

*Creating
wealth
through
Equity*

Modern
Shares And
Stockbrokers
Limited

ANNUAL REPORT & ACCOUNTS
2019 - 2020

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

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NOTICE

NOTICE is hereby given that the **Eighty-first** Annual General Meeting of the members of **Modern Shares and Stockbrokers Limited (CIN:L45200MH1939PLC002958)** will be held on Friday, September 18, 2020 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, 2020 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Narendra Hira Advani (DIN: 03351909), who retires by rotation and is eligible for re-appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mr. Ghansham Shewakramani (DIN: 00413343) be continued as a Non- Executive Non- Independent Director of the Company liable to retire by rotation, notwithstanding that on 08th April, 2021 he attains the age of 75 years."

**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 11, 2020

Registered Office:

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

CIN: L45200MH1939PLC002958

Website: www.modernshares.com

NOTES:

- 1) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business is annexed hereto.
- 2) 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 (hereinafter collectively referred to as "MCA Circulars") 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.
- 3) 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.
- 4) 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 modernshares@gmail.com and to its RTA at rnt.helpdesk@linkintime.co.in.
- 5) 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.
- 6) The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, September 11, 2020 to Friday, September 18, 2020, (both days inclusive) for updating of members register.
- 7) 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).
- 8) 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.
- 9) 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.
- 10) Pursuant to the provisions of Section 125(6) of the Companies Act, 2013, (Section 205C of the Companies Act, 1956) any money transferred to the Unpaid Dividend Account of the Company and the equity shares on which the dividend remains unpaid or unclaimed for a continuous period of seven (7) years from the date they become due for payment, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

- 11) Those members who have so far not en-cashed their Final Dividend for the years March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017, and March 31, 2018 are requested to approach the Registrars and Share Transfer Agents of the Company for payment.
- 12) The Company has transferred all dividend and Equity shares on which the Dividends up to financial year ended March 31, 2012 remained unpaid/unclaimed for a continuous period of seven (7) years from the date it became first due for payment to the Investor Education and Protection Fund (IEPF) Authority constituted by the Central Government and the same can be claim from the IEPF Authority by following the prescribed procedure as laid down in the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2017 as amended, in respect of individual amount(s) and Equity shares so credited to the IEPF.
- 13) 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, 2013 and dividends declared thereafter, which remain unclaimed for continuous period of seven (7) years shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) pursuant to Section 125 of the Companies Act, 2013 (Section 205C of the Companies Act, 1956).
- 14) 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
2012-13	19-Jul -13	18-Jul-20	18-Aug-20
2013-14	25-Sep-14	24-Sep-21	24-Oct-21
2014-15	04-Aug-15	03-Aug-22	03-Sep-22
2015-16	12-Jul-16	11-Jul-23	11-Aug-23
2016-17	28-Jul-17	27-Jul-24	27-Aug-24
2017-18	02-Aug-18	01-Aug-25	01-Sep-25
2018-19	NA	NA	NA

- 15) 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 27th September, 2019 (date of last Annual General Meeting) on the website of the Company (www.modernshares.com), as also on the Ministry of Corporate Affairs website.

16) 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.

- 17) The Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 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 2019-20 will also be available on the Company's website www.modernshares.com; websites 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.

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

19) INSTRUCTIONS FOR SHAREHOLDERS TO VOTE ELECTRONICALLY:

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

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
 - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
 - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:

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

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

For Shareholders holding shares in Demat Form or Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form/Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI (Date of Incorporation) as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account Number (Last Four Digits) as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> Please enter the DOB/ DOI or Bank Account Number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account Number field as mentioned in instruction (4-c).

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

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

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

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

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

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ Cast your vote electronically

1. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
2. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

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

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

3. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
4. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to

change your vote, click on "NO" and accordingly modify your vote.

5. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
6. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

❖ General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'.

They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

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

In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

20) 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, Chairpersons 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 schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

Shareholders/ Members will be provided with *InstaMeet* facility wherein Shareholders/ Member 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**

21) 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 modernshares@gmail.com from 9.00 a.m. on Tuesday, September 15, 2020 and will end at 11.30 a.m. on Thursday, September 17, 2020.

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 modernshares@gmail.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.

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

Once the electronic voting is activated by the scrutiniser 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 represents 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 11, 2020, 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 15, 2020 and will end at 5.00 p.m. on Thursday, September 17, 2020. 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 11, 2020 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 11, 2020.

- 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 11, 2020 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. Scrutinizer shall within three (3) days of conclusion of the meeting submit a Consolidated Scrutinizer Report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him in writing.
- IX. The results along with the Scrutinizers Report shall be placed on the website of the Company and on the website of LIPL and shall be communicated to BSE Limited.

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

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

Mumbai, dated August 11, 2020
Registered Office:
Wankhede Stadium, North Stand,
Staircase No. 13, 'D' Road, Churchgate,
Mumbai - 400020
CIN: L45200MH1939PLC002958
Website: www.modernshares.com

Explanatory Statement as required under Section 102 of the Companies Act, 2013:

Item No. 3

Mr. Ghansham Shewakramani, 74 years, is Non-Executive Director of the Company and is liable to retire by rotation pursuant to Section 152(6) of the Companies Act 2013 and the Article of Association of the Company.

Mr. Ghansham Shewakramani 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 25 years and has immensely contributed to the Company's growth over the years.

Mr. Ghansham Shewakramani would be attaining the age of 75 years on 08th April, 2021. In view of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, for the continuation of Mr. Ghansham Shewakramani as a Non-Executive Director beyond 08th April, 2021, consent of the Members would be required by way of a Special Resolution. It is in the interest of the Company to continue to avail his valuable expertise and services.

The Board recommends the resolution for the approval of the Members.

Except Mr. Ghansham Shewakramani, none of the Directors and Key Managerial Personnel of the Company and /or their relatives is deemed to be concerned or interested (financially or otherwise) in the resolution.

**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 11, 2020

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 nos. 2 and 3 of the Notice

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

Name of Directors	MR. NARENDRA HIRA ADVANI	MR. GHANSHAM SHEWAKRAMANI
DIN Numbers	03351909	00413343
Date of Birth	20/09/1966	08/04/1946
Date of Appointment on Board	30/05/2011	25/01/1995
Qualification	BBA (Int'l Mgmt & Business) world College West, Petaluma, California USA	Graduate B.Sc. (Hons)
Brief Profile of the Directors	He is having rich experience of almost 30 years in various business from Hotels to garments exports successfully in the past and also having rich experience of business environment. He is serving on the Company Board since last several years.	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 25 years and has immensely contributed to the Company's growth over the years.
Expertise in specific functional areas	He has been an avid businessman and having rich experience of int'l business environment.	Finance, Hotels, Real Estates & Personnel Management.
List of Directorship held in other Companies	<ol style="list-style-type: none"> 1. Bhagwanti Exports Private Limited 2. Bhagwanti Tex-overseas Private Limited 3. Hira Advani Holdings Private Limited 4. Neelgagan Investments Private Limited 	<ol style="list-style-type: none"> 1. Delara Tourism Corporation Limited 2. Super Coal Manufacturers Pvt Ltd 3. National Litho Works Pvt Ltd 4. Calicut Premises Private Limited 5. Monish Investments Private Limited 6. Billimoria Marbles And Stones Private Limited 7. Lotus Exhibitors Private Limited 8. Ras Estates Private Limited 9. Monish Financial Services Private Limited 10. Surang Investments Private Limited 11. Garden Health Resort And Hotel Private Limited 12. Matheran Green Field Hotels And Developers Private Limited 13. Ramani Builders Pvt Ltd

		14. Rangoli Hotels Pvt Ltd 15. Narwani Investments Private Limited 16. Bright Lands Hotel Pvt Ltd 17. Rasayani Hotels Pvt Ltd 18. Mahabaleshwar Holiday Resort Pvt Ltd 19. R P Hotels And Restaurants Pvt Ltd
Membership of Committees in other Public Limited Companies (includes only Audit & Investor Grievance Committee)	None	Member of the Stakeholder & Grievance Committee (in Modern Shares & Stock Brokers Limited)
No. of shares held in the Company as on March 31, 2020.	4,28,865	49,600

Mumbai, dated August 11, 2020

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-first** Annual Report together with the audited financial statements for the year ended March 31, 2020.

1. FINANCIAL RESULTS

	31/03/2020 Rupees (₹)	31/03/2019 Rupees (₹)
Revenue from Operations	1,53,35,305	1,79,27,137
Other Income	73,94,712	72,89,879
Total Income	2,27,30,017	2,52,17,016
Operating Expenditure	2,57,67,086	3,03,90,008
Depreciation	9,32,337	4,77,967
Total Expenses	2,66,99,423	3,08,67,975
Profit/ (Loss) Before Exceptional Items And Taxation	(39,69,406)	(56,50,959)
Tax Expense	(63,621)	3,65,615
Profit/ (Loss) After Tax Attributed to Shareholders of the Company	(40,33,027)	(52,85,344)
Opening Balance of retained earnings	5,13,05,213	5,82,76,516
Closing Balance of retained earnings	4,74,28,998	5,13,05,213

2. BUSINESS ACTIVITIES AND OPERATIONS

The Company's operations resulted in a loss of ₹ 40.33 Lakhs as against loss of ₹ 52.85 Lakhs in the previous year, after providing for depreciation of ₹ 9.32 Lakhs (previous year ₹ 4.78 Lakhs) and making net provision for taxation of ₹ 0.63 Lakhs as against previous year ₹ (3.66) Lakhs, Your Board of Directors has decided not to transfer any amount to the Reserves for the year under review in view of the Loss incurred during the year.

It has been a difficult year for both markets and the company as a whole. The large cap indices were being led by a handful of stocks and overall the broader market was weak for the most part of last year. Unfortunately, the coronavirus effect was seen

in the last quarter in the markets. We have witnessed a slowdown in volumes and thus business has suffered. We have tried to keep expenses in check in order to soften the overall blow on the net profit. Given the pandemic, it is very difficult to gauge how the rest of the year will pan out. In our estimate, we feel this year could be one of rebuilding for both the stock market and the economy. We foresee some difficult months ahead but we will do our best to come out of it with minimal damage to our revenues and profits.

We believe the government has taken some good measures in the stimulus package to help reduce the damage to the economy due to the ongoing pandemic. We are hopeful that more positive measures will be taken going forward. While the next few months are filled with uncertainty, we are optimistic that the effect of the virus will not last post this current 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. Narendra Hira Advani (DIN: 03351909) 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 and Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of members is also being sought by a Special Resolution for continuing Mr. Ghansham Shewakramani as Non-Executive Director notwithstanding that on 08th April, 2021 he attains the age of 75 years.

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.

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 5 (Five) times during the financial year from 1st April, 2019 to 31st March, 2020. 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
28 th May, 2019	6	5
04 th September, 2019	6	5
27 th September, 2019	6	5
08 th November, 2019	6	4
06 th February, 2020	6	5

◆ Relevant Details of Directors

Sr. No.	Name of the Director	Date of Appointment	Category	Number of Directorship held in other Indian Companies	Committee(s) Position Member and Chairperson in all Companies
1	Mr. Ashok Tikamdas Kukreja	18/02/2015	Chairperson & Non-Executive Director/ Independent	2	9 and 7
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	19	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 at Board Meetings and Annual General Meeting:**

Name of the Director	Attendance at the Board Meeting held on					Attendance at the AGM held on 27th September, 2019
	28/05/2019	04/09/2019	27/09/2019	08/11/2019	06/02/2020	
Mr. Anil Sugno Manghnani	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Narendra Hira Advani	Leave	Leave	Attended	Leave	Leave	Attended
Mr. Ashok Tikamdas Kukreja	Attended	Attended	Attended	Attended	Attended	Attended
Mrs. Roshan Advani Patheria	Attended	Attended	Leave	Leave	Attended	Leave
Mr. Ghansham Shewakramani	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Pankaj Rajnikant Ved	Attended	Attended	Attended	Attended	Attended	Attended

◆ **Audit Committee Member**

Name of the Member	28/05/2019	04/09/2019	08/11/2019	06/02/2020
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**

Name of the Member	28/05/2019	04/09/2019	08/11/2019	06/02/2020
Mr. Ashok Tikamdas Kukreja (Chairperson)	Attended	Attended	Attended	Attended
Mr. Ghansham Shewakramani	Attended	Attended	Attended	Attended
Mr. Pankaj Rajnikant Ved	Attended	Attended	Attended	Attended

◆ **Nomination & Remuneration Committee Member**

Name of the Member	28/05/2019	04/09/2019	08/11/2019	06/02/2020
Mr. Ashok Tikamdas Kukreja (Chairperson)	Attended	Attended	Attended	Attended
Mr. Pankaj Rajnikant Ved	Attended	Attended	Attended	Attended
Mrs. Roshan Advani Patheria	Attended	Attended	Leave	Attended

◆ **Independent Directors**

Name of the Member	13/03/2020
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, 2020, 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, 2020 and of the loss of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively and
- f) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

8. BUSINESS RISK MANAGEMENT

Although the Company has long been following the principle of risk minimization as is the norm in every industry, it has now become a compulsion. Therefore, in accordance with Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board members were

informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the Company.

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

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

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

9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit function, each department undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

In order to strengthen the system of Internal Control and provide Board of Directors with an added ability

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

10. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

11. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. An omnibus approval was taken for one (1) year from Audit Committee and Board at their Meeting held on 28/05/2019. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

In compliance under the provisions of the Companies Act, 2013, transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year in Form AOC-2 is enclosed as **Annexure- A** to this report.

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

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

13. AUDITORS

13.1 STATUTORY AUDITORS

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

13.2 SECRETARIAL AUDITORS

The Secretarial Audit Report for the Financial Year ended March 31, 2020 is annexed herewith as **Annexure- B**.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Janak Pandya, Company Secretary in Practice (CP No.: 5940, ACS: 10841), to undertake the secretarial audit of the Company for the Financial Year ended March 31, 2021.

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, 2021 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 ₹ 14.32 Lakhs (Previous year ₹ 23.61 Lakhs). In compliance with

the Accounting Standard AS-28 relating to "Impairment of Assets", the Company has reviewed the carrying amount of its fixed assets as at the end of the financial year.

15. CORPORATE GOVERNANCE & ANNUAL SECRETARIAL COMPLIANCE REPORT

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

16. EXTRACT OF ANNUAL RETURN

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

17. COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India (SS-1 & SS-2) respectively 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 20 permanent employees on the rolls of the Company as on 31 March, 2020.

Sr. No.	Name	Designation	Remuneration paid FY 2019-20 (₹ Lakhs)	Remuneration paid FY 2018-19 (₹ Lakhs)	Increase in Remuneration from previous Year (₹ Lakhs)	Ratio/ Times per median of employee remuneration
1	Mr. Anil Sugno Manghnani	Whole-time Director	10.71	10.34	0.37	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	0.74	1.55	0.35

19. PARTICULARS OF EMPLOYEES

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

20. DISCLOSURE

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

21. DEMATERIALISATION OF SHARES

97.80% of the Company's paid up equity share capital is in dematerialised form as on 31st March, 2020 and balance 2.20% is in physical form. The Company's Registrar and Share Transfer Agents is M/s. Link Intime India Pvt. Ltd. having office at C-101, 247 Park, LBS Marg, Vikhroli – (W), Mumbai - 400083.

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

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

23. ACKNOWLEDGEMENTS

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

24. CAUTIONARY STATEMENT

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

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

Sd/- Anil Sugno Manghnani Whole-time Director (DIN: 00012806)	Sd/- Ghansham Shewakramani Director (DIN:00413343)
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Mumbai, dated June 29, 2020

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)
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
c)	Duration of the contracts/arrangements/transaction	On Going	On Going	On Going	On Going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Use of office premises on monthly rental basis & Same as applicable to any other client	Same as applicable to any other client	Same as applicable to any other client	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
f)	Date of approval by the Board	01/04/2011 & 28/05/2019	28/05/2019 Omnibus Approval taken for 1 Year from Audit Committee and Board	28/05/2019 Omnibus Approval taken for 1 Year from Audit Committee and Board	28/05/2019 Omnibus Approval taken for 1 Year from Audit Committee and Board
g)	Amount of brokerage/Rent earned during the year	3.02 Lakhs	0.05 Lakhs	0.01 Lakhs	0.99 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

Mumbai, dated June 29, 2020

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

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

Sd/-
Ghansham Shewakramani
Director
(DIN: 00413343)

Annexure B
Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED
31ST MARCH, 2020

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Modern Shares and Stockbrokers Limited (CIN No.: L45200MH1939PLC002958) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2020** 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, 2020** 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, 2009 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(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;
 - (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, 1998 **(Not applicable to the company during the Audit Period)**
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- (vi) A. Industry specific Laws applicable to the Company during the Audit period were:
- 1) The Securities and Exchange Board of India (Stock-Brokers and Sub-Brokers) Regulations, 1992;
 - 2) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating To Securities Market) Regulations, 2003; and
 - 3) The Securities and Exchange Board of India (Research Analysts) Regulations, 2014
 - 4) Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2017 as amended from time to time.
- B. Other general Laws applicable to the company such as:
1. Employees Provident Fund and Miscellaneous Provisions Act, 1952
 2. Indian Contract Act, 1872
 3. Income Tax Act, 1961 and Indirect Tax Laws
 4. Indian Stamp Act, 1899 and Bombay Stamp Act, 1958
 5. Negotiable Instruments Act, 1881
 6. Payment of Bonus Act, 1965
 7. Payment of Gratuity Act, 1972
 8. Goods and Service Tax Acts 2017

9. Maharashtra Profession Tax Act, 1975
10. Maharashtra Shop and Establishment Act, 1948
11. Employees' State Insurance Act, 1948

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

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

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non –executive Directors, Woman Director and Independent Directors. The change in composition of Board that took place during the year under review were carried out in accordance with the provisions of the Act

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.

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

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

- (i) No Public/ Rights/ Preferential issue of shares/ debentures/ sweat equity etc.
- (ii) No Redemption / buy-back of securities.
- (iii) No Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) No Merger /amalgamation/reconstruction etc.

(v) No Foreign technical collaborations.

Sd/-

CS Janak A. Pandya
Company Secretaries
ACS No.:10841
C P No.:5940
UDIN: A010841B000359882

Place : Mumbai

Date : 22nd June, 2020

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

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc. and relied on them especially where ever 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 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: A010841B000359882

Place : Mumbai

Date : 22nd June, 2020

'Annexure C' To Board Report

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

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

Form No. MGT-9

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

i) Category-wise Share Holding

[illegible]

B. Public Shareholding													
1. Institutions													
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Central Govt.													
(i) (IEPF)	25,881	00	25,881	0.88	28,156	00	28,156	0.96	28,156	0.08			
(ii) Custodian of Enemy Properties in India for Pakistani National)	15,680*	00	15,680*	0.53	14,796	00	14,796	0.50	14,796	(0.03)			
d) State Govt(s)	-	-	-	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Others (specify) Sadhu Vaswani Trust	50	00	50	0.01	50	00	50	0.00	50	0.00			
Sub-total (B)(1):-	41,611	00	41,611	1.42	43,002	00	41,611	1.47	41,611	+0.05			
2. Non-Institutions													
a) Bodies Corp.													
i) Indian	4,892	1,500	6,392	0.22	2,733	1,500	4,233	0.14	4,233	(0.07)			
ii) Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-

(b) Individuals	2,59,358	65,286	3,24,644	11.08	249973	62998	312971	10.67	(-0.41)
(i) Individual Shareholders holding nominal share capital up to Rs. 1 lakh/ 2 Lakhs									
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh/ 2 Lakhs	88,404	0.00	88,404	3.02	1,99,727	00	1,99,727	6.81	+3.80
(iii) HUF	18,151	0	18,151	0.62	20,550	00	20,550	0.70	0.08
(c) Others									
(i) Clearing Member	1,297	0.00	1,297	0.04	97	00	97	0.003	(0.04)
(ii) Market Maker	—	—	—	—	—	—	—	—	—
(iii) NRI	3,14,554	0.00	3,14,554	10.73	2,14,554	00	2,14,554	7.32	(3.41)
(iv) OBC	—	—	—	—	—	—	—	—	—
(v) NRNR	1,288	0.00	1,288	0.04	1,207	00	1,207	0.04	(0.00)
Sub-total (B)(2):-	6,87,944	66,786	7,54,730	25.75	6,88,841	64,498	7,53,339	25.70	(0.05)
Total Public Shareholding (B) = (B)(1) + (B)(2)	7,29,555	66,786	7,96,341	27.17	7,31,843	64,498	7,96,341	27.17	0.00
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A + B + C)	28,64,339	66,786	29,31,125	100.00	28,66,627	64,498	29,31,125	100.00	0.00

(ii) Shareholding of Promoters/ Promoter Group

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

* NRNR (Non-Residence, Non Repatriable)

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

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

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

SI No.	Name	Shareholding at the beginning of the year		Date	Change in Shareholding (No Of Shares)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company		Increase (Purchase)	Reason	No. of Shares	% of total shares of the company
	FOR EACH OF THE TOP 10 SHAREHOLDERS							
1	Lal Hariram Ganwani (NRI)	1,00,000	3.41	—	00	—	1,00,000	3.41
2	Mohan Chattaram	1,00,000	3.41	—	00	—	1,00,000	3.41
3	Kamal Ramesh Dhanwani (NRI)	1,00,000	3.41	—	00	—	1,00,000	3.41
4	Deepak Kohli	49,731	1.70	—	00	—	49,731	1.70
5	IEPF Authority (MCA)	25,881	0.88		+ 2,275	(By Act of Law)	28,156	0.96
6	Chirayush Pravin Vakil	14,973	0.51	15/07/2019	+39	Purchase		
				26/07/2019	+42	Purchase		
				11/10/2019	+501	Purchase		
				01/11/2019	+712	Purchase		
				24/01/2020	+10	Purchase	16,277	0.56
7	Sanjay Vijay Mallik	12,820	0.43	—	00	—	12,820	0.43
8	Khemchand Manglani (NRI)	12,500	0.43	—	00	—	12,500	0.43
9	Ajay Agarwal	10,880	0.37	—	00	—	10,880	0.37
10	Charudatta Dattatraya Vibhute	10,229	0.35	—	00	—	10,229	0.35
11	Dilip Kapadia	10,000	0.34	—	00	—	10,000	0.34

(v) Shareholding of Directors and Key Managerial Personnel:

SI No.	For Each of the Directors and KMP	Shareholding at the beginning of the Year		Change in Shareholding (No Of Shares)		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	Increase (Purchase)	Decrease (Sale)	No. of Shares	% of total Shares of the company
1	Anil Sungo Manghnani (WTD)	4,55,010	15.52	0.00	00	4,55,010	15.52
2	Ghansham Shewakramani	49,600	1.69	0.00	00	49,600	1.69
3	Narendra Hira Advani (NRNR)	4,28,865	14.63	0.00	00	4,28,865	14.63
4	Ashok Tikamdas Kukreja (ID)	00	0.00	0.00	00	00	0.00
5	Roshan Salim Patheria	00	0.00	0.00	00	00	0.00
6	Pankaj Rajnikant Ved (ID)	50	0.001	0.00	0,00	50	0.001
7	Radhakrishna Shenvi (CFO)	1,200	0.04	0.00	00	1,200	0.04
8	Vibha Axit Gandhi (CS)	00	0.00	0.00	00	00	0.00

V. INDEBTEDNESS

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

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
• Addition	28,93,413	-	-	28,93,413
• Reduction	26,01,000	-	-	26,01,000
Net Change	2,92,413	-	-	2,92,413
Indebtedness at the end of the financial year				
i) Principal Amount	2,92,413	-	-	2,92,413
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,92,413	NIL	NIL	2,92,413

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SI No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (in ₹)
		Anil S. Manghnani	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	₹10,70,720	₹10,70,720
2	Stock Option	NA	NA
3	Sweat Equity	NA	NA
4	Commission- as % of profit- others, specify...	NA	NA
5	Others, please specify	None	None
	Total (A)	₹ 10,70,720	₹ 10,70,720
	Ceiling as per the Act *	-	NIL

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

B. Remuneration to other directors:

SI No.	Particulars of Remuneration	Name of Directors			Total Amount (in ₹)
		Name	Name	Name	
		Mr. Ashok T. Kukreja	Mr. Pankaj R. Ved		
1.	Independent Directors Fee for attending board / committee Meetings	₹ 70,000	₹ 70,000		₹ 1,40,000
	♦ Commission				
	♦ Others, please specify				
	Total (1)				₹ 1,40,000
2.	Other Non-Executive Directors	Mr. Ghansham Shewakramani	Mr. Narendra H. Advani	Ms. Roshan Advani Patheria	
	♦ Fee for attending board / committee meetings	₹ 47,500	₹ 7,500	₹ 30,000	₹ 85,000
	♦ Commission				
	♦ Others, please specify				
	Total(2)				₹ 85,000
	Total (B) = (1 + 2)				₹ 2,25,000
	Total Managerial Remuneration				₹ 12,95,720
Ceiling is not applicable as Non-Executive Directors were paid sitting fees					

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

SI No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS Vibha Axit Gandhi	CFO R.N. Shenvi	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	₹ 2,28,600	₹ 10,08,000	₹ 12,36,600
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL		
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	₹ 2,28,600	₹ 10,08,000	₹ 12,36,600

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment			None		
Compounding			None		
B. DIRECTORS					
Penalty			None		
Punishment			None		
Compounding			None		
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment			None		
Compounding			None		

Mumbai, dated June 29, 2020

Registered Office:

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

CIN: L45200MH1939PLC002958

Website: www.modernshares.com

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

Sd/-

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

Sd/-

**Ghansham Shewakramani
Director
(DIN: 00413343)**

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MODERN SHARES & STOCKBROKERS LIMITED

Report on the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Modern Shares & Stockbrokers Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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, 2020, and its loss, 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 2.42 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, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March, 31, 2020, 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, 2020, which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts as at March, 31, 2020.
 - (iii) The company has transferred an amount of Rs. 69,141/- (of unpaid dividend for the financial year ended 31st March 2012) 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: 20075063AAAAGI3972

Place: Mumbai
Date: 29th June, 2020

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, 2020

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, 2020 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, 2020, 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: 20075063AAAAGI3972

Place: Mumbai
Date: 29th June, 2020

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, 2020.

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: 20075063AAAAGI3972

Place: Mumbai
Date: 29th June, 2020

BALANCE SHEET AS AT MARCH 31, 2020

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
Financial Assets				
Cash and cash equivalents	2.1	1,41,44,039	1,67,99,043	1,80,26,840
Bank balances other than cash & cash equivalents	2.2	7,85,51,792	6,06,38,427	9,52,74,504
Stock in Trade (Securities held for trading)	2.3	10,73,794	6,42,291	14,76,039
Trade Receivables	2.4	45,30,793	77,29,011	78,33,237
Loans	2.5	2,81,765	3,20,765	9,78,265
Investments	2.6	78,000	8,31,690	62,57,639
Other financial assets	2.7	3,92,31,109	5,29,72,084	1,63,45,880
Non-Financial Assets				
Current tax assets (net)	2.8	29,50,670	22,10,205	14,04,474
Deferred tax assets (net)	2.9	7,75,904	8,93,908	5,56,371
Property, Plant & Equipment	2.10	14,32,228	23,60,565	12,28,832
Other non-financial assets	2.11	7,89,844	11,82,780	10,27,582
TOTAL ASSETS		14,38,39,938	14,65,80,769	15,04,09,663
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	1,40,00,118	1,40,24,445	1,13,15,932
Borrowings (other than debt securities)	2.13	2,92,413	-	-
Other financial liabilities	2.14	14,78,134	13,03,177	17,32,264
Non-Financial Liabilities				
Provisions	2.15	1,16,15,864	1,06,84,664	97,84,207
Other non-financial liabilities	2.16	5,07,332	7,46,191	7,83,665
Equity				
Equity Share Capital	2.17	2,93,11,250	2,93,11,250	2,93,11,250
Other Equity	2.18	8,66,34,827	9,05,11,042	9,74,82,345
TOTAL LIABILITIES & EQUITY		14,38,39,938	14,65,80,769	15,04,09,663
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 : 29th June, 2020

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, 2020

		Amount in (Rs.)	
Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income	2.19	73,94,073	72,89,879
Dividend Income	2.20	23,380	26,280
Fees and Commission Income	2.21	1,41,78,798	1,73,72,757
Net gain on fair value changes			
Profit/(Loss) on Trading	2.22	11,33,127	5,28,100
Total Revenue from Operations		2,27,29,378	2,52,17,016
Other Income	2.23	639	-
Total Revenue		2,27,30,017	2,52,17,016
Expenses:			
Finance Costs	2.24	1,16,117	96,880
Fees & commission expenses	2.25	20,886	55,597
Net loss on fair value changes	2.26	5,94,549	43,91,200
Employee benefit expenses	2.27	1,35,57,058	1,33,48,279
Depreciation, Amortization & Impairment	2.10	9,32,337	4,77,967
Other Expenses	2.28	1,14,78,476	1,24,98,052
Total Expenses		2,66,99,423	3,08,67,975
Profit/(Loss) before exceptional items and tax		(39,69,406)	(56,50,959)
Exceptional Items		-	-
Profit/(Loss) before tax		(39,69,406)	(56,50,959)
Tax expense:			
- Current tax		-	-
- Deferred tax		63,621	(3,65,615)
Profit/(Loss) for the period		(40,33,027)	(52,85,344)
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) on defined benefit plans		2,11,195	1,09,038
(ii) Deferred tax impact on the above		(54,383)	(28,077)
Other Comprehensive Income		1,56,812	80,961
Total Comprehensive Income for the period			
(Comprising profit & other Comprehensive Income for the period)		(38,76,215)	(52,04,383)
Earning per equity share	2.29		
- Basic		(1.32)	(1.78)
- Diluted		(1.32)	(1.78)
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 : 29th June, 2020

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 2020

Amount in (Rs.)

Particulars	As at March 31, 2020		As at March 31, 2019	
	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 2018	1,45,831	1,68,84,183	2,21,75,815	5,82,76,516
a) Additions during the year	-	-	-	(52,85,344)
b) Actuarial gain on defined benefit plan (gratuity) net of income tax	-	-	-	80,961
Total Comprehensive Income for the year (a+b)	-	-	-	(52,04,383)
Dividends	-	-	-	(14,65,651)
Corporate Tax on Dividend	-	-	-	(3,01,269)
Balance as at 1st April 2019	1,45,831	1,68,84,183	2,21,75,815	5,13,05,213
a) Additions during the year	-	-	-	(40,33,027)
b) Actuarial gain on defined benefit plan (gratuity) net of income tax	-	-	-	1,56,812
Total Comprehensive Income for the year (a+b)	-	-	-	(38,76,215)
Dividends	-	-	-	-
Transfer to Securities premium	-	-	-	-
Balance as at 31st March 2020	1,45,831	1,68,84,183	2,21,75,815	4,74,28,998

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 : 29th June, 2020

Ashok T Kukreja

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(Chairman)

(Whole-time Director)

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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, 2020

Particulars	Amount in (Rs.)	
	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash Flow from Operating Activities		
Profit before tax	(39,69,406)	(56,50,959)
Adjustments for:		
Depreciation and amortization	9,32,337	4,77,967
Interest Received	(73,94,073)	(72,89,879)
Dividend on Investments	(23,380)	(26,280)
Provision for diminution in value of investments	7,53,690	42,46,310
Provision for leave encashment & gratuity	11,23,043	11,38,345
Operating profit before working capital changes	(85,77,789)	(71,04,496)
Working capital changes:		
Decrease / (Increase) in stock in trade	(4,31,503)	8,33,747
Decrease / (Increase) in trade receivables	31,98,218	1,04,226
Decrease / (Increase) in loans	39,000	6,57,500
Decrease / (Increase) in other financial assets	1,37,40,975	(3,66,26,204)
Decrease / (Increase) in Non Financial assets	3,92,936	(1,55,198)
Increase / (Decrease) in trade payables	(24326)	27,08,513
Increase / (Decrease) in financial liabilities	1,74,957	(4,29,087)
Increase / (Decrease) in non financial liabilities	(2,38,859)	(37,473)
Increase / (Decrease) in provisions	19,352	(1,28,850)
Cash generated from / (used in) operations	82,92,961	(4,01,77,322)
Direct taxes paid (Net of refunds)	(7,40,465)	(8,05,731)
Net cash generated from / (used in) operating activities (A)	75,52,496	(4,09,83,053)
B. Cash Flow from Investing Activities		
Purchase of tangible assets / Capital work in progress	(4,000)	(16,09,700)
Decrease / (Increase) in Investments	-	11,79,639
Interest received	73,94,073	72,89,879
Dividend received	23,379	26,280
Net cash generated from / (used in) investing activities (B)	74,13,452	68,86,098
C. Cash Flow from Financing Activities		
Proceeds from Borrowings (Other than Debt Securities)	2,92,413	-
Dividends paid (including distribution tax)	-	(17,66,919)
Net cash generated from / (used in) from financing activities	2,92,413	(17,66,919)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	1,52,58,361	(3,58,63,874)
Add: Cash and cash equivalents at the beginning of the period	7,74,37,470	11,33,01,344
Cash and cash equivalents at the end of the period	9,26,95,831	7,74,37,470
Breakup of Cash Equivalents		
Cash	75,815	30,433
Balances in Bank in Current Accounts	1,43,37,510	1,22,68,610
Balances in Bank in Fixed Deposits	7,82,82,506	6,51,38,427
	9,26,95,831	7,74,37,470

As per our attached report of even date

For Baheti & Co.

Chartered Accountants

FRN No: 006287C

Deepak Baheti

Partner

Membership No.075063

Place : Mumbai

Date : 29th June, 2020

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

For and on behalf of the Board

Notes to the financial statements for the year ended March 31, 2020

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 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, 2020 of the Company is the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2018. The financial statements upto the year ended March 31, 2019, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2018 have now been restated under Ind AS to provide comparability.

(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 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.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per Previous GAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2020. In respect of revalued assets, the value as determined by valuers as reduced by accumulated depreciation and cumulative impairment is taken as cost on transition date.

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, but so that the increased carrying 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 2020	As at 31st March 2019	As at 1st April 2018
Note 2.1: Cash and Cash Equivalents			
Cash on hand	75,815	30,433	1,06,031
Cheques and drafts on hand	-	-	-
Balances with banks in current accounts	1,40,68,224	1,22,68,610	1,26,20,809
Term deposits with original maturity up to 3 months			
- Free	-	-	-
- Under Lien#	-	45,00,000	53,00,000
Total	1,41,44,039	1,67,99,043	1,80,26,840
Note 2.2: Bank balances other than cash & cash equivalents			
Earmarked balances with banks -			
- Unclaimed Dividends	2,69,286	3,38,427	3,31,108
Term deposits with maturity less than 12 months -			
- Free	55,00,000	-	50,00,000
- Under Lien#	7,27,82,506	6,03,00,000	8,99,43,396
Total	7,85,51,792	6,06,38,427	9,52,74,504

Details of Term deposits - Under lien

Particulars	As at 31st March 2020				As at 31st March 2019				As at 1st April 2018			
	Note 2.1	Note 2.2	Note 2.7	Total	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	-	50,00,000	-	50,00,000
(ii) For Overdraft Facilities	-	1,65,00,000	1,35,00,000	3,00,00,000	45,00,000	55,00,000	2,10,00,000	3,10,00,000	45,00,000	2,65,00,000	-	3,10,00,000
(iii) Margin for F&O Expoure Limit	-	4,90,00,000	8,00,000	4,98,00,000	-	4,98,00,000	-	4,98,00,000	8,00,000	4,90,00,000	-	4,98,00,000
(iii) Margin for Cash Market	-	72,82,506	30,75,000	1,03,57,506	-	-	1,03,57,506	1,03,57,506	-	94,43,396	-	94,43,396
Total	-	7,27,82,506	2,23,75,000	9,51,57,506	45,00,000	6,03,00,000	3,13,57,506	9,61,57,506	53,00,000	8,99,43,396	-	9,52,43,396

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

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
(i) At fair value through Profit or loss			
Equity Shares	10,73,794	6,42,291	14,76,039
Total	10,73,794	6,42,291	14,76,039

Note 2.4: Trade Receivables

(i) Unsecured, considered good	45,30,793	77,29,011	78,33,237
(ii) Secured, considered good	-	-	-
(iii) Credit impaired	-	-	-
Total	45,30,793	77,29,011	78,33,237

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 2020	As at 31st March 2019	As at 1st April 2018
Note 2.5: Loans			
At Amortised cost			
- Loan to Staff (Unsecured)	2,81,765	3,20,765	9,78,265
Total	2,81,765	3,20,765	9,78,265
Loans in India			
- Public Sector	-	-	-
- Others	2,81,765	3,20,765	9,78,265
Total	2,81,765	3,20,765	9,78,265
Stage wise break up of loans			
(i) Low credit risk	2,81,765	3,20,765	9,78,265
(ii) Significant increase in credit risk	-	-	-
(iii) Credit impaired	-	-	-
Total	2,81,765	3,20,765	9,78,265

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

Note 2.6: Investments

Particulars	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	Nos	Amount	Nos	Amount	Nos	Amount
At fair value through Profit or loss						
(i) Investment in Mutual Fund						
Axis Hybrid Fund - Series 15 (1275 days) Growth(A5-GP)	-	-	-	-	30,000	3,72,180
Axis Hybrid Fund - Series 19 (42 months) Growth(A9-GP)	-	-	-	-	50,000	5,56,705
Axis Equity Fund - Growth (EFGPG)	-	-	-	-	10,152	2,50,754
(ii) Investment in Equity Instruments						
Unquoted, fully paid-up						
Emmsons International Limited	10,000	68,500	10,000	68,500	10,000	68,500
Innovative B2B Logistics Solutions Limited	-	-	50,000	7,53,690	50,000	50,00,000
The Saraswat Co-op. Bank Limited	950	9,500	950	9,500	950	9,500
Total	10,950	78,000	60,950	8,31,690	1,51,102	62,57,639

(Amount in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Note 2.7: Other financial assets			
Deposits with exchange	73,60,000	82,60,000	81,60,000
Electricity and other deposits	5,27,352	5,27,646	5,30,646
Interest accrued on term deposits	7,82,403	2,83,091	7,28,062
Term deposits with maturity more than 12 months -			
- Free	-	50,00,000	-
- Under Lien#	2,23,75,000	3,13,57,506	-
Other receivables	81,86,354	75,43,841	69,27,172
Total	3,92,31,109	5,29,72,084	1,63,45,880
Note 2.8: Current tax assets (net)			
Income tax paid in advance (Net of provision for tax)	29,50,670	22,10,205	14,04,474
Total	29,50,670	22,10,205	14,04,474
Note 2.9: Deferred tax assets (net)			
Deferred tax assets (net) (Refer Note 2.40)	7,75,904	8,93,908	5,56,371
Total	7,75,904	8,93,908	5,56,371
Note 2.11: Other non-financial assets			
Prepaid expenses	7,25,537	10,35,284	8,89,475
Goods and service tax input credit	38,990	1,11,540	69,524
Other receivables	25,317	35,956	68,583
Total	7,89,844	11,82,780	10,27,582

Note 2.10: Property, Plant & Equipments and Intangibles

Particulars	Gross carrying amount			Accumulated Depreciation / Amortisation			Net carrying amount	
	As at April 1, 2019	Additions	Deductions	As at March 31, 2020	As at April 1, 2019	For the year	As at March 31, 2020	As at March 31, 2019
Property, Plant and Equipments								
Leasehold Improvements	15,56,815	-	-	15,56,815	7,19,091	82,249	7,55,475	8,37,724
Airconditioner	21,000	-	-	21,000	19,951	-	1,050	1,050
Computer	24,69,200	4,000	-	24,73,200	11,38,115	8,15,821	5,19,264	13,31,085
Office Equipments	3,02,479	-	-	3,02,479	2,62,682	14,048	25,749	39,797
Motor Car	6,53,192	-	-	6,53,192	6,04,139	16,142	32,911	49,053
Office Furniture	4,55,603	-	-	4,55,603	3,53,747	4,077	97,779	1,01,856
TOTAL	55,16,289	4,000	-	55,20,289	31,55,725	9,32,337	14,32,228	23,60,565

Note 2.10: Property, Plant & Equipments and Intangibles

Particulars	Gross carrying amount			Accumulated Depreciation / Amortisation			Net carrying amount	
	As at April 1, 2018	Additions	Deductions	As at March 31, 2019	As at April 1, 2018	For the year	As at March 31, 2019	As at March 31, 2018
Property, Plant and Equipments								
Leasehold Improvements	15,56,815	-	-	15,56,815	6,27,887	91,204	8,37,724	9,28,928
Airconditioner	21,000	-	-	21,000	19,879	71	1,050	1,121
Computer	8,80,528	15,88,672	-	24,69,200	8,07,551	3,30,565	13,31,085	72,978
Office Equipments	3,02,479	-	-	3,02,479	2,37,109	25,573	39,797	65,370
Motor Car	6,53,192	-	-	6,53,192	5,80,080	24,059	49,053	73,112
Office Furniture	4,34,575	21,028	-	4,55,603	3,47,252	6,495	1,01,856	87,323
TOTAL	39,06,589	16,09,700	-	55,16,289	26,77,758	4,77,967	23,60,565	12,28,832

On transition date the Company has elected to carry previous GAAP carrying amount as deemed cost.

(Amount in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Note 2.12: Trade payables			
Micro enterprises and small enterprise		-	-
- Due to others	1,40,00,118	1,40,24,445	1,13,15,932
Total	1,40,00,118	1,40,24,445	1,13,15,932

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)*	2,92,413	-	-
Total	2,92,413	-	-
- Borrowings in India	2,92,413	-	-
- Borrowings outside India	-	-	-
Total	2,92,413	-	-

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

(Amount in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Note 2.14: Other financial liabilities			
Provision for expenses	12,08,848	9,64,750	14,01,156
Unclaimed dividend	2,69,286	3,38,427	3,31,108
Total	14,78,134	13,03,177	17,32,264
Note: Does not include any amounts due & outstanding to be transferred to the Investor Education and Protection Fund created pursuant to Sec 125 of Companies Act, 2013.			
Note 2.15: Provisions			
Provision for Employee Benefits			
-Bonus	6,45,302	6,25,950	7,54,800
-Gratuity	86,36,529	78,87,615	70,55,804
-Leave Encashment	23,34,033	21,71,099	19,73,603
Total	1,16,15,864	1,06,84,664	97,84,207
Note 2.16: Other non-financial liabilities			
Statutory dues	5,07,332	7,46,191	7,83,665
Total	5,07,332	7,46,191	7,83,665

Transactions during the year with related parties:

Particulars	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	Number	Amount	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	60,00,000	6,00,00,000
Issued, Subscribed & Paid up						
Equity shares of Rs.10/- each fully paid-up	29,31,125	2,93,11,250	29,31,125	2,93,11,250	29,31,125	2,93,11,250
Total	29,31,125	2,93,11,250	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 2020		As at 31st March 2019		As at 1st April 2018	
	Number	Amount	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	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	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		As at 1st April 2018	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
M/s. Bhagwanti Exports Pvt. Ltd.	10,75,075	36.68%	10,75,075	36.68%	10,75,075	36.68%
Mr. Anil S Manghnani	4,55,010	15.52%	4,55,010	15.52%	4,55,010	15.52%
Mr. Narendra H Advani	4,28,865	14.63%	4,28,865	14.63%	4,28,865	14.63%

Note 2.18 : Other Equity

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Capital Reserve	1,45,831	1,45,831	1,45,831
Securities Premium Account	1,68,84,183	1,68,84,183	1,68,84,183
General Reserve	2,21,75,815	2,21,75,815	2,21,75,815
Retained Earnings	4,74,28,998	5,13,05,213	5,82,76,516
Total	8,66,34,827	9,05,11,042	9,74,82,345

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.

(Amount in Rs.)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Note 2.19: Interest income		
financial assets measured at amortised costs:		
Interest income from investments	30,296	45,612
Interest on deposits with banks	73,63,777	72,44,267
Total	73,94,073	72,89,879
Note 2.20: Dividend income		
Dividends on Equity	23,380	26,280
Total	23,380	26,280
Note 2.21: Fees and commission income		
Brokerage, commission and fees	1,41,78,798	1,73,72,757
Total	1,41,78,798	1,73,72,757
Note 2.22: Profit/(Loss) on Trading		
Profit on Trading		
- Derivatives	5,76,830	1,06,994
- Equity Shares	5,56,297	4,21,106
Total	11,33,127	5,28,100
Note 2.23: Other Income		
Miscellaneous Income	639	-
Total	639	-
Note 2.24: Finance Costs		
Interest on borrowings (other than debt securities)	3,431	-
Bank Guarantee Charges	2,199	1,00,343
Bank Charges	1,01,274	1,989
Interest cost on gratuity	9,213	(5,452)
Total	1,16,117	96,880
Note 2.25: Fees & commission expenses		
Brokerage Paid	20,886	55,597
Total	20,886	55,597
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	1,67,919
- Investment	-	42,23,281
Total net loss on fair value changes	5,94,549	43,91,200
Fair value changes:		
- Realised	-	(23,029)
- Unrealised	5,94,549	44,14,229
Total net loss on fair value changes	5,94,549	43,91,200

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Note 2.27: Employee benefits expenses		
Salaries and Incentives	88,78,234	88,60,946
Directors' Remuneration	10,70,720	10,34,480
Remuneration to Key Management Personnel	12,36,600	10,81,920
Contributions to -		
Provident Fund	9,78,996	10,10,059
Superannuation Scheme	5,59,000	5,59,000
Gratuity	4,31,641	4,02,657
Staff Welfare Expenses	4,01,867	3,99,217
Total	1,35,57,058	1,33,48,279
Note 2.28: Other Expenses		
Auditors' Remuneration	1,56,200	1,56,300
Rent, Rates & Taxes	5,47,834	5,47,834
Directors' Sitting Fees	2,25,000	1,85,000
Legal and Professional Fees	59,92,954	69,54,289
Software Expenses	2,44,678	3,03,765
Sales Promotion Expenses	4,45,389	3,32,046
Membership Fees & Subscription	7,65,712	7,76,323
Electricity Charges	3,18,106	2,98,279
Motor car Expenses	5,94,418	7,84,994
Postage and Telephone	3,17,219	3,51,414
Travelling and Conveyance	2,59,382	2,81,861
Printing and Stationery	91,950	1,05,641
Repairs and Maintenance - others	2,95,480	4,03,510
Insurance	4,37,523	4,25,589
Miscellaneous Expenses	7,86,631	5,91,207
Total	1,14,78,476	1,24,98,052
Details of Managerial Remuneration:		
a. Remuneration to Directors		
Salary	8,31,000	8,04,000
Contri. to PF & Other Funds	2,39,720	2,30,480
Total (a)	10,70,720	10,34,480
b. Remuneration to Key Management Personnel		
Salary	10,80,000	9,66,000
Contri. to PF & Other Funds	1,56,600	1,15,920
Total (b)	12,36,600	10,81,920
Total (a + b)	23,07,320	21,16,400

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Auditors' Remuneration consist of: (excluding GST)		
Statutory Audit Fees	85,000	85,000
Tax Audit fees	24,000	24,000
Certification Services	47,200	47,300
Total	1,56,200	1,56,300
Note 2.29: Earning Per Share (EPS)		
Profit for the year	(38,76,215)	(52,04,383)
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	(1.32)	(1.78)
Diluted Earnings per share	(1.32)	(1.78)

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

Particulars	As at March 31, 2020	As at 31st March 2019	As at 1st April 2018
Contingent liabilities:			
(i) Guarantees / securities given*	1,00,00,000	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	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	2019-20	2018-19
(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	-	1,57,277
(iv) Year to which dividend relates	-	2018-19
(ii) Expenditure in foreign currency	-	-
Total	-	1,57,277

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 2020		As at 31st March 2019		As at 1st April 2018	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets						
Stock in Trade	10,73,794	-	6,42,291	-	14,76,039	-
Investments	78,000	-	8,31,690	-	62,57,639	-
Trade Receivables	-	45,30,793	-	77,29,011	-	78,33,237
Cash and cash equivalents	-	1,41,44,039	-	1,67,99,043	-	1,80,26,840
Bank balances other than cash & cash equivalents	-	7,85,51,792	-	6,06,38,427	-	9,52,74,504
Loans	-	2,81,765	-	3,20,765	-	9,78,265
Other financial assets	-	3,92,31,109	-	5,29,72,084	-	1,63,45,880
Total financial assets	11,51,794	13,67,39,498	14,73,981	13,84,59,330	77,33,678	13,84,58,726
Financial liabilities						
Trade Payables	-	1,40,00,118	-	1,40,24,445	-	1,13,15,932
Borrowings (other than debt securities)	-	2,92,413	-	-	-	-
Other financial liabilities	-	14,78,134	-	13,03,177	-	17,32,264
Total financial liabilities	-	1,57,70,666	-	1,53,27,621	-	1,30,48,196

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, 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
As at March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investment in Mutual Fund	2.6	-	-	-	-
Investment in Equity Instrument	2.6	-	8,31,690	-	8,31,690
Stock in Trade	2.3	6,42,291	-	-	6,42,291
Total financial assets		6,42,291	8,31,690	-	14,73,981
As at April 01, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investment in Mutual Fund	2.6	11,79,639	-	-	11,79,639
Investment in Equity Instrument	2.6	-	50,78,000	-	50,78,000
Stock in Trade	2.3	14,76,039	-	-	14,76,039
Total financial assets		26,55,678	50,78,000	-	77,33,678

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, 2020		As at March 31, 2019		As at April 01, 2018	
	Within 12 months	After 12 months	Within 12 months	After 12 months	Within 12 months	After 12 months
Financial assets						
Cash and cash equivalents	1,41,44,039	-	1,67,99,043	-	1,80,26,840	-
Bank balances other than cash & cash equivalents	7,85,51,792	-	6,06,38,427	-	9,52,74,504	-
Stock in Trade	10,73,794	-	6,42,291	-	14,76,039	-
Trade Receivables	45,30,793	-	77,29,011	-	78,33,237	-
Loans	2,81,765	-	3,20,765	-	9,78,265	-
Investments	-	78,000	7,53,690	78,000	11,79,639	50,78,000
Other financial assets	1,68,56,109	2,23,75,000	1,66,14,578	3,63,57,506	1,63,45,880	-
Non-Financial assets						
Current tax assets (net)	-	29,50,670	-	22,10,205	-	14,04,474
Deferred tax assets (net)	-	7,75,904	-	8,93,90	-	5,56,371
Property, Plant & Equipment	-	14,32,228	-	23,60,565	-	12,28,832
Other non-financial assets	7,89,844	-	11,82,780	-	10,27,582	-
Total Assets	11,62,28,137	2,76,11,802	10,46,80,586	4,19,00,184	14,21,41,986	82,67,677
Financial liabilities						
Trade Payables	1,40,00,118	-	1,40,24,445	-	1,13,15,932	-
Borrowings (other than debt securities)	2,92,413	-	-	-	-	-
Other financial liabilities	14,78,134	-	13,03,177	-	17,32,264	-
Non-Financial liabilities						
Provisions	1,16,15,864	-	1,06,84,664	-	97,84,207	-
Other non-financial liabilities	5,07,332	-	7,46,191	-	7,83,665	-
Total Liabilities	2,78,93,862	-	2,67,58,477	-	2,36,16,068	-

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 2020	25,00,000	58,76,003	49,84,335
As at 31 March 2019	40,00,000	78,51,967	1,87,75,540
As at 01 April 2018	-	7,17,655	1,20,38,291
Total	65,00,000	1,44,45,625	3,57,98,166

* 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	2019-2020	2018-2019	2017-2018
On Equity Shares of Rs 10 each			
Amount of dividend proposed	-	-	14,65,656
Dividend distribution tax on proposed dividend	-	-	2,98,372
Dividend per equity share	-	-	Rs. 0.50

Note 2.38 : Employee Benefits

Defined contribution plan

The Company recognise charges of Rs.9,78,996 (Previous Year Rs.10,10,059) 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, 2020	As at 31st March 2019	As at 1st April 2018
(i) Present Value of Defined Benefit Obligation			
- Wholly funded	86,36,529	78,87,615	70,55,804
- Wholly unfunded	-	-	-
	86,36,529	78,87,615	70,55,804
Less : Fair Value of plan assets	(81,86,354)	(75,43,841)	(69,27,172)
Add : Amount not recognised as an asset			
Amount to be recognised as liability or (asset)	4,50,175	3,43,774	1,28,632
(ii) Amounts reflected in Balance Sheet			
Liabilities	86,36,529	78,87,615	70,55,804
Assets	(81,86,354)	(75,43,841)	(69,27,172)
Net liability/(asset)	4,50,175	3,43,774	1,28,632
Net liability/(asset) - current	4,49,573	3,43,774	1,28,632
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, 2020	As at March 31, 2019
(i) Current service cost	4,31,641	4,02,657
(ii) Interest cost	9,213	(5,452)
(iii) Acturial losses/(gains) - others	(2,11,195)	(1,09,038)
Total	2,29,659	2,88,167
(i) Amount included in "employee benefits expenses"	4,31,641	4,02,657
(ii) Amount included in as part of "finance cost"	9,213	(5,452)
(iii) Amount included as part of "Other Comprehensive income"	(2,11,195)	(1,09,038)
Total	2,29,659	2,88,167

(c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows: (Amount in Rs.)

Particulars	As at March 31, 2020	As at 31st March 2019	As at 1st April 2018
Opening balance of the present value of defined benefit obligation	78,87,615	70,55,804	58,15,543
Add : Current service cost	4,31,641	4,02,657	3,18,218
Add : Interest cost	4,97,373	4,58,352	3,53,983
Add : Actuarial losses/(gains)			
i) Actuarial (gains)/losses arising from changes in financial assumptions	3,30,820	1,21,998	(2,14,297)
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	(4,073)	-	-
ii) Actuarial (gains)/losses arising from changes in experience adjustments	(5,06,847)	(1,51,196)	(1,60,966)
Less : Benefits paid	-	-	-
Add : Past service cost	-	-	9,43,323
Add : Liability assumed/(settled)*	-	-	-
Add/(less) : Translation adjustments	-	-	-
Closing balance of the present value of defined benefit obligation	86,36,529	78,87,615	70,55,804

(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, 2020	As at 31st March 2019	As at 1st April 2018
Opening balance of the fair value of the plan assets	75,43,841	69,27,172	63,55,305
Add : interest income of plan assets	4,88,160	4,63,804	4,02,555
Add/(less) : Actuarial gains/(losses)	31,095	79,840	86,924
Add : Contribution by the employer			
Add/(less) : Contribution by plan participants	1,23,258	73,025	82,388
Less : Benefits paid			
Closing balance of plan assets	81,86,354	75,43,841	69,27,172

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

Gratuity Plan			
Particulars	As at March 31, 2020	As at 31st March 2019	As at 1st April 2018
Government of India Securities	-	-	-
Corporate Bonds	-	-	-
Special Deposit Scheme	-	-	-
Policy of Insurance	81,86,354	75,43,841	69,27,172
Others	-	-	-

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

Particulars	As at March 31, 2020	As at 31st March 2019	As at 1st April 2018
Discount rate (per annum)	6.45%	7.20%	7.50%
Salary escalation rate (per annum)	7.00%	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	
	2019-20	2018-19	2019-20	2018-19
Discount rate (per annum)	-2.59%	-4.01%	2.74%	1.06%
Salary escalation rate (per annum)	2.22%	0.10%	-1.55%	-3.31%

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

(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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Rent paid:						
Bhagwanti Exports Private Limited	3,00,000	3,00,000	-	-	-	-
Salary & Perquisites :						
Mr. Anil Manghnani	-	-	10,70,720	10,34,480	-	-
Mrs. Lavina Manghnani	-	-	-	-	4,47,760	4,47,760
Mr. Radhakrishna Shenvi	-	-	10,08,000	10,08,000	-	-
Mrs. Vibha Axit Gandhi (2018-19 part of the year)	-	-	2,28,600	73,920	-	-
Sitting Fees	7,500	15,000	-	-	30,000	12,500
Brokerage Earned:						
Mr. Anil S Manghnani	-	-	-	13,452	-	-
Ms. Lavina Manghnani	-	-	-	-	-	240
Mr. Praveen Manghnani	-	-	-	-	-	450
Bhagwanti Tex Overseas Pvt. Ltd.	-	-	-	-	-	-
Bhagwanti Exports Private Limited	1,629	2,786	-	-	-	-
Mr. Radhakrishna Shenvi	-	-	4,756	11,269	-	-
Mrs. Sheela R. Shenvi	-	-	-	-	923	1,921
Mr. Ramachandra N. Shenvi	-	-	-	-	-	670
Ms. Tanushree Shenvi	-	-	-	-	99,179	59,773
Ms. Tejal Shenvi	-	-	-	-	220	-

c) Outstanding balances:

There is no outstanding balances which is due from/to related party as on 31st March 2020 and 31st March 2019.

Note 2.40 : Tax Expense

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

(Amount in Rs.)

Particulars	2019-20	2018-19
Profit and Loss section:		
(a) Current tax expense		
Current tax for the year	-	-
Tax adjustment in respect of earlier years	-	-
Total current tax expense	-	-
(b) Deferred taxes		
Change in deferred tax	63,621	(3,65,614)
Net deferred tax expense	63,621	(3,65,614)
Income tax expense reported in statement of profit or loss (a + b)	63,621	(3,65,614)
Other Comprehensive Income (OCI)	54,383	28,077
Income tax expense reported in retained earnings	1,18,004	(3,37,537)

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

Particulars	Deferred tax (liabilities)/ assets as at April 01, 2018	(Charge)/credit to Statement of Profit and Loss	Deferred tax (liabilities)/assets as at March 31, 2019
Deferred tax assets:			
On timing difference of Assets	61,838	(8,645)	53,193
Provision for Leave Encashment	5,20,302	45,579	5,65,881
Remeasurement of post employment benefit obligations	-	2,17,963	2,17,963
Fair valuation of financial assets	-	89,496	89,496
Deferred tax assets	5,82,140	3,44,393	9,26,533
Deferred tax liabilities:			
Remeasurement of post employment benefit obligations	(21,023)	21,023	-
Fair valuation of financial assets	46,792	(46,792)	-
Others	-	32,625	32,625
Deferred tax liabilities	25,769	6,856	32,625
Net Deferred tax assets	5,56,371	3,37,537	8,93,908

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

(Amount in Rs.)

Particulars	Deferred tax (liabilities)/ assets as at April 01, 2019	(Charge)/credit to Statement of Profit and Loss	Deferred tax (liabilities)/assets as at March 31, 2020
Deferred tax assets:			
On timing difference of Assets	53,193	64,287	1,17,480
Provision for Leave Encashment	5,65,881	7,833	5,73,714
Remeasurement of post employment benefit obligations	2,17,963	(1,61,883)	56,080
Fair valuation of financial assets	89,496	63,600	1,53,096
Others	-	-	-
Deferred tax assets	9,26,533	(26,163)	9,00,370
Deferred tax liabilities:			
Remeasurement of post employment benefit obligations	-	-	-
Fair valuation of financial assets	-	-	-
Others	32,625	91,841	1,24,466
Deferred tax liabilities	32,625	91,841	1,24,466
Net Deferred tax assets	8,93,908	(1,18,004)	7,75,904

Note 2.41: Disclosure pursuant to IND AS 101 "First time adoption of Indian Accounting Standards"

a) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) Reconciliation of total equity between previous GAAP and Ind AS:

Particulars	Year Ended 31 March 2019	Year Ended 01 April 2018
As reported under IGAAP		
Equity capital	2,93,11,250	2,93,11,250
Reserves	9,06,13,757	9,74,08,039
Total	11,99,25,007	12,67,19,289
Fair Valuation of Investments	-	1,79,639
Fair Valuation of Inventory	(1,65,841)	2,078
Remeasurement of post employment benefit obligations	(3,66,483)	(81,643)
Others	1,26,698	-
Deferred tax impact on above adjustments	3,02,912	(25,769)
Total	(1,02,714)	74,305
As reported under Ind AS	11,98,22,293	12,67,93,594

ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP: (Amount in Rs.)

Particulars	As at March 31, 2019
Net profit after tax as per Previous GAAP	(50,27,362)
Remeasurement of post employment benefit obligations through Other Comprehensive Income (OCI)	(3,65,801)
Fair value change on financial assets carried at fair value through profit or loss	(1,44,890)
Profit on sale on financial instruments	(2,02,669)
Others	1,26,698
Deferred tax on above	3,28,680
Net profit after tax (before OCI) as per Ind AS	(52,85,344)
Other comprehensive Income (net of tax)	80,961
Total Comprehensive Income under Ind AS	(52,04,383)

iii) Statement of reconciliation of cash flow statement under Ind AS and cash flow statement reported under Previous GAAP:

Particulars	Year Ended 31 March 2019		
	Previous GAAP	Adjustments	Ind AS
Net cash used in operating activities (A)	(44,45,908)	(3,65,37,145)	(4,09,83,053)
Net cash used in investing activities (B)	67,06,458	1,79,640	68,86,098
Net cash generated from financing activities (c)	(17,66,919)	-	(17,66,919)
Net increase in cash and cash equivalents (A+B+C)	4,93,631	(3,63,57,505)	(3,58,63,874)
Cash and cash equivalents at beginning of the year	11,33,01,344	(3,61,77,865)	11,33,01,344
Cash and cash equivalents at the end of the year	11,37,94,975	(7,25,35,370)	7,74,37,470

b) Notes to first-time adoption:

The Company has prepared opening Balance Sheet as per Ind AS as of April 1, 2018 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

i) Fair valuation of investments

Under the previous Indian GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in other equity as at the date of transition and subsequently in the profit or loss / other comprehensive income for the year ended March 31, 2018. This decreased the other equity by Rs 1,65,841 as at March 31, 2019 (Increased the other equity by Rs 1,81,718 as at April 01, 2018). Profit before tax for the year ended 31 March 2019 decreased by Rs 3,47,559.

ii) Deferred tax

Indian GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the

carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments have led to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

iii) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

iv) Exemptions availed by the company

The exemptions availed by the Company under Ind AS 101 are as follows:

- (i) The Company has adopted the carrying value determined in accordance with I-GAAP for all of its property plant & equipment as deemed cost of such assets at the transition date.

The estimates as at April 1, 2018 and at March 31, 2019 are consistent with those made for the same dates in accordance with I-GAAP.

Note 2.42: 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 2.43: Previous year figures have been re-grouped and re-arranged wherever necessary.

As per our attached report of even date

For Baheti & Co.

Chartered Accountants

FRN No: 006287C

Deepak Baheti

Partner

Membership No.075063

Place : Mumbai

Date : 29th June, 2020

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)

For and on behalf of the Board

DIN: 00463526

DIN: 00012806

DIN: 00413343

DIN: 00207079

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