

Ref: MSSL/0017/2019-2020

August 30, 2019

The Secretary,
Stock Exchange, Mumbai,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai-400 001.

Dear Sir,

Sub: Notice of 80th Annual General Meeting & Annual Report for the FY 18-19.


The 80th Annual General Body Meeting of the Company has fixed on Friday, September 27, 2019 at 11. a.m. at the Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers, Opp Churchgate Railway Station, Mumbai-400020

Notice of the 80th Annual General Meeting alongwith the Annual Report for the FY 18-19 is enclosed herewith for your reference and record.

Further pursuant to the provisions of section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (LODR) Regulations, 2015 the Company is providing the facilities to its members to cast vote by electronic means on all resolutions specified in the Notice convening the AGM (Remote E-voting). The remote e-voting facility will commence on Tuesday, September 24, 2019 from 9:00 A.M. (IST.) and will end on Thursday, September 26, 2019 at 5:00 P.M. (IST.). The remote e-voting shall not be allowed beyond the above said dates and time. The Company has engaged the services of Link Intime India Private Limited (LIPL) to provide the Remote E-Voting services to its members

Thanking you,

Yours faithfully,
For Modern Shares and Stockbrokers Limited


Anil S Manghnani
Whole Time Director

DIN No.00012806

*Creating
wealth
through
Equity*

Modern
Shares And
Stockbrokers
Limited

ANNUAL REPORT & ACCOUNTS
2018 - 2019

Board of Directors

Mr. Ashok T Kukreja - (DIN. 00463526)**
Chairperson & Non-executive Director (Independent)

Mr. U. K. Mallik - (DIN. 00012099)* (upto 11-02-2019)
Chairperson & Non-executive Director (Independent)

Mr. Ghansham Shewakramani - (DIN. 00413343)
Non-executive Director

Mrs. Roshan Advani Patheria - (DIN. 00651144)
Non-executive Director

Mr. Narendra H Advani - (DIN. 03351909)
Non-executive Director

Mr. Anil S. Manghnani - (DIN. 00012806)
Whole Time Director

Mr. Pankaj R Ved - (DIN. 00207079)*** (w.e. from 01-04-2019)
Non-executive Additional Director (Independent)

Mr. R. N. Shenvi
CFO (KMP)

Ms. Vibha Dinesh Mehta
Company Secretary & Compliance Officer

Auditors :

M/s. Baheti & Co.
Chartered Accountants

Registered Office :
Wankhede Stadium, North Stand,
Staircase No.13, 'D' Road,
Churchgate, Mumbai - 400 020.
CIN : L45200MH1939PLC002958
Website : www.modernshares.com
TEL : (022) 4212 2400 (10 Lines)
FAX : (022) 4212 2441
EMAIL: modernshare@hotmail.com

Registrar and Share Transfer Agent :
LINK INTIME INDIA PVT. LTD.
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai 400083.

Bankers

Axis Bank Limited

Audit Committee

Mr. Ashok T. Kukreja (Chairperson)
Mr. U. K. Mallik* (upto 11-02-2019)
Mr. Pankaj R. Ved***
Mr. Anil S Manghnani

Nomination And Remuneration Committee

Mr. U. K. Mallik (Chairperson)* (upto 11-02-2019)
Mr. Ashok T Kukreja (Chairperson)**
Mr. Pankaj R. Ved***
Mrs. Roshan Advani Patheria

Stake Holder & Grievance Committee

Mr. U. K. Mallik (Chairperson)* (upto 11-02-2019)
Mr. Ashok T Kukreja (Chairperson)**
Mr. Pankaj R. Ved***
Mr. Ghansham Shewakramani

*Mr. U.K. Mallik Ceased to be a Director With effect from 11/02/2019 due to Death

**Mr. Ashok T. Kukreja Became the Chairperson of the Company with effect from 01/04/2019

***Mr. Pankaj R. Ved - appointed as Non - executive Additional Director (Independent) with effect from 01/04/2019 and also became members of all the Committees.

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In view of the high cost of paper and printing, the practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued. You are, therefore, requested to bring your copy of the Annual Report to the meeting.

NOTICE

NOTICE is hereby given that the **Eightieth** Annual General Meeting of the members of **Modern Shares and Stockbrokers Limited (CIN:L45200MH1939PLC002958)** will be held at Kilachand Hall, Indian Merchant Chambers, 2nd Floor, Opp. Churchgate Station, Churchgate, Mumbai - 400020 on Friday, September 27, 2019 at 11.00 a.m. to transact the following Business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements and Cash Flow Statement of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Roshan Advani Patheria (DIN: 00651144), who retires by rotation and is eligible for re-appointment.

SPECIAL BUSINESS

3. To re-appoint Mr. Anil Sugno Manghnani (DIN: 00012806) as Whole-time Director of the Company for a further period of 5 (five) years.

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company, be and is hereby accorded for the re-appointment of Mr. Anil Sugno Manghnani (DIN: 00012806) as Whole-time Director of the Company for a period of 5 (five) years effective from 1st July, 2019 to 30th June, 2024 who was appointed as a Whole-time Director with effect from 1st July, 2014 and whose five years term expires on 30th June, 2019 and who has given his consent for his re-appointment and is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his re-appointment and whose re-appointment has

been recommended by the Nomination and Remuneration Committee and by the Board of Directors for the office on the following terms and conditions of appointment and remuneration as contained in the draft agreement, a copy whereof duly initialed by the Chairman for the purpose of identification is placed before the meeting, and the Board of Directors be and are hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 as may be agreed to by the Board of Directors and the Whole-time Director.”

1. Salary : Rs. 70,000/- per month
2. Perquisites
 - a. All Perquisites, the amount of which shall in aggregate not exceed one month salary in every year.
 - b. Provident Fund, Superannuation, Leave Encashment and Gratuity as specified in Section IV (1) of Part II of Schedule V of the Act shall not be included in the computation of the ceiling on the remuneration specified in Section II & Section III of Part II of Schedule V of the Act.
 - c. Medical Facility: For Self and Family in accordance with the Company's policy but subject to a ceiling of one month's salary for every year and aggregate of three months' salary in a block of three years.
 - d. Leave Travel Concession: For Self and Family once a year, payable in accordance with the Company's Rules.
 - e. Car: Provision for car for use on Company's business. Use of car for private purposes shall be billed by the Company.
 - f. Telephone: Telephone at residence, personal long distance calls shall be billed by the Company.
3. Commission: at 2% of the net profit of the Company as calculated and prescribed by the Act.

'FURTHER RESOLVED THAT he shall be entitled to increments at the desecration of the Board of Directors AND THAT remuneration as per item (1) & (2) above as agreed by the Board of Directors of the Company shall be paid to Mr. Anil Sugno Manghnani (DIN: 00012806) as Minimum Remuneration notwithstanding that in any financial year during the terms of his office the company has made no profit or the profits are inadequate.'

'FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to add, amend, alter, modify such terms and conditions of appointment and remuneration so as to not exceed the limits specified in Schedule V of the Companies Act, 2013 as may be agreed by the Board of Directors during his term of office."

4. To appoint Mr. Pankaj Rajnikant Ved (DIN: 00207079) as Non-executive Independent Director of the Company for a period of 5 (five) years.

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

"RESOLVED THAT pursuant to the provisions of Sections 149 (10), 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (including any statutory modifications or re-enactment(s) thereof and any rules made thereunder for the time being in force), Mr. Pankaj Rajnikant Ved (DIN: 00207079), who was appointed as Non-executive Additional Independent Director with effect from 1st April, 2019 and whose term expires at this Annual General Meeting and who has given his consent for his appointment and has submitted a declaration that he meets the criteria for independence under Section 149 of the Companies Act, 2013 and the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a

member proposing his appointment and whose appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors for the office of Independent Director of the Company, be and he is hereby appointed as Non-executive Independent Director of the Company to hold office for a period of 5 (five) consecutive years effective 1st April, 2019 to 31st March, 2024, whose office shall not be liable to retire by rotation.'

'RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all acts, deeds, things and take all such steps as may be necessary, expedient, proper and desirable for the purpose of giving effect to this resolution."

5. To re-appoint Mr. Ashok Tikamdas Kukreja (DIN: 00463526), for the second term as Non-executive Independent Director of the Company for a further period of 5 (five) years.

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149 (10), 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Ashok Tikamdas Kukreja (DIN: 00463526), whose present terms of office as Non-executive Independent Director expires on 31st March, 2020 and who has given his consent for re-appointment and has submitted a declaration that he meets the criteria for independence under Section 149 of the Companies Act, 2013 and the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his re-appointment and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors for the office of

Independent Director of the Company, be and he is hereby re-appointed as Non-executive Independent Director of the Company to hold office for a second term of 5 (five) consecutive years effective from 1st April, 2020 to 31st March, 2025, whose office shall not be liable to retire by rotation.'

'**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all acts, deeds, things and take all such steps as may be necessary, expedient, proper and desirable for the purpose of giving effect to this resolution."

**By Order of the Board of Directors
For Modern Shares and Stockbrokers Limited**

Sd/-
Vibha Dinesh Mehta
Company Secretary & Compliance Officer
M.No. A40143

Mumbai, dated 28th May, 2019

Registered Office:

Wankhede Stadium, North Stand,
Staircase No. 13, 'D' Road, Churchgate,
Mumbai - 400020

CIN: L45200MH1939PLC002958

Website: www.modernshares.com

Notes:

1. A statement giving the relevant details of the Director seeking re-appointment under Item Nos. 3,4 & 5 of the accompanying Notice, as required by Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges is annexed herewith.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than forty-eight hours before the meeting.**

A person can act as a proxy on behalf of Member not exceeding fifty (50) in number and holding in aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.

3. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
4. Members are requested to bring their attendance slips and ballot form sent herewith duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
5. 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 at the Meeting.
6. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Company's Registered Office on all working days of the Company (except Saturdays) between 11:00 a.m. and 1:00 p.m. upto the date of the ensuing Annual General Meeting.
7. The Register of Members and Share Transfer Books of the Company shall remain closed from **Friday, September 20, 2019 to Friday, September 27, 2019 (both days inclusive)** for updating of members register.
8. Members are required to send all the communication relating to shares to the Company's **Registrar and Transfer Agents-Link Intime India Pvt. Ltd, C-101, 247, Park, L B S Marg, Vikhroli West, Mumbai-400083**. Members holding the shares in electronic mode should address all the correspondence to their respective Depository Participants (DPs).
9. 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, therefore, 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 or to the Registrar and Share Transfer Agents of the Company.

10. Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the company and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants. The nomination form can be downloaded from the Company's website www.modernshares.com.
11. Pursuant to provisions of Section 101 and Section 136 of the Companies Act, 2013, read with the Rules made thereunder. Copies of Annual Report 2019, Notice of 80thAGM and instruction for e-voting along with the attendance slip and Proxy Form are being sent through electronic mode to all members whose email address are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of Annual Report 2019 are being sent by the permitted mode. Members holding shares in physical form can send their email address for registration to rnt.helpdesk@linkintime.co.in quoting their folio number and Name to the Company.
12. Members who have not registered their email addresses so far are requested to register their email address for receiving all communication including Annual Report, Notices, and Circulars etc from the Company electronically.
13. Members desiring any information with regard to the Accounts are requested to write to the Company at least seven (7) days in advance so as to enable the Company to keep the information ready at the Annual General Meeting.
14. Pursuant to the provisions of Section 125(6) of the Companies Act, 2013, (Section 205C of the Companies Act, 1956) any money transferred to the Unpaid Dividend Account of the Company and the equity shares on which the dividend remains unpaid or unclaimed for a continuous period of seven (7) years from the date they become due for payment, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.
15. Those members who have so far not en-cashed their Final Dividend for the years March 31, 2012, March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018 are requested to approach the Registrars and Share Transfer Agents of the Company for payment.
16. The Company has transferred all dividend and Equity shares on which the Dividends up to financial year ended March 31, 2011 remained unpaid/ unclaimed for a continuous period of seven (7) years from the date it became first due for payment to the Investor Education and Protection Fund (IEPF) Authority constituted by the Central Government and the same can be claim from the IEPF Authority by following the prescribed procedure as laid down in the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2017 as amended, in respect of individual amount(s) and Equity shares so credited to the IEPF.
17. Pursuant to provisions of the Companies Act, 2013, final dividend and equity shares on which dividend were not encashed for the financial year ended March 31, 2012 and dividends declared thereafter, which remain unclaimed for continuous period of seven (7) years shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) pursuant to Section 125 of the Companies Act, 2013 (Section 205C of the Companies Act, 1956).
18. Information in respect of such unclaimed dividends due for transfer to the said fund is given below:
- | Financial Year Ended Dividend | Date of Declaration Dividend | Last Date for Claiming Unclaimed Dividend | Due Date for Transfer to IEPF |
|-------------------------------|------------------------------|---|-------------------------------|
| 2011-12 | 27-Sep-12 | 26-Sep-19 | 26-Oct-19 |
| 2012-13 | 19-Jul -13 | 18-Jul-20 | 18-Aug-20 |
| 2013-14 | 25-Sep-14 | 24-Sep-21 | 24-Oct-21 |
| 2014-15 | 04-Aug-15 | 03-Aug-22 | 03-Sep-22 |
| 2015-16 | 12-Jul-16 | 11-Jul-23 | 11-Aug-23 |
| 2016-17 | 28-Jul-17 | 27-Jul-24 | 27-Aug-24 |
| 2017-18 | 02-Aug-18 | 01-Aug-25 | 01-Sep-25 |
19. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 2nd August, 2018 (date of last Annual General Meeting) on the website of the Company (www.modernshares.com), as also on the Ministry of Corporate Affairs website.
20. In compliance with provisions of Section 108 of the Companies Act, 2013 read with the Rules made thereunder and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the

Company is pleased to offer e-voting facility for the members to enable them to cast their votes electronically. The Members, whose name appears in the Register of Members/ List of Beneficial owners as on Thursday, September 19, 2019 i.e the date prior to the commencement of book closure date are entitled to vote on Resolutions set forth in the notice. Members have option to vote either through e-voting or through the ballot form. If a member has opted for e-voting, then he/ she should not vote by physical ballot and vice-versa. However, in case members cast their vote both via physical ballot and e-voting, then voting through electronic mode shall prevail and voting done by physical ballot shall be treated as invalid. For e-voting facility, the Company has entered into an agreement with the Link Intime India Private Limited for facilitating e-voting.

21. The members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting in terms of notification issued by the Ministry of Corporate Affairs dated 19th March, 2015.

22. **Voting Options**

❖ **Log-in to e-Voting website of Link Intime India Private Limited (LIPL)**

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. 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 Even No + Folio No registered with the Company.

5. Your Password details are given below:

If you are using e-Voting system of LIPL: <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 | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> • 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 Ballot Form / Attendance Slip indicated in the PAN Field. |
| DOB/ DOI | <p>Enter the DOB (Date of Birth)/ DOI (Date of Incorporation) as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.</p> |
| Dividend Bank Details | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number.</p> <ul style="list-style-type: none"> • Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (4-c). |

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

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 LIPL.

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.

❖ Cast your vote electronically

1. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Even No" of the Company, you choose to vote.
2. 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'.

3. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
4. 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.
5. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
6. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

❖ General Guidelines for shareholders:

- 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.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Even".
- Shareholders holding multiple folios/ demat account shall choose the voting process separately for each of the folios/ demat account.

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 or Call at :- Tel: 022 - 49186000.

❖ Voting at AGM:

The members who have not cast their vote by remote e-voting can exercise their voting rights at the AGM.

The Company will make arrangements of ballot papers in this regards at the AGM Venue.

OTHER INSTRUCTIONS

- I. The Members, whose names appear in the Register of Members/ list of Beneficial Owners as on September 20, 2019, are entitled to vote on the Resolutions set forth in this Notice.
- II. The remote e-voting period will commence at 9.00 a.m. on September 24, 2019 and will end at 5.00 p.m. on September 26, 2019. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 20, 2019 may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- III. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 20, 2019.
- IV. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 20, 2019 may obtain the login ID and password by sending an email to *contact@modernshares.com* and/ or *rnt.helpdesk@linkintime.co.in*.
- V. A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
- VI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting through ballot papers.
- VII. Mr. Anil Jani, Practicing Company Secretary of Anil Jani & Company has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall, immediately after the conclusion of voting at the General Meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutinizer shall within three (3) days of conclusion of the meeting submit a Consolidated Scrutinizer Report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him in writing.
- IX. The results along with the Scrutinizers Report shall be placed on the website of the Company and on the website of LIPL and shall be communicated to BSE Limited.

**By Order of the Board of Directors
For Modern Shares and Stockbrokers Limited**

**Sd/-
Vibha Dinesh Mehta
Company Secretary & Compliance Officer
M.No. A40143**

Mumbai, dated 28th May, 2019

Registered Office:

Wankhede Stadium, North Stand,
Staircase No. 13, 'D' Road, Churchgate,
Mumbai - 400020

CIN: L45200MH1939PLC002958

Website: www.modernshares.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3.

The appointment of Mr. Anil Sugno Manghnani (DIN: 00012806) was approved by the Members in the Annual General Meeting of the Company held on 25th September, 2014 for a period of five (5) years w.e.f. 01st July, 2014 the terms of appointment expires on 30th June, 2019. However the Board of Directors deem to fit to renew his appointment for a further period of five (5) years w.e.f. 01st July, 2019.

The Company has received notice in writing from the members of the Company under section 160 of the Companies Act, 2013 proposing the candidature of Mr. Anil Sugno Manghnani (DIN: 00012806) for the office of the Whole-time Director. Mr. Anil Sugno Manghnani (DIN: 00012806) is a qualified MBA (Finance) from Scranton, Pennsylvania, U.S.A and possesses ample experience of Finance and Stock broking. The Board of Directors considers his appointment will be in the interest of the Company.

The remuneration payable and the other terms and conditions of his appointment are set out in the agreement proposed to be entered into by the Company and Mr. Anil Sugno Manghnani (DIN: 00012806).

The draft agreement referred to above entered into between the Company and Mr. Anil Sugno Manghnani (DIN: 00012806) is open for inspection by the members at the registered office of the Company on any working day between 11.00 a.m. to 1.00 p.m. except on Saturdays.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Anil Sugno Manghnani (DIN: 00012806) is concerned or interested in this resolution.

The Board commends the Ordinary Resolution at Item No.3 for approval of the members.

Item No. 4.

Mr. Pankaj Rajnikant Ved (DIN: 00207079) was appointed as Non-executive Additional Independent Director effective April 1, 2019 by the Board of Directors of the

Company under the provisions of the Companies Act, 2013 and the rules made thereunder and the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Pankaj Rajnikant Ved (DIN: 00207079) fulfills the conditions of independence and independent of the management and is eligible to be appointed as Non-executive Independent Director of the Company at the ensuing Annual General Meeting.

The Company has received a declaration from Mr. Pankaj Rajnikant Ved (DIN: 00207079) as proposed to be appointed, that he meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, along with his consent in writing to act as Director in Form DIR-2 prescribed under Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The resolution seeks approval of the shareholders in terms of provisions of Section 149, 150, 152, Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, for appointment of Mr. Pankaj Rajnikant Ved (DIN: 00207079) as Non-executive Independent Director for the tenure as mentioned in the resolutions mentioned in this notice. His office of directorship shall not be liable to retire by rotation.

In compliance with the provisions of section 149 read with Schedule IV of the Act and the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the appointment of Mr. Pankaj Rajnikant Ved (DIN: 00207079) as Non-executive Independent Director is now being placed before the shareholders for their approval. The terms and conditions of appointment of the Mr. Pankaj Rajnikant Ved (DIN: 00207079) shall be open for inspection by the shareholders at the registered office of the Company during normal business hours on any working day excluding Saturday & Sunday.

Mr. Pankaj Rajnikant Ved (DIN: 00207079) is holding 300 equity shares in aggregate comprising of 0.01% of the total paid up capital along with his relatives in the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Director, Mr. Pankaj Rajnikant Ved (DIN: 00207079) for his appointment is concerned or interested in the said Resolution.

The Board commends the Ordinary Resolution at Item No.4 for approval of the members.

Item No. 5.

The Board of Directors of the Company, after reviewing the provisions of the Act and rules made thereunder as well as the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is of the opinion that Mr. Ashok Tikamdas Kukreja (DIN: 00463526) fulfills the conditions specified in the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and Rules made thereunder and is independent of the management and is eligible to be re-appointed as Non-executive Independent Director of the Company for a second term for a period of consecutive five (5) years.

The Company has received a declaration from Mr. Ashok Tikamdas Kukreja (DIN:00463526) who is proposed to be re-appointed, that he meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, along with his consent in writing to act as Director in Form DIR-2 prescribed under Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The resolution seeks approval of the shareholders in terms of provisions of Section 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies

(Appointment and Qualification of Directors) Rules, 2014, for re-appointment of Mr. Ashok Tikamdas Kukreja (DIN: 00463526) as Non-executive Independent Director for the second tenure as mentioned in the resolutions mentioned in this notice. His office of directorship shall not be liable to retire by rotation.

In compliance with the provisions of Section 149 read with Schedule IV of the Act and the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the re-appointment of Mr. Ashok Tikamdas Kukreja (DIN: 00463526) as Non-executive Independent Director is now being placed before the shareholders for their approval. The terms and conditions of re-appointment of the Independent Director shall be open for inspection by the shareholders at the registered office of the Company during normal business hours on any working day excluding Saturday & Sunday. Mr. Ashok Tikamdas Kukreja (DIN: 00463526) is not holding any shares in the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than independent Director Mr. Ashok Tikamdas Kukreja - (DIN. 00463526) for his re-appointment is concerned or interested in the said Resolution.

The Board commends the Special Resolution at Item No. 5 for approval of the members.

ANNEXURE TO THE NOTICE

Annexure to item nos. 3, 4 and 5 of the Notice

Details of Directors seeking appointment/ re-appointment at the forth coming Annual General Meeting (in pursuance of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Secretarial Standard – 2 on General Meeting)

| Name of Directors | Mr. Anil Manghnani | Mrs. Roshan Advani Patheria | Mr. Ashok Tikamdas Kukreja | Mr. Pankaj R Ved |
|--------------------------------|--|---|---|---|
| DIN Numbers | 00012806 | 00651144 | 00463526 | 00207079 |
| Date of Birth | 11-10-1971 | 21-03-1960 | 25-02-1954 | 02-06-1952 |
| Date of Appointment on Board | 25-10-2000 | 31-01-2007 | 18-02-2015 | 01-04-2019 |
| Qualification | MBA (Finance) from Scranton, Pennsylvania, U.S.A | B Sc in Catering (1983) Management from U.K. | B.Com FCA | B.Com FCA |
| Brief Profile of the Directors | He is the Chief Strategist and having about 23 years' experience and brings to the table his Swing Trading expertise learnt from the professionals of SITM Institute, Australia. | She has very rich experience in HR department and related management services. She also has in the past handled independently the Garment Export business of an associate company very successfully. She is serving on the Board of the Company since last several years. | A practicing Chartered Accountant with an overall experience of almost 40 years. He was a senior partner of leading CA Firm M/s K.S Aiyar & Co. and has handled large corporate Audits. He has also handled the projects assignments in various projects over seas countries. | A Chartered Accountant with an overall experience of 40 years. He worked as Vice President (Finance) with The Hindustan Spg. &Wvg. Mills Ltd., a well-known Textile Mills of Thackersay group of organization and was in charge of financial, accounting taxation, banking and treasury operations of the Company and their group concerns. He also had worked as President with our Company Modern Shares & Stockbrokers Limited during the period 1997 to 2007 looking after the Stock Market Operations, Clients Relationship, PMS Services for resident and non-residents clients. Presently he is a promoter/ Director of Ved Bros Securities Private Limited a Member of BSE and NSE. His exposures and experience in Capital market is very rich and wide and have handled merchant banking operations as well as Mutual Funds businesses. |

| | | | | |
|--|---|--|---|--|
| Expertise in specific functional areas | Chief Strategist, Capital Market Operations of F&O & Cash market, Technical Analyst, Advising Resident and Non-resident Investors | General Management & Marketing | Financial Accounting, Audit, Taxation, Business Advisory Services, Capital Market operations | Stock Market Operations, Clients Relationship, Mutual Funds' Investments, Merchant Banking Operations, PMS services for resident and non-residents, Corporate financial matters, banking including treasury operations, accounting, and taxation |
| List of Directorship held in other Companies | 1. Bhagwanti Exports Pvt. Ltd 2. ASM Agro Farms Pvt. Ltd | 1. Indian Dreams Limited (Ireland) (U.K) | 1. Indsec Securities And Finance Ltd- Independent Director 2. Bombay Cycle And Motor Agency Limited - Independent Director | 1. Automans Finance Private Limited 2. Viprakaj Securities Private Limited. 3. Ved Brothers Securities Private Limited. 4. Gibbs Realty Private Limited |
| Membership of Committees in other Public Limited Companies (includes only Audit & Investor Grievance Committee) | NIL | NIL | 2- Audit Committee 1-Investor Grievance Committee | NIL |
| No. of shares held in the Company as on March 31, 2019 | 455010 | NIL | NIL | 300 |

Mumbai, dated 28th May 2019

Registered Office:

Wankhede Stadium, North Stand,
Staircase No. 13, D Road,
Churchgate, Mumbai - 400 020.

CIN: L45200MH1939PLC002958

Website: www.modernshares.com

**By Order of the Board of Directors
For Modern Shares and Stockbrokers Limited**

**Sd/-
Vibha Dinesh Mehta
Company Secretary & Compliance Officer
M.No. A40143**

DIRECTORS' REPORT

TO THE MEMBERS OF MODERN SHARES AND STOCKBROKERS LIMITED

(CIN: L45200MH1939PLC002958)

The Directors take pleasure in presenting the **Eightieth** Annual Report together with the audited financial statements for the year ended March 31, 2019.

1. FINANCIAL RESULTS

| | 31/03/2019 Rupees (₹) | 31/03/2018 Rupees (₹) |
|--|--------------------------|--------------------------|
| GROSS PROFIT/ (LOSS) | (3,40,019) | 48,24,041 |
| Less: Depreciation | (4,77,967) | (2,25,757) |
| PROFIT/ (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAXATION | (8,17,986) | 45,98,284 |
| EXCEPTIONAL ITEMS | (42,46,310) | (11,81,500) |
| PROVISION FOR TAXATION (net) | 36,934 | (13,43,313) |
| PROFIT/ (LOSS) AFTER TAX | (50,27,362) | 20,73,471 |
| Add: Brought Forward Profit of Previous Year | 5,82,02,210 | 5,78,92,767 |
| AMOUNT AVAILABLE FOR APPROPRIATION | 5,31,74,848 | 599,66,238 |
| Less: Dividend Paid for previous year | (14,65,651) | (14,65,656) |
| Less: Corporate tax on dividend | (3,01,269) | (2,98,372) |
| Less: Transfer to General Revenue | NIL | NIL |
| Balance carried to Balance Sheet | 5,14,07,928 | 5,82,02,210 |

2. BUSINESS ACTIVITIES AND OPERATIONS

The Company's operations resulted in a gross loss of ₹ 3.40 lakhs as against gross profit of ₹ 48.24 lakhs in the previous year. After providing for depreciation of ₹ 4.78 lakhs (previous year ₹ 2.26 lakhs) and making net provision for taxation of ₹ 0.37 lakhs as against previous year ₹ 13.43 lakhs your Company has incurred a net loss of ₹ 50.27 lakhs after provisioning exceptional items of ₹ 42.46 lakhs (shortfall in the value of the investments made by the company in the previous years) as against net profit of ₹ 20.73 lakhs in the previous year. Your Board of Directors has decided not to transfer any

amount to the Reserves for the year under review in view of the Loss incurred during the year.

This year's loss includes mark to market investment write off of ₹ 42.46 lakhs in Innovative B2B Solutions Private Limited shares. As per the Accounting Standard requirements, the Company has to provide in the books any diminution in the investment made in the books of accounts and accordingly the same was provided. Thus we do not have any more mark to market investments in our books that need any further marking down to market value with the sale of Innovative B2B Solutions Private Limited shares in the current year.

It has been a tough year for both the markets and our company. While the main indices did eke out some gains it was a very difficult year for the broader markets and we have seen significant drops in the prices of midcap and small cap stocks. In addition, clients turnover especially on the institutional front have seen a slowdown in the past year. The major worry for the markets has been the sluggishness in the Indian economy as reflected in the slowdown in Automobile sector. Further we have seen a drop in both GDP and IIP data and with the RBI cutting rates; it reflects that they too have recognized that the overall growth in the economy is an issue in the near term. India is one of the most expensive stock markets at the current moment with the Nifty P/E at all time highs.

The one positive for the markets is that the Elections are out of the way and we have a continuity of government which is good for the overall stability of both the country and the stock markets. Foreign inflows have picked up sharply in the past three months and more of the same is expected going forward. While the government has to do a lot to kick start the economy, we are hopeful that it will continue with the reforms of the past five (5) years and we will start to see the benefits soon for policies already taken earlier and new ones that will be taken going forward over the next few months.

3. DIVIDEND

The Board of Directors of your company, after considering holistically the relevant circumstances and keeping in view the loss incurred during the financial year ended March 31, 2019, has decided that it would be prudent, not to recommend any dividend for the year under review.

4. DIRECTORS

The Board of Directors of the Company is duly constituted and following cessation and appointment of directors have been made during the period under review.

Mr. U.K Mallik (DIN: 00012099) Non-executive Independent Director and Chairman of the Company expired on February 11, 2019. Your Board of Directors wish to place on records their gratitude and sincere appreciation for the rich contributions and valuable guidance from time to time made by him over the years and the work carried on by him during his long tenure of association as Director. Your Board of Directors also prays that the departed soul rest in peace.

In accordance with the Articles of Association of the Company, Mrs. Roshan Advani Patheria (DIN: 00651144) who is longest in the office retires by rotation and being eligible for re-appointment and has indicated her willingness to serve, if re-appointed.

Mr. Anil Sugno Manghnani (DIN: 00012806) Whole-time Director whose re-appointment is due for renewal be and he is hereby recommended by the Board of Directors for his re-appointment. The Company has received notice from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of the Whole-time Director. Mr. Anil Sugno Manghnani (DIN: 00012806) has also given his consent for his re-appointment as Whole-time Director and also a declaration that he is not in any way disqualified from being appointed as a Director with regards to his status vis-a-vis the Company.

Mr. Pankaj Rajnikant Ved (DIN: 00207079) was appointed as an Additional Non-Executive Independent Director effective April 1, 2019. As per the provisions of Section 160 of the Companies Act, 2013, your company has received a notice from a member specifying his intention to propose the appointment of Mr. Pankaj Rajnikant Ved who also has given his consent for his appointment as non-executive Independent Director for a consecutive period of five (5) years up to March 31, 2024 and has confirmed that he is not in any way disqualified from being appointed as a Director with regards to

his status vis-a-vis the Company subject to his appointment being approved by the members at the ensuing Annual General Meeting.

Mr. Ashok Tikamdas Kukreja (DIN: 00463526) one of the Independent Director of the Company has been appointed by the members through Postal Ballot on March 31, 2015 for a term of five (5) years and whose current term of office as Independent Director expires on March 31, 2020 and is eligible for re-appointment for another term of five (5) consecutive years up to March 31, 2025 subject to the approval of the Members by Special Resolution. The said Director has shown his willingness and also given his consent for re-appointment and has confirmed that he still retains the status as Independent Director and that he does not suffer from any disqualifications for being re-appointed as Independent Director. The Company has received a notice under Section 160 of the Companies Act, 2013 from a member proposing the re-appointment of Mr. Ashok Tikamdas Kukreja (DIN: 00463526) as Independent Director of the Company for a consecutive period of five (5) years up to March 31, 2025. Approval of members by a Special resolution is being sought at the ensuing Annual General Meeting.

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5. DEPOSITS

The Company has not accepted any deposits falling under the ambit of Section 73 of the Companies Act, 2013 (hereinafter referred to as 'The Act') and the Rules framed thereunder during the year under review.

6. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 (4) & 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as

the evaluation of the working of its Audit, Nomination & Remuneration, and Stakeholders & Grievance Committees. The manner in which the evaluation has been carried out has been explained herein below:

A structured questionnaire was prepared after inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, Board culture, execution and performance of specific duties, obligation and governance.

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, independent judgment, safeguarding the interest of the Company and its stakeholders, etc. The performance evaluation of Independent Directors was carried out by the entire Board. *The performance of Non-independent Directors could not be carried out by the Independent Directors due to*

the death of U. K. Mallik on February 11, 2019 as the Committee of the Independent Directors was left with only one Independent Director. However, Mr. Ashok Tikamdas Kukreja a lone Independent Director on the Board had reviewed the performance of the compliance department and had expressed his satisfaction with the evaluation process.

◆ **Number of Board Meetings held:**

The Board of Directors duly met 4 (Four) times during the financial year from 1st April, 2018 to 31st March, 2019. The dates on which the meetings were held are as follows:

| Dates on which Board Meetings held | Strength of the Board | No. of Directors Present |
|------------------------------------|-----------------------|--------------------------|
| 23 rd May, 2018 | 6 | 4 |
| 02 nd August, 2018 | 6 | 6 |
| 01 st November, 2018 | 6 | 4 |
| 30 th January, 2019 | 6 | 5 |

◆ **Relevant Details of Directors**

| Sr. No. | Name of the Director | Date of Appointment | Category | Number of Directorship held in other Indian Companies | Committee(s) Position Member and Chairperson in all Companies |
|---------|---|---------------------|--|---|---|
| 1 | Mr. U. K. Mallik* (Upto February 11, 2019) | 20.11.1970 | Chairperson & Non Executive Director/ Independent | None | 3 and 2 |
| 2 | Mr. Anil Sugno Manghnani | 25.10.2000 | Whole Time Director | 2 | 1 |
| 3 | Mr. Narendra Hira Advani | 30.05.2011 | Non Executive Director | 4 | - |
| 4 | Mr. Ghansham Shewakramani | 25.01.1995 | Non Executive Director | 20 | 2 |
| 5 | Mrs. Roshan Advani Patheria | 31.01.2007 | Woman Non Executive Director | - | 1 |
| 6 | Mr. Ashok Tikamdas Kukreja | 18.02.2015 | Non-executive Director/Independent | 2 | 9 and 7 |

*(Ceased as Director due to Death on 11-2-2019)

◆ Attendance of Directors at Board Meetings and Annual General Meeting:

| Name of the Director | Attendance at the Board Meeting held on | | | | Attendance at the AGM held on 02/08/2018 |
|----------------------------|---|------------|------------|------------|--|
| | 23/05/2018 | 02/08/2018 | 01/11/2018 | 30/01/2019 | |
| Mr. Anil Sugno Manghnani | Attended | Attended | Attended | Attended | Attended |
| Mr. Narendra Hira Advani | Leave | Attended | Leave | Attended | Attended |
| Mr. Uday Kumar Mallik* | Attended | Attended | Attended | Attended | Attended |
| Ms. Roshan Advani Patheria | Leave | Attended | Leave | Leave | Attended |
| Mr. Ghansham Shewakramani | Attended | Attended | Attended | Attended | Attended |
| Mr. Ashok Tikamdas Kukreja | Attended | Attended | Attended | Attended | Attended |

◆ Audit Committee Member

| Name of the Member | 23/05/2018 | 02/08/2018 | 01/11/2018 | 30/01/2019 |
|--|------------|------------|------------|------------|
| Mr. Ashok Tikamdas Kukreja (Chairperson) | Attended | Attended | Attended | Attended |
| Mr. Uday Kumar Mallik* | Attended | Attended | Attended | Attended |
| Mr. Anil Sugno Manghnani | Attended | Attended | Attended | Attended |

◆ Stakeholder & Grievance Committee Member

| Name of the Member | 23/05/2018 | 02/08/2018 | 01/11/2018 | 30/01/2019 |
|--------------------------------------|------------|------------|------------|------------|
| Mr. Uday Kumar Mallik *(Chairperson) | Attended | Attended | Attended | Attended |
| Mr. Ghansham Shewakramani | Attended | Attended | Attended | Attended |
| Mr. Ashok Tikamdas Kukreja | Attended | Attended | Attended | Attended |

◆ Nomination & Remuneration Committee Member

| Name of the Member | 23/05/2018 | 02/08/2018 | 01/11/2018 | 18/01/2019 |
|--------------------------------------|------------|------------|------------|------------|
| Mr. Uday Kumar Mallik* (Chairperson) | Attended | Attended | Attended | Attended |
| Mr. Ashok Tikamdas Kukreja | Attended | Attended | Attended | Attended |
| Mrs. Roshan Advani Patheria | Leave | Attended | Leave | Attended |

*(Ceased as Director due to Death on 11-2-2019)

◆ **Independent Directors**

- The Independent Directors meeting was fixed to be held on February 14, 2019. However, due to the sad demise of Mr. U. K. Mallik on February 11, 2019 the Independent Directors Meeting could not be held as the Independent Directors Committee was left with only one Independent Director Mr. Ashok Kukreja.

7. 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(5)(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 judgment 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 Loss 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 systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively and
- f) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

8. BUSINESS RISK MANAGEMENT

Although the Company has long been following the principle of risk minimization as is the norm in every industry, it has now become a compulsion. Therefore, in accordance with Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the Company.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative.

The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk and legal risk.

As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is to maintain its objectivity and independence, the Internal Audit function reports to the Chairperson of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and

policies of the Company. Based on the report of internal audit function, each department undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

In order to strengthen the system of Internal Control and provide Board of Directors with an added ability to oversee internal controls, Internal Financial Control (IFC) system was put in place in accordance with the requirements of Section 134(5)(e) of the Companies Act, 2013. Systems of Internal Control were implemented, considering the framework suggested in Guidance Note on Audit of Internal Financial Controls over the Financial Reporting issued by The Institute of Chartered Accountants of India, to address its operational and financial risk.

10. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Whistle Blower Policy for directors and employees to report genuine concerns has been established. The Policy has been uploaded on the website of the Company at www.modernshares.com under investors/ policy documents/ Vigil Mechanism Policy link.

11. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. An omnibus approval was taken for one (1) year from Audit Committee and Board at their Meeting held on 23/05/2018. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

In compliance under the provisions of the Companies Act, 2013, transactions with related parties entered by the Company in the normal course of business are periodically placed before

the Audit Committee for its omnibus approval and the particulars of contracts entered during the year in Form AOC-2 is enclosed as **Annexure- A** to this report.

12. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

13. AUDITORS

13.1 STATUTORY AUDITORS

M/s. Baheti & Co., Chartered Accountants (Firm Registration No. 006287C), Bhopal have been appointed as Statutory Auditor of the Company at the Annual General Meeting held on July 28, 2017 for a period of five (5) years up to the conclusion of the Annual General Meeting to be held in the year 2022. The requirement for seeking ratification of the members for continuation of their appointment has been withdrawn consequent upon the changes made by the Companies (Amendments) Act, 2017 with effect from May 7, 2018. Hence the resolution seeking ratification of the members for their appointment is not being placed at the ensuing Annual General Meeting.

13.2 SECRETARIAL AUDITORS

The Secretarial Audit Report for the Financial Year ended March 31, 2019 is annexed herewith as **Annexure- B**.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Janak Pandya, Company Secretary in Practice (CP No.: 5940, ACS: 10841), to undertake the secretarial audit of the Company for the Financial Year ended March 31, 2020.

13.3 INTERNAL AUDITORS

M/s. Jayant Associates, Chartered Accountants (Firm Registration No: 104099W) appointed as Internal Auditors for

the Financial Year ended March 31, 2020 to perform the duties as Internal Auditors of the Company and their report is reviewed by the Audit Committee from time to time.

14. FIXED ASSETS

The Fixed Assets of the Company as at the close of the financial year stood at ₹ 23.61 Lakhs (Previous year ₹ 12.28 Lakhs). In compliance with the Accounting Standard AS-28 relating to "Impairment of Assets", the Company has reviewed the carrying amount of its fixed assets as at the end of the financial year.

15. CORPORATE GOVERNANCE & ANNUAL SECRETARIAL COMPLIANCE REPORT

As per Regulation 15(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the compliance with the corporate governance provisions shall not apply in respect of the listed entity having paid up equity share capital not exceeding ₹ 10 Crores and Net Worth not exceeding ₹ 25 Crores as on the last day of the previous financial year. Since the Company's paid up equity capital and the net worth fall below the limit mentioned above, compliance with corporate governance are not applicable to the Company. Accordingly as per BSE clarification vide circular LIST/COMP/12/2019-20, the Companies to which the Regulation 15(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable, Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) (Amendments) Regulations, 2018 is also not applicable and not required to submit the Annual Secretarial Compliance Report.

16. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure- C**.

17. COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies

Secretaries of India (SS-1 & SS-2) respectively relating to Meetings of the Board and its Committees which have mandatory application and General Meeting.

18. REMUNERATION RATIO OF THE DIRECTORS/ KEY MANAGERIAL PERSONS (KMP)/ EMPLOYEES

The information required pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

There were 20 permanent employees on the rolls of the Company as on 31 March, 2019.

| Sr. No. | Name | Designation | Remuneration paid FY 2018-19 (₹ Lakhs) | Remuneration paid FY 2017-18 (₹ Lakhs) | Increase in Remuneration from previous Year (₹ Lakhs) | Ratio/ Times per median of employee remuneration |
|---------|---------------------------|--|---|---|---|--|
| 1 | Mr. Anil Sugno Manghnani | Whole-time Director | 10.34 | 10.30 | 0.00 | 1.56 |
| 2 | Mr. Radhakrishna N Shenvi | CFO | 10.08 | 10.08 | 0.00 | 1.55 |
| 3 | Ms. Vibha Dinesh Mehta | Company Secretary & Compliance Officer | 0.74* | NIL | NA | NA |

*Part of the year (effective 19th November, 2018)

19. PARTICULARS OF EMPLOYEES

Disclosure pertaining to the remuneration and other details as required under Section 197(12) of the Act, and the Rules framed thereunder is not attached as none of the employees exceed the limit prescribed under the Act.

20. DISCLOSURE

The particulars of the conservation of energy, technology and absorption, foreign exchange

earnings and outgo as required u/s. 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014, the same are not applicable to the Company. The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is not given as none of the employees of the company exceeds the limit.

21. DEMATERIALISATION OF SHARES

97.73% of the Company's paid up equity share capital is in dematerialised form as on 31st March, 2019 and balance 2.27% is in physical form. The Company's Registrar and Share Transfer Agents is M/s. Link Intime India Pvt. Ltd. having office at C-101247 Park, LBS Marg Vikhroli west Mumbai 400083.

22. TRANSFER OF EQUITY SHARES UNPAID/ UNCLAIMED DIVIDEND TO IEPF

In line with the statutory requirements, the Company has transferred to the credit of the Investor Education and Protection Fund set up by the Government of India, equity shares in respect of which dividend had remained unpaid/ unclaimed for a period of seven (7) consecutive years within the time lines laid down by the Ministry of Corporate Affairs. Unpaid/ unclaimed dividend for seven (7) years or more has also been transferred to the IEPF pursuant to the requirements under the Act.

23. ACKNOWLEDGEMENTS

The Board of Directors take this opportunity to thank the employees for their dedicated service and contribution towards the growth of the Company, our sincere appreciation to Institutional and Retail Clients for their patronage to our Company and to the Shareholders for their continuous support.

24. CAUTIONARY STATEMENT

The statements contained in the Board's Report contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations. Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

**By Order of the Board of Directors
For Modern Shares and Stockbrokers Limited**

| | |
|--|--|
| Sd/- Anil Sugno Manghnani Whole Time Director (DIN-00012806) | Sd/- Ghansham Shewakramani Director (DIN-00413343) |
|--|--|

Mumbai, dated 28th May, 2019

Registered Office:

Wankhede Stadium,
North Stand, Staircase No. 13,
D. Road, Churchgate,
Mumbai - 400020

CIN: L45200MH1939PLC002958

Website: www.modernshares.com

'Annexure A' to Board Report

Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

| SL. No. | Particulars | Details |
|----------------|---|----------------|
| a | Name (s) of the related party & nature of relationship | Nil |
| b | Nature of contracts/arrangements/transaction | Nil |
| c | Duration of the contracts/arrangements/transaction | Nil |
| d | Salient terms of the contracts or arrangements or transaction including the value, if any | Nil |
| e | Justification for entering into such contracts or arrangements or transactions' | Nil |
| f | Date of approval by the Board | Nil |
| g | Amount paid as advances, if any | Nil |
| h | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | Nil |

2. Details of contracts or arrangements or transactions at Arm's length basis.

| No | Particulars | Details | | | |
|----|---|---|--|--|--|
| | | Bhagwanti Exports Private Limited (Associate Company) | Lavina Manghnani (Wife of WTD) | Radhakrishna Shenvi (CFO) | Praveen Manghnani (Brother of WTD) |
| a) | Name (s) of the related party & nature of relationship | | | | |
| b) | Nature of contracts/arrangements/transaction | Rent Agreement | Member Client Agreement | Member Client Agreement | Member Client Agreement |
| c) | Duration of the contracts/arrangements/transaction | On Going | On Going | On Going | On Going |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | Use of office premises on monthly rental basis | Same as applicable to any other client | Same as applicable to any other client | Same as applicable to any other client |
| e) | Justification for entering into such contracts or arrangements or transactions' | For Office use | To earn Brokerage income | To earn Brokerage income | To earn Brokerage income |
| f) | Date of approval by the Board | 01.04.2011 | 23.05.2018 Omnibus Approval taken for 1 Year from Audit Committee and Board | 23/05/2018 Omnibus Approval taken for 1 Year from Audit Committee and Board | 23/05/2018 Omnibus Approval taken for 1 Year from Audit Committee and Board |
| g) | Amount of brokerage/Rent earned during the year | 3.00 Lakhs | 0.01 Lakhs | 0.11 Lakhs | 0.06 Lakhs |
| h) | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | NA | NA | NA | NA |

2. Details of contracts or arrangements or transactions at Arm's length basis.

| No | Particulars | Details | | | |
|----|---|--|--|--|--|
| | | Bhagwanti Tex Overseas Private Limited (Associate Company) | Sheela R Shenvi (Wife of CFO) | Ramchandra Shenvi (Brother of CFO) | Tanushree Shenvi (Daughter of CFO) |
| i) | Name (s) of the related party & nature of relationship | | | | |
| j) | Nature of contracts/arrangements/transaction | Member Client Agreement | Member Client Agreement | Member Client Agreement | Member Client Agreement |
| k) | Duration of the contracts/arrangements/transaction | On Going | On Going | On Going | On Going |
| l) | Salient terms of the contracts or arrangements or transaction including the value, if any | Same as applicable to any other client | Same as applicable to any other client | Same as applicable to any other client | Same as applicable to any other client |
| m) | Justification for entering into such contracts or arrangements or transactions' | To earn Brokerages income | To earn Brokerages income | To earn Brokerages income | To earn Brokerages income |
| n) | Date of approval by the Board | 23/05/2018 Omnibus Approval taken for 1 Year from Audit Committee and Board | 23/05/2018 Omnibus Approval taken for 1 Year from Audit Committee and Board | 23/05/2018 Omnibus Approval taken for 1 Year from Audit Committee and Board | 23/05/2018 Omnibus Approval taken for 1 Year from Audit Committee and Board |
| o) | Amount of brokerage/Rent earned during the year | 0.03 Lakhs | 0.02 Lakhs | 0.01 Lakhs | 0.60 Lakhs |
| p) | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | NA | NA | NA | NA |

By Order of the Board of Directors
For Modern Shares and Stockbrokers Limited

Sd/-
Anil Sugno Manghnani
Whole Time Director
(DIN-00012806)

Sd/-
Ghansham Shewakramani
Director
(DIN-00413343)

Mumbai, dated 28th May, 2019

Annexure B
Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED
31ST MARCH, 2019

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

To,
The Members,
Modern Shares and Stockbrokers Limited
(CIN No.: L45200MH1939PLC002958)
Regd Office: Wankhede Stadium, North Stand,
Staircase No13, D' Road,
Churchgate, Mumbai 400020

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Modern Shares and Stockbrokers Limited (CIN No.: L45200MH1939PLC002958) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me 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 on 31st 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 for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

- (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 as amended;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended
 - (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)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. **(Not applicable to the company during the Audit Period).**
 - (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)**
 - (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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the company during the Audit period);** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
(Not applicable to the company during the Audit Period)

10. Maharashtra Shop and Establishment Act, 1948

11. Employees' State Insurance Act, 1948

(vi) A. Industry specific Laws applicable to the Company during the Audit period were:

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

- 1) The Securities and Exchange Board of India (Stock-Brokers and Sub-Brokers) Regulations, 1992;
- 2) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating To Securities Market) Regulations, 2003; and
- 3) The Securities and Exchange Board of India (Research Analysts) Regulations, 2014
- 4) Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2017 as amended from time to time.

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meeting as applicable to the company.
- (ii) The Uniform Listing Agreement entered into by the Company with BSE Limited (BSE) as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

B. Other general Laws applicable to the company such as:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non –executive Directors. ***The composition of Independent Directors was reduced to only one Independent Director as on March 31, 2019 as other Independent Director and Chairman of the Company Mr. U.K.Mallik was expired on February 11, 2019. However the Company has already appointed one Additional Independent Director Mr. Pankaj Rajnikant Ved effective April 1, 2019.***

1. Employees Provident Fund and Miscellaneous Provisions Act, 1952
2. Indian Contract Act, 1872
3. Income Tax Act, 1961 and Indirect Tax Laws
4. Indian Stamp Act, 1899 and Bombay Stamp Act, 1958
5. Negotiable Instruments Act, 1881
6. Payment of Bonus Act, 1965
7. Payment of Gratuity Act, 1972
8. Goods and Service Tax Acts 2017
9. Maharashtra Profession Tax Act, 1975

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board Meeting and Committee Meetings have been carried out unanimously as recorded in the minutes of the meetings of the Board or the Committee of the Board as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has:

- (i) No Public/ Rights/ Preferential issue of shares/ debentures/ sweat equity etc.
- (ii) No Redemption / buy-back of securities.

(iii) No Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.

(iv) No Merger /amalgamation/reconstruction etc.

(v) No Foreign technical collaborations.

Sd/-

CS. Janak A. Pandya

Place : Mumbai

ACS No.: 10841

Date : 7th May 2019

C P No.: 5940

Note: This report is to be read with my letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

'Annexure A'

To,
The Members

Modern Shares & Stockbrokers Limited

CIN No.: L45200MH1939PLC002958

Wankhede Stadium, North Stand,
Staircase No13, D Road,
Churchgate, Mumbai - 400 020.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-

CS Janak A. Pandya

Company Secretaries

Place : Mumbai

Date : 7th May 2019

ACS No.:10841

C P No.:5940

'Annexure C' To Board Report

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

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

Form No. MGT-9

I. REGISTRATION AND OTHER DETAILS:

1. CIN No.: **L45200MH1939PLC002958**
2. Registration Date: **01/07/1939**
3. Name of the Company: **MODERN SHARES AND STOCKBROKERS LIMITED**
4. Category/ Sub-Category of the Company: **COMPANY LIMITED BY SHARES and INDIAN NON-GOVERNMENT COMPANY**
5. Address of the Registered Office and Contact details: **Wankhede Stadium, North Stand, L and M Wing
D Road, Churchgate, Mumbai - 400 020.
TEL : 42122400/40 (F) 42122441
EMAIL: modernshare@hotmail.com
Website : www.modernshares.com**
6. Whether Listed Company **Yes**
7. Name, Address and Contact details of Registrar and Transfer agent, if any: **LINK INTIME INDIA PRIVATE LIMITED
C-101, 247 PARK, LBS MARG,VIKHROLI (W).
MUMBAI - 400083.
TELNO: 022-49186000FAX 022-49186060
CONTACT PERSON: Ms. Udaya Rao
E-MAIL ID: rnt.helpdesk@linkintime.co.in**

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:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service (ITC Code) | % to total turnover of the company |
|---------|--|---|------------------------------------|
| 1 | SHARE BROKING SERVICES | 99715210 | 100 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

| S. No. | Name and Address of the Company | CIN/ GLN | Holding/ Subsidiary/ Associates | % of Shares held | Applicable Section |
|--------|---------------------------------|----------|---------------------------------|------------------|--------------------|
| 1 | Not Applicable | | | | |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | No. of Shares held at the end of the year | | | % Change during the year |
|----------------------------|---|-----------|------------------|---|-----------|------------------|--------------------------|
| | Demat | Physical | Total | Demat | Physical | Total | |
| A. Promoters | | | | | | | |
| (1) Indian | | | | | | | |
| a. Individual/ HUF | 10,02,275 | 00 | 10,02,275 | 5,54,310 | 00 | 5,54,310 | -15.28 |
| b. Central Govt | - | - | - | - | - | - | - |
| c. State Govt (s) | - | - | - | - | - | - | - |
| d. Bodies Corp. | 11,32,509 | 00 | 11,32,509 | 11,32,509 | 00 | 11,32,509 | 00.00 |
| e. Banks / FI | - | - | - | - | - | - | - |
| f. Any Other....* | - | - | - | 4,47,965* | - | 4,47,965* | +15.28 |
| Sub-total (A) (1):- | 21,34,784 | 00 | 21,34,784 | 21,34,784 | 00 | 21,34,784 | 00.00 |
| *Shares held By | | | | | | | |
| Mr. Narendra Advani | | | | | | | |
| and Mrs. Shalini | | | | | | | |
| Advani Promoters) | | | | | | | |
| as NRNR (Non | | | | | | | |
| Resident Non | | | | | | | |
| Repatriation Basis) | | | | | | | |
| (2) Foreign | | | | | | | |
| a. NRIs - | | | | | | | |
| Individuals | - | - | - | - | - | - | - |
| b. Other – Individuals | - | - | - | - | - | - | - |
| c. Bodies Corp. | - | - | - | - | - | - | - |
| d. Banks / FI | - | - | - | - | - | - | - |
| e. Any Other.... | - | - | - | - | - | - | - |
| Sub-total (A) (2):- | 00 | 00 | 00 | 00 | 00 | 00 | 00.00 |
| Total shareholding | | | | | | | |
| of Promoter (A) = | 21,34,784 | 00 | 21,34,784 | 21,34,784 | 00 | 21,34,784 | 00.00 |
| (A)(1) + (A)(2) | | | | | | | |
| | | | | | | | |

| | | | | | | | | | | | | | |
|---|---------------|-----------|---------------|-------------|---------------|-----------|---------------|-------------|---------------|-----------|---------------|-------------|-------------|
| B. Public Shareholding | | | | | | | | | | | | | |
| 1. Institutions | | | | | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (c) Central Govt. (i) (IEPF) | 22,956 | 00 | 22,956 | 0.78 | 25,881 | 00 | 25,881 | 0.88 | 25,881 | 00 | 25,881 | 0.10 | 0.53 |
| (ii) Custodian of Enemy Properties in India for Pakistani National) | 0.00 | 00 | 0.00 | 0.00 | 15,680* | 00 | 15,680* | 0.53 | | | | | |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (i) Others (specify) Sadhu Vaswani Trust | - | - | - | - | 50 | 00 | 50 | 0.01 | | | | | 0.01 |
| Sub-total (B)(1):- | 22,956 | 00 | 22,956 | 0.78 | 41,611 | 00 | 41,611 | 1.42 | 41,611 | 00 | 41,611 | 0.64 | 0.64 |
| 2. Non-Institutions | | | | | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | | | | | |
| i) Indian | 5,042 | 1,500 | 6,542 | 0.22 | 4,892 | 1,500 | 6,392 | 0.22 | | | | | (0.01) |
| ii) Overseas | - | - | - | - | - | - | - | - | - | - | - | - | - |

(ii) Shareholding of Promoters/ Promoter Group

| SI No. | Shareholder's Name | Shareholding at the beginning of the Year | | | Shareholding at the end of the year | | | % change In share holding during the year |
|--------|---------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Bhagwanti Exports Pvt. Ltd. | 10,75,075 | 36.68 | 0.00 | 10,75,075 | 36.68 | 0.00 | 0.00 |
| 2 | Anil Sungo Manghnani | 4,55,010 | 15.52 | 0.00 | 4,55,010 | 15.52 | 0.00 | 0.00 |
| 3 | Narendra Hira Advani(NRNR)* | 4,28,865 | 14.63 | 0.00 | 4,28,865 | 14.63 | 0.00 | 0.00 |
| 4 | Shalini Advani (NRNR)* | 19,100 | 0.65 | 0.00 | 19,100 | 0.65 | 0.00 | 0.00 |
| 5 | Hira Advani Holdings Pvt. Ltd. | 300 | 0.01 | 0.00 | 300 | 0.01 | 0.00 | 0.00 |
| 6 | Neelgagan Investments Pvt. Ltd. | 7,534 | 0.26 | 0.00 | 7,534 | 0.26 | 0.00 | 0.00 |
| 7 | Ghansham Shewakramani | 49,600 | 1.69 | 0.00 | 49,600 | 1.69 | 0.00 | 0.00 |
| 8. | Meena Shewakramani | 32,700 | 1.12 | 0.00 | 32,700 | 1.12 | 0.00 | 0.00 |
| 9. | Godhvari Shewakramani | 17,000 | 0.58 | 0.00 | 17,000 | 0.58 | 0.00 | 0.00 |
| 10. | Brightland Hotels Pvt. Ltd. | 49,600 | 1.69 | 0.00 | 49,600 | 1.69 | 0.00 | 0.00 |
| | TOTAL | 21,34,784 | 72.83 | 0.00 | 21,34,784 | 72.83 | 0.00 | 0.00 |

* NRNR (Non-Residence, Non Repatriable)

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

| SI No. | Shareholder's Name | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| | At the beginning of the year | | | | |
| | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/ sweat equity etc): | NOT APPLICABLE | | | |
| | At the End of the year | | | | |

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

| SI No. | Name | Shareholding at the beginning of the year | | Date | Change in Shareholding (No Of Shares) | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|------------|---------------------------------------|-----------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the company | | Increase (Purchase) | Reason | No. of Shares | % of total shares of the company |
| | FOR EACH OF THE TOP 10 SHAREHOLDERS | | | | | | | |
| 1 | Lal Hariram Ganwani (NRI) | 1,00,000 | 3.41 | — | 00 | — | 1,00,000 | 3.41 |
| 2 | Mohan Chattaram (NRI) | 1,00,000 | 3.41 | — | 00 | — | 1,00,000 | 3.41 |
| 3 | Kamal Ramesh Dhanwani (NRI) | 1,00,000 | 3.41 | — | 00 | — | 1,00,000 | 3.41 |
| 4 | Deepak Kohli | 24,661 | | | | | | |
| | | 24,821 | 1.69 | 31-08-2018 | +249 | Purchase | 49,731 | 1.70 |
| 5 | IEPF Authority (MCA) | 22,956 | 0.78 | 02-11-2018 | +2,925 | (By Act of Law) | 25,881 | 0.88 |
| 6 | Chirayush Pravin Vakil | 13,561 | 0.46 | 10-08-2018 | +16 | Purchase | 13,577 | |
| | | | | 31-08-2018 | +398 | Purchase | 13,975 | |
| | | | | 29-09-2018 | +100 | Purchase | 14,075 | |
| | | | | 26-10-2018 | +97 | Purchase | 14,172 | |
| | | | | 02-11-2018 | +101 | Purchase | 14,273 | |
| | | | | 27-02-2019 | +450 | Purchase | 14,723 | |
| | | | | 01-03-2019 | +250 | Purchase | 14,973 | 0.51 |
| 7 | Sanjay Vijay Mallik | 12,820 | 0.43 | - | 00 | - | 12,820 | 0.43 |
| 8 | Khemchand Manglani (NRI) | 12,500 | 0.43 | — | 00 | — | 12,500 | 0.43 |
| 9 | Ajay Agarwal | 10,880 | 0.37 | — | 00 | — | 10,880 | 0.37 |
| 10 | Charudatta Dattatraya Vibhute | 10,229 | 0.35 | — | 00 | — | 10,229 | 0.35 |
| 11 | Dilip Kapadia | 10,000 | 0.34 | — | 00 | — | 10,000 | 0.34 |

(v) Shareholding of Directors and Key Managerial Personnel:

| SI No. | For Each of the Directors and KMP | Shareholding at the beginning of the Year | | Change in Shareholding (No Of Shares) | | Cumulative Shareholding at the end of the year | |
|--------|---|---|----------------------------------|---------------------------------------|-----------------|--|----------------------------------|
| | | No. of Shares | % of total Shares of the company | Increase (Purchase) | Decrease (Sale) | No. of Shares | % of total Shares of the company |
| 1 | Uday kumar Mallik (Deceased on 11/02/2019) | 8,420 | 0.28 | 0.00 | 8,420* | 00 | 0.00 |
| 2 | Anil Sungo Manghnani (WTD) | 4,55,010 | 15.52 | 0.00 | 00 | 4,55,010 | 15.52 |
| 3 | Ghansham Shewakramani | 49,600 | 1.69 | 0.00 | 00 | 49,600 | 1.69 |
| 4 | Narendra Hira Advani(NRNR) | 4,28,865 | 14.63 | 0.00 | 00 | 4,28,865 | 14.63 |
| 5 | Ashok Tikamdas Kukreja | 00 | 0.00 | 0.00 | 00 | 00 | 0.00 |
| 6 | Roshan Advani Patheria | 00 | 0.00 | 0.00 | 00 | 00 | 0.00 |
| 7 | Radhakrishna Shenvi (CFO) | 1200 | 0.04 | 0.00 | 00 | 1,200 | 0.04 |
| 8 | Vibha Dinesh Mehta (CS) | 00 | 0.00 | 0.00 | 00 | 00 | 0.00 |

* Equity Shares Transmitted to his Legal heirs

V. INDEBTEDNESS

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

| | Secured Loans Excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | NIL | NIL | NIL | NIL |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | NIL | NIL | NIL | NIL |
| Change in Indebtedness during the financial year | NIL | NIL | NIL | NIL |
| • Addition | | | | |
| • Reduction | | | | |
| Net Change | NIL | NIL | NIL | NIL |
| Indebtedness at the end of the financial year | NIL | NIL | NIL | NIL |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | NIL | NIL | NIL | NIL |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director & executive Director and/or Manager:

| SI No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total Amount (in ₹) |
|--------|--|-------------------------|-------------|---------------------|
| | | Anil S. Manghnani | | |
| 1 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | ₹10,34,480 | ₹10,34,480 |
| 2 | Stock Option | | NA | NA |
| 3 | Sweat Equity | | NA | NA |
| 4 | Commission- as % of profit- others, specify... | | NA | NA |
| 5 | Others, please specify | | None | None |
| | Total (A) | | ₹ 10,34,480 | ₹ 10,34,480 |
| | Ceiling as per the Act * | | - | NIL |

*Overall Ceiling as per the Act 'Nil' being 5% of the Net Profit (Company has made a loss) of the Company calculated as per Section 198 of the Companies Act, 2013. Minimum Remuneration * Paid as per Sch. V Part-II (Section II) of the Companies Act, 2013)

B. Remuneration to other directors:

| SI No. | Particulars of Remuneration | Name of Directors | | | Total Amount (in ₹) |
|--------|---|---------------------------|------------------------|----------------------------|---------------------|
| | | Name | Name | Name | |
| | | Mr. U. K. Mallik | Mr. Ashok T. Kukreja | | |
| 1. | Independent Directors Fee for attending board / committee Meetings | ₹ 57,500 | ₹ 60,000 | | ₹ 1,17,500 |
| | • Commission | | | | |
| | • Others, please specify | | | | |
| | Total (1) | | | | ₹ 1,17,500 |
| 2. | Other Non-Executive Directors | Mr. Ghansham Shewakramani | Mr. Narendra H. Advani | Ms. Roshan Advani Patheria | |
| | • Fee for attending board / committee meetings | ₹ 40,000 | ₹ 15,000 | ₹ 12,500 | ₹ 67,500 |
| | • Commission | | | | |
| | • Others, please specify | | | | |
| | Total(2) | | | | ₹ 67,500 |
| | Total (B) = (1+2) | | | | ₹ 1,85,000 |
| | Total Managerial Remuneration (A+B) | | | | ₹ 12,19,480 |

Ceiling is not applicable as Non-Executive Directors were paid sitting fees

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

| SI No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|--------|--|--------------------------|-------------------|--------------------|--------------------|
| | | CEO | CS Vibha Mehta | CFO R.N. Shenvi | Total |
| 1 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NIL | ₹ 73,920* | ₹ 10,08,000 | ₹ 10,81,920 |
| 2 | Stock Option | NIL | NIL | NIL | NIL |
| 3 | Sweat Equity | NIL | NIL | NIL | NIL |
| 4 | Commission - as % of profit - others, specify... | NIL | NIL | | |
| 5 | Others, please specify | NIL | NIL | NIL | NIL |
| | Total | NIL | ₹ 73,920* | ₹ 10,08,000 | ₹ 10,81,920 |

*Part of the Year. (effective 19th November, 2018)

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) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | None | | |
| Punishment | | | None | | |
| Compounding | | | None | | |
| B. DIRECTORS | | | | | |
| Penalty | | | None | | |
| Punishment | | | None | | |
| Compounding | | | None | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | None | | |
| Punishment | | | None | | |
| Compounding | | | None | | |

Mumbai, dated 28th May, 2019
Registered Office:
Wankhede Stadium, North Stand,
Staircase No. 13, D Road,
Churchgate, Mumbai - 400020
CIN: L45200MH1939PLC002958
Website: www.modernshares.com

By Order of the Board of Directors
For Modern Shares and Stockbrokers Limited

Sd/- Sd/-
Anil Sugno Manghnani Ghansham Shewakramani
Whole Time Director Director
(DIN-00012806) (DIN NO. 00413343)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MODERN SHARES & STOCKBROKERS LIMITED

Report on the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Modern Shares & Stockbrokers Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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 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 its Profit / Loss and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we have determined that there are no key audit matters to communicate in our report.

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

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.
6. 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.

7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

8. 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.

9. 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 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 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.
10. 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.
11. 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.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the

audit of the 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.

Report on Other Legal and Regulatory Requirements

13. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. 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 the 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (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 A".
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - (i) The Company does not have any pending litigations as at March, 31, 2019, which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts as at March, 31, 2019.
 - (iii) The company has transferred an amount of Rs. 24,424/- (of unpaid dividend for the financial year ended 31st March 2011) to Investor Education and Protection Fund during the year in accordance with section 124 (5) of The Companies Act, 2013 and rules there under.

For Baheti & Co.
Firm Registration Number: 006287C
Chartered Accountants

Sd/-
Deepak Baheti
Partner
Membership Number: 075063

Place: Mumbai
Date: 28th May, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 14 (f) of the Independent Auditors' Report of even date to the members of **Modern Shares & Stockbrokers Limited** on the standalone 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. We have audited the internal financial controls over financial reporting of Modern Shares & Stockbrokers 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 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") 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 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 judgment, 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. 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:
- (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 authorizations of management and directors of the company; and
- (c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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

8. In our opinion, the Company has, 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 Baheti & Co.
Firm Registration Number: 006287C
Chartered Accountants

Sd/-
Deepak Baheti
Partner
Membership Number: 075063

Place: Mumbai
Date: 28th May, 2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of **Modern Shares & Stockbrokers Limited** on the standalone financial statements as of and for the year ended March 31, 2019.

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management at regular interval and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The Company does not own any immovable properties as disclosed in Note 2.7 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
2. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
3. 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.
4. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
5. 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.
6. 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
7. (a) 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, employees' state insurance, income tax, service tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) 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, sales-tax, service-tax, duty of customs, and duty of excise or value added tax which have not been deposited on account of any dispute.
8. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
9. 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.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of 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.
11. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12. 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.
13. 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.
14. 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.
15. 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.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Baheti & Co.
Firm Registration Number: 006287C
Chartered Accountants

Sd/-
Deepak Baheti
Partner
Membership Number: 075063

Place: Mumbai
Date: 28th May, 2019

BALANCE SHEET AS AT MARCH 31, 2019

| Particulars | Note No. | As at March 31, 2019 (Amount in Rs.) | As at March 31, 2018 (Amount in Rs.) |
|---|----------|--|--|
| I EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| a Share Capital | 2.1 | 2,93,11,250 | 2,93,11,250 |
| b Reserves and Surplus | 2.2 | 9,06,13,758 | 9,74,08,040 |
| 2 Current Liabilities | | | |
| a Trade Payables | 2.3 | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,40,24,445 | 1,14,64,077 |
| b Other Current Liabilities | 2.4 | 20,49,367 | 25,15,929 |
| c Short-term Provisions | 2.5 | 28,02,417 | 27,75,392 |
| Total | | <u>13,88,01,237</u> | <u>14,34,74,687</u> |
| II ASSETS | | | |
| 1 Non-current Assets | | | |
| a Fixed assets | | | |
| i. Property, Plant and Equipments | 2.7 | 23,60,565 | 12,28,832 |
| ii. Intangible Assets | 2.7 | - | - |
| b Non-current investments | 2.8 | 8,31,690 | 60,78,000 |
| c Deferred-tax Assets (net) | 2.9 | 6,19,074 | 5,82,140 |
| d Long-term Loans and Advances | 2.10 | 87,87,646 | 86,90,646 |
| 2 Current Assets | | | |
| a Inventories | 2.11 | 6,81,434 | 14,73,960 |
| b Trade Receivables | 2.12 | 77,29,012 | 79,81,383 |
| c Cash and Cash Balances | 2.13 | 11,37,94,975 | 11,33,01,344 |
| d Short-term Loans and Advances | 2.14 | 39,96,841 | 41,38,383 |
| Total | | <u>13,88,01,237</u> | <u>14,34,74,687</u> |
| Significant Accounting Policies & Notes | 1 & 2 | | |

As per our attached report of even date

For Baheti & Co.

Chartered Accountants

FRN No: 006287C

Deepak Baheti

Partner

Membership No.075063

Place : Mumbai

Date : May 28, 2019

For and on behalf of the Board of Directors

Ashok T Kukreja

(Chairman)

DIN: 00463526

Anil S Manghnani

(Whole-time Director)

DIN: 00012806

G Shewakramani

(Director)

DIN: 00413343

Roshan Advani Patheria

(Director)

DIN: 00651144

R N Shenvi

(Chief Financial Officer)

Vibha D Mehta

(Company Secretary)

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

| Particulars | Note No. | For the year ended March 31, 2019 (Amount in Rs.) | For the year ended March 31, 2018 (Amount in Rs.) |
|---|----------|---|---|
| I Revenue from Operations | 2.15 | 1,77,74,159 | 2,41,80,751 |
| II Other Income | 2.16 | 75,18,828 | 72,85,762 |
| III Total Revenue (I + II) | | 2,52,92,987 | 3,14,66,512 |
| IV Expenses: | | | |
| Operating Expenses | 2.17 | 63,761 | 1,37,404 |
| Employee Benefit Expenses | 2.18 | 1,29,77,026 | 1,27,74,930 |
| Administrative and Other Expenses | 2.19 | 1,24,89,887 | 1,36,17,655 |
| Financial Costs | | 1,02,332 | 1,12,482 |
| Depreciation and Amortization Expenses | 2.7 | 4,77,967 | 2,25,757 |
| V Total Expenses | | 2,61,10,973 | 2,68,68,229 |
| VI Profit/(Loss) before exceptional and extraordinary items and tax (III - V) | | (8,17,986) | 45,98,284 |
| VII Exceptional Items (Provision for diminution in value of investments) | | (42,46,310) | (11,81,500) |
| VIII Profit/(Loss) before extraordinary items and tax (VI - VII) | | (50,64,296) | 34,16,784 |
| IX Extraordinary Items | | - | - |
| X Profit/(Loss) before tax (VIII - IX) | | (50,64,296) | 34,16,784 |
| XI Tax expense: | | | |
| 1 Current tax | | - | 12,25,000 |
| 2 Deferred tax | | (36,934) | 95,670 |
| 3 Tax provision of earlier years | | - | 22,643 |
| | | (36,934) | 13,43,313 |
| XII Profit/(Loss) for the period (X - XI) | | (50,27,362) | 20,73,471 |
| XIII Earning per equity share: Basic & Diluted Equity Shares of par value Rs.10 each | | (1.72) | 0.71 |
| Number of shares used in computing earnings per share Basic & Diluted | | 29,31,125 | 29,31,125 |
| Significant Accounting Policies & Notes to Accounts | 1 & 2 | | |

As per our attached report of even date

For Baheti & Co.
Chartered Accountants
FRN No: 006287C

Deepak Baheti
Partner
Membership No.075063

Place : Mumbai
Date : May 28, 2019

For and on behalf of the Board of Directors

| | | |
|------------------------|---------------------------|---------------|
| Ashok T Kukreja | (Chairman) | DIN: 00463526 |
| Anil S Manghnani | (Whole-time Director) | DIN: 00012806 |
| G Shewakramani | (Director) | DIN: 00413343 |
| Roshan Advani Patheria | (Director) | DIN: 00651144 |
| R N Shenvi | (Chief Financial Officer) | |
| Vibha D Mehta | (Company Secretary) | |

Cash Flow Statement for the year ended March 31, 2019

| Particulars | For the year ended March 31, 2019 (Amount in Rs.) | For the year ended March 31, 2018 (Amount in Rs.) |
|---|--|--|
| A Cash Flow from Operating Activities | | |
| (a) Profit from operating activities | (50,64,296) | 34,16,784 |
| Adjustments: | | |
| Depreciation and amortization | 4,77,967 | 2,25,757 |
| Interest Received | (72,89,879) | (72,00,518) |
| Dividend on Investments | (26,280) | (47,743) |
| Provision for diminution in value of investments | 42,46,310 | 11,81,500 |
| (b) Working capital changes: | | |
| Decrease / (Increase) in inventories | 7,92,526 | 11,99,701 |
| Decrease / (Increase) in trade receivables | 2,52,371 | (19,88,974) |
| Decrease / (Increase) in long-term loans and advances | (97,000) | - |
| Decrease / (Increase) in short-term loans and advances | 9,47,273 | (7,77,172) |
| Decrease / (Increase) in trade payables | 25,60,368 | 12,98,054 |
| Increase / (Decrease) in other current liabilities | (4,66,562) | 86,097 |
| Increase / (Decrease) in provisions | 27,025 | 2,60,300 |
| (c) Direct taxes paid (Net of refunds) | (8,05,731) | (12,92,701) |
| Total of (A) | (44,45,908) | (36,38,914) |
| B Cash Flow from Investing Activities | | |
| (a) Purchase of tangible assets / Capital work in progress | (16,09,700) | (74,724) |
| (b) Decrease / (Increase) in Investments | 10,00,000 | - |
| (c) Interest received | 72,89,879 | 72,00,518 |
| (d) Dividend received | 26,280 | 47,743 |
| Total of (B) | 67,06,459 | 71,73,536 |
| C Cash Flow from Financing Activities | | |
| (a) Dividends paid (including distribution tax) | (17,66,920) | (17,64,028) |
| Total of (C) | (17,66,920) | (17,64,028) |
| Net (decrease)/increase in cash and cash equivalents (A+B+C) | 4,93,632 | 17,70,594 |
| Add: Cash and cash equivalents at the beginning of the period | 11,33,01,344 | 11,15,30,750 |
| Cash and cash equivalents at the end of the period | 11,37,94,975 | 11,33,01,344 |
| Breakup of Cash Equivalents | | |
| Cash | 30,433 | 1,06,031 |
| Balances in Bank in Current Accounts | 1,26,07,037 | 1,29,51,917 |
| Balances in Bank in Fixed Deposits | 10,11,57,506 | 10,02,43,396 |
| | 11,37,94,975 | 11,33,01,344 |

As per our attached report of even date

For Baheti & Co.

Chartered Accountants

FRN No: 006287C

Deepak Baheti

Partner

Membership No.075063

Place : Mumbai

Date : May 28, 2019

Ashok T Kukreja

Anil S Manghnani

G Shewakramani

Roshan Advani Patheria

R N Shenvi

Vibha D Mehta

For and on behalf of the Board of Directors

(Chairman)

(Whole-time Director)

(Director)

(Director)

(Chief Financial Officer)

(Company Secretary)

DIN: 00463526

DIN: 00012806

DIN: 00413343

DIN: 00651144

Note 1. Significant Accounting Policies:

1. Basis of preparation of financial statements:

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and guidelines issued by Securities and Exchange Board of India (SEBI). The financial statements have been prepared on accrual basis and under historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous years, except for the change in accounting policy explained below if any.

2. Use of Estimates:

The preparation of financial statements in confirmatory with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of Contingent Liabilities, at the end of the reporting period. Although these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions, and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3. Revenue Recognition:

Brokerage on equities/derivative transactions are accounted on trade date basis. Interest on Fixed deposits with banks and other services income are accounted on accrual basis where as dividend income and brokerage on mutual fund and IPO syndication are accounted on receipt basis.

4. Property, Plant and Equipments:

Property, Plant and Equipments are stated at cost net of recoverable taxes, less accumulated depreciation. Cost comprises of cost of acquisition or construction including borrowing costs attributable for bringing the assets to their intended use.

Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or the date it is put to use, whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II of the Act for calculating the depreciation

The estimated useful lives of the fixed assets are as follows:-

| Class of asset | Estimated useful life |
|---|-----------------------|
| Furniture and Fixtures | 10 years |
| Vehicles | 8 years |
| Office Equipment | 5 years |
| Computers - Servers and networks | 6 years |
| Computers - End user devices, such as desktops, laptops, etc. | 3 years |

Leasehold improvement & premises are amortized on a straight line basis over the estimated useful lives of the assets or the period of lease, whichever is shorter.

5. Intangible Assets:

Intangible assets are stated at cost of acquisition less accumulated amortization. Computer software and web-site are amortized over a period of three years; Trade mark is amortized over a period of seven years.

6. Impairment of Assets:

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If the carrying amount of fixed assets / cash generating unit exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

7. Investments:

Securities acquired with the intention of holding them for long term are classified as long-term investments. Long-term investments are recorded at the cost of acquisition. Provision is made for diminution in value other than temporary. Current investments are valued at lower of cost or market value.

8. Stock in trade:

Stock in trade of shares is valued at lower of cost and fair/market value.

9. Retirement Benefits:-

Retirement benefits are accounted on accrual basis. Provident fund payments are made to Government Provident Fund Trust. Superannuation and gratuity liability is funded with Life Insurance Corporation of India. Provision for gratuity to employees is made on the basis of an actuarial valuation done during the year in compliance with the renewal of gratuity policy. Provision for leave encashment has been made on actual basis for accumulated leave balance of the employees as at year end.

10. Borrowing Costs:

Borrowing costs which are directly attributable to the acquisition/ construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognized as an expense in the year in which they are incurred.

11. Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the exchange rate prevailing at the time of occurrence of the transactions.

Monetary items denominated in foreign currency remaining unsettled at the end of the year are translated at the buying rates as at the last day of the year.

Any gains or losses on account of exchange difference either on settlement or translation are recognized in Profit and Loss Account except in case where it relates to the acquisition of fixed assets from a country outside India in which case it is adjusted to the carrying cost of such asset.

12. Taxes on Income:

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.

Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to the differences between accounting income and taxable income for a period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only if there is a reasonable/ virtual certainty of realization.

13. Derivatives:

In respect of futures contracts, the difference between the contract price and the settlement / square off price is accounted as profit/loss on trading. Provision is made in cases where the difference between the contract price and the market price on the date of the Balance Sheet is a loss.

In respect of option contracts, the option premium is recognized as income/expense on the exercise/ expiry date of the contract. In case of square off, the difference between the premium paid and received is accounted as income/ expense on the date of square off.

Provision is made in cases where the difference between the premium paid/ received and the premium prevailing on the Balance Sheet date is a loss.

The difference between the strike price and settlement price is recognized as income/expense on the exercise/ expiry date of the contract.

14. Provision, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

15. Segment Accounting Policies:

(a) Segment assets and liabilities:

All Segment assets and liabilities are directly attributable to the segment.

Segment assets include all operating assets used by the segment and consist principally of stock in trade, sundry debtors and loans and

advances. Segment assets and liabilities do not include share capital, reserves and surplus.

(b) Segment revenue and expenses:

Segment revenue and expenses are directly attributable to segment. It does not include provision for income tax.

16. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted-average number of equity shares outstanding during the year. The weighted-average number of equity shares outstanding during the year and for all years presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|---|----------------------|--------------------|----------------------|------------------|
| | Number | Amount | Number | Amount |
| Note 2.1: Share Capital | | | | |
| Authorised | | | | |
| Equity shares of Rs.10/- each. | 60,00,000 | 6,00,00,000 | 60,00,000 | 6,00,00,000 |
| Issued, Subscribed & Paid up | | | | |
| Equity shares of Rs.10/- each fully paid-up | 29,31,125 | 2,93,11,250 | 29,31,125 | 29,31,125 |
| | 29,31,125 | 2,93,11,250 | 29,31,125 | 29,31,125 |

No shares out of the issued, subscribed and paid up shares have been issued for a consideration other than cash, bonus etc. in past 5 years.

The Company has only one class of shares referred to as equity shares having par value of Rs.10. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining asset of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of shares outstanding

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|---|----------------------|-------------|----------------------|-------------|
| | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year | 29,31,125 | 2,93,11,250 | 29,31,125 | 2,93,11,250 |
| Shares Issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 29,31,125 | 2,93,11,250 | 29,31,125 | 2,93,11,250 |

Shares of the Company held by each shareholder holding more than 5 percent shares

| Name of Shareholder | As at March 31, 2019 | | As at March 31, 2018 | |
|----------------------------------|----------------------|--------------|----------------------|--------------|
| | No. of shares held | % of Holding | No. of shares held | % of Holding |
| M/s. Bhagwanti Exports Pvt. Ltd. | 10,75,075 | 36.68% | 10,75,075 | 36.68% |
| Mr. Anil S Manghnani | 4,55,010 | 15.52% | 4,55,010 | 15.52% |
| Mr. Narendra H Advani (* NR NR) | 4,28,865 | 14.63% | 4,28,865 | 14.63% |

*(Non-Residence, Non-Repatriable)

| Particulars | As at March 31, 2019 Amount in Rs. | As at March 31, 2018 Amount in Rs. |
|--|--|--|
| Note 2.2: Reserves and Surplus | | |
| a Capital Reserve | 1,45,831 | 1,45,831 |
| b Securities Premium Account | 1,68,84,184 | 1,68,84,184 |
| c General Reserve | | |
| Opening Balance | 2,21,75,815 | 2,21,75,815 |
| (+) Current Year Transfer | - | - |
| Depreciation due to change in depreciation rate on effect of adoption of (-) part of schedule 11 of Companies Act, 2013 | | |
| | 2,21,75,815 | 2,21,75,815 |
| d Surplus | | |
| Opening Balance | 5,82,02,210 | 5,78,92,767 |
| (+) Net Profit/(Net Loss) for the Current Year | (50,27,362) | 20,73,471 |
| (-) Dividend on Equity | (14,65,651) | (14,65,656) |
| (-) Corporate Tax on Dividend | (3,01,269) | (2,98,372) |
| Closing Balance | 5,14,07,928 | 5,82,02,210 |
| | 9,06,13,758 | 9,74,08,040 |
| Note 2.3: Trade payables | | |
| a Total outstanding dues of micro enterprises and small enterprises* | | |
| b Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,40,24,445 | 1,14,64,077 |
| | 1,40,24,445 | 1,14,64,077 |
| Note 2.3.1: Disclosure in accordance with section 22 of the Micro, Small and Medium Enterprises Development Act, 2006. | | |
| Principal amount remaining unpaid | - | - |
| Interest paid in terms of section 16 | - | - |
| Interest due & payable for the period of delay in payments | - | - |
| Interest accrued & remaining unpaid | - | - |
| Interest due & payable even in succeeding years | - | - |
| *Note:- The above information regarding dues to Micro & Small Enterprises has been determined to the extent such parties have been identified on basis of information collected with the Company. This has been relied upon by the auditor. | | |
| Note 2.4: Other Current Liabilities | | |
| a Unclaimed dividends | 3,38,427 | 3,31,108 |
| b Other liabilities for expenses | 10,68,119 | 14,98,601 |
| c Outstanding statutory liabilities | 6,42,821 | 6,86,220 |
| | 20,49,367 | 25,15,929 |
| Note 2.5: Short Term Provisions | | |
| a Provision for employee benefits | | |
| Leave Encashment | 21,76,467 | 20,20,592 |
| Bonus | 6,25,950 | 7,54,800 |
| | 28,02,417 | 27,75,392 |
| Note 2.6 Contingent liabilities | | |
| a Contingent liability on account of guarantees issued by Banks in favour of National Securities Clearing Corporation Limited Rs.100Lacs. (previous year Rs.100Lacs.) | | |

Note 2.7: Details of Fixed Assets as on March 31, 2019

| PARTICULARS | GROSS BLOCK | | | ACCUMULATED DEPRECIATION / AMORTISATION | | | NET BLOCK | |
|---------------------------------------|-----------------------|------------------|------------|---|-----------------|-------------|----------------------|----------------------|
| | As at March, 31, 2018 | Additions | Deductions | As at March, 31 2018 | For the Year | Deduct-ions | As at March, 31 2019 | As at March, 31 2018 |
| Property, Plant and Equipments | | | | | | | | |
| Leasehold Improvements | 15,56,815 | - | - | 6,27,887 | 91,204 | - | 7,19,091 | 9,28,928 |
| Airconditioner | 21,000 | - | - | 19,879 | 71 | - | 19,950 | 1,121 |
| Computer | 8,80,528 | 15,88,672 | - | 8,07,551 | 3,30,565 | - | 11,38,115 | 72,978 |
| Office Equipments | 3,02,479 | - | - | 2,37,109 | 25,573 | - | 2,62,682 | 65,370 |
| Motor Car | 6,53,192 | - | - | 5,80,080 | 24,059 | - | 6,04,139 | 73,112 |
| Office Furniture | 4,34,575 | 21,028 | - | 3,47,252 | 6,495 | - | 3,53,747 | 87,323 |
| Intangible Assets | | | | | | | | |
| Trade Mark | 58,000 | - | - | 58,000 | - | - | 58,000 | - |
| TOTAL | 39,06,589 | 16,09,700 | - | 26,77,757 | 4,77,967 | - | 31,55,724 | 12,28,832 |
| Previous year | 38,31,865 | 74,724 | - | 24,52,000 | 2,25,757 | - | 26,77,757 | 13,79,865 |

| Particulars | Face Value | Qty. | As at March 31, 2019 (Amount in Rs.) | Qty. | As at March 31, 2018 (Amount in Rs.) |
|--|------------|-------|--|-------|--|
| Note 2.8: Non Current Investments | | | | | |
| A Quoted, long term, non-trade: (at cost) | | | | | |
| a Fully Paid up Equity Shares | | | | | |
| Emmsons International Ltd. | 10 | 10000 | 12,50,000 | 10000 | 12,50,000 |
| Less: Provision for diminution in value of investments | | | (11,81,500) | | (11,81,500) |
| Sub-total | | | 68,500 | | 68,500 |
| B Un-Quoted, long term, non-trade: (at cost) | | | | | |
| Fully Paid up Equity Shares | | | | | |
| a Innovative B2B Logistics Solutions Ltd. (Refer Note 2.22) | 10 | 50000 | 50,00,000 | 50000 | 50,00,000 |
| Less: Provision for diminution in value of investments | | | (42,46,310) | | - |
| b The Saraswat Co-op. Bank Ltd. | 10 | 950 | 9,500 | 950 | 9,500 |
| Sub-total | | | 7,63,190 | | 50,09,500 |
| C Un-Quoted Mutual Funds | | | | | |
| a Axis Hybrid Fund - Series 15 (1275 days) Growth(A5-GP) | | | - | 30000 | 3,00,000 |
| b Axis Hybrid Fund - Series 19 (42 months) Growth(A9-GP) | | | - | 50000 | 5,00,000 |
| c Axis Equity Fund - Growth (EFGPG) | | | - | 10152 | 2,00,000 |
| Sub-total | | | - | | 10,00,000 |
| TOTAL INVESTMENTS | | | 8,31,690 | | 60,78,000 |
| Aggregate Value of Quoted Investments | | | | | |
| Cost | | | 12,50,000 | | 12,50,000 |
| Market Value | | | 48,500 | | 68,500 |
| Aggregate Value of Unquoted Investments | | | | | |
| Cost | | | 7,63,190 | | 60,09,500 |
| Note 2.9: Deferred Tax | | | | | |
| The net deferred tax asset as at March 31, 2019, comprises of the following components: | | | | | |
| Deferred Tax Asset | | | | | |
| On timing difference of Assets | | | 53,193 | | 61,838 |
| Provision for Leave Encashment | | | 5,65,881 | | 5,20,302 |
| | | | 6,19,074 | | 5,82,140 |
| Deferred Tax Liability | | | | | |
| On timing difference of Assets | | | - | | - |
| Net Deferred Tax Asset / (Liability) | | | 6,19,074 | | 5,82,140 |
| Note 2.10: Long Term Loans and Advances | | | | | |
| a Security Deposits | | | | | |
| Unsecured, considered good | | | 87,87,646 | | 86,90,646 |
| | | | 87,87,646 | | 86,90,646 |
| (Out of the above deposits of Rs. 87,87,646/-, Rs.73,25,000/- (Previous year Rs.72,25,000/-) are kept with stock exchanges as security deposits and minimum base requirements) | | | | | |

| Particulars | As at March 31, 2019 (Amount in Rs.) | | As at March 31, 2018 (Amount in Rs.) | |
|---|--|-----------------|--|------------------|
| | Qty. | Amt. | Qty. | Amt. |
| Note 2.11: Inventory | | | | |
| a Shree Renuka Sugars Ltd. | 13000 | 1,32,600 | 13000 | 1,98,900 |
| b S M Dye Chem Ltd. | 100 | - | 100 | - |
| c Kirloskar Electric Company Ltd. | 1000 | 17,800 | 1,000 | 28,050 |
| d Tata Power Company Ltd. | 1000 | 73,650 | 1,000 | 78,650 |
| e Elecon Engineering Company Ltd. | 1000 | 62,800 | 1,000 | 76,000 |
| f HDFC Standard Life Insurance Company Ltd. | - | - | 250 | 1,13,288 |
| g Jain Irrigation Systems Ltd. | - | - | 500 | 52,560 |
| h Mahindra & Mahindra Ltd. | - | - | 850 | 6,26,450 |
| i National Aluminium Company Ltd. | - | - | 500 | 31,536 |
| j Rashtriya Chemicals and Fertilizers Ltd. | 750 | 43,800 | 750 | 54,825 |
| k Tata Consultancy Services Ltd. | - | - | 75 | 2,13,701 |
| l Aditya Birla Fashion and Retail Limited | 250 | 46,294 | - | - |
| m Mercator Limited | 1000 | 6,950 | - | - |
| n MphasiS Limited | 120 | 1,19,940 | - | - |
| o Hindustan Unilever Limited | 100 | 1,70,650 | - | - |
| p Nagarjuna Fertilizers and Chemicals Limited | 1000 | 6,950 | - | - |
| q Others (specify nature) | | | | |
| | | 6,81,434 | | 14,73,960 |

Stock is valued at cost or market value which ever is lower.

| Particulars | As at March 31, 2019 (Amount in Rs.) | As at March 31, 2018 (Amount in Rs.) |
|--|--|--|
| Note 2.12: Trade Receivables: | | |
| Unsecured, considered good | | |
| Trade receivables outstanding for a period less than six months from the date they are due for payment | 52,12,351 | 54,64,521 |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | 25,16,661 | 25,16,862 |
| | <u>77,29,012</u> | <u>79,81,383</u> |
| Trade Receivable stated above include debts due by: | | |
| Key Management Personnel | - | - |
| Relatives of Key Management Personnel | - | - |
| Note 2.13: Cash and Cash Equivalents: | | |
| a Balances with Banks | | |
| Current Account | 1,22,68,610 | 1,26,20,809 |
| FD towards margin money | 6,01,57,506 | 5,92,43,396 |
| FD against guarantees | 50,00,000 | 50,00,000 |
| FD against borrowings | 3,10,00,000 | 3,10,00,000 |
| Bank Deposits (more than 3 months, less than 24 months) | 50,00,000 | 50,00,000 |
| Unclaimed dividend | 3,38,427 | 3,31,108 |
| b Cheques, drafts on hand | - | - |
| c Cash on hand | 30,433 | 1,06,031 |
| | <u>11,37,94,975</u> | <u>11,33,01,344</u> |
| The Company has transferred Rs.24,424/- to Investor Education and Protection Fund under section 125 and section 124 (5) of the Companies Act, 2013 as at the year end. | | |
| Note 2.14: Short-term loans and advances | | |
| a Loans and advances (others) | | |
| Unsecured, considered good | | |
| Prepaid expenses | 10,35,284 | 8,89,475 |
| Loan to staff | 3,20,765 | 9,78,265 |
| Other Advances | 1,47,496 | 1,38,107 |
| Interest accrued | 2,83,091 | 7,28,062 |
| | <u>17,86,636</u> | <u>27,33,909</u> |
| b Taxes | | |
| Advance tax & tax deducted at source (net of provisions) | 22,10,205 | 14,04,474 |
| | <u>22,10,205</u> | <u>14,04,474</u> |
| | <u>39,96,841</u> | <u>41,38,383</u> |

In the opinion of the Board, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Accounts.

| Particulars | For the Year ended March 31, 2019 (Amount in Rs.) | For the Year ended March 31, 2018 (Amount in Rs.) |
|---|---|---|
| Note 2.15: Operating Income | | |
| Brokerage & Commission | 1,73,72,757 | 2,38,87,618 |
| Profit on Trading | | |
| Sales | 70,53,714 | 1,82,67,297 |
| Less: Cost of Sale | | |
| Opening Stock | 14,73,960 | 26,73,662 |
| Add: Purchase of Shares | 59,66,780 | 1,67,40,030 |
| Less: Closing Stock | 6,81,434 | 14,73,960 |
| | <u>67,59,306</u> | <u>1,79,39,731</u> |
| Profit/(Loss) on Trading | 2,94,408 | 3,27,567 |
| Profit/(Loss) on Trading - Derivatives | 1,06,994 | (34,433) |
| | <u>1,77,74,159</u> | <u>2,41,80,751</u> |
| Note 2.16: Other Income | | |
| Interest Income | 72,89,879 | 72,00,518 |
| Dividend Income | 26,280 | 47,743 |
| Profit on Sale of Investments | 2,02,669 | - |
| Sundry Balances Written Back | - | 37,501 |
| | <u>75,18,828</u> | <u>72,85,762</u> |
| Note 2.17: Operating Expenses | | |
| Loss/ Profit on Vandha (Net) | 8,164 | 9,452 |
| Brokerage Paid | 55,597 | 1,27,952 |
| | <u>63,761</u> | <u>1,37,404</u> |
| Note 2.18: Employee Benefit Expenses | | |
| Salaries and Incentives | 88,19,325 | 87,67,600 |
| Directors' Remuneration | 10,34,480 | 10,34,480 |
| Remuneration to Key Management Personnel | 10,81,920 | 10,08,000 |
| Contributions to - | | |
| i. Provident Fund | 10,10,059 | 9,64,836 |
| ii. Superannuation Scheme | 5,59,000 | 5,48,000 |
| Gratuity Fund Contributions | 1,00,000 | 1,00,000 |
| Staff Welfare Expenses | 3,72,242 | 3,52,014 |
| | <u>1,29,77,026</u> | <u>1,27,74,930</u> |

| Particulars | For the Year ended March 31, 2019 (Amount in Rs.) | For the Year ended March 31, 2018 (Amount in Rs.) |
|---|---|---|
| Note 2.19: Administrative and other Expenses | | |
| Rent, Rates & Taxes | 5,47,834 | 5,48,209 |
| Directors' Sitting Fees | 1,85,000 | 2,00,000 |
| Legal and Professional Fees | 69,54,289 | 80,65,423 |
| Software Expenses | 3,03,765 | 3,87,998 |
| Sales Promotion Expenses | 3,32,046 | 4,28,974 |
| Membership Fees & Subscription | 7,76,323 | 5,41,020 |
| Electricity Charges | 2,98,279 | 3,35,021 |
| Motor car Expenses | 7,84,994 | 8,24,555 |
| Postage and Telephone | 3,51,314 | 4,05,683 |
| Travelling and Conveyance | 2,81,861 | 2,98,641 |
| Printing and Stationery | 1,05,641 | 1,09,029 |
| Auditors' Remuneration | 1,56,300 | 1,55,165 |
| Repairs and Maintenance - others | 4,03,510 | 2,28,848 |
| Insurance | 4,25,589 | 3,65,002 |
| Water Charges | 27,298 | 1,05,224 |
| Other Expenses | 5,52,098 | 6,18,863 |
| | <u>1,24,89,887</u> | <u>1,36,17,655</u> |
| Details of Managerial Remuneration: | | |
| a. Remuneration to Directors | | |
| Salary | 8,04,000 | 8,04,000 |
| Contri. to PF & Other Funds | 2,30,480 | 2,30,480 |
| | <u>10,34,480</u> | <u>10,34,480</u> |
| b. Remuneration to Key Management Personnel | | |
| Salary | 9,66,000 | 9,00,000 |
| Contri. to PF & Other Funds | 1,15,920 | 1,08,000 |
| | <u>10,81,920</u> | <u>10,08,000</u> |
| Auditors' Remuneration consist of: (excluding GST) | | |
| for Statutory Audit Fees | 85,000 | 85,000 |
| for Tax Audit fees | 24,000 | 24,000 |
| for Certification Services | 47,300 | 46,165 |
| | <u>1,56,300</u> | <u>1,55,165</u> |

Note 2.20: Remittance in foreign currencies:

For dividends:

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. Particulars of dividends paid to non-resident shareholders on shares held on repatriation basis during the year 2018-2019 are as under:

| | 2018-2019 | 2017-2018 |
|---|-------------|-------------|
| (i) Number of non-resident shareholders | 5 | 6 |
| (ii) Number of Ordinary shares held by them | 3,14,554 | 3,15,828 |
| (iii) Amount of dividends | Rs.1,57,277 | Rs.1,57,914 |
| (iv) Year to which dividend relates | 2018-19 | 2017-18 |

Expenditure in Foreign Currency:

| Particulars | 2018-2019 | 2017-2018 |
|-------------|-----------|-----------|
| | Nil | Nil |

Note 2.21: Segment Information for the year ended 31st March, 2019:

(a) Information about primary business segments

| Particulars | 31st March 2019 | | | | 31st March 2018 | | | |
|--|------------------|---------------------|-------------|------------|------------------|---------------------|-------------|------------|
| | Broking Services | Proprietary Trading | Unallocated | Total | Broking Services | Proprietary Trading | Unallocated | Total |
| | (Rs.lakhs) | (Rs.lakhs) | (Rs.lakhs) | (Rs.lakhs) | (Rs.lakhs) | (Rs.lakhs) | (Rs.lakhs) | (Rs.lakhs) |
| Segment Revenue | | | | | | | | |
| Income from external customers | 173.73 | 4.01 | 75.19 | 252.93 | 238.87 | 2.93 | 72.86 | 314.66 |
| Income from inter segments | - | - | - | - | - | - | - | - |
| Total Revenue | 173.73 | 4.01 | 75.19 | 252.93 | 238.87 | 2.93 | 72.86 | 314.66 |
| Segment result | 89.43 | 4.01 | (101.62) | (8.18) | 143.26 | 2.93 | (112.03) | 34.16 |
| Less : Income tax (including deferred tax) | - | - | - | 0.37 | - | - | - | (13.43) |
| Net Profit | | | | (7.81) | | | | 20.73 |
| Other Information | | | | | | | | |
| Carrying amount of segment assets | 252.58 | 6.81 | 1171.08 | 1430.48 | 246.62 | 14.74 | 1173.39 | 1434.75 |
| Carrying amount of segment liabilities | 140.24 | - | 48.52 | 188.76 | 114.64 | - | 52.91 | 167.55 |
| Cost to acquire tangible fixed assets | - | - | - | 16.10 | - | - | - | 0.75 |
| Depreciation | - | - | - | 4.78 | - | - | - | 2.26 |

(b) Notes:

- (i) Unallocated expenses comprise of staff cost, depreciation & general administrative expenses provided at an enterprise level.

- (ii) Segment assets comprise of stock-in-trade, deposits with NSE and client accounts. Unallocated assets mainly comprise of fixed assets, investments and advances. Segment liabilities comprise of client accounts. Unallocated liabilities mainly include outstanding expenses, retirement benefits, statutory liabilities and loans.

Note 2.22:

The Company had invested Rs.5000000/- (50000 equity shares @ Rs.100/- each) in the year 2007-08 in Innovative B2B Logistics Solutions Limited in a private placement offer. Subsequently in the year 2010-11 the shares of B2B held by the Company were transferred to IL & FS Trust Company Limited - Trustee to the Innovative B2B Logistics Minority Shareholders Trust formed for the benefit and to protect the interest of the Minority Shareholders of B2B. Now the trustees of Innovative B2B Logistics Solutions Limited have agreed to sell the minority shareholders stake to Adani Logistics Ltd at Rs.15.0738 per equity share. Our Company who is also Tag Along with other minority shareholders also has given consent to the Trustees for the same vide our letter dated 15/04/2019 and the shortfall in the value of the investment has been provided during the year.

Note 2.23:

The Company had entered into an agreement with Bata India Ltd., for the shop at Kalbadevi on 18th May 1994 for a period of 10 years w.e.f. 01/04/1994, which was extended for a further period of five years up to 31/03/2009. As Bata India Ltd., had not vacated our shop on due date, we filed suit in the Court of Small Causes at Bombay for mesne profits and re-possession of the shop. The Company is confident of getting all outstanding dues plus additional amount as mesne profits.

Note 2.24: Related Party Transactions:

As per Accounting Standard 18 - Related Party Transactions issued by the Institute of Chartered Accountants of India, the disclosures of transactions with related parties as defined in the Accounting Standard are given below:

List of Related Parties and Relationships

| | |
|---|---|
| Person/companies having significant influence over the Company | Mr. Narendra H.Advani Bhagwanti Exports Pvt. Ltd Hira Advani Holdings Pvt. Ltd. Neelgagan Investments Pvt. Ltd. Bhagwanti Tex Overseas Pvt Ltd |
| Key Management Personnel and also person having significant influence over the company | Mr. Anil Sugno Manghnani Mr. Radhakrishna Shenvi Ms. Vibha D Mehta |
| Relatives of Key Management personnel and persons having significant influence over the company | Ms. Lavina Manghnani-(spouse) Mr. Praveen Manghnani-(brother) Ms. Sarla H. Advani-(mother) Ms. Shalini N. Advani-(spouse) Ms. Roshan H. Advani-(sister) Ms. Ranjana H. Advani-(sister) Mrs. Sheela R. Shenvi-(spouse) Mr. Shamu N. Shenvi-(brother) Mr. Ramachandra N. Shenvi-(brother) Ms. Tanushree Shenvi-(daughter) Ms. Tejal Shenvi-(daughter) Mr. Dinesh Chhotalal Mehta-(Father) Ms. Sarla Dinesh Mehta-(Mother) |

Transactions during the year with related parties:

| | Person/companies having significant influence over the company | | Key Management Personnel | | Relatives of Key Management Personnel and Persons having significant influence over the company | |
|-------------------------------------|--|-----------------------|--------------------------|-----------------------|---|-----------------------|
| | 2018-19 (Rs.lakhs) | 2017-18 (Rs.lakhs) | 2018-19 (Rs.lakhs) | 2017-18 (Rs.lakhs) | 2018-19 (Rs.lakhs) | 2017-18 (Rs.lakhs) |
| Rent paid: | | | | | | |
| Bhagwanti Exports Pvt. Ltd. | 3.00 | 3.00 | - | - | - | - |
| Salary & Perquisites : | | | | | | |
| Mr. Anil Manghnani | - | - | 10.34 | 10.34 | - | - |
| Mrs. Lavina Manghnani | - | - | - | - | 4.48 | 4.48 |
| Mr. Radhakrishna Shenvi | - | - | 10.08 | 10.08 | - | - |
| Ms. Vibha D Mehta(part of the year) | - | - | 0.74 | 0.00 | - | - |
| Sitting Fees | 0.15 | 0.08 | - | - | 0.13 | 0.20 |
| Brokerage Earned: | | | | | | |
| Mr. Anil S Manghnani | - | - | 0.13 | - | - | - |
| Ms. Lavina Manghnani | - | - | - | - | 0.01 | 0.20 |
| Mr. Praveen Manghnani | - | - | - | - | 0.06 | 0.34 |
| Bhagwanti Tex Overseas Pvt Ltd. | 0.03 | 0.02 | - | - | - | - |
| Hira Advani Holdings Pvt Ltd. | - | 0.01 | - | - | - | - |
| Mr. Radhakrishna Shenvi | - | - | - | 0.24 | 0.11 | - |
| Mrs. Sheela R. Shenvi | - | - | - | - | 0.02 | 0.05 |
| Mr. Ramachandra N. Shenvi | - | - | - | - | 0.01 | 0.01 |
| Ms. Tanushree Shenvi | - | - | - | - | 0.60 | 0.31 |
| Ms. Tejal Shenvi | - | - | - | - | - | 0.04 |

Note 2.25: Proposed Dividend:

The final dividend proposed for the year is as follows:

| | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| On Equity Shares of Rs.10 each Dividend per Equity Share | Nil | Rs.0.50 per share |

Note 2.26: Previous year figures have been re-grouped and re-arranged wherever necessary.

Signatures to Note “1” to “2.26”

As per our attached report of even date

For Baheti & Co.

Chartered Accountants

FRN No: 006287C

Deepak Baheti

Partner

Membership No.075063

Place : Mumbai

Date : May 28, 2019

For and on behalf of the Board

| | | |
|------------------------|---------------------------|---------------|
| Ashok T Kukreja | (Chairman) | DIN: 00463526 |
| Anil S Manghnani | (Whole-time Director) | DIN: 00012806 |
| G Shewakramani | (Director) | DIN: 00413343 |
| Roshan Advani Patheria | (Director) | DIN: 00651144 |
| R N Shenvi | (Chief Financial Officer) | |
| Vibha D Mehta | (Company Secretary) | |

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MODERN SHARES AND STOCKBROKERS LIMITED

CIN: L45200MH1939PLC002958

Registered office: Wankhede Stadium, North Stand, Staircase No. 13, D' Road, Churchgate, Mumbai - 400020.

TEL : (022) 4212 2400 (10 Lines); FAX: (022) 4212 2441; EMAIL: modernshare@hotmail.com

Form No. MGT-11

Proxy form

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

Name of the member (s) :

Registered Address :

E-mail Id: Folio No/ Client Id : DP ID:

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

1. Name :

Address :

Email ISignature:, or failing him/her

2. Name :

Address :

Email ID :Signature: or failing him/her

3. Name :

Address :

Email ID :Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 80th Annual general meeting of the company, to be held on Friday the 27th day of September, 2019 at 11.00 a.m at Kilachand Hall, Indian Merchant Chambers, 2nd Floor, Opp. Churchgate Station, Churchgate, Mumbai-400020 and at any adjournment thereof in respect of such resolutions set out in the Notice convening the meeting as are indicated below:

| Sr. No. | Resolution | Vote* | |
|--------------------------|---|-------|---------|
| | | For | Against |
| Ordinary Business | | | |
| 1. | To consider and adopt the Audited Financial Statements and Cash Flow Statement of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors and the Auditors thereon. | | |
| 2. | To appoint a Director in place of Mrs. Roshan Advani Patheria (DIN: 00651144), who retires by rotation and is eligible for re-appointment. | | |
| Special Business | | | |
| 3. | To re-appoint Mr. Anil Sugno Manghnani (DIN: 00012806) as Whole-time Director of the Company for a further period of 5 (five) years. | | |
| 4. | To appoint Mr. Pankaj Rajnikant Ved (DIN: 00207079) as an Independent Director of the Company for a period of 5 (five) years. | | |
| 5. | To re-appoint Mr. Ashok Tikamdas Kukreja (DIN: 00463526), for the second term as an Independent Director of the Company for a further period of 5 (five) years. | | |

Signed this _____ Day of _____ 2019

Affix
Revenue
Stamp

Signature of Proxy holder(s)

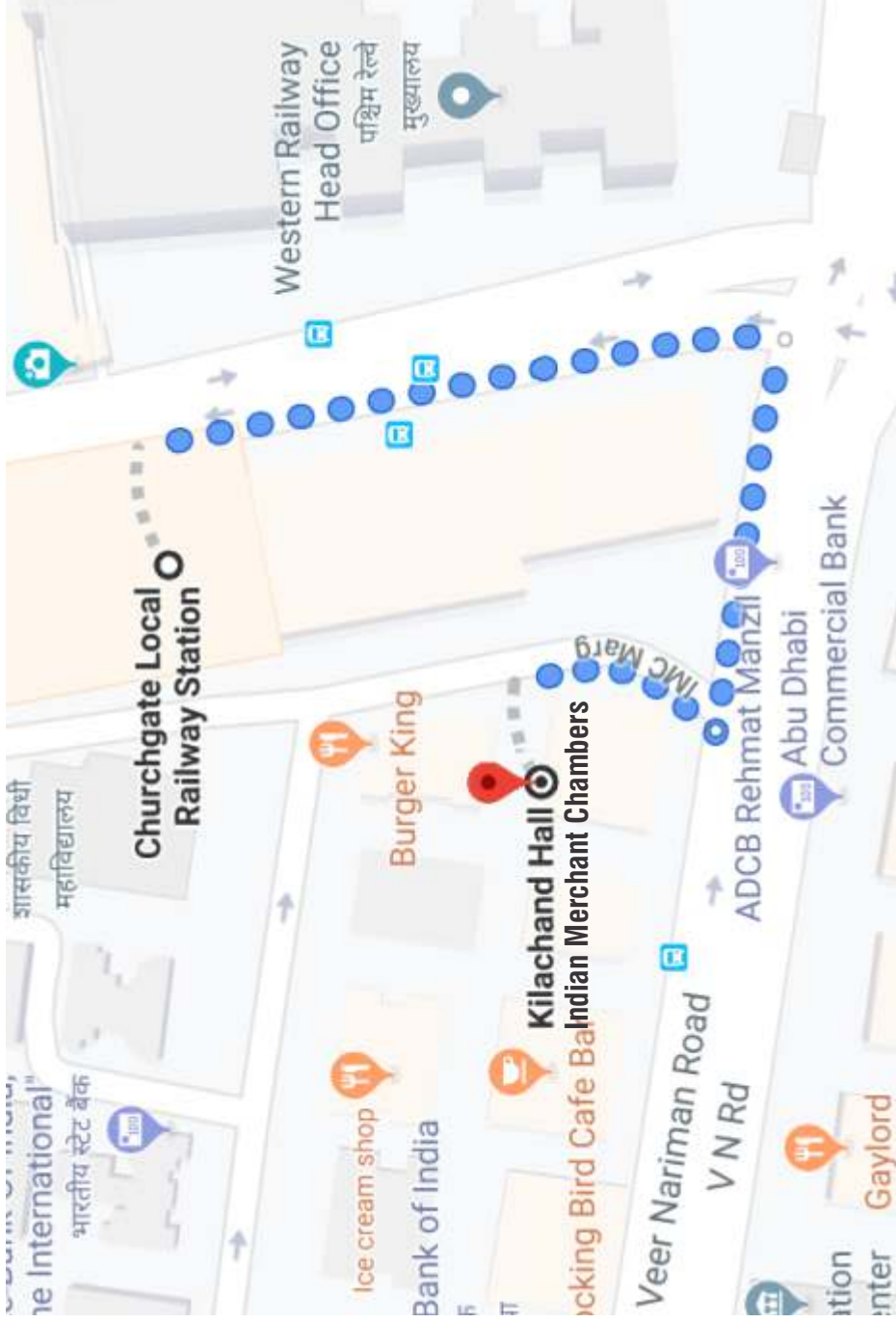
Signature of shareholder

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) Proxy need not be a member of the Company.

*It is optional to put '✓' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate

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📍 Route to the Venue of the 80th Annual General Meeting



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If undelivered please return to :

Modern Shares And Stockbrokers Limited

Registered Office :

Wankhede Stadium, North Stand,
Staircase No.13, 'D' Road,
Churchgate, Mumbai - 400 020.