward from previous years	4272.57	4070.04
	<b>4506.85</b>	<b>4323.20</b>
Appropriations:		
Statutory Reserve Fund as per RBI Guidelines	46.86	50.63
Proposed Dividend (including dividend tax) on Equity Shares	126.36	-
Balance carried to Balance Sheet	<b>4333.63</b>	<b>4272.57</b>

### 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 lakhs (including dividend tax) for the financial year ended 31<sup>st</sup> March 2019 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 05<sup>th</sup> September 2019 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 to Statutory Reserve Fund an amount of Rs. 46.86 Lakhs in Financial Year ended March 31, 2019.

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

#### (i) Financial Performance:

Despite the general trend being one of pessimism in the Non-Banking Finance Company's segment that has been going through a period of confidence crisis, your Company stayed afloat achieving a gross revenue of Rs.526 lakhs during the year under report and a net profit of Rs.234 lakhs. On a consolidated basis including the subsidiary, your company achieved a net profit of Rs.265 lakhs albeit the results were marginally lower compared to the previous financial year.

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

The year under report passed through a critical and grueling period of uncertainty on the economic front, thanks to the impending General elections in the ensuing year coupled with reports of economic down turn, unemployment and job losses, slowdown in credit offtake and a lack of a booster by way of sizable investments either domestic or foreign to reverse the trend.

The global economy led the way with USA tightening on their imports with heavy levies and the so called principles of free market economy were set aside to bring about protective measures to encourage domestic production and consumption. This was further accentuated by hostile political stand off by USA against China, Iran for import of oil , Russia and partly India and certain other European countries as well on trade issues.

The NBFC sector in India faced liquidity crisis due to the impact created by the failure of ILFS to honor their debt commitments and there was also repercussion in the financial sector due to certain major frauds for huge amounts suffered by many banks. These were in addition to huge provisions for bad debts of Public Sector and some private sector banks.

The Industrial sector suffered due to the slowdown and the Airlines Industry was badly hit apart from other heavy, medium and small scale industries resulting in lowering of production, heavy accumulation of rolling stock, reduced profitability and job losses.

The Agricultural sector continued to face uphill task to maintain the production levels without the base support price apart from drought like conditions prevailing in many parts of the country. It fell to 15% of GDP from around 17%.

The service sector and industrial sector, however, contributed marginally higher as during the previous years which enabled the GDP growth to hover around 6.8%. The steady crude oil prices in international market also helped the Government to marginally mobilize towards infrastructure developments.

The capital markets remained volatile though it appeared to be more index driven than real time appreciation in small and medium cap stocks. It was reported that many stocks in medium to small cap were trading well below their low levels during the previous years and trading was only concentrated mostly on index based stocks.

The foreign exchange reserves continued to remain at a level exceeding \$ 400 Billion mark though an air of discomfort and uncertainty was hanging over waiting for the political developments in the country. Even after this got cleared, it could be seen that markets reacted adversely to the New Budget announcements on direct taxes on high income group. The FDIs remittances increased by 6% to 42 billion dollars, FIIs P.Note remittances exceeded Rs 81000 Crores during the year.

The Exports for the year stood at \$330 billion while the imports increased to \$ 514 billions thus widening the gap further. The Current account deficit was at 2.5% of GDP while the Fiscal deficit was contained at 3.4%. The inflation fell too low for a developing economy causing widespread discontent particularly in the Agriculture sector.

**(iii) Business Review:**

Despite the economic slowdown, high volatility in Capital markets, and other uncertainties your company could achieve comparable results with that of the previous year. While the markets are looking up to the Govt to provide impetus for a higher level of growth in coming months, certain measures initiated by the Govt on taxes especially in the capital market segment appear to be backfiring to the detriment of the investors.

India is going through a kind of economic down turn and it is not clear to forecast how the year will turn out to be and when the situation might reverse. We are watching the markets and the developments and would take appropriate steps to ensure that we put our resources to optimum use.

**(iv) Opportunities and Threats:**

The GDP is projected at 7.2 percent for the current year but the Government's finances might be under severe stress due to fall in GST collections, a downward trend in Direct tax collections, slackness in FDI inflows and lack of investment in infrastructure due to funds constraint. The Government has projected huge investments but the availability of resources is not clear. It remains to be seen if the Government would be able to reach its targets depending on which the spur in the Economy might happen.

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

As there has been no change in your company's business activities and broking activities there are no separate reportable segment.

**(vi) Outlook:**

Your company expects the capital markets continuing to be volatile in view of the present down turn in economy and would like to be guarded in making projections for the year. However, if the anticipated Government expenditure to boost the economy takes place, the market might become vibrant and your company should be able to achieve better results for the coming year.

**(vii) Risks and Concerns:**

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.

**(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.

**(x) Details of significant changes in key financial ratios are given in Annexure D to Board Report.**

**5. Subsidiaries:-**

Shriyam Broking Intermediary Limited, a wholly owned subsidiary of the company achieved a modest profit in its working results during the year under report. The net profit for the year was at Rs. 23 lakhs as compared to Rs. 89 lakhs during the previous year. The market factors would determine the performance in coming year though all efforts would be made to improve the bottomline.

Shriyam Realtors 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. The Company doesn't have any joint ventures or associate company.

**7. Directors:-**

- i) Mr. Kantilal Maganlal Shah has resigned from the Directorship (in the Capacity of Independent Director) of the Company with effect from 1<sup>st</sup> April, 2019, due to personal reason.

The Company appreciates the valuable Services rendered by him during his tenure as an Independent Director of the Company.

- ii) Mr. Charul Abuwala was appointed as an Independent Non-Executive Director of the Company by the members at the 29<sup>th</sup> AGM of the Company held on 5<sup>th</sup> September, 2014 for a period of five consecutive years.

The Board of Director of the Company based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has proposed to reappoint Mr. Charul Abuwala as an Independent Director for second term of five consecutive years upto the conclusion of the 39<sup>th</sup> Annual General Meeting of the Company in the calendar year 2024, subject to approval of Shareholder at Annual General Meeting.

- iii) The Board of Director of the Company, at its meeting held on 27<sup>th</sup> May, 2019 has appointed Mr. Lalit Shah as Additional Director designated as an Independent Director of the Company with effect from 6<sup>th</sup> June, 2019

Brief Profile:

Mr. Lalit Shah aged about 59 years holds a B. Com degree from Mumbai University and is a member of Chamber of Tax Consultants. He has more than 30 Years of experience in the field of Taxation, Accountancy and Audit. He is a partner in two Tax Consultancy firms M/s. Shah & Associates and M/s. Shah & Bhuta Associates. He is active in many social programmes and is a part of such organizations.

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

Your directors recommend their appointment.

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 he/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.

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 16 (1) B of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**8. 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.

**9. 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.

**10. Number of Meetings of the Board:-**

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

**11. Audit Committee:-**

The Audit Committee as on 31<sup>st</sup> March 2019 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.

**12. 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 –A and forms as integral part of this Report.

**13. Taxation:-**

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

**14. Cash flow:-**

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

**15. 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, 2019, 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, 2019 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.

**16. Statutory Auditor and Auditors' Report:-**

M/s J. Kala & Associates, Chartered Accountants, (Firm Registration No: 118769W have conducted audit for the F.Y. 2018-19. The Auditor's Report for F. Y. 2018-19 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the financial statement in this Annual Report.

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

**17. 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 – B and forms an integral part of this Report.

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

**18. 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 Anil B Jain & Associates, 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.

**19. 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.

**20. Corporate Governance:-**

Report on Corporate Governance stipulated under Regulation 34(3) 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 J. Kala & Associates, Chartered Accountants, confirming compliance of conditions of Corporate Governance as stipulated under aforesaid regulation is annexed to and forms part of this Report.

**21. 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.

**22. 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.

**23. 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>

**24. 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).

Weblink of the same is: <http://www.shardulsecurities.com/vigil%20mechanism%20policy.pdf>

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

Provisions of Section 135 of the Companies Act, 2013, are not applicable to the Company during the period under review.

**26. 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 2018-19 and hence no complaint is outstanding as on 31.03.2019 for redressal.

**27. Other Statutory information:-**

**a. Particulars of Employees:**

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of the employees of the Company are annexed to this report as 'Annexure C'.

In terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees are in receipt of remuneration in excess of the limits set out in the said Rules.

**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 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.

**28. 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.

**29. Acknowledgment:-**

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

**For and on behalf of the Board**

**Place: Mumbai**

**Date: 27<sup>th</sup> May 2019**

**Yogendra Chaturvedi**

**Executive Director & CEO**

**Daya Bhalia**

**Executive Director and Company Secretary**

**Regd. Office:**

G-12, Tulsiani Chambers

212, Nariman Point

Mumbai 400 021

**Annexure A**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31.03.2019**

[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	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: <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	84.19
2	Lending Activity	649	15.81

**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. Add - 712-713, Tulsiani Chambers, 212, Nariman Point Mumbai 400 021	U67120MH1994PLC081401	Subsidiary Company	100%	Section 2 (87)
2	Shriyam Realtors Private Limited Add - 9 Metro Com Centre 1st Floor, B/H Gujarat High Court, Ashram Road, Ahmedabad – 380009	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 - 2018				Shareholding at the end of the year - 2019				% 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	9570107	0	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	3525700	0	3525700	20.1487	3525700	0	3525700	20.1487	0.0000
	Sub Total (A)(1)	13095807	0	13095807	74.8399	13095807	0	13095807	74.8399	0.0000



Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[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
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	13095807	0	13095807	74.8399	13095807	0	13095807	74.8399	0.0000
(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	0	0	0	0	0	0	0	0	0
	Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0	0
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	942615	635705	1578320	9.0198	900651	570605	1471256	8.4079	-0.6119
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	664302	80100	744402	4.2541	735346	80100	815446	4.6601	0.4060
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Employee Trusts	0	0	0	0	0	0	0	0.0000	0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	*IEPF	237587	0	237587	1.3578	272737	0	272737	1.5586	0.2008
	Hindu Undivided Family	52670	0	52670	0.3010	48566	0	48566	0.2775	-0.0235
	Non Resident Indians (Non Repat)	2283	0	2283	0.0130	4676	0	4676	0.0267	0.0137
	Non Resident Indians (Repat)	415	0	415	0.0024	206	0	206	0.0012	-0.0012
	Clearing Member	8629	0	8629	0.0493	6101	0	6101	0.0349	-0.0144
	Bodies Corporate	1775020	3300	1778320	10.1627	1782538	1100	1783638	10.1931	0.0304
	Sub Total (B)(3)	3683521	719105	4402626	25.1601	3750821	651805	4402626	25.1601	0.0000
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	3683521	719105	4402626	25.1601	3750821	651805	4402626	25.1601	0.0000
	Total (A)+(B)	16779328	719105	17498433	100.0000	16846628	651805	17498433	100.0000	0.0000
(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
	Total (A)+(B)+(C)	16779328	719105	17498433	100.0000	16846628	651805	17498433	100.0000	

\*The voting rights on these shares shall remain frozen till the rightful owner claims the shares. (Refer to Section 124 of the Companies Act, 2013)



**(ii) Shareholding of Promoters**

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year - 2019			% 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	GAGAN D CHATURVEDI	2836185	16.2082	0.0000	2836185	16.2082	0.0000	0.0000
2	RAJESH D CHATURVEDI	2605586	14.8904	0.0000	2605586	14.8904	0.0000	0.0000
3	A TO Z BROKING SERVICES LLP	2118400	12.1062	0.0000	2118400	12.1062	0.0000	0.0000
4	DEVESH D CHATURVEDI	1902419	10.8719	0.0000	1902419	10.8719	0.0000	0.0000
5	BRIJESH D CHATURVEDI	999867	5.7140	0.0000	999867	5.7140	0.0000	0.0000
6	SHRIYAM COMMODITIES INTERMEDIARY LLP	932000	5.3262	0.0000	932000	5.3262	0.0000	0.0000
7	PRADEEP SANDEEP CORPORATE ADVISORS LLP	475000	2.7145	0.0000	475000	2.7145	0.0000	0.0000
8	MANI D CHATURVEDI	350450	2.0028	0.0000	350450	2.0028	0.0000	0.0000
9	BABITA D CHATURVEDI	169600	0.9692	0.0000	169600	0.9692	0.0000	0.0000
10	SHRUTI G CHATURVEDI	136000	0.7772	0.0000	136000	0.7772	0.0000	0.0000
11	VARSHA R CHATURVEDI	136000	0.7772	0.0000	136000	0.7772	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	MOHINI G CHATURVEDI	99700	0.5698	0.0000	99700	0.5698	0.0000	0.0000
15	RAJESH DINANATH	75700	0.4326	0.0000	75700	0.4326	0.0000	0.0000
16	KAMVAN CONSTRUCTION PRIVATE LIMITED	300	0.0017	0.0000	300	0.0017	0.0000	0.0000
	Total	13095807	74.8399	0.0000	13095807	74.8399	0.0000	0.0000

**(iii) Change in Promoter's Shareholding**

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% Of total shares of the company	No. of shares held	% Of total shares of the company
1	GAGAN DINANATH CHATURVEDI	2836185	16.2082	2836185	16.2082
	AT THE END OF THE YEAR			2836185	16.2082
2	RAJESH D CHATURVEDI	2605586	14.8904	2605586	14.8904
	AT THE END OF THE YEAR			2605586	14.8904
3	A TO Z BROKING SERVICES LLP	2118400	12.1062	2118400	12.1062
	AT THE END OF THE YEAR			2118400	12.1062
4	DEVESH D CHATURVEDI	1902419	10.8719	1902419	10.8719
	AT THE END OF THE YEAR			1902419	10.8719
5	BRIJESH D CHATURVEDI	999867	5.7140	999867	5.7140
	AT THE END OF THE YEAR			999867	5.7140
6	SHRIYAM COMMODITIES INTERMEDIARY LLP	932000	5.3262	932000	5.3262
	AT THE END OF THE YEAR			932000	5.3262
7	PRADEEP SANDEEP CORPORATE ADVISORS LLP	475000	2.7145	475000	2.7145
	AT THE END OF THE YEAR			475000	2.7145
8	MANI D CHATURVEDI	350450	2.0028	350450	2.0028
	AT THE END OF THE YEAR			350450	2.0028
9	BABITA D CHATURVEDI	169600	0.9692	169600	0.9692
	AT THE END OF THE YEAR			169600	0.9692
10	SHRUTI GAGAN CHATURVEDI	136000	0.7772	136000	0.7772
	AT THE END OF THE YEAR			136000	0.7772
11	VARSHA R CHATURVEDI	136000	0.7772	136000	0.7772
	AT THE END OF THE YEAR			136000	0.7772
12	RAGHAV R CHATURVEDI	131100	0.7492	131100	0.7492
	AT THE END OF THE YEAR			131100	0.7492
13	RAMYA RAJESH CHATURVEDI	127500	0.7286	127500	0.7286
	AT THE END OF THE YEAR			127500	0.7286
14	MOHINI G CHATURVEDI	99700	0.5698	99700	0.5698
	AT THE END OF THE YEAR			99700	0.5698
15	RAJESH DINANATH	75700	0.4326	75700	0.4326
	AT THE END OF THE YEAR			75700	0.4326
16	KAMVAN CONSTRUCTION PRIVATE LIMITED	300	0.0017	300	0.0017
	AT THE END OF THE YEAR			300	0.0017

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.

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year			Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	Increase/ Decrease in Shareholding	Reason	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	ANGULAR TRADING PVT LTD	981843	5.611			Nil Movement during the year	981843	5.611
	AT THE END OF THE YEAR						981843	5.611
2	BHASKAR ARVIND HINGAD	266635	1.5238	13 Apr 2018	751	Transaction in open Market	266635	1.5238
	MARKET PURCHASE			20 Apr 2018	3237		267386	1.5281
	MARKET PURCHASE			04 May 2018	530		270623	1.5466
	MARKET PURCHASE			08 Jun 2018	3145		271153	1.5496
	MARKET PURCHASE			22 Jun 2018	3942		274298	1.5676
	MARKET PURCHASE			30 Jun 2018	4696		278240	1.5901
	MARKET PURCHASE			06 Jul 2018	1600		282936	1.6169
	MARKET PURCHASE			13 Jul 2018	240		284536	1.6261
	MARKET PURCHASE			20 Jul 2018	10632		284776	1.6274
	MARKET PURCHASE			27 Jul 2018	9364		295408	1.6882
	MARKET PURCHASE			03 Aug 2018	355		304772	1.7417
	MARKET PURCHASE			10 Aug 2018	2488		305127	1.7437
	MARKET PURCHASE			17 Aug 2018	2665		307615	1.7580
	MARKET PURCHASE			31 Aug 2018	2007		310280	1.7732
	MARKET PURCHASE			07 Sep 2018	945		312287	1.7847
	MARKET PURCHASE			14 Sep 2018	100		313232	1.7901
	MARKET PURCHASE			21 Sep 2018	606		313332	1.7906
	MARKET PURCHASE			19 Oct 2018	4195		313938	1.7941
	MARKET SELL			09 Nov 2018	-300633		318133	1.8181
	MARKET PURCHASE			28 Dec 2018	329034		17500	0.1000
	MARKET PURCHASE			31 Dec 2018	283		346534	1.9804
	MARKET PURCHASE			04 Jan 2019	984		346817	1.9820
	MARKET PURCHASE			11 Jan 2019	200		347801	1.9876
	MARKET PURCHASE			18 Jan 2019	499		348001	1.9888
	MARKET PURCHASE			25 Jan 2019	4480		348500	1.9916
	MARKET PURCHASE			01 Feb 2019	4616		352980	2.0172
	MARKET PURCHASE			08 Feb 2019	100		357596	2.0436
	MARKET PURCHASE			15 Feb 2019	938		357696	2.0442
	MARKET PURCHASE			01 Mar 2019	1499		358634	2.0495
	MARKET PURCHASE			15 Mar 2019	1865		360133	2.0581
	AT THE END OF THE YEAR						361998	2.0687
3	GLENMORD COMMERCIAL SERVICES PVT LTD	200000	1.143	-	-	Nil Movement during the year	200000	1.143
	AT THE END OF THE YEAR						200000	1.143
4	RECKON TRADING PRIVATE LIMITED	185728	1.0614	09 Nov 2018	-4451	Transaction in open Market	610728	3.4902
	MARKET SELL			31 Dec 2018	4451		181277	1.036
	MARKET PURCHASE						185728	1.0614
	AT THE END OF THE YEAR						185728	1.0614

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year			Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	Increase/ Decrease in Shareholding	Reason	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
5	DHANASTRA FINANCE AND INVESTMENT COMPANY PVT LTD AT THE END OF THE YEAR	184960	1.057	-	-	Nil Movement during the year	184960	1.057
6	KAMAL MAVJI VISARIA AT THE END OF THE YEAR	124590	0.712	-	-	Nil Movement during the year	124590	0.712
7	SHARDA SHARES AND SECURITIES PVT LTD AT THE END OF THE YEAR	113750	0.6501	-	-	Nil Movement during the year	113750	0.6501
8	JAGDISH AMRITLAL SHAH AT THE END OF THE YEAR	50000	0.2857	-	-	Nil Movement during the year	50000	0.2857
9	NANDKISHOR CHATURVEDI AT THE END OF THE YEAR	41367	0.2364	-	-	Nil Movement during the year	41367	0.2364
10	BRIJANAND CHATURVEDI AT THE END OF THE YEAR	35000	0.2000	-	-	Nil Movement during the year	35000	0.2000

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:**

Sr no.	Name & type of transaction	Shareholding at the beginning of the year - 2018		Transactions during the year			Cumulative shareholding at the end of the year - 2019	
		No.Of shares held	% Of total shares of the company	Date of transaction	Increase/ decrease in shareholding	Reason	No of shares held	% Of total shares of the company
1	Devesh Vasavada	0	0	01-04-2018	0	Nil Movement during the year	0	0
		0	0	31-03-2019	0			
2	Yogendra Chaturvedi	0	0	01-04-2018	0	Nil Movement during the year		
		0	0	31-03-2019			0	0
3	*K M Shah	0	0	01-04-2018	0	Nil Movement during the year		
		0	0	31-03-2019			0	0
4	Charul abuwala	0	0	01-04-2018	0	Nil Movement during the year		
		0	0	31-03-2019			0	0
5	R Sundaresan	0	0	01-04-2018	0	Nil Movement during the year		
		0	0	31-03-2019			0	0
6	Prashant Chaturvedi	0	0	01-04-2018	0	Nil Movement during the year		
		0	0	31-03-2019			0	0
7	Daya Bhalia	0	0	01-04-2018	0	Nil Movement during the year		
		0	0	31-03-2019			0	0

\*Mr. K M Shah has resigned from post of Independent Director with effect from 01st April, 2019.

**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 Lakhs)

S. no.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Name of MD/WTD/ Manager	Name of MD/ WTD/ Manager	Total Amount
		Mr. R Sundaresan	Mr. Yogendra Chaturvedi	Ms. Daya Bhalia	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.50	13.67	10.78	30.95
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	6.50	14.17	10.78	30.95
	Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the total remuneration payable to Whole time Directors shall not exceed 10% of the net profit of the company calculated as per section 198 of the Companies Act, 2013 and the same is within limit.			

## B. Remuneration to other directors

(Rs. In Lakhs)

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	0.27	0.45	0.52	1.24
	· Commission	-	-	-	-
	· Others, please specify				
	Total (1)	0.27	0.45	0.52	1.24
2	Other Non- Executive Directors	-	-	-	-
	· Fee for attending board committee meetings	-	-	-	-
	· Commission				
	· Others, please specify				
	Total (2)	-	-	-	-
	Total (B)=(1+2)	0.27	0.45	0.52	1.24
	Total Managerial Remuneration (A+B)				32.19
	Overall Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the total remuneration payable to all 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 directors shall not be deducted from the gross profit and the same is within limit.			

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

(Rs. In Lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO Mr. Yogendra Chaturvedi who is also Executive Director	CFO Mr. Prashant Chaturvedi	CS Daya Bhalia 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	13.67	12.78	10.78	37.23
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify.	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total	13.67	12.78	10.78	37.23

## 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 - B****Form No. MR-3****SECRETARIAL AUDIT REPORT**

for the financial year ended 31<sup>st</sup> March, 2019

[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 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, as given in "**Annexure-I**" for the financial year ended on 31<sup>st</sup> March 2019 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 brought back / nor proposed to buy-back any of its Securities);**
- (vi) I have relied on the Representation made by the company and its officers for systems and mechanism formed by the company for compliance under other applicable Acts, Laws & Regulations to the Company. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.

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

- (i) Secretarial Standards with regard to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (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, I am 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 Maurya**  
**Proprietor**

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

**Place:** Mumbai  
**Date:** 27<sup>th</sup> May 2019



### Annexure - I

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Maurya**  
**Proprietor**

**Mem. No: 22005**

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

**Place:** Mumbai  
**Date:** 27<sup>th</sup> May 2019

**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 Maurya**  
**Proprietor**

**Mem. No: 22005**

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

**Place:** Mumbai  
**Date:** 27<sup>th</sup> May 2019

**Annexure 'C' to Boards Report**

- (I) The ratio of the remuneration of Whole-time director to the median remuneration of the employees of the Company for the year 2018-19.

Name of Director / KMP	Designation	Raito	Percentage increase in remuneration increase
R. Sundaresan	Chairman & Executive Director	0.74	0
Yogendra Chaturvedi	Chief Executive Officer & Executive Director	1.55	-3.53
Daya Bhalia	Company Secretary & Executive Director	1.22	15.66
Prashant Chaturvedi	Chief Financial Officer	NA	15.85

Sr. No.	Particulars		
(i)	The percentage increase in the median remuneration of employees in the Financial Year.	8.16	
(ii)	The number of permanent employees on the rolls of company.	6	
(iii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Employees other than managerial personnel 1.21%	Managerial Personnel 7%
(iv)	Affirmation that the remuneration is as per the remuneration policy of the company.	The remuneration is as per the Remuneration Policy of the Company.	

**Annexure 'D' to Boards Report****DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

Ratios are used to make a holistic assessment of financial performance of the entity, and also help evaluating the entity's performance vis-à-vis its peers within the industry.

The key financial ratios of the company for F.Y. 2018-19 is as below. The Company has no Non-Performing Assets (NPA), hence ratios related to NPAs are not applicable. The significant changes in the other applicable key financial ratios are as follows:

Name of Ratios	F.Y. 2018-19	F.Y. 2017-18	Change (%)	Reasons for change
Interest coverage ratio	5.81 times	6.25 times	-7.04%	-
Current Ratio	122.54 times	80.76 times	51.73%	Reduction in current liabilities and increase in current assets
Operating Profit Margin	96.10%	75.39%	20.71%	-
Net Profit Margin	71.66%	59.65%	12.01%	-

**CHANGE IN RETURN ON NET WORTH AS COMPARED TO PREVIOUS YEAR**

Return on Net Worth (RONW) is a measure of profitability of a company expressed in percentage. Return on Net Worth for the financial year 2018-19 is 2.08% while the Return on Net Worth for the financial year 2017-18 is 2.27%. The reduction in Return on Net Worth is mainly due to the decrease in revenue of the company while the shareholders' fund has shown minor increase.

## 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) 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, 2019 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	Mr. Yogendra Chaturvedi	Executive Director & Chief Executive Officer	Non Independent Director
6	Ms. Daya Bhalia	Executive Director and Company Secretary	Non Independent Director

\*Mr. Kantilal Shah has resigned from Post of Independent Director with effect from 1<sup>st</sup> April, 2019.

#### • Board Meetings:

The Board of Directors of the Company met five times during financial year ended 31<sup>st</sup> March 2019. The Board Meetings were held on 04<sup>th</sup> May 2018, 29<sup>th</sup> May 2018, 13<sup>th</sup> August, 2018, 29<sup>th</sup> October, 2018 and 5<sup>th</sup> February 2019. 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 of 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 Director ship in Pvt. Co's.)	Committee Member ships	Committee Chairmans hips
Mr. R Sundaresan	CH	4	Yes	1	1	0
**Mr. Kantilal Shah	NED	4	Yes	--	--	--
Mr. Charul Abuwala	NED	4	No	1	1	1
Mr. Devesh Vasavada	NED	2	Yes	--	--	--
Mr. Yogendra Chaturvedi	ED	5	Yes	1	--	--
Ms. Daya Bhalia	ED	5	Yes	--	--	--

CH - Chairman

ED - Executive Director

NED - Non Executive Director

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

\*\*Mr. Kantilal Shah has resigned from post of Independent Director with effect from 1<sup>st</sup> April, 2019.

#### **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:

<b>Name of the Director</b>	<b>Age</b>	<b>Qualification</b>	<b>Experience</b>	<b>Directorship in other Listed Companies</b>	<b>*Chairman/ Member of the Committees of other Companies</b>
Mr. Charul Abuwala	57	B.A., LL.B., Radar Maintenance Engineer, UK	Is Practicing Advocate and having vast experience in legal field.	Nil	Nil
#Mr. Lalit Shah	59	B.Com.	He has more than 30 Years of experience in the field of Taxation, Accountancy and Audit. He is a member of Chamber of Tax Consultants.	Nil	Nil
Ms. Daya Bhalia	35	B.Com, ACS, LLB	Ms. Daya Bhalia 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

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

#Mr. Lalit Shah was duly appointed as Additional Independent Director of the Company w.e.f. 6<sup>th</sup> June 2019 with the approval of Board of Directors at its meeting held on 27<sup>th</sup> May 2019.

#### • **Disclosure of Relationship between directors inter-se:**

None of the Directors are related to each other.

#### • **Skills/expertise/competence of the Board:**

The Board comprises of persons with varied experiences in different areas who bring in the required skills, competence and expertise that allows them to make effective contribution to the Board and its committees. The following list summarizes the key skills, expertise and competence that the Board thinks is necessary for functioning in context of the Company's business and sector and which in the opinion of the Board, its Members possess: -

Commercial -

Finance -

Shares and Securities Market -

General management and Human Resources -

Legal, including laws related to corporate governance.

#### **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 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, Four meetings were held on 14<sup>th</sup> May 2018, 3<sup>rd</sup> August 2018, 9<sup>th</sup> October 2018, 05<sup>th</sup> February 2019.

The Composition of the said committee as on 31<sup>st</sup> March 2019 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	4	4
2	Mr. Devesh Vasavada	Member	Non Executive Independent Director	4	2
3	Mr. Yogendra Chaturvedi	Member	Executive Director	4	4

The Board has designated Ms. Daya Bhalia, 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 31.03.2019 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 2018-2019, the Committee met Five times. The Committee Meetings were held on 4<sup>th</sup> May 2018, 29<sup>th</sup> May 2018, 13<sup>th</sup> August 2018, 29<sup>th</sup> October 2018 and 5<sup>th</sup> February 2019.

The Composition of Audit Committee as on 31<sup>st</sup> March 2019 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	5	3
2	Mr. Charul Abuwala	Member	Non Executive Independent Director	5	5
3	*Mr. Kantilal M Shah	Member	Non Executive Independent Director	5	4
4	Mr. Yogendra Chaturvedi	Member	Executive Director	5	5

Ms. Daya Bhalia, Director and Company Secretary acts as Secretary of the Committee.

\*Mr. Kantilal Shah ceased to be a member of the Committee with effect from 1<sup>st</sup> April, 2019.

The terms of reference of the Audit Committee include: -

- 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.
- Recommending for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - 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.
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- 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 2018-2019, the Committee met Two times. The Committee Meetings were held on 29<sup>th</sup> May 2018 and 13<sup>th</sup> August 2018.

Composition of the committee as on 31<sup>st</sup> March 2019 and its attendance is as follows

Sr. No.	Name of the Member	Status in Committee	Director status	No. of meeting held	No. of meeting attended
1	Mr. Devesh Vasavada	Chairman	Non Executive Independent Director	2	2
2	Mr. Charul Abuwala	Member	Non Executive Independent Director	2	2
3	Mr. R. Sunderasan	Member	Executive Chairman	2	2

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, 2019: -**
**(a) Non Executive Directors**

Name of Director	Sitting Fees (Rs)
Mr. Kantilal Shah	45000
Mr. Charul Abuwala	52000
Mr. Devesh Vasavada	27000
<b>Total</b>	<b>124000</b>

**(b) Executive Directors**

Particulars	Mr. R Sundaresan Chairman and Executive Director	Ms. Daya Bhalia Company Secretary and Executive Director
Salary	Rs. 6, 50, 000	Rs. 10,78,400
Perquisites	-	-
Variable Pay	-	-
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

Particulars	Mr. Yogendra Chaturvedi Executive Director
Salary	Rs. 13,67,000
Perquisites	-
Variable Pay	-
Sitting Fees	-
Notice Period and Severance Fees	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 of CSR Committee was held on 29<sup>th</sup> March 2019.

Composition of the committee as on 31<sup>st</sup> March 2019 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:

- 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;
- To recommend the amount of expenditure to be incurred on the activities referred to in Corporate Social Responsibility Policy in a financial year;
- To monitor the Corporate Social Responsibility Policy of the company from time to time.
- 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 one meeting of Investment and Finance Committee was held on 19<sup>th</sup> July 2018.



Composition of the committee as on 31<sup>st</sup> March 2019 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	1	1
2	Mr. Yogendra Chaturvedi	Member	Executive Director	1	1
3	Ms. Daya Bhalia	Member	Executive Director	1	1

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

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

#### • **INDEPENDENT DIRECTORS' MEETING**

During the year under review, the Independent Directors met on February 5, 2019, inter alia to discuss:

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

#### **4. Remuneration Policy:-**

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

The Non- Executive Directors are paid remuneration by way of sitting fees. The Total amount of sitting fees paid during the Financial Year 2018-2019 is Rs 124,000. 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/policy%20for%20determining%20material%20subsidiary.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).

Weblink of the same is: <http://www.shardulsecurities.com/vigil%20mechanism%20policy.pdf>

**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 (Mumbai Mitra). 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).

**13. Details of Total Fees paid to Statutory Auditors**

The details for total fees for all services paid by the Company and its subsidiaries, on consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which a statutory auditor is a part, are as follows.

(Rs. In Lakhs)

Type of Services	F.Y 2018-19	F.Y. 2017-18
Statutory Audit Fees	2.90	2.90
Tax Audit Fees	0.70	0.70
Other Services	0.35	0.35
<b>Total</b>	<b>3.95</b>	<b>3.95</b>

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### **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 2019.

**Place: Mumbai**

**Date: 27<sup>th</sup> May 2019**

**Yogendra Chaturvedi**

**Executive Director & CEO**

### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(As per clause C of Schedule V of the **Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015** read with regulation 34(3) of the said Listing Regulations).

To,  
The Members,  
**Shardul Securities Limited**  
CIN: L50100MH1985PLC036937  
Regd. Off: G-12, Tulsiani Chambers 212,  
Nariman Point, Mumbai – 400021,  
Maharashtra, India

As required by clause 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 we certify that none of the Directors on the Board of **Shardul Securities Limited** have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

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

**Dhirendra Maurya**  
**Proprietor**

**Mem. No: 22005**

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

**Place: Mumbai**

**Date: 27<sup>th</sup> May 2019**

## GENERAL SHAREHOLDER INFORMATION

### 1. Annual General Meeting:

Date & Time : 12<sup>th</sup> September 2019 at 10.00 a.m.

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

### 2. Financial Calendar : 2019-20

Board Meetings	Tentative dates
Results for the quarter ending June 30, 2019	Second week of August, 2019
Results for the quarter ending September 30, 2019	Second week of November, 2019
Results for the quarter ending December 31, 2019	Second week of February, 2019
Results for the year ending March 31, 2020	Last week of May, 2020

3. Book closure dates : 6<sup>th</sup> September 2019 to 11<sup>th</sup> September 2019  
(Both days inclusive) in connection with the AGM.

4. Dividend Payment Date : On or after 12<sup>th</sup> September 2019

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

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

BSE Ltd.

### 7. Annual Listing fees: -

The listing fees to the BSE Ltd. have been duly paid by the Company up to the financial year 2019-20.

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

96.28% of the Equity Shares have been dematerialized up to 31<sup>st</sup> March 2019. 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 2018-19 were 1,49,958 and its value was Rs. 70,16,111.

### 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 2019: -

i) The Distribution of Shareholding as on 31<sup>st</sup> March 2019: -

No. of Equity Shares held	Shareholders		Shares held	
	No.	%	No.	%
1 -- 500	7777	94.6798	845526	4.8320
501 -- 1000	181	2.2036	148758	0.8501
1001 -- 2000	102	1.2418	155304	0.8875
2001 -- 3000	50	0.6087	127969	0.7313
3001 -- 4000	22	0.2678	74968	0.4284
4001 -- 5000	19	0.2313	87867	0.5021
5001 -- 10000	19	0.2313	142572	0.8148
10001 and above	44	0.5357	15915469	90.9537
<b>TOTAL</b>	<b>8214</b>	<b>100.0000</b>	<b>17498433</b>	<b>100.0000</b>

II) Shareholding Pattern as on 31<sup>st</sup> March 2019: -

Category	No. of Shares	%
Promoters	13095807	74.84
Financial Institutions / Banks / Mutual Funds / Insurance Company	0	0
Hindu Undivided Family	48566	0.28
Corporate Bodies	1783638	10.19
Indian Public	2286702	13.07
NRI / OCB	4882	0.03
Others (Share in Transit)	6101	0.03
IEPF	272737	1.56
<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
2015-2016	Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400 021	14.09.2016	10.00 a.m.
2016-2017	Senate Hall, 208, Regent Chambers, Nariman Point, Mumbai 400 021	29.09.2017	10.00 a.m.
2017-2018	M C Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kaala Ghoda, Mumbai – 400001	26.07.2018	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	14.09.2016	1. Confirmation of appointment of Mr. Devesh Vasavada as a Director designated as Independent Non-Executive Director 2. Confirmation of appointment of Mr. Yogendra Chaturvedi (DIN: 00013613) as Whole time Director designated as Executive Director and Chief Executive Officer.
2	29.09.2017	1. Confirmation of remuneration of Mr. R Sundaresan as Chairman and Executive Director, 2. Confirmation of remuneration of Ms. Monika Agarwal as Company Secretary and Executive Director 3. Confirmation of remuneration of Mr. Yogendra Chaturvedi as Chief Executive Officer and Executive Director.
3	26.07.2018	1. Appointment of Statutory Auditor to fill casual vacancy. 2. Appointment of Statutory Auditor. 3. Re- appointment of Mr. R Sundaresan as a Chairman & Executive Director 4. To confirm the appointment of Ms. Daya Bariya (DIN: 07049483) as Whole time Director, designated as Executive Director and Company Secretary

No special resolution was passed during the year 2018-19 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 2018-2019 were as follows:

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

Month	Share Price		BSE Sensex	
	High	Low	High	Low
April 2018	48.95	42.05	35,213.30	32,972.56
May 2018	47.75	38.60	35,993.53	34,302.89
June 2018	48.50	42.30	35,877.41	34,784.68
July 2018	51.60	42.60	37,644.59	35,106.57
August 2018	58.65	45.15	38,989.65	37,128.99
September 2018	56.00	44.00	38,934.35	35,985.63
October 2018	57.50	50.00	36,616.64	33,291.58
November 2018	48.30	43.70	36,389.22	34,303.38
December 2018	49.90	42.80	36,554.99	34,426.29
January 2019	50.35	44.70	36,701.03	35,375.51
February 2019	54.00	45.00	37,172.18	35,287.16
March 2019	62.55	48.75	38,748.54	35,926.94

**14. Address for Correspondence:**

Investors Correspondence for Transfer / dematerialization of shares, payment of dividend on shares and any other query relating to shares.	<b>For Shares held in physical form:</b>	<b>For shares held in demat form:</b>
	<b>Link Intime India Private Limited</b> C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083	To the Depository Participant.

- 15. Compliance officer: Ms. Daya Bhalia**  
**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](mailto:rnt.helpdesk@linkintime.co.in)

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## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of **Shardul Securities Limited**

1. We have examined the compliance of conditions of Corporate Governance by Shardul Securities Limited (the 'Company'), for the year ended March 31, 2019, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

### **Managements' Responsibility**

2. 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 with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

### **Auditors' Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. 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.
5. 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 Institute of 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.
6. 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**

7. Based on our examination of the relevant records and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **J. Kala & Associates**

Firm Registration Number: 118769W

Chartered Accountants

**Jayesh Kala**

Partner

Membership Number: 101686

Place: Mumbai

Date: 27<sup>th</sup> May 2019



**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 2019 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. We further state that 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.

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

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

Place: **Mumbai**

Date: **27<sup>th</sup> May 2019**

## INDEPENDENT AUDITORS' REPORT

**To the Members of Shardul Securities Limited**

**Report on the audit of the Standalone financial statements**

### Opinion

1. We have audited the accompanying standalone financial statements of **Shardul Securities Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 Companies Act, 2013 ("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 March 31, 2019, and profit and its cash flows for the year then ended.

### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

### Information Other than the Standalone Financial Statements and Auditors' Report Thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information report, but does not include the financial statements and our auditor's report thereon.
6. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
8. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of management and those charged with governance for the financial statements

9. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 were 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.
10. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
11. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditors' responsibilities for the audit of the financial statements**

12. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matter**

17. The standalone financial statements of the Company for the year ended March 31, 2018, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 29, 2018, expressed an unmodified opinion on those financial statements.

**Report on other legal and regulatory requirements**

18. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
19. As required by Section 143(3) of the Act, we 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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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".
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197 (16) of the act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the 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:
- The Company has disclosed the impact of pending litigations as at year end on its financial position in its standalone financial statements – Refer Note 27.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For J. Kala & Associates**  
Firm Registration Number: 118769W  
Chartered Accountants

**Jayesh Kala**  
Partner

Place: Mumbai  
Date: 27<sup>th</sup> May 2019

Membership Number: 101686

### **Annexure A to Independent Auditors' Report**

Referred to in Paragraph 18 of the Independent Auditors' Report of even date to the members of **Shardul Securities Limited** on the financial statements as of and for the year ended 31<sup>st</sup> March 2019

- The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - The fixed assets of the Company have been physically verified by the Management at regular intervals, and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
  - 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.
- The inventories are held in dematerialized form and physical verification of inventory have been conducted at reasonable intervals by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- In our opinion, and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security in connection with any loan to any party covered under Section 185 of the Companies Act, 2013.  
In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act with respect to the loans given and investments made.
- The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including Provident Fund, Income Tax, Goods & Service Tax, Customs Duty, Cess and other material statutory dues, as applicable, with the appropriate authorities.
  - There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Goods & Service Tax, Customs Duty which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution.
- The Company does not have any loans or borrowings from any bank or Government, nor has it issued any debentures as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company which was carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **J. Kala & Associates**  
Firm Registration Number: 118769W  
Chartered Accountants

**Jayesh Kala**  
Partner

Membership Number: 101686

Place: Mumbai  
Date: 27<sup>th</sup> May 2019

### **Annexure B to Independent Auditors' Report**

Referred to in paragraph 19 (f) of the Independent Auditors' Report of even date to the members of **Shardul Securities Limited** on the standalone financial statements for the year ended **March 31, 2019**

#### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to financial statements of **Shardul Securities Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

2. 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 to 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 preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to financial statements**

6. A company's internal financial controls with reference to financial statements 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 generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that
  - a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
  - c) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to financial statements**

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

#### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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.

**For J. Kala & Associates**  
Firm Registration Number: 118769W  
Chartered Accountants

**Jayesh Kala**  
Partner  
Membership Number: 101686

Place: Mumbai  
Date: 27<sup>th</sup> May 2019



## STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs. In Lakh)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	1,749.84	1,749.84
(b) Reserves and Surplus	2	9,525.95	9,418.03
		<u>11,275.79</u>	<u>11,167.87</u>
<b>Non-Current Liabilities</b>			
(a) Deferred Tax Liability	3	175.07	161.78
(b) Other Non-Current Liabilities	4	45.00	45.00
		<u>220.07</u>	<u>206.78</u>
<b>Current Liabilities</b>			
(a) Trade payables			
Micro, Small and Medium Enterprises	5	-	-
Others		-	-
(b) Other Current Liabilities	6	32.31	39.57
(c) Short-Term Provisions	7	1.25	1.25
		<u>33.56</u>	<u>40.82</u>
<b>TOTAL</b>		<u><b>11,529.42</b></u>	<u><b>11,415.47</b></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property Plant & Equipment	8		
(i) Tangible Assets		1,284.80	1,311.97
(ii) Intangible Assets		1.89	1.66
		<u>1,286.69</u>	<u>1,313.63</u>
(b) Non-Current Investments	9	6,067.74	6,760.03
(c) Long-Term Loans and Advances	10	62.70	45.23
		<u>7,417.13</u>	<u>8,118.89</u>
<b>Current Assets</b>			
(a) Inventories	11	3,262.06	2,652.28
(b) Trade Receivables	12	-	-
(c) Cash and Cash Equivalents	13	329.16	140.79
(d) Short-Term Loans and Advances	14	521.07	503.15
(e) Other current assets		-	0.36
		<u>4,112.29</u>	<u>3,296.58</u>
<b>TOTAL</b>		<u><b>11,529.42</b></u>	<u><b>11,415.47</b></u>
Significant Accounting Policies	A to Q		
Notes on Standalone Financial Statements	1 to 32		

As per our report of even date  
**For J. Kala & Associates**  
Chartered Accountants  
FRN 118769W

**For and on behalf of the Board**

**Jayesh Kala**

Partner

M No. 101686

Place :- Mumbai

Date :- 27<sup>th</sup> May, 2019

**Yogendra Chaturvedi**

**Daya Bhalia**

**Devesh Vasavada**

**Charul Abuwala**

**Prashant Chaturvedi**

(Executive Director & CEO)

(Executive Director & Company Secretary)

(Director)

(Director)

(CFO)



**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**

				(Rs. in Lakh)
Particulars	Note No.	2018-19	2017-18	
<b>INCOME</b>				
Revenue from Operations	15	<b>326.93</b>	424.44	
Other Income	16	<b>198.61</b>	131.78	
<b>Total Revenue</b>		<b>525.54</b>	556.22	
<b>EXPENDITURE</b>				
(a) Employee Benefits Expenses	17	<b>68.86</b>	70.57	
(b) Finance Costs	18	<b>58.77</b>	54.86	
(c) Depreciation and Amortisation Expenses	8	<b>31.62</b>	32.09	
(d) Other Expenses	19	<b>83.72</b>	113.79	
(e) Contingent Provisions against Standard Assets		-	(2.99)	
<b>Total Expenses</b>		<b>242.97</b>	268.32	
<b>Profit before Tax</b>		<b>282.57</b>	287.90	
<b>Tax Expense:</b>				
(a) Current Tax		<b>35.00</b>	40.00	
(b) Deferred Tax		<b>13.29</b>	(5.26)	
		<b>48.29</b>	34.74	
<b>Profit for the year</b>		<b>234.28</b>	253.16	
<b>Earnings per equity share of face value of Rs. 10/- each:</b>	20			
(a) Basic (In Rs.)		<b>1.34</b>	1.45	
(b) Diluted (In Rs.)		<b>1.34</b>	1.45	
Significant Accounting Policies	A to Q			
Notes on Standalone Financial Statements	1 to 32			

As per our report of even date  
**For J. Kala & Associates**  
Chartered Accountants  
FRN 118769W

**For and on behalf of the Board**

**Jayesh Kala**

Partner

M No. 101686

Place :- Mumbai

Date :- 27<sup>th</sup> May, 2019

**Yogendra Chaturvedi**

(Executive Director & CEO)

**Daya Bhalia**

(Executive Director & Company Secretary)

**Devesh Vasavada**

(Director)

**Charul Abuwala**

(Director)

**Prashant Chaturvedi**

(CFO)

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in Lakh)

	2018-19	2017-18
<b>A. Cash Flow from Operating Activities</b>		
Net Profit / (Loss) before tax, as per Statement of Profit and Loss	282.57	287.90
<b>Adjusted for:</b>		
Depreciation and Amortisation Expenses	31.62	32.09
Contingent Provisions against Standard Assets	-	(2.99)
(Profit) / Loss on sale of Investments	(77.55)	(172.44)
Rent Income	(86.85)	(32.10)
Dividend received on Investments	(110.33)	(98.11)
<b>Operating Profit / (Loss) before working capital changes</b>	<b>39.46</b>	<b>14.35</b>
<b>Adjusted for:</b>		
Trade & Other Receivables	0.36	1,066.79
Inventories	(609.78)	(663.22)
Trade & Other Payables	(4.34)	50.26
	<b>(613.76)</b>	<b>453.83</b>
<b>Cash generated from / (used in) operations</b>	<b>(574.30)</b>	<b>468.18</b>
Income Tax paid	(52.03)	(26.72)
<b>Net Cash from / (used) in Operating Activities</b>	<b>(626.33)</b>	<b>441.46</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(4.68)	(0.43)
Purchase of investments	(597.59)	(3,584.59)
Sale of investments	1,367.43	1,380.77
Rent Income	86.85	32.10
Dividend received on investments	110.33	98.11
Loans & Advances (Long-Term)	(0.44)	0.74
Loans & Advances (Short-Term)	(17.92)	47.26
<b>Net Cash from / (used) in investment activities</b>	<b>943.98</b>	<b>(2,026.04)</b>
<b>C. Cash Flow from Financing Activities</b>		
Dividend paid on Equity Shares including tax	(129.28)	(125.96)
<b>Net cash from / (used) in Financing Activities</b>	<b>(129.28)</b>	<b>(125.96)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>188.37</b>	<b>(1,710.54)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>140.79</b>	<b>1,851.33</b>
<b>Closing Balance of Cash and Cash Equivalents (Refer Note No. 13)*</b>	<b>329.16</b>	<b>140.79</b>
* Balances with Banks includes Unclaimed Dividend of Rs. 26.52 lakhs (P.Y. Rs. 29.44 Lakhs )		

Note: The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard - 3.

As per our report of even date  
**For J. Kala & Associates**  
Chartered Accountants  
FRN 118769W

**For and on behalf of the Board**

**Jayesh Kala**

Partner

M No. 101686

Place :- Mumbai

Date :- 27<sup>th</sup> May, 2019

**Yogendra Chaturvedi**

**Daya Bhalia**

**Devesh Vasavada**

**Charul Abuwala**

**Prashant Chaturvedi**

(Executive Director & CEO)

(Executive Director & Company Secretary)

(Director)

(Director)

(CFO)

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

### 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 management to make judgements, estimates and assumptions 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) Property Plant & Equipment**

The Property Plant & Equipment 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 Property Plant & Equipment are capitalised till the asset is put to use.

**(D) Depreciation:**

Depreciation on Property Plant & Equipment 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.

**(E) Investments:**

- 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.

**(F) 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.

**(G) Loans:**

Advances are classified into performing advances and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of specific provision made towards NPAs. Further, NPAs are classified into substandard, doubtful and loss assets based on the criteria stipulated by the RBI. Provisions for NPAs are made at rates as prescribed by the RBI.

**(H) 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.

**(I) 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.

**(J) Borrowing Costs:**

Borrowing Costs which are directly attributable to the acquisition / construction of qualifying 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.

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## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

### SIGNIFICANT ACCOUNTING POLICIES

**(K) Revenue Recognition:**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest income is accounted on accrual basis except in the case of non-performing loans where it is recognised upon realisation, as per the prescribed by RBI.

Revenue is recognised on accrual basis and no significant uncertainty exists as to its realization or collection except dividend income which is accounted in the year in which it is received.

**(L) 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.

**(M) Miscellaneous Expenditure:**

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

**(N) 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.

**(O) 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.

**(P) 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.

**(Q) 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.

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****(Rs. In Lakh)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Note 1 - Share Capital</b>		
<b>(A) SHARE CAPITAL:</b>		
<b><u>Authorised Share Capital:</u></b>		
<b>10,00,00,000</b> (10,00,00,000) Equity Shares of Rs. 10 each	<b>10,000.00</b>	10,000.00
	<b>10,000.00</b>	10,000.00
<b><u>Issued, Subscribed and Paid up:</u></b>		
<b>1,74,98,433</b> (1,74,98,433) Equity Shares of Rs. 10 each (Fully Paid up)	<b>1,749.84</b>	1,749.84
	<b>1,749.84</b>	1,749.84

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

Particulars	2018-19	2017-18
No. of Shares outstanding at the beginning of the year	<b>1,74,98,433</b>	1,74,98,433
Addition during the year	-	-
Deletion during the year	-	-
No. of Shares outstanding at the end of the year	<b>1,74,98,433</b>	1,74,98,433

**(C) Par value per share:**

The par value of Equity Shares is Rs.10/-.

**(D) The rights, preferences and restrictions attached to each class of shares including to restrictions on the distribution of dividends and repayment of capital:**

**Equity Shares-** The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The equity shareholders are entitled to dividend only if dividend in a particular financial year is recommended by the Board of Directors and approved by the members at the annual general meeting of that year. In case of winding up, if the assets available for distribution are less than the paid up share capital, then the shortfall will be borne by the members proportionately. Where there is an excess, the same shall be distributed proportionately among the members.

**(E) The details of Shareholders holding more than 5% shares :**

Sr. No.	Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
(i)	Gagan D Chaturvedi	<b>28,36,185</b>	<b>16.21</b>	28,36,185	16.21
(ii)	Devesh D Chaturvedi	<b>19,02,419</b>	<b>10.87</b>	19,02,419	10.87
(iii)	Brijesh D Chaturvedi	<b>9,99,867</b>	<b>5.71</b>	9,99,867	5.71
(iv)	Angular Trading Pvt Ltd	<b>9,81,843</b>	<b>5.61</b>	9,81,843	5.61
(v)	Rajesh D Chaturvedi	<b>26,05,586</b>	<b>14.89</b>	26,05,586	14.89
(vi)	A to Z Broking Services LLP	<b>21,18,400</b>	<b>12.11</b>	21,18,400	12.11
(vii)	Shriyam Commodities Intermediary LLP	<b>9,32,000</b>	<b>5.33</b>	9,32,000	5.33

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<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	-	-
	<u>6.90</u>	<u>6.90</u>
<b>(B) Securities Premium Account</b>		
Balance as per the last financial statement	2,666.69	2,666.69
Addition/(Deletion) during the year	-	-
	<u>2,666.69</u>	<u>2,666.69</u>
<b>(C) General Reserve</b>		
Balance as per the last financial statement	328.58	328.58
Add : Amount transferred from surplus balance in the Statement of Profit and Loss	-	-
	<u>328.58</u>	<u>328.58</u>
<b>(D) Statutory Reserve Fund (As per RBI Guidelines)</b>		
Balance as per the last financial statement	2,143.29	2,092.66
Add : Amount transferred from surplus balance in the Statement of Profit and Loss	46.86	50.63
	<u>2,190.15</u>	<u>2,143.29</u>
(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	4,272.57	4,070.04
Add : Profit for the year	234.28	253.16
	<u>4,506.85</u>	<u>4,323.20</u>
<b>Less : Appropriations</b>		
Transferred to Statutory Reserve Fund (As per RBI Guidelines)	46.86	50.63
Dividend Paid on Equity Shares [Dividend per Share Re 0.6]	104.99	-
Tax on Dividend Paid	21.37	-
	<u>4,333.63</u>	<u>4,272.57</u>
<b>Total</b>	<u><u>9,525.95</u></u>	<u><u>9,418.03</u></u>
<b>Note 3 - Deferred Tax Liability (net)</b>		
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	175.07	161.78
<b>Total</b>	<u><u>175.07</u></u>	<u><u>161.78</u></u>
<b>Note 4 - Other Non-Current Liabilities</b>		
Security Deposit - Rent	45.00	45.00
<b>Total</b>	<u><u>45.00</u></u>	<u><u>45.00</u></u>

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

### 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, 2019	As at 31st March, 2018
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>

(Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Note 6 - Other Current Liabilities</b>		
(a) Unclaimed Dividends *	26.52	29.44
(b) Other Payables **	5.79	10.13
<b>Total</b>	<b>32.31</b>	<b>39.57</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 7 - Short - Term Provisions

(a) Contingent Provisions against Standard Assets	1.25	1.25
<b>Total</b>	<b>1.25</b>	<b>1.25</b>

### Note 8 - Property Plant & Equipment

(Rs. In Lakh)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April, 2018	Additions	Deductions/ Adjustments	As at 31st March, 2019	Upto 31st March, 2018	For the Year	Deductions/ Adjustments	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
<b>Tangible Assets:</b>										
<b>Own Assets:</b>										
Office Premises	1,665.05	-	-	1,665.05	377.63	25.06	-	402.69	1,262.36	1,287.42
Computers	3.76	-	-	3.76	2.83	0.49	-	3.32	0.44	0.93
Furniture and Fixtures	139.02	-	-	139.02	128.20	3.87	-	132.07	6.95	10.82
Vehicles	43.67	-	-	43.67	34.36	1.48	-	35.84	7.83	9.31
Office Equipment	69.78	3.96	-	73.74	66.29	0.23	-	66.52	7.22	3.49
<b>Total (A)</b>	<b>1,921.28</b>	<b>3.96</b>	<b>-</b>	<b>1,925.24</b>	<b>609.31</b>	<b>31.13</b>	<b>-</b>	<b>640.44</b>	<b>1,284.80</b>	<b>1,311.97</b>
<b>Intangible Assets:</b>										
Computer Software	3.05	0.72	-	3.77	1.39	0.49	-	1.88	1.89	1.66
<b>Total (B)</b>	<b>3.05</b>	<b>0.72</b>	<b>-</b>	<b>3.77</b>	<b>1.39</b>	<b>0.49</b>	<b>-</b>	<b>1.88</b>	<b>1.89</b>	<b>1.66</b>
<b>Grand Total (A+B)</b>	<b>1,924.33</b>	<b>4.68</b>	<b>-</b>	<b>1,929.01</b>	<b>610.70</b>	<b>31.62</b>	<b>-</b>	<b>642.32</b>	<b>1,286.69</b>	<b>1,313.63</b>
Previous Year	1,923.90	0.43	-	1,924.33	578.61	32.09	-	610.70	1,313.63	

#### Notes:

1. Office Premises includes :

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



## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

### Note 9 - 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, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
<b>Other Investments</b>					
<b>(A) Quoted</b>					
<b>In Equity shares - Fully Paid-up</b>					
Glaxosmithkline Pharmaceuticals Ltd	10	-	6,000	-	162.35
Cox & King Financial Services	10	86,434	-	11.11	-
Kabra Extrusiontechnik Ltd	5	10,000	10,000	12.63	12.63
Sadbhav Infrastructure Project Ltd	10	2,00,000	2,00,000	271.99	271.99
Trent Ltd	1	5,000	5,000	16.72	16.72
BASF India Ltd	10	-	10,000	-	120.56
Cox & Kings Ltd	5	2,59,301	3,40,000	528.11	707.04
DCW Ltd	2	40,000	40,000	13.18	13.18
Schaeffler India Ltd	10	2,000	2,000	93.13	93.13
Gillette India Ltd	10	2,000	2,000	84.68	84.68
Hindustan Zinc Ltd	2	-	50,000	-	123.29
Indian Terrain Fashions Ltd	2	20,000	20,000	27.73	27.73
Royal Orchid Hotels Ltd	10	12,500	12,500	11.82	11.82
SKF India Ltd	10	14,187	15,900	235.91	261.75
Welspun Enterprises Ltd	10	12,000	12,000	7.63	7.63
Emami Ltd	1	30,000	15,000	168.08	168.08
Essel Propack Ltd	2	40,000	20,000	52.22	52.22
Great Eastern Shipping Co. Ltd	10	66,000	56,000	265.34	236.98
Central Depository Services (India) Limited	10	2,500	2,500	7.40	7.40
IDFC Ltd	10	-	1,50,000	-	73.68
Grindwell Norton Ltd	5	7,000	7,000	29.62	29.62
Timken India Ltd	10	5,200	5,200	37.21	37.21
Wabco India Ltd	5	4,000	4,000	230.39	230.39
Wockhardt Ltd	5	5,500	5,500	34.45	34.45
Insecticides (India) Ltd	10	3,000	3,000	12.50	12.50
LIC Housing Finance Ltd	2	-	3,000	-	14.85
MRF Ltd	10	30	30	10.59	10.59
RBL Bank Ltd	10	1,00,000	1,00,000	300.99	300.99
Shriram City Union Finance Ltd	10	-	600	-	9.61
HDFC Bank Ltd	2	1,02,850	1,02,850	962.25	962.25
Essar Shipping Ltd	10	78,233	78,233	23.46	23.46
Reliance Industries Ltd*	10	9,28,000	9,28,000	1,024.90	1,024.90
<b>Total (A)</b>				<b>4,474.04</b>	<b>5,143.68</b>
<b>(B) Unquoted</b>					
<b>In Equity shares - Fully Paid-up</b>					
Bangalore Stock Exchange Ltd	1	8,350	8,350	0.08	0.08
Antique Finance Pvt Ltd	10	31,22,125	31,22,125	-	-
<b>Sub Total</b>				<b>0.08</b>	<b>0.08</b>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****(Rs. In Lakh)**

Particulars	Face Value (In Rs.)	Quantity		Amount	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
<b>In Preference shares - Fully Paid up</b>					
Vaibhav Property & Advisors Pvt Ltd	10	22,50,000	22,50,000	225.00	225.00
<b>Sub Total</b>				<b>225.00</b>	225.00
<b>In Equity shares of Subsidiary companies - Fully Paid up</b>					
Shriyam Broking Intermediary Ltd	10	1,00,00,000	1,00,00,000	1,000.00	1,000.00
<b>Sub Total</b>				<b>1,000.00</b>	1,000.00
<b>In Bullion</b>					
Gold		12.46 KG	12.46 KG	133.72	133.72
Silver		30.13 KG	30.13 KG	5.65	5.65
<b>Sub Total</b>				<b>139.37</b>	139.37
<b>Investment in Funds -Unquoted</b>					
HDFC India Real Estate Fund	1000	4,443	4,443	44.44	44.44
Urban Infrastructure fund	31411	270	270	84.81	137.46
(Previous year's Face Value Rs. 50,911/-)					
Motilal Oswal Focused Emergence Fund	10	10,56,187	7,13,463	100.00	70.00
<b>Sub Total</b>				<b>229.25</b>	251.90
<b>Total (B)</b>				<b>1,593.70</b>	1,616.35
<b>Total Investments (A+B)</b>				<b>6,067.74</b>	6,760.03
Aggregate amount of quoted investments				4,474.04	5,143.68
Market Value of Quoted Investments				17,644.74	13,736.05
Aggregate amount of unquoted investments				1,593.70	1,616.35

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

**(Rs. In Lakh)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Note 10 - Long - Term Loans and Advances (Unsecured and Considered Good)</b>		
(a) Security Deposits	1.95	1.51
(b) Advance Income Tax (Net of Provision)	60.75	43.72
<b>Total</b>	<b>62.70</b>	45.23
<b>Note 11 - Inventories</b>		
Stock-in-Trade	3,262.06	2,652.28
<b>Total</b>	<b>3,262.06</b>	2,652.28
<b>Note 12 - Trade Receivables (Unsecured and Considered Good)</b>		
(a) Outstanding for a period exceeding six months from due date	-	-
(b) Others	-	-
<b>Total</b>	<b>-</b>	-

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Note 13 - Cash and Cash Equivalents</b>		
(a) Cash on Hand	-	-
(b) Balances with Banks *	<b>329.16</b>	140.79
<b>Total</b>	<b>329.16</b>	140.79

\* Balances with Banks includes Unclaimed Dividend of Rs. **26.52** lakhs ( P.Y. Rs. 29.44 Lakhs )

### Note 14 - Short - Term Loans and Advances (Unsecured and Considered Good)

(a) Inter Corporate Deposits:		
To Other Corporate Bodies	<b>500.00</b>	500.00
(b) Prepaid Expenses	<b>0.69</b>	0.44
(c) Others	<b>20.38</b>	2.71
<b>Total</b>	<b>521.07</b>	503.15

(Rs. In Lakh)

Particulars	2018-19	2017-18
<b>Note 15 - Revenue from Operations</b>		
(a) Profit/ (loss) on dealing in securities (Net)	<b>197.70</b>	162.28
(b) Income from Advisory Fees and Services	-	27.53
(c) Interest Income	<b>51.68</b>	62.19
(d) Net Profit on Sale of Investments	<b>77.55</b>	172.44
<b>Total</b>	<b>326.93</b>	424.44

### Note 16 - Other Income

(a) Dividend Income	<b>110.33</b>	98.11
(b) Rent Income	<b>86.85</b>	32.10
(c) Bad Debt Recovery	<b>0.77</b>	-
(d) Miscellaneous Income	<b>0.66</b>	1.57
<b>Total</b>	<b>198.61</b>	131.78

(Rs. In Lakh)

Particulars	2018-19	2017-18
<b>Note 17 - Employee Benefits Expenses</b>		
(a) Salaries and Wages	<b>67.22</b>	68.88
(b) Contribution to Provident and Other Funds	<b>1.56</b>	1.60
(c) Staff Welfare Expenses	<b>0.03</b>	0.05
(d) Premium towards Group Gratuity Scheme	<b>0.05</b>	0.04
<b>Total</b>	<b>68.86</b>	70.57

### Note 18 - Finance Cost

(a) Interest Expenses	<b>58.77</b>	54.86
<b>Total</b>	<b>58.77</b>	54.86

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****(Rs. In Lakh)**

<b>Particulars</b>		<b>2018-19</b>	<b>2017-18</b>
<b>Note 19 - Other Expenses</b>			
(A)	<b>Payment to Auditors (excluding GST)</b>		
(a)	Statutory Audit Fees	<b>2.25</b>	2.25
(b)	Tax Audit Fees	<b>0.50</b>	0.50
(c)	Other Services	<b>0.25</b>	0.25
(B)	<b>Operating / Administrative and General Expenses</b>		
(a)	Rates and Taxes	<b>27.32</b>	27.11
(b)	Other Repairs :		
	i ) Equipments	<b>1.68</b>	1.44
	ii) Office Premises	-	5.08
(c)	Travelling Expenses	<b>3.30</b>	3.10
(d)	Telephone and lease line charges	<b>0.94</b>	1.16
(e)	Directors Sitting Fees	<b>1.24</b>	1.26
(f)	Printing & Stationery	<b>2.10</b>	2.63
(g)	Electricity Charges	<b>5.83</b>	7.69
(h)	Securities Transaction Tax	<b>7.54</b>	11.20
(i)	Fees & Subscription	<b>9.36</b>	6.87
(j)	Professional Fees	<b>7.05</b>	19.90
(k)	Advertisement	<b>1.01</b>	0.99
(l)	Insurance	<b>2.41</b>	0.99
(m)	CSR Expenditure	-	7.60
(n)	Motor Car Expenses	<b>7.13</b>	7.28
(o)	Bank & Demat Charges	<b>0.32</b>	0.09
(p)	Miscellaneous Expenses	<b>3.49</b>	6.40
	<b>Total</b>	<b>83.72</b>	113.79

**Note 20 - Earnings Per Equity Share**

<b>Particulars</b>		<b>2018-19</b>	<b>2017-18</b>
(A)	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. In Lakhs)	<b>234.28</b>	253.16
(B)	Weighted average number of equity shares used as denominator for calculating EPS (in Nos.)	<b>1,74,98,433</b>	1,74,98,433
(C)	Basic and diluted earnings per share of face value of Rs. 10 each (Amount in Rs.)	<b>1.34</b>	1.45

**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**

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:

<b>Sr. No.</b>	<b>Name of the Related Party</b>	<b>Relationship</b>
1	Shriyam Broking Intermediary Limited	Subsidiary
2	Shriyam Realtors Private Limited	Step-down Subsidiary
3	Mr. R. Sundaresan - Executive Chairman	Key Managerial Personnel (KMP)
4	Mr. Yogendra Chaturvedi - Executive Director	Key Managerial Personnel (KMP)
5	Mrs. Monika Agrawal - Executive Director & Company Secretary (upto 26.12.2017)	Key Managerial Personnel (KMP)
6	Mrs. Daya Bhalia - Executive Director & Company Secretary (w.e.f. 14.11.2017)	Key Managerial Personnel (KMP)
7	Mr. Prashant Chaturvedi - CFO	Key Managerial Personnel (KMP)

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(ii) Transactions during the year with related parties (excluding reimbursements):

(Rs. In Lakh)

Sr. No.	Nature of Transactions	Subsidiary	(KMP)	Total
1	Loan Given	-	-	-
		(650.00)	-	(650.00)
2	Receipt of Loan Given	-	-	-
		(800.00)	-	(800.00)
3	Interest Received on loan	-	-	-
		(6.37)	-	(6.37)
4	Expenses for Trading Activities toward Brokerage	2.16	-	2.16
		(3.83)	-	(3.83)
5	Payment for remuneration and services	-	43.73	43.73
		-	(45.30)	(45.30)
<b>Balance as at 31st March, 2019</b>				
6	Share capital	1,000.00	-	1,000.00
		(1,000.00)	-	(1,000.00)
7	Short-term loans and advances - Others	4.95	-	4.95
		-	-	-
8	Other Payables	-	-	-
		(4.71)	-	(4.71)

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	2018-19	2017-18
1	<b>Short-term loans and advances given</b>			
	Shriyam Broking Intermediary Limited	Subsidiary	-	650.00
2	<b>Receipt of Short-term loans and advances given</b>			
	Shriyam Broking Intermediary Limited	Subsidiary	-	800.00
3	<b>Interest Received on loan</b>			
	Shriyam Broking Intermediary Limited	Subsidiary	-	6.37
4	<b>Expenses for Trading Activities toward Brokerage</b>			
	Shriyam Broking Intermediary Limited	Subsidiary	2.16	3.83
5	<b>Payment for remuneration and services</b>			
	Mr. R. Sundaresan	KMP	6.50	6.50
	Mr. Yogendra Chaturvedi	KMP	13.67	14.17
	Mrs. Monika Agrawal	KMP	-	8.16
	Mrs. Daya Bhalia	KMP	10.78	5.44
	Mr. Prashant Chaturvedi	KMP	12.78	11.03

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****Note 23**

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

- i) Contribution to Provident Fund of Rs. **1.56 Lakh** (P.Y. Rs. 1.60 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. **0.05 Lakh** (P.Y. Rs. 0.04 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	SUMMARY OF MEMBERSHIP DATA	2018-19	2017-18
	Number of Employees	7.00	7.00
	Average Age (in years)	48.71	47.71
	Average Monthly Salary ( in Rs)	43,163.14	38,417.42
	Average Past Service	6.86	6.00
2	VALUATION METHOD	Projected Unit Credit Method	Projected Unit Credit Method
3	ACTUARIAL ASSUMPTIONS		
	Mortality Rate	LIC(2006-08) Ultimate	LIC(2006-08) Ultimate
	Withdrawal rate	1% to 3% depending on age	1% to 3% depending on age
	Discount Rate	7.5% P.A.	7.5% P.A.
	Salary Escalation	4% P.A.	4% P.A.
4	RESULTS OF VALUATION	(Rs. In Lakh)	(Rs. In Lakh)
	PV of Past Service Benefit	8.72	5.96
	Current Service Cost	0.91	0.84
	Total Service Gratuity	34.34	30.33
	Accrued Gratuity	11.19	7.92
	LCSA	9.78	10.08
	LC Premium	0.04	0.04
	GST/Service Tax	0.01	0.01
	Interest	-	-
5	RECOMMENDED CONTRIBUTION RATE	(Rs. In Lakh)	(Rs. In Lakh)
	Fund Value as on Renewal Date	12.32	14.35
	Additional Contribution for existing fund	-	-
	Current Service Cost	-	-
6	TOTAL AMOUNT PAID	0.05	0.04

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

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

	2018-19	2017-18
Mr. R. Sundaresan	6.50	6.50
Mr. Yogendra Chaturvedi	13.67	14.17
Mrs. Monika Agrawal	-	8.16
Mrs. Daya Bhalia	10.78	5.44

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, 2019

### Note 25

The Company being NBFC is mainly engaged in the business of Investment & Finance Activities in India. All activities of the Company revolve around this main business, and as such, there are no separate reportable segments as per Accounting Standard (AS) 17 on "Segment Reporting".

### Note 26

#### Contingent Liabilities:

(Rs. In Lakh)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Bank Guarantees Outstanding*	-	358.73

\*Bank Guarantee of **Rs. 1,400 Lakh** (P.Y. Rs 1,500 Lakh) is executed by the Shriyam Broking Intermediary Limited (SBIL), the subsidiary company and backed up by the Company in the form of Corporate Guarantee. Out of that **Rs. 1,400 Lakh** (P.Y. Rs 1,141.27 Lakh) is backed up by FD & Lien of Shares held as Investments by SBIL and exposure to the extent of Balance of **Rs. Nil Lakh** (P.Y. Rs 358.73 Lakh) remains as contingent with the Company.

### Note 27

#### Disputed Tax Liabilities:

The Income-Tax assessments of the company have been completed up to the assessment year 2016-17. The disputed demand outstanding up to the said assessment year is **Rs. 24.47 Lakh** against which company has paid **Rs. 3.93 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 28

CSR Expenditure include expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: **Rs. Nil Lakh** (P.Y. Rs. 7.60 Lakh).

Gross amount required to be spent as per aforesaid provision is **Rs. Nil Lakh**.

### Note 29

Details of Loans given, Investments made, Guarantees given and Securities provided during the year covered under Section 186(4) of the Companies Act, 2013:

- i) Loans given by company to body corporates as at 31st March, 2019 - (Refer Note No. 14)
- ii) Investment made by Company as at 31st March, 2019 - (Refer Note No. 9)

### Note 30

Unhedge foreign currency exposure as at 31st March, 2019 is Rs. Nil (P.Y. Rs. Nil)

### Note 31

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



## (Rs. In Lakh)

(Rs. In Lakh)

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## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. In Lakh)

Particulars	Amount outstanding	
	31.03.2019	31.03.2018
(5) Break-up of Investments		
Current Investments (including Stock in trade):		
1 Quoted		
(i) Shares		
(a) Equity	3,262.06	2,652.28
(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)	-	-
Long Term investments:		
1 Quoted		
(i) Shares		
(a) Equity	4,474.04	5,143.68
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2 Unquoted		
(i) Shares		
(a) Equity	1,000.08	1,000.08
(b) Preference	225.00	225.00
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	229.25	251.90
(iv) Government Securities	-	-
(v) Others - Gold & Silver	139.37	139.37

(Rs. In Lakh)

Category	Amount net of provisions			
	Secured		Unsecured	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
(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) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2 Other than related parties	-	-	498.75	498.75
<b>Total</b>	-	-	<b>498.75</b>	<b>498.75</b>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

(Rs. In Lakh)

Category		Market Value / Break up or fair value or NAV		Book Value (Net of Provisions)	
		31.03.2019	31.03.2018	31.03.2019	31.03.2018
(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					
1	1 Related Parties **				
	(a) Subsidiaries	4,380.39	4,356.99	1,000.00	1,000.00
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
2	2 Other than related parties	21,942.36	17,227.11	8,190.43	8,272.94
<b>Total</b>		<b>26,322.75</b>	<b>21,584.10</b>	<b>9,190.43</b>	<b>9,272.94</b>
** As per Accounting Standard of ICAI (Please see Note 3)					

(Rs. In Lakh)

Particulars	31.03.2019	31.03.2018
(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 :

- As defined in point xix of paragraph 3 of Chapter -2 of these Directions.
- Provisioning norms shall be applicable as prescribed in these Directions.
- 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 J. Kala & Associates**  
Chartered Accountants  
FRN 118769W

**For and on behalf of the Board****Jayesh Kala**

Partner

M No. 101686

Place :- Mumbai

Date :- 27<sup>th</sup> May, 2019**Yogendra Chaturvedi****Daya Bhalia****Devesh Vasavada****Charul Abuwala****Prashant Chaturvedi**

(Executive Director &amp; CEO)

(Executive Director &amp; Company Secretary)

(Director)

(Director)

(CFO)

# **SHARDUL**

## **SECURITIES LIMITED**



**CONSOLIDATED  
FINANCIAL STATEMENTS  
2018 - 2019**

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Shardul Securities Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of **Shardul Securities Limited** (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss, and the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").
2. 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 Companies Act, 2013 ("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 consolidated state of affairs of the Company as at March 31, 2019, of consolidated profit and its consolidated cash flows for the year then ended.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

#### Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.
6. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

16. The consolidated financial statements of the Company for the year ended March 31, 2018, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 29, 2018, expressed an unmodified opinion on those financial statements.

**Report on Other Legal and Regulatory Requirements**

17. 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 purposes 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 it appears from our examination of those books and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197 (16) of the act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 27.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts as at March 31, 2019.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

**For J. Kala & Associates**  
Firm Registration Number: 118769W  
Chartered Accountants

**Jayesh Kala**  
Partner

Membership Number: 101686

Place: Mumbai  
Date: 27<sup>th</sup> May 2019



## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 17(f) of the Independent Auditors' Report of even date to the members of **Shardul Securities Limited** on the consolidated financial statements for the year ended **March 31, 2019**

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended **March 31, 2019**, we have audited the internal financial controls over financial reporting of **Shardul Securities Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding company and its subsidiary companies together referred to as "the Group"), which are companies incorporated in India, as of that date.

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

2. The respective Board of Directors of the Holding company, its subsidiary companies, , to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 to the respective 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 preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

3. 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 Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing 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 ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.
4. 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

5. 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 generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:
  - (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
  - (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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**

6. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the 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**

7. In our opinion, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019 , 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.

For **J. Kala & Associates**  
Firm Registration Number: 118769W  
Chartered Accountants

**Jayesh Kala**  
Partner  
Membership Number: 101686

Place: Mumbai  
Date: 27<sup>th</sup> May 2019

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs. In Lakh)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	1,749.84	1,749.84
(b) Reserves and Surplus	2	12,914.88	12,776.02
		<u>14,664.72</u>	<u>14,525.86</u>
<b>Non-Current Liabilities</b>			
(a) Deferred Tax Liability	3	198.17	187.17
(b) Other Non-Current Liabilities	4	45.00	45.00
		<u>243.17</u>	<u>232.17</u>
<b>Current Liabilities</b>			
(a) Trade payables			
Micro, Small and Medium Enterprises	5	-	-
Others		159.49	215.29
(b) Other Current Liabilities	6	57.25	59.98
(c) Short-Term Provisions	7	1.25	1.25
		<u>217.99</u>	<u>276.52</u>
<b>TOTAL</b>		<u><u>15,125.88</u></u>	<u><u>15,034.55</u></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property Plant & Equipment	8		
(i) Tangible Assets		1,752.79	1,788.74
(ii) Intangible Assets		177.39	177.16
		<u>1,930.18</u>	<u>1,965.90</u>
(b) Non-Current Investments	9	7,801.60	8,588.45
(c) Long-Term Loans and Advances	10	362.10	330.61
		<u>10,093.88</u>	<u>10,884.96</u>
<b>Current Assets</b>			
(a) Inventories	11	3,392.78	2,652.28
(b) Trade Receivables	12	22.72	112.16
(c) Cash and Cash Equivalents	13	1,075.85	861.60
(d) Short-Term Loans and Advances	14	540.65	523.19
(e) Other current assets		-	0.36
		<u>5,032.00</u>	<u>4,149.59</u>
<b>TOTAL</b>		<u><u>15,125.88</u></u>	<u><u>15,034.55</u></u>
Significant Accounting Policies	A to S		
Notes on Consolidated Financial Statement	1 to 32		

As per our report of even date  
**For J. Kala & Associates**  
Chartered Accountants  
FRN 118769W

**For and on behalf of the Board**

**Jayesh Kala**

Partner

M No. 101686

Place :- Mumbai

Date :- 27<sup>th</sup> May, 2019

**Yogendra Chaturvedi**

**Daya Bhalia**

**Devesh Vasavada**

**Charul Abuwala**

**Prashant Chaturvedi**

(Executive Director & CEO)

(Executive Director & Company Secretary)

(Director)

(Director)

(CFO)

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**

(Rs. In Lakh)

Particulars	Note No.	2018-19	2017-18
<b>INCOME</b>			
Revenue from Operations	15	<b>465.94</b>	604.39
Other Income	16	<b>224.85</b>	157.36
<b>Total Revenue</b>		<b>690.79</b>	761.75
<b>EXPENDITURE</b>			
(a) Employee Benefits Expense	17	<b>134.67</b>	115.00
(b) Finance Costs	18	<b>58.77</b>	61.54
(c) Depreciation and Amortisation Expense	8	<b>40.81</b>	41.23
(d) Other Expenses	19	<b>141.92</b>	172.98
(e) Contingent Provisions against Standard Assets		-	(2.99)
<b>Total Expenses</b>		<b>376.17</b>	387.76
<b>Profit before Tax</b>		<b>314.62</b>	373.99
<b>Tax Expense:</b>			
(a) Current Tax		<b>38.40</b>	53.95
(b) Deferred Tax		<b>11.00</b>	(26.76)
		<b>49.40</b>	27.19
<b>Profit for the year</b>		<b>265.22</b>	346.80
<b>Profit / (Loss) from Associates</b>		-	-
<b>Profit for the year</b>		<b>265.22</b>	346.80
<b>Earnings per equity share of face value of Rs. 10/- each:</b>	20		
(a) Basic (In Rs.)		<b>1.52</b>	1.98
(b) Diluted (In Rs.)		<b>1.52</b>	1.98
Significant Accounting Policies	A to S		
Notes on Consolidated Financial Statement	1 to 32		

As per our report of even date  
**For J. Kala & Associates**  
Chartered Accountants  
FRN 118769W

**For and on behalf of the Board**

**Jayesh Kala**

Partner

M No. 101686

Place :- Mumbai

Date :- 27<sup>th</sup> May, 2019

**Yogendra Chaturvedi**

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**Prashant Chaturvedi**

(Executive Director & CEO)

(Executive Director & Company Secretary)

(Director)

(Director)

(CFO)

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. In Lakh)

	2018-19	2017-18
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit / (Loss) before tax, as per Statement of Profit and Loss</b>	<b>314.62</b>	373.99
<b>Adjusted for:</b>		
Depreciation and Amortisation Expenses	40.81	41.23
Contingent Provisions against Standard Assets	-	(2.99)
(Profit) / Loss on sale of Investments	(86.08)	(177.36)
Rent Income	(86.85)	(32.10)
Dividend received on Investments	(133.77)	(121.71)
	(265.89)	(292.93)
<b>Operating Profit / (Loss) before working capital changes</b>	<b>48.73</b>	81.06
<b>Adjusted for:</b>		
Trade & Other Receivables	89.80	804.63
Inventories	(740.50)	(543.48)
Trade & Other Payables	(55.61)	(1,746.71)
	(706.31)	(1,485.56)
<b>Cash generated from / (used in) operations</b>	<b>(657.58)</b>	(1,404.50)
Income Tax paid	(69.35)	(33.86)
<b>Net Cash from / (used) in Operating Activities</b>	<b>(726.93)</b>	(1,438.36)
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(5.09)	(0.68)
Purchase of investments	(597.59)	(3,584.59)
Sale of investments	1,470.52	2,192.98
Rent Income	86.85	32.10
Dividend received on investments	133.77	121.71
Loans & Advances (Long-Term)	(0.54)	1,624.74
Loans & Advances (Short-Term)	(17.46)	113.59
<b>Net Cash from / (used) in investment activities</b>	<b>1,070.46</b>	499.85
<b>C. Cash Flow from Financing Activities</b>		
Dividend paid on Equity Shares including tax	(129.28)	(125.96)
Unsecured Loan taken (net)	-	(1,115.00)
<b>Net cash from / (used) in Financing Activities</b>	<b>(129.28)</b>	(1,240.96)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>214.25</b>	(2,179.46)
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>861.60</b>	3,041.07
<b>Closing Balance of Cash and Cash Equivalents (Refer Note No. 13)*</b>	<b>1,075.85</b>	861.60

\* Balances with Banks includes Unclaimed Dividend of Rs. 26.52 Lakhs  
(P.Y. Rs. 29.44 Lakhs )

Note: The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard - 3.

As per our report of even date  
**For J. Kala & Associates**  
Chartered Accountants  
FRN 118769W

**For and on behalf of the Board**

**Jayesh Kala**

Partner

M No. 101686

Place :- Mumbai

Date :- 27<sup>th</sup> May, 2019

**Yogendra Chaturvedi**

**Daya Bhalia**

**Devesh Vasavada**

**Charul Abuwala**

**Prashant Chaturvedi**

(Executive Director & CEO)

(Executive Director & Company Secretary)

(Director)

(Director)

(CFO)

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

### 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:

- 1) The consolidated financial statements relate to Shardul Securities Limited ('the Company') and its subsidiary companies (collectively referred to as "Group")
- 2) **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) Use of Estimates:

The preparation of Financial Statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions 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.

#### (E) Property Plant & Equipment

- 1) The Property Plant & Equipment 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 Property Plant & Equipment are capitalised till the asset is put to use.
- 2) In case of Subsidiary: Stock Exchange Membership card right have been shown as Fixed Assets and stated at cost.

#### (F) Depreciation:

- 1) Depreciation on Property Plant & Equipment 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.
- 2) In case of Subsidiary: No depreciation is provided on Stock Exchange Membership Card.

#### (G) Investments:

- 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.

#### (H) 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.

#### (I) Loans:

Advances are classified into performing advances and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of specific provision made towards NPAs. Further, NPAs are classified into substandard, doubtful and loss assets based on the criteria stipulated by the RBI. Provisions for NPAs are made at rates as prescribed by the RBI.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****SIGNIFICANT ACCOUNTING POLICIES****(J) 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.

**(K) 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.

**(L) Borrowing Costs:**

Borrowing Costs which are directly attributable to the acquisition / construction of qualifying 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.

**(M) Revenue Recognition:**

- 1) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- 2) Interest income is accounted on accrual basis except in the case of non-performing loans where it is recognised upon realisation, as per the prescribed by RBI.
- 3) Revenue is recognised on accrual basis and no significant uncertainty exists as to its realization or collection except dividend income which is accounted in the year in which it is received.
- 4) In case of Subsidiary: Brokerage income is accounted in the year in which it fall due and is exclusive of service tax/GST.

**(N) 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.

**(O) Miscellaneous Expenditure:**

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

**(P) 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.

**(Q) 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.

**(R) 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.

**(S) 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.



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****(Rs. In Lakh)**

<b>Particulars</b>		<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>Note 1 - Share Capital</b>			
<b>(A) SHARE CAPITAL:</b>			
<b><u>Authorised Share Capital</u></b>			
<b>10,00,00,000</b> (10,00,00,000) Equity Shares of Rs. 10 each		<b>10,000.00</b>	10,000.00
		<b>10,000.00</b>	10,000.00
<b><u>Issued, Subscribed and Paid up</u></b>			
<b>1,74,98,433</b> (1,74,98,433) Equity Shares of Rs. 10 each (Fully Paid up)		<b>1,749.84</b>	1,749.84
		<b>1,749.84</b>	1,749.84

<b>(B) The reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year</b>			
<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>	
No. of Shares outstanding at the beginning of the year	<b>1,74,98,433</b>	1,74,98,433	
Addition during the year	-	-	
Deletion during the year	-	-	
No. of Shares outstanding at the end of the year	<b>1,74,98,433</b>	1,74,98,433	

**(C) Par value per share:**

The par value of Equity Shares is Rs.10/-.

**(D) The rights, preferences and restrictions attached to each class of shares including to restrictions on the distribution of dividends and repayment of capital:**

**Equity Shares-** The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The equity shareholders are entitled to dividend only if dividend in a particular financial year is recommended by the Board of Directors and approved by the members at the annual general meeting of that year. In case of winding up, if the assets available for distribution are less than the paid up share capital, then the shortfall will be borne by the members proportionately. Where there is an excess, the same shall be distributed proportionately among the members.

**(E) The details of Shareholders holding more than 5% shares :**

<b>Sr. No.</b>	<b>Name of Shareholder</b>	<b>As at 31st March, 2019</b>		<b>As at 31st March, 2018</b>	
		<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
(i)	Gagan D Chaturvedi	<b>28,36,185</b>	<b>16.21</b>	28,36,185	16.21
(ii)	Devesh D Chaturvedi	<b>19,02,419</b>	<b>10.87</b>	19,02,419	10.87
(iii)	Brijesh D Chaturvedi	<b>9,99,867</b>	<b>5.71</b>	9,99,867	5.71
(iv)	Angular Trading Pvt Ltd	<b>9,81,843</b>	<b>5.61</b>	9,81,843	5.61
(v)	Rajesh D Chaturvedi	<b>26,05,586</b>	<b>14.89</b>	26,05,586	14.89
(vi)	A to Z Broking Services LLP	<b>21,18,400</b>	<b>12.11</b>	21,18,400	12.11
(vii)	Shriyam Commodities Intermediary LLP	<b>9,32,000</b>	<b>5.33</b>	9,32,000	5.33

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

(Rs. In Lakh)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
<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	-	6.90	-	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	-	2,666.69	-	2,666.69
<b>(C) General Reserve</b>				
Balance as per the last financial statement	328.58		328.58	
Add : Amount transferred from surplus balance in the Statement of Profit and Loss	-	328.58	-	328.58
<b>(D) Statutory Reserve Fund (As per RBI Guidelines)</b>				
Balance as per the last financial statement	2,143.29		2,092.66	
Add : Amount transferred from surplus balance in the Statement of Profit and Loss	46.86	2,190.15	50.63	2,143.29
(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	7,630.56		7,334.39	
Add : Profit for the year	265.22		346.80	
Amount available for Appropriations	7,895.78		7,681.19	
<b><u>Less : Appropriations</u></b>				
Transferred to Statutory Reserve Fund (As per RBI Guidelines)	46.86		50.63	
Dividend Paid on Equity Shares [Dividend per Share Re 0.6]	104.99		-	
Tax on Dividend Paid	21.37		-	
		7,722.56		7,630.56
<b>Total</b>		<b>12,914.88</b>		<b>12,776.02</b>
<b>Note 3 - Deferred Tax Liability (net)</b>				
<b>Deferred Tax Liability</b>				
Related to Fixed Assets		208.28		187.17
<b>Deferred Tax Assets</b>				
Unabsorbed Depreciation		10.11		-
<b>Total</b>		<b>198.17</b>		<b>187.17</b>
<b>Note 4 - Other Non-Current Liabilities</b>				
(a) Security Deposit - Rent		45.00		45.00
<b>Total</b>		<b>45.00</b>		<b>45.00</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

### 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, 2019	As at 31st March, 2018
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>26.52</b>	29.44
(b) GST Payable	<b>1.43</b>	1.28
(c) Other Payables **	<b>29.30</b>	29.26
<b>Total</b>	<b>57.25</b>	59.98

\* 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>1.25</b>	1.25
<b>Total</b>	<b>1.25</b>	1.25

### Note 8 - Property Plant & Equipment

(Rs. In Lakh)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April, 2018	Additions	Deductions/ Adjustments	As at 31st March, 2019	Upto 31st March, 2018	For the Year	Deductions/ Adjustments	Upto 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
<b>Tangible Assets:</b>										
<b>Own Assets:</b>										
Office Premises	2,198.11	-	-	2,198.11	437.92	33.45	-	471.37	1,726.74	1,760.19
Computers	8.10	0.41	-	8.51	4.06	1.29	-	5.35	3.16	4.04
Furniture and Fixtures	139.02	-	-	139.02	128.20	3.87	-	132.07	6.95	10.82
Vehicles	51.54	-	-	51.54	41.84	1.48	-	43.32	8.22	9.70
Office Equipment	91.07	3.96	-	95.03	87.08	0.23	-	87.31	7.72	3.99
<b>Total (A)</b>	<b>2,487.84</b>	<b>4.37</b>	<b>-</b>	<b>2,492.21</b>	<b>699.10</b>	<b>40.32</b>	<b>-</b>	<b>739.42</b>	<b>1,752.79</b>	<b>1,788.74</b>
<b>Intangible Assets</b>										
Computer Software	3.05	0.72	-	3.77	1.39	0.49	-	1.88	1.89	1.66
Stock Exchange Membership Card	175.50	-	-	175.50	-	-	-	-	175.50	175.50
<b>Total (B)</b>	<b>178.55</b>	<b>0.72</b>	<b>-</b>	<b>179.27</b>	<b>1.39</b>	<b>0.49</b>	<b>-</b>	<b>1.88</b>	<b>177.39</b>	<b>177.16</b>
<b>Grand Total (A+B)</b>	<b>2,666.39</b>	<b>5.09</b>	<b>-</b>	<b>2,671.48</b>	<b>700.49</b>	<b>40.81</b>	<b>-</b>	<b>741.30</b>	<b>1,930.18</b>	<b>1,965.90</b>
Previous Year	2,665.71	0.68	-	2,666.39	659.26	41.23	-	700.49	1,965.90	

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, 2019

(Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Note 9 - Non Current Investments</b>		
(a) In Others*	7,801.60	8,588.45
<b>Total</b>	<b>7,801.60</b>	<b>8,588.45</b>
*Refer Standalone Accounts for investment details.		
<b>Note 10 - Long - Term Loans and Advances</b>		
(Unsecured and Considered Good)		
(a) Security Deposits	263.58	263.04
(b) Advance Income Tax (Net of Provision)	98.52	67.57
<b>Total</b>	<b>362.10</b>	<b>330.61</b>
<b>Note 11 - Inventories</b>		
(a) Stock-in-Trade	3,392.78	2,652.28
<b>Total</b>	<b>3,392.78</b>	<b>2,652.28</b>
<b>Note 12 - Trade Receivables</b>		
(Unsecured and Considered Good)		
(a) Outstanding for a period exceeding six months from due date	-	-
(b) Others	22.72	112.16
<b>Total</b>	<b>22.72</b>	<b>112.16</b>
<b>Note 13 - Cash and Cash Equivalents</b>		
(a) Cash on Hand	-	0.50
(b) Balances with Banks		
In Current Accounts*	693.08	486.10
In Fixed Deposits** (Maturity within one year)	382.77	375.00
<b>Total</b>	<b>1,075.85</b>	<b>861.60</b>
* Balances with Banks includes Unclaimed Dividend of Rs. 26.52 Lakhs ( P.Y. Rs. 29.44 Lakhs )		
**Lien/Pledge with the banks against Bank Guarantee.		
<b>Note 14 - Short - Term Loans and Advances</b>		
(Unsecured and Considered Good)		
(a) Inter Corporate Deposits	500.00	500.00
(b) Prepaid Expenses	5.13	4.81
(c) Interest receivable	19.29	15.08
(d) Others	16.23	3.30
<b>Total</b>	<b>540.65</b>	<b>523.19</b>

(Rs. In Lakh)

Particulars	2018-19	2017-18
<b>Note 15 - Revenue from Operations</b>		
(a) Profit/ (loss) on dealing in securities (Net)	210.70	207.68
(b) Income from Advisory Fees and Services	-	27.53
(c) Interest Income	80.82	75.34
(d) Net Profit / (Loss) on Sale of Investments	86.08	177.36
(e) Brokerage	88.34	116.48
<b>TOTAL</b>	<b>465.94</b>	<b>604.39</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****(Rs. In Lakh)**

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
<b>Note 16 - Other Income</b>		
(a) Dividend Income	133.77	121.71
(b) Rent Income	86.85	32.10
(c) Bad Debts Recovery	0.77	-
(d) Miscellaneous Income	3.46	3.55
<b>TOTAL</b>	<b>224.85</b>	<b>157.36</b>
<b>Note 17 - Employee Benefits Expense</b>		
(a) Salaries and Wages	130.42	112.24
(b) Contribution to Provident and Other Funds	2.96	2.62
(c) Staff Welfare Expenses	0.03	0.05
(d) Premium towards Group Gratuity Scheme	1.26	0.09
<b>TOTAL</b>	<b>134.67</b>	<b>115.00</b>
<b>Note 18 - Finance Cost</b>		
(a) Interest Expenses	58.77	61.54
<b>TOTAL</b>	<b>58.77</b>	<b>61.54</b>
<b>Note 19 - Other Expenses</b>		
<b>(A) Payment to Auditors (excluding GST)</b>		
(a) Statutory Audit Fees	2.90	2.90
(b) Tax Audit Fees	0.70	0.70
(c) Other Services	0.35	0.35
<b>(B) Operating / Administrative and General Expenses</b>		
(a) Rates and Taxes	31.51	29.86
(b) Rent	2.40	1.50
(c) Other Repairs :		
i) Equipments	3.67	3.80
ii) Office Premises	2.66	5.88
(d) Travelling & Conveyance	3.34	3.19
(e) Telephone and lease line charges	7.29	5.11
(f) Bank Guarantee Commission	11.07	9.17
(g) Directors Sitting Fees	1.24	1.26
(h) Business Promotion	0.78	1.14
(i) Printing & Stationary	2.42	3.24
(j) Electricity Charges	9.18	11.63
(k) Securities Transaction Tax	7.77	12.24
(l) Fees & Subscription	11.68	9.17
(m) Professional Fees	9.04	23.32
(n) Stamp Duty Charges	9.18	12.17
(o) Advertisement	1.01	0.99
(p) Insurance	4.30	2.91
(q) CSR Expenses	-	7.60
(r) Motor Car Expenses	7.13	7.28
(s) Transaction Charges	3.67	5.07
(t) Exchange General Charges	0.52	0.56
(u) Bank & Demat Charges	4.49	4.45
(v) Miscellaneous Expenses	3.62	7.49
<b>TOTAL</b>	<b>141.92</b>	<b>172.98</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. In Lakh)

Particulars	2018-19	2017-18
<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)	<b>265.22</b>	346.80
(B) Weighted average number of equity shares used as denominator for calculating EPS (in Nos.)	<b>1,74,98,433</b>	1,74,98,433
(C) Basic and diluted earnings per share of face value of Rs. 10 each (Amount in Rs.)	<b>1.52</b>	1.98

### 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

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

### Note 23

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 Realtors Private Limited	Step-down Subsidiary
3	Mr. R. Sundaresan - Executive Chairman (Director in Subsidiary)	Key Managerial Personnel (KMP)
4	Mr. Yogendra Chaturvedi - Executive Director (Director in Subsidiary)	Key Managerial Personnel (KMP)
5	Mrs. Monika Agrawal - Executive Director & Company Secretary (upto 26.12.2017)	Key Managerial Personnel (KMP)
6	Mrs. Daya Bhalia - Executive Director & Company Secretary (w.e.f. 14.11.2017)	Key Managerial Personnel (KMP)
7	Mr. Prashant Chaturvedi - CFO	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)

- (ii) Transactions during the year with related parties (excluding reimbursements):

(Rs. In Lakh)

Sr. No.	Nature of Transactions	(KMP)	Total
1	Payment for remuneration and services	<b>63.67</b>	<b>63.67</b>
		(63.28)	(63.28)

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	2018-19	2017-18
2	<b>Payment for remuneration and services</b>			
	Mr. R. Sundaresan	KMP	<b>6.50</b>	6.50
	Mr. Yogendra Chaturvedi	KMP	<b>13.67</b>	14.17
	Mrs. Monika Agrawal	KMP	-	8.16
	Mrs. Daya Bhalia	KMP	<b>10.78</b>	5.44
	Mr. Prashant Chaturvedi	KMP	<b>12.78</b>	11.03
	Mr. Suresh Chaturvedi	KMP	<b>12.16</b>	11.05
	Mr. Gaurav Chaturvedi	KMP	<b>7.78</b>	6.93

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****Note 24**

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

- i) Contribution to Provident Fund of Rs. **2.96 Lakh** (P.Y. Rs. 2.62 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. **1.26 Lakh** (P.Y. Rs. 0.09 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)**

		2018-19	2017-18
1	VALUATION METHOD	<b>Projected Unit Credit Method</b>	Projected Unit Credit Method
2	ACTUARIAL ASSUMPTIONS		
	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>7.5% P.A.</b>	7.5% P.A.
	Salary Escalation	<b>4% P.A.</b>	4% P.A.
3	RESULTS OF VALUATION	<b>(Rs. In Lakh)</b>	<b>(Rs. In Lakh)</b>
	PV of Past Service Benefit	<b>12.80</b>	9.12
	Current Service Cost	<b>1.83</b>	1.53
	Total Service Gratuity	<b>57.55</b>	49.18
	Accrued Gratuity	<b>16.89</b>	12.44
	LCSA	<b>27.29</b>	24.41
	LC Premium	<b>0.11</b>	0.09
	GST/Service Tax	<b>0.02</b>	0.02
	Interest	<b>-</b>	-
4	RECOMMENDED CONTRIBUTION RATE	<b>(Rs. In Lakh)</b>	<b>(Rs. In Lakh)</b>
	Fund Value as on Renewal Date	<b>16.20</b>	17.89
	Additional Contribution for existing fund	<b>0.21</b>	-
	Current Service Cost	<b>0.92</b>	-
5	TOTAL AMOUNT PAID	<b>1.26</b>	0.09

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

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

	2018-19	2017-18
Mr. R. Sundaresan	<b>6.50</b>	6.50
Mr. Yogendra Chaturvedi	<b>13.67</b>	14.17
Mrs. Monika Agrawal	<b>-</b>	8.16
Mrs. Daya Bhalia	<b>10.78</b>	5.44
Mr. Suresh Chaturvedi	<b>12.16</b>	11.05

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, 2019

### Note 26

#### Contingent Liabilities:

(Rs. In Lakh)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Bank Guarantees Outstanding of Group	1,400.00	1,500.00

### Note 27

#### Disputed Tax Liabilities:

The Income-Tax assessments of the company have been completed up to the assessment year 2016-17. The disputed demand outstanding up to the said assessment year is **Rs. 25.91** Lakh against which company has paid **Rs. 4.86** 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 28

Unhedge foreign currency exposure as at 31st March, 2019 is Rs. Nil (P.Y. Rs. Nil)

### 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 Realtors 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	70.07	10,275.78	88.33	234.28
<b>Subsidiaries - Indian</b>				
Shriyam Broking Intermediary Limited	28.85	4,230.38	8.82	23.39
Shriyam Realtors Private Limited	1.08	158.56	2.85	7.55

Names of Subsidiary which are yet to commence operation - Shriyam Realtors Private Limited

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****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 and Finance activities		Others activities		Unallocated		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b><u>Segment Revenue</u></b>								
Total Revenue	<b>527.70</b>	560.05	<b>165.25</b>	211.90	-	-	<b>692.95</b>	771.95
Inter Segment	-	(6.37)	<b>(2.16)</b>	(3.83)	-	-	<b>(2.16)</b>	(10.20)
Net Revenue from Operations	<b>527.70</b>	553.68	<b>163.09</b>	208.07	-	-	<b>690.79</b>	761.75
<b><u>Segment Result</u></b>								
Segment Result (Before Interest & Tax)	<b>343.50</b>	340.22	<b>29.89</b>	95.31	-	-	<b>373.39</b>	435.53
Less: Finance Cost (Including Financial Charges)	<b>58.77</b>	54.86	-	6.68	-	-	<b>58.77</b>	61.54
<b>Profit before Tax</b>	<b>284.73</b>	285.36	<b>29.89</b>	88.63	-	-	<b>314.62</b>	373.99
Less: Provision for Tax	-	-	-	-	<b>49.40</b>	27.19	<b>49.40</b>	27.19
<b>Profit after Tax</b>	<b>284.73</b>	285.36	<b>29.89</b>	88.63	<b>(49.40)</b>	(27.19)	<b>265.22</b>	346.80
<b><u>Capital Employed</u></b>								
Segment Assets	<b>10,463.72</b>	10,367.04	<b>4,563.64</b>	4,599.95	<b>98.52</b>	67.57	<b>15,125.88</b>	15,034.56
Segment Liabilities	<b>78.56</b>	85.82	<b>184.43</b>	235.71	<b>198.17</b>	187.17	<b>461.16</b>	508.70
Depreciation	<b>31.62</b>	32.09	<b>9.19</b>	9.14	-	-	<b>40.81</b>	41.23

Note 32.1 -

- i) Being NBFC Company, Investment and Finance activities includes investment and lending 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 J. Kala & Associates**  
Chartered Accountants  
FRN 118769W

**For and on behalf of the Board**

**Jayesh Kala**

Partner

M No. 101686

Place :- Mumbai

Date :- 27<sup>th</sup> May, 2019

**Yogendra Chaturvedi**

(Executive Director & CEO)

**Daya Bhalia**

(Executive Director & Company Secretary)

**Devesh Vasavada**

(Director)

**Charul Abuwala**

(Director)

**Prashant Chaturvedi**

(CFO)

## 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 34<sup>th</sup> Annual General Meeting of the Company being held on Thursday, 12<sup>th</sup> September 2019 at 10.00 a.m. at Senate II, 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 .....

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 34<sup>th</sup> Annual General Meeting of the company, to be held on Thursday, 12<sup>th</sup> September 2019 at 10.00 a.m. at Senate II, 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	To declare dividend on the Paid-up Equity Share Capital of the Company.		
3	Re-appointment of Ms. Daya Bhalia, who retires by rotation.		
4	Re-appointment of Mr. Charul Abuwala as Independent Director.		
6	Appointment of Mr. Lalit Shah as Independent Director.		

Signed this..... day of .....2019

Signature of shareholder : .....

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

Affix  
Rs. 1/-  
Revenue  
Stamp

Note: (1) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**

(2) For the Resolutions, Explanatory Statement and Notes, Please refer to the Notice of the 34<sup>th</sup> Annual General Meeting.

\*(3) It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.

(4) Please complete all details including details of member(s) in above box before submission.





*If Undelivered Please return to:*

**SHARDUL  
SECURITIES LIMITED**

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