

Ref: MSSL/016/2021-2022

August 24, 2021

The Secretary,
Bombay Stock Exchange Limited
P J Towers, 25th Floor, Dalal Street,
Mumbai- 400001

Dear Sir/Madam,

Sub: Annual Report for the FY 2020-21 and Notice of the 82nd Annual General Meeting

This is to inform that the Company has scheduled the 82nd Annual General Meeting ("AGM") of the Company on **Friday, September 17, 2021 at 11.30 a.m.** through Video Conferencing (VC) / Other Audio Video Means (OAVM) in accordance with the relevant circulars issued by the Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI"). In this regard, please find enclosed herewith the Annual Report for financial year 2020-21 and Notice of 82nd Annual General Meeting.

Please note that the electronic copy of the Notice of the 82nd AGM and the Annual Report for the financial year 2020-21 are being sent by an email to those Members whose email addresses are registered with the Company's RTA/Depositories. The requirements of sending physical copy of the Notice of the AGM and Annual Report to the Members have been dispensed with vide relevant MCA Circulars and SEBI Circular.

The Notice of the 82nd AGM and the Annual Report are also being uploaded on the website of the Company at www.modernshares.com and on the website of Link Intime at <https://instavote.linkintime.co.in>.

The Register of Members and the Share Transfer Books of the Company shall remain closed from **Friday, September 10, 2021 to Friday, September 17, 2021 (both days inclusive)** for the purpose of the Annual General Meeting and to update the Register of Members. Further, the Company has fixed Friday, September 10, 2021 as the cut-off date to determine the eligibility of the Members to cast their vote by electronic means and e-voting on the resolutions as stated in the Notice of the 82nd AGM.

Kindly take the same on record.

Yours faithfully,

For **MODERN SHARES AND STOCKBROKERS LIMITED**

Vibha Axit Gandhi
Company Secretary & Compliance Officer
M.No. A40143
ECSIN: EA040143A000047843

Encl: as above

*Creating
wealth
through
Equity*

Modern
Shares And
Stockbrokers
Limited

ANNUAL REPORT & ACCOUNTS
2020 - 2021

Board of Directors

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

Mr. R. N. Shenvi
CFO

Mrs. Vibha Axit Gandhi
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) 6825 2400 (10 Lines)
EMAIL: modernshare@hotmail.com

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

Bankers
Axis Bank Limited

Audit Committee

Mr. Ashok T. Kukreja (Chairperson)
Mr. Pankaj R. Ved
Mr. Anil S. Manghnani

Nomination & Remuneration Committee

Mr. Ashok T. Kukreja (Chairperson)
Mr. Pankaj R. Ved
Mrs. Roshan Advani Patheria

Stake Holder & Grievance Committee

Mr. Ashok T. Kukreja (Chairperson)
Mr. Pankaj R. Ved
Mr. Ghansham Shewakramani

| Contents | Page |
|--------------------------------------|------|
| Notice | 1 |
| Directors Report | 12 |
| Secretarial Audit Report..... | 21 |
| Auditors Report | 24 |
| Annexure to Auditors Report | 27 |
| Balance Sheet | 31 |
| Profit & Loss Account | 32 |
| Statement of changes in equity | 33 |
| Cash Flow Statement | 34 |
| Notes to Accounts | 35 |

NOTICE

NOTICE is hereby given that the **Eighty-Second** Annual General Meeting of the members of **Modern Shares and Stockbrokers Limited** (CIN:L45200MH1939PLC002958) will be held on **Friday, September 17, 2021 at 11.30 a.m. (IST)** through Video Conference ("VC") / Other Audio Visual Means ("OAVM") ("hereinafter referred to as "electronic mode") 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, 2021 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Ghansham Shewakramani (DIN: 00413343), who retires by rotation and is eligible for re-appointment.

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

**Sd/-
Vibha Axit Gandhi
Company Secretary & Compliance Officer
M.No. A40143
ECSIN: EA040143A000047843**

Mumbai, dated August 6, 2021

Registered Office:

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

CIN: L45200MH1939PLC002958

Website: www.modernshares.com

NOTES:

- 1) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020, General circular No.02/2021 dated January 13, 2021 (hereinafter collectively referred to as "MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFDCMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India ("SEBI Circular") permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM.
- 2) Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip including Route Map are not annexed to the Notice.
- 3) Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to agjani@gmail.com with copies marked to the Company at compliance@modernshares.com and to its RTA at rnt.helpdesk@linkintime.co.in.
- 4) A statement giving the relevant details of the Director seeking re-appointment under Item No. 2 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.
- 5) The Register of Members and Share Transfer Books of the Company shall remain closed from **Friday, September 10, 2021 to Friday, September 17, 2021 (both days inclusive)** for updating of members register.
- 6) 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 - (W), Mumbai-400083**. Members holding the shares in electronic mode should address all the correspondence to their respective Depository Participants (DPs).
- 7) 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.
- 8) 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.
- 9) 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) Authority constituted by the Central Government.

10) Those members who have so far not encashed their Final Dividend for the years 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.

11) The Company has transferred all Dividends and Equity shares on which the Dividends up to financial year ended March 31, 2013 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 claimed from the IEPF Authority by following the prescribed procedures 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.

12) 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, 2014 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) Authority pursuant to Section 125 of the Companies Act, 2013 (Section 205C of the Companies Act, 1956).

13) 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 |
|-------------------------------|------------------------------|---|-------------------------------|
| 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 |
| 2018-19 | NA | NA | NA |
| 2019-20 | NA | NA | NA |

14) 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 18th September, 2020 (date of last Annual General Meeting) on the website of the Company (www.modernshares.com), as also on the Ministry of Corporate Affairs website.

15) Registration of email ID and Bank Account details:

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

(i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit. **OR**

(ii) **In the case of Shares held in Demat mode:** The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

16) The Notice of the Annual General Meeting along with the Annual Report for the financial year 2020-21 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2020-21 will also be available on the Company's website www.modernshares.com; website of the Stock Exchange BSE Limited at www.bseindia.com respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.

17) Members attending the meeting through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

18) Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies,

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | <ul style="list-style-type: none"> • If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |
| Individual Shareholders holding securities in demat mode with CDSL | <ul style="list-style-type: none"> • Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK INTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration |

| | |
|---|--|
| | <ul style="list-style-type: none"> Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress. |
| <p>Individual Shareholders (holding securities in demat mode) & login through their depository participants</p> | <ul style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| <p>Individual Shareholders holding securities in Physical mode & e voting service Provider is LINKINTIME.</p> | <ol style="list-style-type: none"> Open the internet browser and launch the URL: https://instavote.linkintime.co.in <ul style="list-style-type: none"> Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: - <ol style="list-style-type: none"> User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. <p>Shareholders/ members holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above</p> <p>Set the password of your choice (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).</p> <ul style="list-style-type: none"> Click “confirm” (Your password is now generated). Click on ‘Login’ under ‘SHARE HOLDER’ tab. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon. E-voting page will appear. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link). After selecting the desired option i.e. Favour / Against, 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. |

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <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.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- ❑ Click on ‘**Login**’ under ‘**SHARE HOLDER**’ tab and further Click ‘**forgot password?**’
- ❑ Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on ‘**Submit**’.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- 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.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43. |

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions (‘FAQs’)** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

InstaVote Support Desk
Link Intime India Private Limited

19) **INSTRUCTIONS FOR SHAREHOLDERS/
MEMBERS TO ATTEND THE ANNUAL
GENERAL MEETING THROUGH
INSTAMEET:**

Instructions for Shareholders/Members to attend the Annual General Meeting through *InstaMeet* (VC/OAVM) are as under:

- 1) Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes prior to the scheduled time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time.

Shareholders/ Members will be provided with *InstaMeet* facility wherein Shareholders/ Members shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL for *InstaMeet* <<<https://instameet.linkintime.co.in>>> and register with your following details:

- a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company.
 - b. PAN: Enter your 10 digit Permanent Account Number (PAN)
 - c. Mobile No.
 - d. Email ID
2. Click "Go to Meeting"

Note:

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore, recommended to use stable *Wi-Fi* or *LAN* connection to mitigate any kind of aforesaid glitches.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call : - Tel : (022-49186175) **InstaMeet Support Desk Link Intime India Private Limited**

20) **INSTRUCTIONS FOR SHAREHOLDERS/
MEMBERS TO REGISTER THEMSELVES
AS SPEAKERS DURING ANNUAL
GENERAL MEETING:**

Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at compliance@modernshares.com from 9.00 A.M Tuesday, September 14, 2021 and will

end at 11.30 A.M Thursday September 16, 2021 (preferably one day or 24 hrs. prior to the date of AGM).

The first 20 Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name, demat account number/ folio number, email id, mobile number at compliance@modernshares.com. The same will be replied by the company suitably.

Note:

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

21) **INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:**

Once the electronic voting is activated by the Scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for *InstaMeet* and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.

Enter the number of shares (which represent no. of votes) as on the cut-off date under 'Favour/Against'.

5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through *InstaMeet*. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call : - Tel : (022-49186175) **InstaMeet Support Desk Link Intime India Private Limited**

OTHER INSTRUCTIONS

- I. The Members, whose names appear in the Register of Members/ list of Beneficial Owners as on September 10, 2021, 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 Tuesday September 14, 2021 and will end at 5.00 p.m. on Thursday September 16, 2021**. 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 10, 2021 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 10, 2021.
- 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 10, 2021 may obtain the login ID and password by sending an email to *compliance@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 e-voting.
- 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's 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 Scrutinizer's 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 Axit Gandhi
Company Secretary & Compliance Officer
M.No. A40143
ECSIN: EA040143A000047843**

Mumbai, dated August 6, 2021

Registered Office:

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

CIN: L45200MH1939PLC002958

Website: www.modernshares.com

ANNEXURE TO THE NOTICE

Annexure to item no. 2 of the Notice

Details of Director 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 Director | MR. GHANSHAM SHEWAKRAMANI |
| DIN Number | 00413343 |
| Date of Birth | 08/04/1946 |
| Date of Appointment on Board | 25/01/1995 |
| Qualification | Graduate B.Sc. (Hons) |
| Brief Profile of the Director | He is a businessman having expertise in finance, hotels, real estates and personnel management. He has more than 50 years of experience in these fields. He has been serving as Non-executive Director on Company's Board since last 26 years and has immensely contributed to the Company's growth over the years. |
| Expertise in specific functional areas | Finance, Hotels, Real Estates & Personnel Management. |
| List of Directorship held in other Companies | <ol style="list-style-type: none"> 1. National Litho Works Pvt. Ltd. 2. Calicut Premises Private Limited 3. Monish Investments Private Limited 4. Billimoria Marbles And Stones Private Limited 5. Lotus Exhibitors Private Limited 6. Ras Estates Private Limited 7. Monish Financial Services Private Limited 8. Surang Investments Private Limited 9. Garden Health Resort And Hotel Private Limited 10. Matheran Green Field Hotels And Developers Private Limited 11. Ramani Builders Pvt. Ltd. 12. Rangoli Hotels Pvt. Ltd. 13. Narwani Investments Private Limited 14. Bright Lands Hotel Pvt. Ltd. 15. Rasayani Hotels Pvt. Ltd. 16. R P Hotels And Restaurants Pvt. Ltd. 17. Virani Capital Services Private Limited 18. Minerva Executive Apartments Private Limited |

| | |
|--|--|
| Membership of Committees in other Public Limited Companies (includes only Audit & Investor Grievance Committee) | Member of the Stakeholder & Grievance Committee (in Modern Shares & Stock Brokers Limited) |
| No. of shares held in the Company as on March 31, 2021. | 49,600 |

Mumbai, dated August 06, 2021

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 Axit Gandhi

Company Secretary & Compliance Officer

M. No. A40143

ECSIN: EA040143A000047843

DIRECTORS' REPORT

TO THE MEMBERS OF MODERN SHARES AND STOCKBROKERS LIMITED

(CIN: L45200MH1939PLC002958)

The Directors take pleasure in presenting the **Eighty-Second** Annual Report together with the audited financial statements for the year ended March 31, 2021.

1. FINANCIAL RESULTS

| | 31/03/2021 (Rs.) | 31/03/2020 (Rs.) |
|--|---------------------|---------------------|
| Revenue from Operations | 1,92,23,274 | 1,53,35,305 |
| Other Income | 66,48,233 | 73,94,712 |
| Total Income | 2,58,71,507 | 2,27,30,017 |
| Operating Expenditure | 2,51,56,931 | 2,57,67,086 |
| Depreciation | 3,85,817 | 9,32,337 |
| Total Expenses | 2,55,42,748 | 2,66,99,423 |
| Profit/ (Loss) Before Exceptional Items And Taxation | 3,28,759 | (39,69,406) |
| Tax Expense | (1,666) | (63,621) |
| Profit/ (Loss) After Tax Attributed to Shareholders of the Company | 3,27,093 | (40,33,027) |
| Opening Balance of retained earnings | 4,74,28,998 | 5,13,05,213 |
| Closing Balance of retained earnings | 4,77,56,091 | 4,74,28,998 |

2. BUSINESS ACTIVITIES AND OPERATIONS

The Company's operations resulted in a profit of Rs. 3.27 Lakhs as against loss of Rs. 40.33 Lakhs in the previous year, after providing for depreciation of Rs. 3.86 Lakhs (previous year Rs. 9.32 Lakhs) and making net provision for taxation of Rs. 0.02 Lakhs as against (previous year Rs. 0.63) Lakhs, Your Board of Directors has decided not to transfer any amount to the Reserves for the year under review in view of the marginal profit incurred during the year.

It has been a very tough year globally with the pandemic and the various lockdowns. We pray that all our shareholders, their families, the

company board of directors and all the staff of Modern Shares and Stockbrokers are safe and continue to stay healthy. For those who have lost loved ones, may the almighty bless them and may the departed souls rest in peace. We hope that the pandemic ends soon and the world can see some normalcy soon.

It has been a difficult year for the company too as in the lockdowns we had to manage with minimal staff last year. However, we were fortunate that our services come under essentials and thus we were permitted to operate from our office for the entire period of the lockdown. Thus we were able to continue our business activity and meet all expenses. I would like to take the opportunity here itself to thank our staff for being extra cooperative and attending office in these trying times.

It was a major turnaround year for the markets. Given the pandemic it is hard to imagine how well the markets have performed globally. It has been a concerted effort globally by governments and central banks to support the economy and the markets in the best way possible. After the first lockdown, we witnessed a major boost in demand and thus we have seen very good results from corporate India. We hope post the second lock down, we can see a similar revival in demand and overall growth. The current fiscal year has begun on a good positive note for both the markets and your company. As we continue to strive to grow the Institutional business, we are seeing better momentum in our retail segment too. We expect markets to remain robust and thus are optimistic for the rest of the year. We are hopeful of building on the revival in business in the last financial year.

After a loss in the financial year 2019-20, we have come back in the green in 2020-21. The year 2021-22 has started on a very positive note and we are hopeful of the same to continue for the rest of the year. We will continue to strive to grow and continue the momentum for the remainder of this financial year.

3. DIVIDEND

The Board of Directors has decided not to recommend any dividend on the Equity Shares of the Company during the year under review.

4. DIRECTORS

In accordance with the Articles of Association of the Company, Mr. Ghansham Shewakramani (DIN: 00413343) who is longest in the office retires by rotation and being eligible for re-appointment and has indicated his willingness to serve, if re-appointed.

Pursuant to Section 152(6) of the Companies Act, 2013 and the Articles of Association of the Company, approval of members is also being sought for his reappointment as Non-Executive Director on the Company's Board.

Both 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. The company has borrowings from Bank against lien of Fixed deposit of Rs. 6,47,972/- outstanding as at the end of the financial year.

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 were carried out by the Independent Directors who also reviewed the performance of the compliance department and had expressed their 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, 2020 to 31st March, 2021. 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 |
|------------------------------------|-----------------------|--------------------------|
| 29 th June, 2020 | 6 | 6 |
| 11 th August, 2020 | 6 | 6 |
| 09 th November, 2020 | 6 | 6 |
| 12 th February, 2021 | 6 | 6 |

◆ 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. Ashok Tikamdas Kukreja | 18/02/2015 | Chairperson & Non-Executive Director/ Independent | 2 | 9 and 6 |
| 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 | 18 | 1 |
| 5 | Mrs. Roshan Advani Patheria | 31/01/2007 | Woman Non-Executive Director | - | 1 |
| 6 | Mr. Pankaj Rajnikant Ved | 01/04/2019 | Non-Executive Director/ Independent | 4 | 3 |

Attendance of Directors of Virtual Board Meetings and Virtual Annual General Meeting held through VC/OAVM

| Name of the Director | Attendance at the Board Meeting held on | | | | Attendance at the AGM held on 18th September, 2020 |
|----------------------------|---|------------|------------|------------|--|
| | 29/06/2020 | 11/08/2020 | 09/11/2020 | 12/02/2021 | |
| Mr. Anil Sugno Manghnani | Attended | Attended | Attended | Attended | Attended |
| Mr. Narendra Hira Advani | Attended | Attended | Attended | Attended | Attended |
| Mr. Ashok Tikamdas Kukreja | Attended | Attended | Attended | Attended | Attended |
| Ms. Roshan Advani Patheria | Attended | Attended | Attended | Attended | Attended |
| Mr. Ghansham Shewakramani | Attended | Attended | Attended | Attended | Attended |
| Mr. Pankaj Rajnikant Ved | Attended | Attended | Attended | Attended | Attended |

◆ Audit Committee Member (virtual)

| Name of the Member | 29/06/2020 | 11/08/2020 | 09/11/2020 | 12/02/2021 |
|--|------------|------------|------------|------------|
| Mr. Ashok Tikamdas Kukreja (Chairperson) | Attended | Attended | Attended | Attended |
| Mr. Pankaj Rajnikant Ved | Attended | Attended | Attended | Attended |
| Mr. Anil Sugno Manghnani | Attended | Attended | Attended | Attended |

◆ **Stakeholder & Grievance Committee Member (virtual)**

| Name of the Member | 29/06/2020 | 11/08/2020 | 09/11/2020 | 11/02/2021 |
|--|------------|------------|------------|------------|
| Mr. Ashok Tikamdas Kukreja (Chairperson) | Attended | Attended | Attended | Attended |
| Mr. Ghansham Shewakramani | Leave | Attended | Attended | Attended |
| Mr. Pankaj Rajnikant Ved | Attended | Attended | Attended | Attended |

□◆ **Nomination & Remuneration Committee Member (virtual)**

| Name of the Member | 29/06/2020 | 11/08/2020 | 09/11/2020 | 11/02/2021 |
|--|------------|------------|------------|------------|
| Mr. Ashok Tikamdas Kukreja (Chairperson) | Attended | Attended | Attended | Attended |
| Mr. Pankaj Rajnikant Ved | Attended | Attended | Attended | Attended |
| Mrs. Roshan Advani Patheria | Leave | Leave | Attended | Attended |

◆ **Independent Directors**

| Name of the Member | 29/01/2021 |
|--|------------|
| Mr. Ashok Tikamdas Kukreja (Chairperson) | Attended |
| Mr. Pankaj Rajnikant Ved | Attended |

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, 2021, 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, 2021 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Annual Financial Statements have been prepared on a going concern basis;
- e) that 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 29/06/2020. 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 have 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 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), 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, 2021 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) (Peer Review Certificate No. 1250/2021) to undertake the secretarial audit of the Company for the Financial Year ended March 31, 2022.

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, 2022 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 Net Fixed Assets of the Company as at the close of the financial year stood at Rs. 10.46 Lakhs (Previous year Rs. 14.32 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 Rs.10 Crores and Net Worth not exceeding Rs. 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. 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. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website on www.modernshares.com.

17. COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirm that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 & SS-2) respectively as amended 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 19 permanent employees on the rolls of the Company as on 31 March, 2021.

| Sr. No. | Name | Designation | Remuneration paid FY 2020-21 (Rs. Lakhs) | Remuneration paid FY 2019-20 (Rs. Lakhs) | Increase in Remuneration from previous Year (Rs. Lakhs) | Ratio/Times per median of employee remuneration |
|---------|---------------------------|--|---|---|---|---|
| 1 | Mr. Anil Sugno Manghnani | Whole-time Director | 10.81 | 10.71 | 0.10 | 1.63 |
| 2 | Mr. Radhakrishna N Shenvi | CFO | 10.08 | 10.08 | 0.00 | 1.74 |
| 3 | Mrs. Vibha Axit Gandhi | Company Secretary & Compliance Officer | 2.29 | 2.29 | 0.00 | 0.35 |

19. 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(12) 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.

20. DEMATERIALISATION OF SHARES

97.91% of the Company's paid up equity share capital is in dematerialised form as on 31st March, 2021 and balance 2.09% is in physical form. The Company's Registrar and Share Transfer Agents are M/s. Link Intime India Pvt. Ltd. having office at C-101, 247 Park, LBS Marg, Vikhroli – (W), Mumbai - 400083.

21. 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.

22. 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.

23. 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.

For and on behalf of the Board of Directors

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

Mumbai, dated June 18, 2021

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) | Radhakrishna Shenvi (CFO) | Sheela R Shenvi (Wife of CFO) | Tanushree Shenvi (Daughter of CFO) | Tejal Shenvi (Daughter of CFO) |
| 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 | Member Client Agreement | Member Client Agreement |
| c) | Duration of the contracts/arrangements/transaction | On Going | 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 | 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 Brokerages income | To earn Brokerage income | To earn Brokerage income | To earn Brokerages income | To earn Brokerages income |
| f) | Date of approval by the Board | 01/04/2011 & 29/06/2020 | 29/06/2020 | 29/06/2020 | 29/06/2020 | 29/06/2020 |
| g) | Amount of brokerage/Rent earned during the year | 3.00 Lakhs | 0.20 Lakhs | 0.08 Lakhs | 0.20 Lakhs | 0.15 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 | NA |

For and on behalf of the Board of Directors

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

Sd/-
Ghansham Shewakramani
Director
(DIN: 00413343)

Mumbai, dated June 18, 2021

**'Annexure B' to Board Report
Form No. MR-3
SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH,
2021**

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

To,
The Members,
Modern Shares and Stockbrokers Limited
(CIN: 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: 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, 2021** 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, 2021** 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) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended;
 - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time **(Not applicable to the Company during the Audit Period)**.
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. **(Not applicable to the Company during the Audit Period)**.
 - (e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
 - (f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit period)**
 - (g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit period)**; and
 - (h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 as amended **(Not applicable to the Company during the Audit Period)**

- | | |
|--|---|
| <p>(i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018</p> | <p>10. Maharashtra Shop and Establishment Act, 1948</p> |
| <p>(vi) A. Industry specific Laws applicable to the Company during the Audit period were:</p> | <p>11. Employees' State Insurance Act, 1948</p> |
| <p>1) The Securities and Exchange Board of India (Stock-Brokers and Sub-Brokers) Regulations, 1992;</p> | <p>I have also examined compliance with the applicable clauses of the following:</p> |
| <p>2) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating To Securities Market) Regulations, 2003; and</p> | <p>(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meeting as applicable to the Company.</p> |
| <p>3) The Securities and Exchange Board of India (Research Analysts) Regulations, 2014</p> | <p>(ii) The Uniform Listing Agreement entered into by the Company with BSE Limited (BSE) read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.</p> |
| <p>4) Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2017 as amended from time to time.</p> | <p>During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.</p> |
| <p>B. Other general Laws applicable to the Company such as:</p> | <p>I further report that</p> |
| <p>1. Employees Provident Fund and Miscellaneous Provisions Act, 1952</p> | <p>The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors, Woman Director and Independent Directors. There was no change in composition of Board of Directors that took place during the year under review.</p> |
| <p>2. Indian Contract Act, 1872</p> | <p>Adequate Notice, Agenda and detailed notes were given to all the Directors to schedule the Board Meetings 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.</p> |
| <p>3. Income Tax Act, 1961 and Indirect Tax Laws</p> | <p>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.</p> |
| <p>4. Indian Stamp Act, 1899 and Bombay Stamp Act, 1958</p> | |
| <p>5. Negotiable Instruments Act, 1881</p> | |
| <p>6. Payment of Bonus Act, 1965</p> | |
| <p>7. Payment of Gratuity Act, 1972</p> | |
| <p>8. Goods and Service Tax Acts 2017</p> | |
| <p>9. Maharashtra Profession Tax Act, 1975</p> | |

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
Company Secretaries
ACS No.:10841
C P No.:5940
UDIN: A010841C000476207

Place : Mumbai

Date : 17th June, 2021

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 400020.

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 my 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. and relied on them especially wherever physical verification was not possible on account of lock down situation due to spread of Covid-19.

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 the 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
ACS No.:10841

C P No.:5940

UDIN: A010841C000476207

Place : Mumbai

Date : 17th June, 2021

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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its Profit, total comprehensive income, its cash flows and the changes in equity 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.

Emphasis of Matters

4. We draw attention to Note 2.41 of the standalone financial statement, as regards the management's evaluation of COVID-19 impact on the future performance of the company. Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, but does not include the standalone financial statements and our auditor's report thereon.
6. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
8. Based on the work we have performed, we conclude that there is no material misstatement of this other information, which we are required to report. We have nothing to report in this regard.

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

9. 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility

also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

10. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
11. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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.
14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

17. 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.
18. 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 including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity 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 Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March, 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March, 31, 2021, 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, 2021, which would impact its financial position.
- (ii) The Company did not have any long-term contracts including derivative contracts as at March, 31, 2021.
- (iii) The company has duly transferred an amount 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
UDIN: 21075063AAAAFL9792

Place: Mumbai
Date : 18th June, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 18 (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, 2021

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, 2021 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, 2021, 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
UDIN: 21075063AAAAFL9792

Place : Mumbai
Date : 18th June, 2021

Annexure B to Independent Auditors' Report

Referred to in paragraph 17 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, 2021.

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 2.10 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 applicable Ind AS.
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
UDIN: 21075063AAAAFL9792

Place: Mumbai
Date: 18th June, 2021

BALANCE SHEET AS AT MARCH 31, 2021

(Amount in Rs.)

| Particulars | Note No. | As at March 31, 2021 | As at March 31, 2020 |
|--|------------------|-------------------------|-------------------------|
| ASSETS | | | |
| Financial Assets | | | |
| Cash and Cash Equivalents | 2.1 | 4,41,74,731 | 1,41,44,039 |
| Bank Balances other than Cash & Cash Equivalents | 2.2 | 2,27,95,211 | 7,85,51,792 |
| Stock in Trade (Securities held for trading) | 2.3 | 17,39,513 | 10,73,794 |
| Trade Receivables | 2.4 | 25,18,051 | 45,30,793 |
| Loans | 2.5 | 1,40,000 | 2,81,765 |
| Investments | 2.6 | 78,000 | 78,000 |
| Other Financial Assets | 2.7 | 8,32,39,833 | 3,92,31,109 |
| Non-Financial Assets | | | |
| Current tax Assets (net) | 2.8 | 33,10,774 | 29,50,670 |
| Deferred-tax Assets (net) | 2.9 | 8,03,047 | 7,75,904 |
| Property, Plant & Equipment | 2.10 | 10,46,411 | 14,32,228 |
| Other non-financial Assets | 2.11 | 8,41,151 | 7,89,844 |
| TOTAL ASSETS | | 16,06,86,721 | 14,38,39,938 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| Financial Liabilities | | | |
| Trade Payables | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 2.12 | 2,81,36,832 | 1,40,00,118 |
| Borrowings (other than debt securities) | 2.13 | 6,47,972 | 2,92,413 |
| Other Financial Liabilities | 2.14 | 22,88,435 | 14,78,134 |
| Non-Financial Liabilities | | | |
| Provisions | 2.15 | 1,23,99,647 | 1,16,15,864 |
| Other non-financial Liabilities | 2.16 | 6,24,199 | 5,07,332 |
| Equity | | | |
| Equity Share Capital | 2.17 | 2,93,11,250 | 2,93,11,250 |
| Other Equity | 2.18 | 8,72,78,386 | 8,66,34,827 |
| TOTAL LIABILITIES & EQUITY | | 16,06,86,721 | 14,38,39,938 |
| Significant accounting policies See accompanying notes forming part of the financial statements | | | |
| | 1 & 2 | | |

As per our attached report of even date

For and on behalf of the Board

For Baheti & Co.

Chartered Accountants

FRN No: 006287C

Deepak Baheti

Partner

Membership No.075063

Place : Mumbai

Date : June 18, 2021

Ashok T Kukreja

Anil S Manghnani

G Shewakramani

Pankaj R Ved

R N Shenvi

Vibha Axit Gandhi

(Chairman)

(Whole-time Director)

(Director)

(Director)

(Chief Financial Officer)

(Company Secretary)

DIN: 00463526

DIN: 00012806

DIN: 00413343

DIN: 00207079

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Amount in (Rs.)

| Particulars | Note No. | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|----------|------------------------------|------------------------------|
| Revenue from Operations: | | | |
| Interest Income | 2.19 | 66,48,233 | 73,94,073 |
| Dividend Income | 2.20 | 87,382 | 23,380 |
| Fees and Commission Income | 2.21 | 1,69,83,011 | 1,41,78,798 |
| Net Gain on Fair Value Changes | | 4,488 | - |
| Profit/(Loss) on Trading | 2.22 | 21,48,393 | 11,33,127 |
| Total Revenue from Operations | | 2,58,71,507 | 2,27,29,378 |
| Other Income | 2.23 | 0 | 639 |
| Total Revenue | | 2,58,71,507 | 2,27,30,017 |
| Expenses: | | | |
| Finance Costs | 2.24 | 1,75,695 | 1,16,117 |
| Fees & Commission Expenses | 2.25 | 64,411 | 20,886 |
| Net Loss on Fair Value Changes | 2.26 | 0 | 5,94,549 |
| Employee Benefit Expenses | 2.27 | 1,35,64,592 | 1,35,57,058 |
| Depreciation, Amortization & Impairment | 2.10 | 3,85,817 | 9,32,337 |
| Other Expenses | 2.28 | 1,13,52,233 | 1,14,78,476 |
| Total Expenses | | 2,55,42,748 | 2,66,99,423 |
| Profit/(Loss) before exceptional items and tax | | 3,28,759 | (39,69,406) |
| Exceptional Items | | - | - |
| Profit/(Loss) before tax | | 3,28,759 | (39,69,406) |
| Tax expense: | | | |
| Current tax | | 1,40,000 | - |
| Deferred tax | | (1,38,334) | 63,621 |
| | | 1,666 | 63,621 |
| Profit/(Loss) for the period | | 3,27,093 | (40,33,027) |
| Other Comprehensive Income | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| - Remeasurement gain / (loss) on defined benefit plans | | 4,27,656 | 2,11,195 |
| (ii) Deferred tax impact on the above | | (1,11,191) | (54,383) |
| Other Comprehensive Income | | 3,16,465 | 1,56,812 |
| Total Comprehensive Income for the period (Comprising profit & other Comprehensive Income for the period) | | 6,43,558 | (38,76,215) |
| Earning per equity share | 2.29 | | |
| - Basic | | 0.22 | (1.32) |
| - Diluted | | 0.22 | (1.32) |
| Significant accounting policies See accompanying notes forming part of the financial statements | 1 & 2 | | |

As per our attached report of even date

For and on behalf of the Board

For Baheti & Co.

Chartered Accountants

FRN No: 006287C

Deepak Baheti

Partner

Membership No.075063

Place : Mumbai

Date : June 18, 2021

Ashok T Kukreja

Anil S Manghnani

G Shewakramani

Pankaj R Ved

R N Shenvi

Vibha Axit Gandhi

(Chairman)

(Whole-time Director)

(Director)

(Director)

(Chief Financial Officer)

(Company Secretary)

DIN: 00463526

DIN: 00012806

DIN: 00413343

DIN: 00207079

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

Amount in (Rs.)

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|----------------------|-------------|----------------------|-------------|
| | Number of shares | Amount | Number of shares | Amount |
| Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year | 29,31,125 | 2,93,11,250 | 29,31,125 | 2,93,11,250 |
| Changes made in financial year | - | - | - | - |
| Issued, subscribed and fully paid up equity shares outstanding at the end of the year | 29,31,125 | 2,93,11,250 | 29,31,125 | 2,93,11,250 |

Other Equity

Amount in (Rs.)

| Particulars | Reserves & Surplus | | | |
|--|--------------------|----------------------------|--------------------|--------------------|
| | Capital Reserve | Securities Premium Account | General Reserve | Retained Earnings |
| Balance as at 1st April 2020 | 1,45,831 | 1,68,84,184 | 2,21,75,815 | 4,74,28,998 |
| a) Additions during the year | | | | 3,27,093 |
| b) Actuarial gain on defined benefit plan (gratuity) net of income tax | | | | 3,16,465 |
| Total Comprehensive Income for the year (a+b) | - | - | - | 6,43,558 |
| Dividends | - | - | - | - |
| Transfer to Securities premium | - | - | - | - |
| Balance as at 31st March 2021 | 1,45,831 | 1,68,84,184 | 2,21,75,815 | 4,80,72,556 |

As per our attached report of even date

For and on behalf of the Board

For Baheti & Co.

Chartered Accountants

FRN No: 006287C

Deepak Baheti

Partner

Membership No.075063

Place : Mumbai

Date : June 18, 2021

Ashok T Kukreja

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(Director)

(Chief Financial Officer)

(Company Secretary)

DIN: 00463526

DIN: 00012806

DIN: 00413343

DIN: 00207079

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

| Particulars | Amount in (Rs.) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| A Cash Flow from Operating Activities | | |
| Profit before tax | 3,28,759 | (39,69,406) |
| Adjustments for: | | |
| Depreciation and amortization | 3,85,817 | 9,32,337 |
| Interest Received | (66,48,233) | (73,94,073) |
| Dividend on Investments | (87,382) | (23,380) |
| Provision for diminution in value of investments | - | 7,53,690 |
| Provision for leave encashment & gratuity | 14,39,918 | 11,23,043 |
| Operating profit before working capital changes | (45,81,120) | (85,77,789) |
| Working capital changes: | | |
| Decrease / (Increase) in stock in trade | (6,65,719) | (4,31,503) |
| Decrease / (Increase) in trade receivables | 20,12,743 | 31,98,218 |
| Decrease / (Increase) in loans | 1,41,765 | 39,000 |
| Decrease / (Increase) in other financial assets | (4,40,08,724) | 1,37,40,975 |
| Decrease / (Increase) in non financial assets | (51,306) | 3,92,936 |
| Increase / (Decrease) in trade payables | 1,41,36,713 | (24,326) |
| Increase / (Decrease) in financial liabilities | 810,300 | 1,74,957 |
| Increase / (Decrease) in non financial liabilities | 116,867 | (2,38,859) |
| Increase / (Decrease) in provisions | (2,28,479) | 19,352 |
| Cash generated from / (used in) operations | (3,23,16,959) | 82,92,961 |
| Direct taxes paid (Net of refunds) | (5,00,104) | (7,40,465) |
| Net cash generated from / (used in) operating activities (A) | (3,28,17,064) | 75,52,496 |
| B Cash Flow from Investing Activities | | |
| Purchase of tangible assets / Capital work in progress | - | (4,000) |
| Interest received | 66,48,233 | 73,94,073 |
| Dividend received | 87,382 | 23,379 |
| Net cash generated from / (used in) investing activities (B) | 67,35,615 | 74,13,452 |
| C Cash Flow from Financing Activities | | |
| Proceeds from Borrowings (Other than Debt Securities) | 3,55,559 | 2,92,413 |
| Total of (C) | 3,55,559 | 2,92,413 |
| Net (decrease)/increase in cash and cash equivalents (A+B+C) | (2,57,25,890) | 1,52,58,361 |
| Add: Cash and cash equivalents at the beginning of the period | 9,26,95,831 | 7,74,37,470 |
| Cash and cash equivalents at the end of the period | 6,69,69,941 | 9,26,95,831 |
| Breakup of Cash Equivalents | | |
| Cash | 81,781 | 75,815 |
| Balances in Bank in Current Accounts | 4,42,96,295 | 1,43,37,510 |
| Balances in Bank in Fixed Deposits | 2,25,91,866 | 7,82,82,506 |
| | 6,69,69,942 | 9,26,95,831 |

As per our attached report of even date

For and on behalf of the Board

For Baheti & Co.

Chartered Accountants

FRN No: 006287C

Deepak Baheti

Partner

Membership No.075063

Place : Mumbai

Date : June 18, 2021

Ashok T Kukreja

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(Director)

(Chief Financial Officer)

(Company Secretary)

DIN: 00463526

DIN: 00012806

DIN: 00413343

DIN: 00207079

Notes to the financial statements for the year ended March 31, 2021

Note 1 General information

Modern Shares and Stockbrokers Limited, Company incorporated under the provisions of the Companies Act, 1913 and it's registered office in Mumbai. The Company is primarily engaged in stock broking.

Note 2 Summary of significant accounting policies

(i) Statement of Compliance

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the act") in conformity with other accounting principles generally accepted in India and issued by the Institute of Chartered Accountants of India. In addition, the guidance note/announcements issued by Institute of Chartered Accountants of India are also applied along with compliance with the other statutory promulgations require a different treatment. The financial statements for the year ended March 31, 2021 of the Company is prepared in compliance with Ind AS.

(ii) Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period. Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at reporting date.

- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

(iii) Presentation of financial statements:

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Amounts in the financial statements are presented in absolute Indian Rupees rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

(iv) Revenue Recognition:

a) Dividend and Interest Income

Dividends are recognised in Statement of profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the Amount of the dividend can be measured reliably. Interest income from investments is recognised when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

b) Fees and Commission Income

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned on secondary market operations are accounted on trade dates. Brokerage on mutual fund and IPO syndication are accounted on receipt basis.

c) Net gain or fair value change

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in “Net gains or fair value changes” under revenue from operations and if there is a net loss the same is disclosed “Expenses”, in the statement of profit and loss.

(v) Property Plant and Equipment

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes all direct cost related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Company’s accounting policy.

An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

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 estimates of useful lives of tangible 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.

(vi) Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Direct expenses and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in profit or loss when the asset is derecognised

The estimates of useful lives of tangible assets are as follows :

| Class of asset | Estimated useful life |
|--------------------------------|-----------------------|
| Computer software and web-site | 3 Years |
| Trade mark | 7 Years |

(vii) Impairment of tangible and intangible assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- (ii) in the case of a cash generating unit (the smallest identifiable Company of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use. Recoverable amount is the higher of fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash

generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount.

(viii) Employee benefits

a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Contribution to provident fund and ESIC

Company's contribution paid/payable during the year to provident fund and ESIC is recognised in the Statement of profit and loss.

c) Gratuity (Funded):

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/ termination benefits. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is

included in employee benefit expense in the Statement of profit and loss. Gratuity liability is funded with Life Insurance Corporation of India.

Remeasurement gains/losses -

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

d) Superannuation fund

The Company makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India, which are charged to the Statement of profit and loss. The Company has no obligation to the scheme beyond its contributions.

e) Leave encashment / compensated absences / sick leave -

The Company provides for the encashment/ availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

(ix) Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

(i) Finance leases:

A. Leases where the Company has substantially transferred all the risks and rewards of ownership of the related assets are classified as finance leases. Assets under finance lease are

capitalised at the commencement of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

B. Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

(ii) Operating leases:

The leases which are not classified as finance lease are operating leases.

A. Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

B. Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised on a straight line basis over the term of the relevant lease

(x) Financial instruments :

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Recognition and initial measurement -

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets

and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

b) Classification and Subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at-

Amortised cost;

- FVOCI - debt instruments;
- FVOCI - equity instruments;
- FVTPL

Amortised cost –

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVOCI - debt instruments –

The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - equity instruments –

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such

instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement of financial assets

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of profit and loss.

b) Financial liabilities and equity instruments:

Classification as debt or equity –

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments –

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities –

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-fortrading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e) Derivative financial instruments

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognised in Statement of profit and loss. Derivatives embedded in non-derivative host contracts

are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

e) Impairment of financial instruments

Equity instruments are not subject to impairment under Ind AS 109. The Company recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at

FVOCI, the loss allowance is recognised in OCI and carrying amount of the financial asset is not reduced in the balance sheet.

f) Write offs

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor/ borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

(xi) Cash and bank balances:

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(xii) Borrowing costs:

Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(xiii) Taxation - Current and deferred tax:

Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

A. Current tax :

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

B. Deferred tax :

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(xiv) Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

- (i) an Company entity has a present obligation (legal or constructive) as a result of a past event; and
- (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received

Contingent liability is disclosed in case of:

- (i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- (ii) a present obligation arising from past events, when no reliable estimate is possible

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

(xv) Statement of cash flows:

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- (i) changes during the period in operating receivables and payables transactions of a non-cash nature;

- (ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and
- (iii) all other items for which the cash effects are investing or financing cash flows. Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

(xvi) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(xvii) Foreign currencies

- (i) The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

- (ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

- (ii) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:

- A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
- B. income and expenses for each income statement are translated at average exchange rates; and
- C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

(xviii) Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Notes forming part of financial statement

(Amount in Rs.)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|--|-----------------------|-----------------------|
| Note 2.1: Cash and Cash Equivalents: | | |
| Cash on hand | 81,781 | 75,815 |
| Cheques, drafts on hand | - | - |
| Balances with banks in current accounts | 3,05,92,950 | 1,40,68,224 |
| Term deposits with original maturity up to 3 months | | |
| - Free | - | - |
| - Under Lien# | 1,35,00,000 | - |
| Total | 4,41,74,731 | 1,41,44,039 |
| Note 2.2: Bank Balances other than Cash & Cash Equivalents: | | |
| Earmarked balances with banks - | | |
| - Unclaimed dividend | 2,03,345 | 2,69,286 |
| Term deposits with maturity less than 12 months - | | |
| - Free | - | 55,00,000 |
| - Under Lien# | 2,25,91,866 | 7,27,82,506 |
| Total | 2,27,95,211 | 7,85,51,792 |

Details of Term deposits - Under lien

| Particulars | As at 31st March 2021 | | | | As at 31st March 2020 | | | |
|-------------------------------------|-----------------------|--------------------|--------------------|---------------------|-----------------------|--------------------|--------------------|--------------------|
| | Note 2.1 | Note 2.2 | Note 2.7 | Total | Note 2.1 | Note 2.2 | Note 2.7 | Total |
| (i) For Bank Guarantees | - | 50,00,000 | - | 50,00,000 | - | - | 50,00,000 | 50,00,000 |
| (ii) For Overdraft Facilities | 1,35,00,000 | 55,00,000 | 1,60,00,000 | 3,50,00,000 | - | 1,65,00,000 | 1,35,00,000 | 3,00,00,000 |
| (iii) Margin for F&O Exposure Limit | - | 8,00,000 | 4,90,00,000 | 4,98,00,000 | - | 4,90,00,000 | 8,00,000 | 4,98,00,000 |
| (iii) Margin for Cash Market | - | 1,12,91,866 | 5,00,000 | 1,17,91,866 | - | 72,82,506 | 30,75,000 | 1,03,57,506 |
| Total | 1,35,00,000 | 2,25,91,866 | 6,55,00,000 | 10,15,91,866 | - | 7,27,82,506 | 2,23,75,000 | 9,51,57,506 |

Note 2.3: Stock in Trade (Securities held for trading)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|-----------------------|-----------------------|
| At fair value through Profit or loss | | |
| Equity Shares | 17,39,513 | 10,73,794 |
| | 17,39,513 | 10,73,794 |
| Note 2.4: Trade Receivables | | |
| (i) Unsecured, considered good | 25,18,051 | 45,30,793 |
| (ii) Secured, considered good | - | - |
| (iii) Credit impaired | - | - |
| Total | 25,18,051 | 45,30,793 |

Note:

- 1) The Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Company considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement.
- 2) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(Amount in Rs.)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|--|-----------------------|-----------------------|
| Note 2.5: Loans | | |
| At Amortised cost | | |
| - Loan to Staff (Unsecured) | 1,40,000 | 2,81,765 |
| Total | 1,40,000 | 2,81,765 |
| Loans in India | | |
| - Public Sector | | |
| - Others | 1,40,000 | 2,81,765 |
| Total | 1,40,000 | 2,81,765 |
| Stage wise break up of loans | | |
| (i) Low credit risk | 1,40,000 | 2,81,765 |
| (ii) Significant increase in credit risk | - | - |
| (iii) Credit impaired | - | - |
| Total | 1,40,000 | 2,81,765 |

Note: There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.

Note 2.6: Investments

At fair value through Profit or loss

Investment in Equity Instruments

Quoted, fully paid-up

| Particulars | As at 31st March 2021 | | As at 31st March 2020 | |
|--|-----------------------|--------------|-----------------------|--------------|
| | Nos | Amount | Nos | Amount |
| Emmsons International Limited | 10000 | 68,500 | 10000 | 68,500 |
| Unquoted, fully paid-up | | | | |
| Innovative B2B Logistics Solutions Limited | - | - | - | - |
| The Saraswat Co-op. Bank Limited | 950 | 9,500 | 950 | 9,500 |
| Total | 10950 | 78000 | 10950 | 78000 |

(Amount in Rs.)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|--|-----------------------|-----------------------|
| Note 2.7: Other financial assets | | |
| Deposits with exchange | 72,25,000 | 73,60,000 |
| Electricity and other deposits | 5,62,352 | 5,27,352 |
| Interest accrued on term deposits | 2,99,748 | 7,82,403 |
| Term deposits with maturity more than 12 months - | | |
| - Free | | |
| - Under Lien# | 6,55,00,000 | 2,23,75,000 |
| Other receivables (Fair value of plan assets - gratuity) | 96,52,733 | 81,86,354 |
| Total | 8,32,39,833 | 3,92,31,109 |
| Note 2.8: Current tax assets (net) | | |
| Income tax paid in advance (Net of provision for tax) | 33,10,774 | 29,50,670 |
| Total | 33,10,774 | 29,50,670 |
| Note 2.9: Deferred tax assets (net) | | |
| On timing difference of Assets | 1,01,472 | 1,17,480 |
| Provision for Leave Encashment | 7,01,575 | 6,58,424 |
| Total | 8,03,047 | 7,75,904 |
| Note 2.11: Other non-financial assets | | |
| Prepaid expenses | 4,78,641 | 7,25,537 |
| Goods and service tax input credit | 2,36,001 | 25,317 |
| Other receivables | 1,26,509 | 38,990 |
| Total | 8,41,151 | 7,89,844 |

Note 2.10: Property, Plant & Equipments and Intangibles

| Particulars | Gross carrying amount | | Accumulated Depreciation / Amortisation | | | | Net carrying amount | | |
|---------------------------------------|-----------------------|--------------|---|----------------------|---------------------|-----------------|---------------------|----------------------|----------------------|
| | As at April 1, 2020 | Additions | Deductions | As at March 31, 2021 | As at April 1, 2020 | For the year | Deduct-ions | As at March 31, 2021 | As at March 31, 2020 |
| Property, Plant and Equipments | | | | | | | | | |
| Leasehold Improvements | 15,56,815 | - | - | 15,56,815 | 8,01,340 | 74,174 | - | 6,81,301 | 7,55,475 |
| Airconditioner | 21,000 | - | - | 21,000 | 19,950 | - | - | 1,050 | 1,050 |
| Computer | 24,73,200 | - | - | 24,73,200 | 19,53,936 | 3,00,789 | - | 2,18,475 | 5,19,264 |
| Office Equipments | 3,02,479 | - | - | 3,02,479 | 2,76,730 | 7,561 | - | 18,168 | 25,749 |
| Motor Car | 6,53,192 | - | - | 6,53,192 | 6,20,281 | 251 | - | 32,660 | 32,911 |
| Office Furniture | 4,55,603 | - | - | 4,55,603 | 3,57,824 | 3,022 | - | 94,757 | 97,779 |
| TOTAL | 54,62,289 | - | - | 54,62,289 | 40,30,061 | 3,85,817 | - | 10,46,411 | 14,32,228 |
| Previous year | 54,58,289 | 4,000 | - | 54,62,289 | 31,55,725 | 9,32,337 | - | 14,32,228 | 23,60,565 |

(Amount in Rs.)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|--|-----------------------|-----------------------|
| Note 2.12: Trade payables | | |
| Micro enterprises and small enterprise | - | - |
| Due to others | 2,81,36,832 | 1,40,00,118 |
| Total | 2,81,36,832 | 1,40,00,118 |

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below :

| | | |
|---|----------|----------|
| a) Dues remaining unpaid to any supplier at the year end | | |
| - Principal | - | - |
| - Interest on above | - | - |
| b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year | | |
| - Principal paid beyond the appointed date | - | - |
| - Interest paid in terms of Section 16 of the MSMED Act | - | - |
| c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year | - | - |
| d) Amount of interest accrued and remaining unpaid | - | - |
| e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises | - | - |
| Total | - | - |

Note 2.13: Borrowing (Other than Debt Securities)

At Amortised cost

Demand Loans

| | | |
|---------------------------|-----------------|-----------------|
| - From Bank (Secured)* | 6,47,972 | 2,92,413 |
| Total | 6,47,972 | 2,92,413 |
| -Borrowings in India | 6,47,972 | 2,92,413 |
| -Borrowings outside India | - | - |
| Total | 6,47,972 | 2,92,413 |

* Demand loan from bank is secured against Fixed Deposit with banks

Note 2.14: Other financial liabilities

| | | |
|------------------------|------------------|------------------|
| Unclaimed dividends | 203,345 | 269,286 |
| Provision for expenses | 2,085,090 | 1,208,848 |
| Total | 2,288,435 | 1,478,134 |

(Amount in Rs.)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|-----------------------|-----------------------|
| Note 2.15: Provisions | | |
| Provision for employee benefits | | |
| Bonus | 4,16,823 | 6,45,302 |
| Defined Benefit Obligation - Gratuity | 92,84,457 | 86,36,529 |
| Leave Encashment | 26,98,367 | 23,34,033 |
| Total | 1,23,99,647 | 1,16,15,864 |
| Note 2.16: Other non-financial liabilities | | |
| Outstanding statutory liabilities | 6,24,199 | 5,07,332 |
| Total | 6,24,199 | 5,07,332 |

Note 2.17: Equity Share Capital

(I) Share Capital Authorised Issued, Subscribed and Paid up

| Particulars | As at 31st March 2021 | | As at 31st March 2020 | |
|---|-----------------------|--------------------|-----------------------|--------------------|
| | Number | Amount | Number | Amount |
| Authorised | | | | |
| Equity shares of Rs.10/- each. | 60,00,000 | 6,00,00,000 | 60,00,000 | 6,00,00,000 |
| Issued | | | | |
| Equity shares of Rs.10/- each fully paid-up | 29,31,125 | 2,93,11,250 | 29,31,125 | 2,93,11,250 |
| Issued, Subscribed & Paid up | | | | |
| Equity shares of Rs.10/- each fully paid-up | 29,31,125 | 2,93,11,250 | 29,31,125 | 2,93,11,250 |
| Subscribed but not fully Paid up | | | | |
| Equity Shares of each, not fully paid up | - | - | - | - |
| Total | 29,31,125 | 2,93,11,250 | 29,31,125 | 2,93,11,250 |

(II) Terms/rights attached to equity shares

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.

(Amount in Rs.)

(III) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

| Particulars | As at 31st March 2021 | | As at 1st April 2020 | |
|--|-----------------------|--------------------|----------------------|--------------------|
| | 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 |

(IV) Shares of the Company held by each shareholder holding more than 5% shares

| Name of Shareholder | As at 31st March 2020 | | As at 31st March 2019 | |
|----------------------------------|-----------------------|-----------|-----------------------|-----------|
| | No. of shares | % Holding | No. of shares | % 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 | 4,28,865 | 14.63% | 4,28,865 | 14.63% |

Note 2.18 : Other Equity

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|----------------------------|-----------------------|-----------------------|
| Capital Reserve | 1,45,831 | 1,45,831 |
| Securities Premium Account | 1,68,84,184 | 1,68,84,184 |
| General Reserve | 2,21,75,815 | 2,21,75,815 |
| Retained Earnings | 4,80,72,556 | 4,74,28,998 |
| | 8,72,78,386 | 8,66,34,828 |

Description of the nature and purpose of Other Equity :

Capital Reserve

It is made out of capital profits earned. The same is not available for profit distribution.

Securities Premium Account

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss. General reserve is used to transfer to debenture redemption reserve.

Retained Earnings

Retained earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders.

| Particulars | (Amount in Rs.) | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Note 2.19: Interest income | | |
| Financial assets measured at amortised costs: | | |
| Interest income from investments | 77,848 | 30,296 |
| Interest on deposits with banks | 65,70,385 | 73,63,777 |
| Total | 66,48,233 | 73,94,073 |
| Note 2.20: Dividend income | | |
| Dividends on Equity | 87,382 | 23,380 |
| Total | 87,382 | 23,380 |
| Note 2.21: Fees and commission income | | |
| Brokerage, commission and fees | 1,69,83,011 | 1,41,78,798 |
| Total | 1,69,83,011 | 1,41,78,798 |
| Note 2.22: Profit/(Loss) on Trading | | |
| Profit on Trading | | |
| - Derivatives | -874 | 5,76,830 |
| - Equity Shares | 21,49,267 | 5,56,297 |
| Total | 21,48,393 | 11,33,127 |
| Net gain on financial instruments at fair value through profit or loss | | |
| - Inventory | 4,488 | - |
| Total | 4,488 | - |
| Note 2.23: Other Income | | |
| Miscellaneous Income | - | 639 |
| Total | - | 639 |
| Note 2.24: Finance Costs | | |
| Interest on borrowings (other than debt securities) | 56,248 | 3,431 |
| Bank Charges | 3,438 | 2,199 |
| Bank Guarantee Charges | 1,01,471 | 1,01,274 |
| Interest cost on gratuity | 14,538 | 9,213 |
| Total | 1,75,695 | 1,16,117 |
| Note 2.25: Fees & commission expenses | | |
| Brokerage Paid | 64,411 | 20,886 |
| Total | 64,411 | 20,886 |
| Note 2.26: Net loss on fair value changes | | |
| Net gain on financial instruments at fair value through profit or loss | | |
| - Inventory | - | 5,94,549 |
| Total net loss on fair value changes | - | 5,94,549 |
| Fair value changes: | | |
| - Realised | - | - |
| - Unrealised | - | 5,94,549 |
| Total net loss on fair value changes | - | 5,94,549 |

| (Amount in Rs.) | | |
|--|------------------------------|------------------------------|
| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Note 2.27: Employee Benefit Expenses | | |
| Salaries and Incentives | 91,46,491 | 88,78,234 |
| Directors' Remuneration | 10,80,800 | 10,70,720 |
| Remuneration to Key Management Personnel | 12,36,600 | 12,36,600 |
| Contributions to - | | |
| Provident Fund | 9,57,578 | 9,78,996 |
| Superannuation Scheme | 4,75,000 | 5,59,000 |
| Gratuity | 3,08,719 | 4,31,641 |
| Staff Welfare Expenses | 3,59,404 | 4,01,867 |
| | <u>1,35,64,592</u> | <u>1,35,57,058</u> |
| Note 2.28: Other Expenses | | |
| Auditors' Remuneration | 1,56,300 | 1,56,200 |
| Rent, Rates & Taxes | 5,47,834 | 5,47,834 |
| Directors' Sitting Fees | 2,27,500 | 2,25,000 |
| Legal and Professional Fees | 60,86,088 | 59,92,954 |
| Software Expenses | 2,23,132 | 2,44,678 |
| Business Promotion Expenses | 3,83,050 | 4,45,389 |
| Membership Fees & Subscription | 6,97,056 | 7,65,712 |
| Electricity Charges | 1,97,467 | 3,18,106 |
| Motor car Expenses | 1,99,078 | 5,94,418 |
| Postage and Telephone | 2,55,016 | 3,17,219 |
| Travelling and Conveyance | 5,26,388 | 2,59,382 |
| Printing and Stationery | 53,581 | 91,950 |
| Repairs and Maintenance - others | 3,21,537 | 2,95,480 |
| Insurance | 4,85,479 | 4,37,523 |
| Miscellaneous Expenses | 9,92,728 | 7,86,631 |
| | <u>1,13,52,233</u> | <u>1,14,78,476</u> |
| Details of Managerial Remuneration: | | |
| a. Remuneration to Directors | | |
| Salary | 8,40,000 | 8,31,000 |
| Contri. to PF & Other Funds | 2,40,800 | 2,39,720 |
| Total (a) | <u>10,80,800</u> | <u>10,70,720</u> |
| b. Remuneration to Key Management Personnel | | |
| Salary | 10,80,000 | 10,80,000 |
| Contri. to PF & Other Funds | 1,56,600 | 1,56,600 |
| Total (b) | <u>12,36,600</u> | <u>12,36,600</u> |
| Total (a+b) | <u>23,17,400</u> | <u>23,07,320</u> |

(Amount in Rs.)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Auditors' Remuneration consist of: (excluding GST) | | |
| Statutory Audit Fees | 85,000 | 85,000 |
| Tax Audit fees | 24,000 | 24,000 |
| Certification Services | 47,300 | 47,200 |
| Total | 1,56,300 | 1,56,200 |
| Note 2.29: Earning Per Share (EPS) | | |
| Profit for the year | 6,43,558 | (38,76,215) |
| Weighted average number of Equity Shares used in computing basic EPS | 29,31,125 | 29,31,125 |
| Effect of potential dilutive Equity Shares | - | - |
| Weighted average number of Equity Shares used in computing diluted EPS | 29,31,125 | 29,31,125 |
| Basic Earnings per share | 0.22 | (1.32) |
| Diluted Earnings per share | 0.22 | (1.32) |

Note 2.30: Contingent liabilities and commitments (to the extent not provided for)

| Particulars | As at 31st March 2021 | As at March 31, 2020 |
|---|-----------------------|----------------------|
| Contingent liabilities: | | |
| (i) Guarantees / securities given* | 1,00,00,000 | 1,00,00,000 |
| (ii) Claim against the company not acknowledged as debt | - | - |
| Total | 1,00,00,000 | 1,00,00,000 |
| Capital commitments: | | |
| (i) Estimated amount of contracts remaining to be executed on capital account (net of advances) | - | - |
| (ii) Uncalled liability on shares and other investments partly paid | - | - |
| Total | - | - |

* guarantees issued by Banks in favour of National Securities Clearing Corporation Limited

Note 2.31 : Remittance in foreign currencies:

| Particulars | 2020-21 | 2019-20 |
|---|----------|----------|
| (i) Dividend | | |
| (i) Number of non-resident shareholders | 5 | 5 |
| (ii) Number of Ordinary shares held by them | 3,14,554 | 3,14,554 |
| (iii) Amount of dividends | - | - |
| (iv) Year to which dividend relates | - | - |
| (ii) Expenditure in foreign currency | | |
| Total | - | - |

Note 2.32 : Segment Reporting:

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

Note 2.33 : Lease

The Company has adopted Ind AS 116 with effect from April 01, 2019 and applied the standard to its leases retrospectively in accordance with the requirements of the standard, the lease liability under operating lease has been recognised on straight line basis.

Note 2.34 : Financial Risk Management

Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

A. Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, loans, investment in mutual fund units, investment in equity instruments, term deposits, trade receivables and security deposits.

Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors. The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated risk management team, which monitors the positions, exposures and margins on a continuous basis.

B. Liquidity Risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and to close out market positions.

The Company has a view of maintaining liquidity with minimal risks while making investments. The Company invests its surplus funds in short term liquid assets in bank deposits and liquid mutual funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

Refer Note no. 2.35 For analysis of maturities of financial assets and financial liabilities.

C. Market Risk

Market risk is the risk that the fair value or future Cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign currency risk management

In respect of the foreign currency transactions, the company does not hedge the exposures since the management believes that the same is insignificant in nature and will not have a material impact on the Company.

(ii) Interest rate risk

The Company is exposed to Interest risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.

The Company's interest rate risk arises from interest bearing deposits with bank. Management believe that the interest rate risk attached to this financial assets are not significant due to the nature of this financial assets.

(iii) Market price risks

The Company is exposed to market price risk, which arises from FVTPL investments. The management monitors the proportion of these investments in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.

Note 2.35 : Fair Value Measurement

(a) Category-wise classification for applicable financial assets and financial liabilities: (Amount in Rs.)

| Particulars | As at 31st March 2021 | | As at 31st March 2020 | |
|--|-----------------------|---------------------|-----------------------|---------------------|
| | FVTPL | Amortised cost | FVTPL | Amortised cost |
| Financial assets | | | | |
| Stock in Trade | 17,39,513 | - | 10,73,794 | - |
| Investments | 78,000 | - | 78,000 | - |
| Trade Receivables | - | 25,18,051 | - | 45,30,793 |
| Cash and cash equivalents | - | 4,41,74,731 | - | 1,41,44,039 |
| Bank balances other than cash & cash equivalents | - | 2,27,95,211 | - | 7,85,51,792 |
| Loans | - | 1,40,000 | - | 2,81,765 |
| Other financial assets | - | 8,22,14,308 | - | 3,92,31,109 |
| Total financial assets | 18,17,513 | 15,18,42,301 | 11,51,794 | 13,67,39,498 |
| Financial liabilities | | | | |
| Trade Payables | - | 2,81,36,832 | - | 1,40,00,118 |
| Borrowings (other than debt securities) | - | 6,47,972 | - | 2,92,413 |
| Other financial liabilities | - | 22,88,435 | - | 14,78,134 |
| Total financial liabilities | - | 3,10,73,239 | - | 1,57,70,666 |

Note: No financial Assets and liabilities has been measured at fair value through other comprehensive income

(b) Fair value of other financial assets and liabilities measured at amortised cost :

The carrying amounts of trade receivables, loans, other financial assets, trade payables, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values, due to short-term nature.

(c) Fair value hierarchy of financial assets and financial liabilities at fair value:

Fair value hierarchy :

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are :

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(Amount in Rs.)

| As at March 31, 2021 | Notes | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------|-------|------------------|---------------|----------|------------------|
| Financial assets | | | | | |
| Investment in Mutual Fund | 2.6 | - | - | - | - |
| Investment in Equity Instrument | 2.6 | - | 78,000 | - | 78,000 |
| Stock in Trade | 2.3 | 17,39,513 | - | - | 17,39,513 |
| Total financial assets | | 17,39,513 | 78,000 | - | 18,17,513 |
| As at March 31, 2020 | Notes | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | |
| Investment in Mutual Fund | 2.6 | - | - | - | - |
| Investment in Equity Instrument | 2.6 | - | 78,000 | - | 78,000 |
| Stock in Trade | 2.3 | 10,73,794 | - | - | 10,73,794 |
| Total financial assets | | 10,73,794 | 78,000 | - | 11,51,794 |

Valuation technique used to determine fair value:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at reporting date.
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

(d) Maturity profile of assets and liabilities

(Amount in Rs.)

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|--------------------|----------------------|--------------------|
| | Within 12 months | After 12 months | Within 12 months | After 12 months |
| financial assets | | | | |
| Cash and cash equivalents | 4,41,74,731 | - | 1,41,44,039 | - |
| Bank balances other than cash & cash equivalents | 2,27,95,211 | - | 7,85,51,792 | - |
| Stock in Trade | 17,39,513 | - | 10,73,794 | - |
| Trade Receivables | 25,18,051 | - | 45,30,793 | - |
| Loans | 1,40,000 | - | 2,81,765 | - |
| Investments | - | 78,000 | - | 78,000 |
| Other financial assets | 1,67,14,308 | 6,55,00,000 | 1,68,56,109 | 2,23,75,000 |
| Non-Financial assets | | | | |
| Current tax assets (net) | - | 34,50,774 | - | 29,50,670 |
| Deferred tax assets (net) | - | 8,03,047 | - | 7,75,904 |
| Property, Plant & Equipment | - | 10,46,411 | - | 14,32,228 |
| Other non-financial assets | 8,41,151 | - | 7,89,844 | - |
| Total Assets | 8,89,22,964 | 7,08,78,232 | 11,62,28,137 | 2,76,11,802 |
| Financial liabilities | | | | |
| Trade Payables | 2,81,36,832 | | 1,40,00,118 | |
| Borrowings (other than debt securities) | 6,47,972 | | 2,92,413 | |
| Other financial liabilities | 22,88,435 | | 14,78,134 | |
| Non-Financial liabilities | | | | |
| Provisions | 1,17,51,719 | | 1,16,15,864 | |
| Other non-financial liabilities | 6,24,199 | | 5,07,332 | |
| Total Liabilities | 4,34,49,157 | - | 2,78,93,862 | - |

Note 2.36 : Amount of margin money and shares received from clients and outstanding are as follows of the company

| Security Settlement for the | Bank Guarantees and Fixed Deposits | Received in bank | In the form of Securities* |
|-----------------------------|---------------------------------------|------------------|-------------------------------|
| As at 31 March 2021 | 25,50,000 | 1,78,00,185 | - |
| As at 31 March 2020 | 25,00,000 | 58,76,003 | 49,84,335 |

* Margin money received in the form of securities from clients is held by the company in accordance with regulation

Note 2.37 : Proposed Dividend

The final dividend proposed for the year is as follows

(Amount in Rs.)

| Particulars | 2020-2021 | 2019-2020 |
|--|-----------|-----------|
| On Equity Shares of Rs. 10 each | | |
| Amount of dividend proposed | - | - |
| Dividend distribution tax on proposed dividend | - | - |
| Dividend per equity share | - | - |

Note 2.38 : Employee Benefits

Defined contribution plan

The Company recognise charges of Rs. 9,57,578 (Previous Year Rs.9,78,996) as an expense for provident fund contribution and is included in Note 2.27 "Employee Benefit Expense in the Statement of Profit and Loss.

Defined benefits Gratuity Plan

(a) The amounts recognised in Balance Sheet are as follows :

| Particulars | As at March 31, 2021 | As at 31st March 2020 |
|--|----------------------|-----------------------|
| (i) Present Value of Defined Benefit Obligation | | |
| - Wholly funded | 92,84,457 | 86,36,529 |
| - Wholly unfunded | - | - |
| | 92,84,457 | 86,36,529 |
| Less : Fair Value of plan assets | (96,52,733) | (81,86,354) |
| Add : Amount not recognised as an asset | | |
| Amount to be recognised as liability or (asset) | (3,68,276) | 4,50,175 |
| (ii) Amounts reflected in Balance Sheet | | |
| Liabilities | 92,84,457 | 86,36,529 |
| Assets | (96,52,733) | (81,86,354) |
| Net liability/(asset) | (3,68,276) | 4,50,175 |
| Net liability/(asset) - current | (3,68,276) | 4,49,573 |
| Net liability/(asset) - non-current | - | 602 |

(b) The amounts recognised in the Statement of Profit and Loss are as follows :

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| (i) Current service cost | 3,08,719 | 4,31,641 |
| (ii) Interest cost | 14,538 | 9,213 |
| (iii) Acturial losses/(gains) - others | (4,27,656) | (2,11,195) |
| Total | (1,04,399) | 2,29,659 |
| (i) Amount included in "employee benefits expenses" | 3,08,719 | 4,31,641 |
| (ii) Amount included in as part of "finance cost" | 14,538 | 9,213 |
| (iii) Amount included as part of "Other Comprehensive income" | (4,27,656) | (2,11,195) |
| Total | (1,04,399) | 2,29,659 |

(c) Changes in the present value of defined benefit obligation representing reconciliation of the opening and closing balances are as follows : (Amount in Rs.)

| Particulars | As at 31st March 2021 | As at March 31, 2020 |
|--|-----------------------|----------------------|
| Opening balance of the present value of defined benefit obligation | 86,36,529 | 78,87,615 |
| Add : Current service cost | 4,49,573 | 4,31,641 |
| Add : Interest cost | 4,70,768 | 4,97,373 |
| Add : Actuarial losses/(gains) | | |
| i) Actuarial (gains)/losses arising from changes in financial assumptions | 1,87,514 | 3,30,820 |
| ii) Actuarial (gains)/losses arising from changes in demographic assumptions | - | (4,073) |
| ii) Actuarial (gains)/losses arising from changes in experience adjustments | (4,59,927) | (5,06,847) |
| Less : Benefits paid | - | - |
| Add : Past service cost | - | - |
| Add : Liability assumed/(settled)* | - | - |
| Add/(less) : Translation adjustments | - | - |
| Closing balance of the present value of defined benefit obligation | 92,84,457 | 86,36,529 |

(d) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows :

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| Opening balance of the fair value of the plan assets | 81,86,354 | 75,43,841 |
| Add : interest income of plan assets | 5,93,806 | 4,88,160 |
| Add/(less) : Actuarial gains/(losses) | 17,666 | 31,095 |
| Add : Contribution by the employer | 8,54,906 | - |
| Add/(less) : Contribution by plan participants | - | 1,23,258 |
| Less : Benefits paid | - | - |
| Closing balance of plan assets | 96,52,733 | 81,86,354 |

(e) The fair value of major categories of plan assets are as follows:

| Particulars | Gratuity Plan | |
|--------------------------------|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Government of India Securities | - | - |
| Corporate Bonds | - | - |
| Special Deposit Scheme | - | - |
| Policy of Insurance | 96,52,733 | 81,86,354 |
| Others | - | - |

(f) Principal actuarial assumptions at the valuation date are as follows : (Amount in Rs.)

| Particulars | As at 31st March 2021 | As at March 31, 2020 |
|------------------------------------|-----------------------|----------------------|
| Discount rate (per annum) | 6.05% | 6.45% |
| Salary escalation rate (per annum) | 7.00% | 7.00% |

(g) Mortality Rate:

Published rates under the Indian Assured Lives Mortality (2012-14) Ult table.

(h) Sensitivity Analysis

Half percentage point change in actuarial assumption would have the following effects on the defined benefit obligation is as follows :

| Particulars | Effect of 0.5% increase | | Effect of 0.5% decrease | |
|------------------------------------|-------------------------|---------|-------------------------|--------|
| | 2020-21 | 2019-20 | 2020-21 | 201-20 |
| Discount rate (per annum) | -2.51% | -2.59% | 2.66% | 2.74% |
| Salary escalation rate (per annum) | 1.42% | 2.22% | -1.82% | -1.55% |

Note 2.39 : Related Party Transaction

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

a) List of related parties and their relationship:

- Key Management Personnel

Mr. Anil Sugno Manghnani
Mr. Radhakrishna Shenvi
Mrs. Vibha Axit Gandhi

- 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)

- Person/companies having significant influence over the Company

Mr. Narendra H. Advani
Bhagwanti Exports Private Limited
Hira Advani Holdings Private Limited
Neelgagan Investments Private Limited
Bhagwanti Tex Overseas Private Limited

(b) Transaction during the year with related parties

(Amount in Rs.)

| Particulars | Person/companies having significant influence over the Company | | Key Management Personnel | | Relatives of Key Management Personnel and Persons having significant influence over the Company | |
|--|--|----------|--------------------------|-----------|---|----------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Rent paid: | | | | | | |
| Bhagwanti Exports Private Limited | 3,00,000 | 3,00,000 | - | - | - | - |
| Salary & Perquisites : | | | | | | |
| Mr. Anil Manghnani | - | - | 10,80,800 | 10,70,720 | - | - |
| Mrs. Lavina Manghnani | - | - | - | - | 4,47,760 | 4,47,760 |
| Mr. Radhakrishna Shenvi | - | - | 10,08,000 | 10,08,000 | - | - |
| Ms. Vibha Axit Gandhi | - | - | 2,28,600 | 2,28,600 | - | - |
| Sitting Fees | 30,000 | 7,500 | - | - | 35,000 | 30,000 |
| Brokerage Earned: | | | | | | |
| Mr. Anil S Manghnani | - | - | - | - | - | - |
| Ms. Lavina Manghnani | - | - | - | - | - | - |
| Mr. Praveen Manghnani | 876 | - | - | - | - | - |
| Bhagwanti Tex Overseas Private Limited | - | - | - | - | - | - |
| Bhagwanti Exports Private Limited | - | 1,629 | - | - | - | - |
| Mr. Radhakrishna Shenvi | - | - | 19,766 | 4,756 | - | - |
| Mrs. Sheela R. Shenvi | - | - | - | - | 8,178 | 923 |
| Mr. Ramachandra N. Shenvi | - | - | - | - | - | - |
| Ms. Tanushree Shenvi | - | - | - | - | 19,431 | 99,179 |
| Ms. Tejal Shenvi | - | - | - | - | 14,702 | 220 |

(Amount in Rs.)

| c) Outstanding balances: | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| Outstanding balances which is due from/ (to) related party: | (1,99,761) | - |

Note 2.40 : Tax Expense

(a) Major components of tax expense/(income):

(Amount in Rs.)

| Particulars | 2020-21 | 2019-20 |
|---|-------------------|---------------|
| Profit and Loss section: | | |
| (a) Current tax expense | | |
| Current tax for the year | 1,40,000 | - |
| Tax adjustment in respect of earlier years | - | - |
| Total current tax expense | 1,40,000 | - |
| (b) Deferred taxes | | |
| Change in deferred tax | (1,38,334) | 63,621 |
| Net deferred tax expense | (1,38,334) | 63,621 |
| Income tax expense reported in statement of profit or loss (a+b) | 1,666 | 63,621 |
| Other Comprehensive Income (OCI) | (1,11,191) | (54,383) |
| Income tax expense reported in retained earnings | (1,09,525) | 9,238 |

(b) Major components of Deferred Tax Liabilities and Deferred Tax Assets:

| Particulars | Deferred tax (liabilities)/assets as at March 31, 2021 | Deferred tax (liabilities)/assets as at March 31, 2020 |
|--------------------------------|--|--|
| Deferred tax assets: | | |
| On timing difference of Assets | 1,01,472 | 1,17,480 |
| Provision for Leave Encashment | 7,01,575 | 6,58,424 |
| | 8,03,047 | 7,75,904 |

Note 2.41: Estimation uncertainty relating to COVID-19 global health pandemic

Due to lockdown on account of Coronavirus Disease 2019 (COVID-19), the capital market has been impacted and volatility has been increased in the stock market. However during the current conditions, the Company continues to operate during the lockdown in India as "stock broking" has deemed to provide essential services and there is no major impact on our business as capital markets continued to remain open and function normally.

Note 2.42: Previous year figures have been re-grouped and re-arranged wherever necessary.

As per our attached report of even date

For and on behalf of the Board

For Baheti & Co.

Chartered Accountants

FRN No: 006287C

Deepak Baheti

Partner

Membership No.075063

Place : Mumbai

Date : 18th June, 2021

Ashok T Kukreja

Anil S Manghnani

G Shewakramani

Pankaj R Ved

R N Shenvi

Vibha Axit Gandhi

(Chairman)

(Whole-time Director)

(Director)

(Director)

(Chief Financial Officer)

(Company Secretary)

DIN: 00463526

DIN: 00012806

DIN: 00413343

DIN: 00207079

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.