

*Creating  
wealth  
through  
Equity*

Modern  
Shares And  
Stockbrokers  
Limited

ANNUAL REPORT & ACCOUNTS  
2014 - 2015

## Board of Directors

### Mr. U.K. Mallik

Chairman & Non-executive Director (Independent)  
(Din No. 00012099)

### Mr. Ghansham Shewakramani

Non - executive Director  
(Din No. 00413343)

### Mrs. Roshan Advani Patheria

Non - executive Director  
(Din No. 00651144)

### Mr. Narendra H Advani

Non - executive Director  
(Din No. 03351909)

### Mr. Ashok T Kukreja

Non - executive Director (Independent)  
(Din No. 00463526)

### Mr. Anil S Manghnani

Whole Time Director  
(Din No. 00463526)

## CFO (KMP)

### Mr. R.N. Shenvi

## Auditors :

### M/s. Bhandari Dastur Gupta & Associates

Chartered Accountants

## Registered Office :

Wankhede Stadium, North Stand,  
Staircase No.13, 'D' Road,  
Churchgate, Mumbai - 400 020.  
CIN : L45200MH1939PLC002958  
Website : www.modernshares.com

## Registrar and Share Transfer Agent :

LINK INTIME INDIA PVT. LTD.  
C - 13, Pannalal Mills Compound,  
LBS Marg, Bhandup,  
Mumbai - 400 078.

## Audit Committee

Mr. Ashok T Kukreja (Chairman)  
Mr. U. K. Mallik  
Mr. Anil S Manghnani

## Nomination And Remuneration Committee

Mr. U. K. Mallik (Chairman)  
Mr. Ashok T Kukreja  
Mrs. Roshan Advani Patheria

## Stake Holder Committee

Mr. U. K. Mallik (Chairman)  
Mr. Ashok T Kukreja  
Mr. Ghansham Shewakramani

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## NOTICE

**NOTICE** is hereby given that the **Seventy Sixth** Annual General Meeting of the members of **Modern Shares and Stockbrokers Limited (CIN: L45200MH1939PLC002958)** will be held at Kilachand Hall, Indian Merchant Chambers, 2<sup>nd</sup> Floor, Opp. Churchgate Station, Churchgate, Mumbai-400020 on Tuesday, August 4<sup>th</sup>, 2015 at 11:15 a.m. to transact the following Business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2015 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Ghansham Shewakramani (DIN:00413343,) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Narendra Hira Advani (DIN: 03351909) who retires by rotation and being eligible offers himself for re-appointment.
5. To ratify the appointment of Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Bhandari Dastur Gupta & Associates, Chartered Accountants, Mumbai having Firm Registration No. 119739W, who have offered themselves for re-appointment and have confirmed their eligibility, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, their appointment be and is hereby ratified by the members of the Company and re-appointed as Statutory Auditors of the Company for the financial year 2015-2016 to hold office from the conclusion of this Annual General Meeting until the conclusion of the 78<sup>th</sup> Annual General Meeting of the Company to be held in the year 2017(subject to the ratification of their appointment by the members at every Annual General Meeting) on such remuneration as may be

agreed upon by the Board of Directors and the Auditors, in addition to service tax and reimbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.”

### SPECIAL BUSINESS

6. To adopt new set of Articles of Association containing Articles in conformity with the Companies Act, 2013

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

**“RESOLVED THAT** pursuant to the provisions of Section 5,14 & 15 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) Schedule I read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the existing Articles of Association of the Company be and is hereby replaced with the new set of Articles of Association primarily based on the Form of Table F of Schedule I under the Act and the said new Articles of Association be and is hereby approved and adopted as the new set of Articles of Association of the Company in place of, in substitution and to the entire exclusion of the existing Articles of Association of the Company.’

**“RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorized to do and perform or cause to be done and performed all such acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto, including signing and filing all the e forms and other documents with any Statutory Authorities and to settle and finalise all issues that may arise in this regard without further reference to the shareholders of the Company.”

By Order of the Board of Directors

**Sd/-**  
**Anil S. Manghnani**  
Whole Time Director  
(DIN No. 00012806)

**Mumbai, dated 29<sup>th</sup> May, 2015**

### Registered Office:

Wankhede Stadium, North Stand,  
Staircase No. 13, 'D' Road, Churchgate,  
Mumbai - 400020  
CIN: L45200MH1939PLC002958  
Website: www.modernshares.com

**Notes:**

1. The relative Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item No. 6 of the accompanying Notice is annexed hereto.
2. A statement giving the relevant details of the Directors seeking re-appointment under Item Nos. 3 and 4 of the accompanying Notice, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed herewith.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than forty-eight hours before the meeting.**

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

Proxies submitted on behalf of limited companies, trusts, societies etc. must be supported by appropriate resolution/authority, as applicable.

4. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. Members are requested to bring their attendance slips sent herewith duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the Members at the Company's Registered Office on all working days (except Saturdays) between 11:00 a.m. and 1:00 p.m. upto the date of the ensuing Annual General Meeting.
8. The Register of Members and Share Transfer Books of the Company shall remain closed from **Tuesday July, 28 2015 to Tuesday August 4, 2015, (both days inclusive)**, for payment of final dividend, if declared at the Meeting.
9. Members are required to send all the communication relating to shares to Company's Registrar and Transfer agents-Link Intime India Pvt Ltd, C-13 Pannalal Silk Mills Compound, L B S Marg, Mulund West, Mumbai-400078. Members holding the shares in electronic mode should address all the correspondence to their respective Depository Participants (DPs)
10. After the declaration of the dividend at the Annual General Meeting, the same will be paid to those Members of the Company whose names stand on the Register of Members of the Company on July 27, 2015. The dividend in respect of shares held in dematerialized form in the Depository System will be paid to the beneficial owners of shares as on July 27, 2015, as per the list provided by the Depositories for this purpose. The dividend will be payable on and from August 10, 2015.
11. 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.

12. 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](http://www.modernshares.com).
13. Pursuant to provisions of Section 101 and Section 136 of the Companies Act, 2013, read with Rules made there under. Copies of Annual Report 2015, Notice of 76<sup>th</sup> AGM and instruction for e- voting along with the attendance slip and Proxy Form are being sent through electronic mode to all members whose email address are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of Annual report 2015 are being sent by the permitted mode. Members holding shares in physical form can sent their email address for registration to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) quoting their folio number and Name of the Company.
14. Members who have not registered their email addresses so far are requested to register their email address for receiving all communication including Annual Report, Notices, and Circulars etc from the Company electronically.
15. Members desiring any information with regard to the Accounts are requested to write to the Company at least 7 days in advance so as to enable the Company to keep the information ready at the Annual General Meeting.
16. Pursuant to the provisions of Section 125 of the Companies Act, 2013, (205C of the Companies Act, 1956) any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date they become due for payment, shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government.
17. Those members who have so far not encashed their Final Dividend for the years March 31, 2008, March 31, 2009, March 31, 2010, March 31, 2011, March 31, 2012 March 31, 2013 and March 31, 2014 are requested to approach the Registrars and Share Transfer Agents of the Company for payment.
18. Pursuant to provisions contained in Section 205A and 205C of the Companies Act, 1956, the Company has transferred all dividend up to financial year ended March 31, 2007 remained unpaid/unclaimed for a period of seven years from the date it became first due for payment to the Investor Education and Protection Fund (IEPF) constituted by the Central Government and no claim shall lie against the IEPF or the Company in respect of individual amount(s) so credited to the IEPF.
19. Pursuant to provisions of the Companies Act, 2013, final dividend for the financial year ended March 31, 2008 and dividends declared thereafter, which remain unclaimed for a period of seven 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).
20. 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
2007-08	25-Sep-08	24-Sep-15	24-Oct-15
2008-09	24-Sep-09	23-Sep-16	23-Oct-16
2009-10	29-Sep-10	28-Sep-17	28-Oct-17
2010-11	23-Sep-11	22-Sep-18	22-Oct-18
2011-12	27-Sep-12	26-Sep-19	26-Oct-19
2012-13	19-Jul -13	18-Jul-20	18-Aug-20
2013-14	25-Sep-14	24-Sep-21	24-Oct-21
21. 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 September 25, 2014 (date of last Annual General Meeting) on the website of the Company ([www.modernshares.com](http://www.modernshares.com)), as also on the Ministry of Corporate Affairs website.

22. In compliance with provisions of Section 108 of the Companies Act, 2013 read with the Rules made there under and Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility for the members to enable them to cast their votes electronically. Along with the Annual Report. The Members, whose name appears in the Register of Members/List of Beneficial owners as on 27<sup>th</sup>, July, 2015 i.e the date prior to the commencement of book closure date are entitled to vote on Resolution's set forth in the notice. For e-voting facility, the Company has entered into an agreement with the NSDL for facilitating e-voting.

23. The members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting in terms of notification issued by the Ministry of Corporate Affairs dated 19.03.2015.

## 24. Voting Options

### (1) Voting through Electronic Means

The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

#### A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participants(s)]:

- (i) Open email and open PDF file viz; "Modern Shares & Stockbrokers Limited e-Voting.pdf" with your Client ID or Folio No. as password.

The said PDF file contains your user ID and password / PIN for e-voting. Please note that the password is an initial password.

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password / PIN noted in step (i) above. Click Login.
- (v) Password change menu appears.

Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly

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

- (vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of Modern Shares & Stockbrokers Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [modernshare@hotmail.com](mailto:modernshare@hotmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

#### B. In case a Member receives physical copy of the Notice of AGM and Attendance Slip [for members whose email IDs are not registered with the Company / Depository Participants(s)] or requesting physical copy:

- (i) Initial password is provided at the bottom of the Attendance Slip for the AGM:  
  
EVEN (E-voting Event Number) USER ID  
PASSWORD/PIN.
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) Above, to cast vote.

- (2) **Voting at AGM:** The members who have not cast their vote by remote e-voting can exercise their voting rights at the AGM.

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

## OTHER INSTRUCTIONS

- I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password /PIN for casting your vote.
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. **The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Monday, 27th July, 2015, are entitled to vote on the Resolutions set forth in this Notice.**
- V. The remote e-voting period will commence at 9.00 a.m. on Saturday, 1st August, 2015 and will end at 5.00 p.m. on Monday, 3<sup>rd</sup> August, 2015. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 27th July, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. 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 27th July, 2015.
- VII. 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. 27th July, 2015 may obtain the login ID and password by sending an email to [contact@modernshares.com](mailto:contact@modernshares.com) and / or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) by mentioning their Folio No. /DP ID and Client ID No. However, if you are already Registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- VIII. 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.
- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting through ballot papers.
- X. Mr. Anil Jani, Practicing Company Secretary of Anil Jani & Company has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
- XI. The Scrutiniser shall, immediately after the conclusion of voting at general meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutiniser shall within 3 days of conclusion of the meeting submit a consolidated scrutiniser report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing.
- XII. The results along with the Scrutinisers Report shall be placed on the website of the Company and on the website of NSDL and shall be communicated to BSE Limited.

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

**Sd/-**  
**Anil S Manghnani**  
Whole Time Director  
(DIN No.: 00012806)

**Mumbai, dated May 29, 2015**

**Registered Office:**  
Wankhede Stadium, North Stand,  
Staircase No. 13, 'D' Road, Churchgate,  
Mumbai - 400020  
**CIN: L45200MH1939PLC002958**  
Website: [www.modernshares.com](http://www.modernshares.com)

## EXPLANATORY STATEMENT

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item No. 6 of the accompanying Notice dated May 29, 2015.

### Item No.6

#### Adoption of new set of Articles of Association

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain reference to specific Sections of the Companies Act, 1956 and some articles in the existing AoA are no longer in conformity with the Act. With the enactment of the Companies Act, 2013 and substantive sections of the Act which deal with the general working of the Companies stand notified, several regulations in the existing AoA of the Company require alteration and/or deletion. Given this position it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new set of AoA to be replaced in place of the existing AoA is based on Table F of Schedule I of the Companies Act, 2013 which sets out the model AoA for a Company limited by shares and also carries forward certain provisions from the existing AoA suitably rephrased and which are not in conflict with the provisions of the Companies Act, 2013.

The proposed new draft of AoA is available for inspection to the shareholders at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m and 1.00 p.m till the date of the meeting.

No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in to said Resolution.

The Board Commends the special Resolution set out out at item No.6 of the Notice for approval by the members.

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

Sd/-  
**Anil S. Manghnani**  
Whole Time Director  
(DIN No.: 00012806)

**Mumbai, dated May 29, 2015**

#### Registered Office:

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

**CIN: L45200MH1939PLC002958**

Website: [www.modernshares.com](http://www.modernshares.com)



**ANNEXURE TO THE NOTICE**  
**Annexure to items no. 3, 4 of the Notice**

Details of Directors seeking appointment/ re-appointment at the forth coming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

<b>Name of Directors</b>	<b>Mr. Narendra Hira Advani (DIN-03351909)</b>	<b>Mr. Ghansham Shewakramani (DIN-00413343)</b>
<b>Date of Birth</b>	20/09/1966	08/04/1946
<b>Date of Appointment on Board</b>	30/05/2011	25/01/1995
<b>Qualification</b>	B.B.A., (Int'l Management and Business) USA	Graduate B.Sc. (Hons)
<b>List of Directorship held in other Companies</b>	<ol style="list-style-type: none"> <li>1. Bhagwanti Exports Pvt. Ltd.</li> <li>2. Bhagwanti Tex Overseas Pvt. Ltd.</li> <li>3. Hira Advani Holdings Pvt. Ltd.</li> <li>4. Neelgagan Investments Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Rosewood Resort &amp; Club Pvt. Ltd.</li> <li>2. R. P. Hotels &amp; Rest. Pvt. Ltd.</li> <li>3. Infinity Autolinks Pvt. Ltd.</li> <li>4. National Litho Works Pvt. Ltd.</li> <li>5. Calicut Premises Pvt. Ltd.</li> <li>6. Monish Financial Services Pvt. Ltd.</li> <li>7. Garden Health Resort &amp; Hotels Pvt. Ltd.</li> <li>8. Virani Capital Services Pvt. Ltd.</li> <li>9. Rohan Premises Pvt. Ltd.</li> <li>10. Ras Estate Pvt Ltd.</li> <li>11. Matheran Greenfield Hotel &amp; Devl. Pvt. Ltd.</li> <li>12. Narwani Investment Pvt. Ltd.</li> <li>13. Surang Investment Pvt. Ltd.</li> <li>14. Rangoli Hotels Pvt. Ltd.</li> <li>15. Brightland Hotels Pvt. Ltd.</li> <li>16. Mahabaleshwar Holiday Resort Pvt. Ltd.</li> <li>17. Rustom Business &amp; Financial Services Pvt. Ltd.</li> <li>18. Billimoria Marbles &amp; Stones Pvt. Ltd.</li> <li>19. Rasayani Hotels Pvt. Ltd.</li> <li>20. Lotus Exhibitors Pvt. Ltd.</li> <li>21. Ritika Properties &amp; Premises Pvt. Ltd.</li> <li>22. Ramani Builders Pvt Ltd.</li> <li>23. Silver Caterers Pvt Ltd.</li> <li>24. Elite Cinemas Pvt. Ltd.</li> <li>25. Star Crown Assets &amp; Capital &amp; Mgmt Pvt. Ltd.</li> <li>26. Monish Investments Pvt Ltd.</li> <li>27. Excellent Co. opp Bank Ltd.</li> <li>28. Karment Services Pvt Ltd.</li> <li>29. Growth Developers Pvt. Ltd.</li> </ol>

<b>Expertise in specific functional areas</b>	Finance & Management	Personnel, Finance & Management
<b>Membership of Committees in other Public Limited Companies (includes only Audit &amp; Investor Grievance Committee )</b>	None	None
<b>No. of shares held in the Company as on March 31, 2015</b>	4,28,865 (14.63%)	49,600 (1.69%)

**Mr. Narendra Hira Advani is a Brother of Mrs. Roshan Advani Patheria who is a Non Executive Woman Director on the Board other than that there are no inter-se relationships between the Board Members.**

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

**Sd/-**  
**Anil S. Manghnani**  
Whole Time Director  
(DIN No.: 00012806)

**Mumbai, dated May 29, 2015**

**Registered Office:**

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**CIN: L45200MH1939PLC002958**

Website: [www.modernshares.com](http://www.modernshares.com)

## DIRECTORS' REPORT

### TO THE MEMBERS OF MODERN SHARES AND STOCKBROKERS LIMITED

The Directors take pleasure in presenting the **Seventy Sixth** Annual Report together with the audited financial statements for the year ended March 31, 2015.

<b>FINANCIAL RESULTS:</b>	<b>31/03/2015 Rupees (₹)</b>	<b>31/03/2014 Rupees (₹)</b>
GROSS PROFIT	<b>5,952,557</b>	2,315,121
Less: Depreciation	<b>(627,713)</b>	(597,269)
PROFIT / (LOSS) BEFORE TAXATION	<b>5,324,844</b>	1,717,852
PROVISION FOR TAXATION (net)	<b>(1,566,814)</b>	(412,381)
PROFIT / (LOSS) AFTER TAX	<b>3,758,030</b>	1,305,471
Add: Brought Forward Profit of Previous Year	<b>56,718,596</b>	58,842,394
AMOUNT AVAILABLE FOR APPROPRIATION	<b>60,476,626</b>	60,147,865
Less: Proposed Dividend	<b>2,931,125</b>	2,931,125
Less: Provision for Corporate tax on dividend	<b>586,078</b>	498,145
Less: Transfer to General Revenue	<b>NIL</b>	NIL
Balance carried to Balance Sheet	<b>56,959,423</b>	56,718,596

## 2. BUSINESS ACTIVITIES AND OPERATIONS

The Company's operations resulted in a gross profit of ₹. 59.53 lacs as against ₹. 23.15 lacs in the previous year. After providing for depreciation of ₹. 6.28 lacs (previous year ₹. 5.97 lacs) and making net provision for taxation of ₹. 15.67 lacs (Previous year ₹. 4.12 lacs) the Company has earned a net profit of ₹.37.58 lacs as against net profit of ₹. 13.06 lacs in the previous year.

The year gone by has been good, both for our company and the stock markets. The general elections held last year has brought about renewed hope, optimism and great expectations from the new government at the center. We have also witnessed a large inflow of funds from overseas by both Foreign Institutional Investors and Non Resident Indians.

We have seen an improvement in the company's profits over the previous year and given the overall buoyancy in the stock markets, we expect the overall performance to remain strong in the current fiscal too. While it will be difficult to expect the market to perform as well as it did last year, we do expect the sentiment to remain bullish and trading activity to improve further.

Our Indian economy is faced with some challenges, with the demand being subdued and forecasts for the monsoon being less than the normal rainfall. However, we feel that the government will continue to take steps that will eventually lead to a pick up in the overall economy, which in turn would lead to better GDP numbers. We expect the interest rates and inflation to be lower. We also expect the government to do its part in reducing the fiscal deficit through measures of disinvestment and tightening of expenditure. Such measures will send out all the right signals to the investors and would help in keeping the overall sentiment positive in the stock markets.

## 3. DIVIDEND

Your Directors recommend a Dividend of 10% (previous year 10%) for the year ended 31st March 2015. The dividend will absorb ₹ 2,931,125/- tax free in the hands of shareholders. If approved, such dividend will be paid to those shareholders, whose names appear in the Register of Members as on July 27, 2015.

## 4. DIRECTORS

During the year on February 18, 2015 Mr. Monish Shewakramani resigned as Director owing to his other pressing commitments and Mr. R.N Shenvi had resigned from the Board to reconstitute the Board and was appointed in the same meeting as Chief Financial Officer (CFO) as Key Managerial Personnel as required U/s 203 (1) of the Companies Act, 2013. Your Directors want to place on records their gratitude for the excellent work carried on by the outgoing Directors during their tenure.

Mr. Ashok T. Kukreja was appointed as an Additional Director on the Board on February 18, 2015 and was subsequently appointed as Independent Director along with Mr. U. K. Mallik who was also appointed as Independent Director on the board on March 30, 2015 through Postal Ballot by the members for a period of 5 years.

In accordance with the Articles of Association of the Company Mr. Ghansham Shewakramani and Mr. Narendra Hira Advani retire by rotation and being eligible for re-appointment and have indicated their willingness to serve, if re-appointed.

All independent directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and clause 49 of listing agreement.

## 5. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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:

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholders Grievance Committees. 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, independence judgement, 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 the Chairman and non independent Directors was carried out by the independent Directors who also reviewed the performance of the compliance department. The Directors expressed their satisfaction with the evaluation process.

### ◆ Number of Board Meetings held:

The Board of Directors duly met 5 times during the financial year from 1st April, 2014 to 31st March, 2015. 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
May 30, 2014	7	5
July 7, 2014	7	5
October 10, 2014	7	6
January 30, 2015	7	6
February 18, 2015	6	5

◆ **Relevant Details of Directors / CFO as on March 31, 2015**

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Date of Appointment</b>	<b>Category</b>	<b>Number of Directorship held in Indian Company</b>	<b>Committee(s) Position Member Chairman</b>
1	Mr. Anil S Manghnani	25.10.2000	Chairman & Whole time Director	4	-
2	Mr. Narendra Advani	30.05.2011	Non Executive Director	4	
3	Mr. U. K. Mallik***	20.11.1970	Non Executive Director/ Independent	None	3
4	Mr. Ghansham Shewakramani	25.01.1995	Non executive Director	29	2
5	Mrs. Roshan Advani Patheria	31.01.2007	Woman Director	-	1
6	Mr. Monish Shewakramani* (Resigned on 18/02/2015)	29-06-2007	Non Executive Director	22	1
7	Mr. Radhakrishna N. Shenvi# (Resigned on 18/02/2015)	03.08.2011	Executive Director*	6	
8	Mr. Ashok Kukreja **	18.02.2015	Non-executive Director/ Independent	3	3
9	Mr. Radhakrishna N. Shenvi#	18.02.2015	CFO	6	

\* **Resigned dated 18.02.2015**

\*\* **Appointed Additional Director on 18-02-2015 & Independent Director on March 30, 2015**

\*\*\* **Appointed as Independent Director on March 30, 2015**

# **Resigned as Executive Director and Appointed as CFO (KMP) on the same date of 18-02-2015.**

♦ 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 25/09/2014
	30.05.2014	07.07.2014	31.10.2014	30.01.2015	18.02.2015	
Mr. Anil S. Manghnani	✓	✓	✓	✓	✓	✓
Mr. Narendra H. Advani	Leave	✓	Leave	Leave	Leave	Leave
Mr. Uday Kumar Mallik	✓	✓	✓	✓	✓	✓
Mrs. Roshan Advani Patheria	✓	Leave	✓	✓	✓	✓
Mr. Ghansham Shewakramani	Leave	✓	✓	✓	✓	✓
Mr. Radhakrishna Shenvi	✓	✓	✓	✓	Resigned (18/02/2015)	✓
Mr. Monish Shewakramani	✓	Leave	✓	✓	Resigned (18/02/2015)	✓
Mr. Ashok T. Kukreja (appt 18/02/2015) as Additional Director	N.A	NA	NA	NA	✓	NA

♦ Audit Committee Member

Name of the Member	30.05.2014	07.07.2014	31.10.2014	30.01.2015
Mr. Uday Kumar Mallik	✓	✓	✓	✓
Mr. Ghansham Shewakramani	Leave	✓	✓	✓
Mr. Monish Shewakramani	✓	Leave	✓	✓

♦ Stakeholder & Grievance Committee Member

Name of the Member	30.05.2014	07.07.2014	31.10.2014	30.01.2015
Mr. Uday Kumar Mallik	✓	✓	✓	✓
Mrs. Roshan Advani Patheria	✓	Leave	✓	✓
Mr. Ghansham Shewakramani	Leave	✓	✓	✓

♦ Nomination & Remuneration Committee Member

Name of the Member	30.05.2014	07.07.2014	31.10.2014	30.01.2015
Mr. Uday Kumar Mallik	✓	✓	✓	✓
Mr. Ghansham Shewakramani	Leave	✓	✓	✓
Mr. Monish Shewakramani	✓	Leave	✓	✓

♦ Independent Directors Meeting

Name of the Member	31.03.2015
Mr. Uday Kumar Mallik	✓
Mr. Ashok T. Kukreja	✓

## 6. 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, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act 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 judgement 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, 2015 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a 'going concern basis';
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively, and
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 7. 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 clause 49 of the

listing agreement 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, legal risk.

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

## 8. 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 under take corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

## 9. 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](http://www.modernshares.com) under investors/policy documents/Vigil Mechanism Policy link.

## 10. 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. (The Company has obtained the prior approval of Central Government U/s 297 of the Companies Act, 1956 which is for a period of 3 years in the year 2012-13) 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 New 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 as per Form AOC-2 is enclosed as **Annexure- A** to this report.

## 11. 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.

## 12. AUDITORS

### 12.1 STATUTORY AUDITORS

M/s. Bhandari Dastur Gupta & Associates, Chartered Accountants, (Firm Registration No. 119739W), Mumbai have been appointed as Statutory Auditors of the company at the last Annual General Meeting held on 25.09.2014 for a period of three years subject to ratification by members at every consequent Annual General

Meeting. Therefore, ratification of their appointment as Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

### 12.2 SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 the Company has appointed Mr. Janak Pandya, Company Secretary in Practice (CP No.: 5940, ACS: 10841), to undertake the Secretarial Audit of the company. The Secretarial Audit Report is annexed herewith as **'Annexure B'**.

Explanation to the Observations in Secretarial Audit report

The Company did not have Company Secretary in employment as its paid-up capital is ₹ 2.93 crore only, which was less than prescribed paid up capital of ₹ 5 Crore under the erstwhile Companies Act, 1956. The New Companies Act, 2013 requires every listed company to have a Company Secretary in employment as KMP. The Company is looking for a suitable person to fill in the post to commensurate with its size and area of operations. Presently, the Secretarial department is being headed by CFO cum Compliance Officer having experience of almost 30 years in finance & law looking after compliances in the Company under all the laws including the Companies Act, 2013 and the rules made there under with the help of a Practicing Company Secretary.

### 12.3 INTERNAL AUDITORS

M/S. Jayant Associates, Chartered Accountants performs the duties of internal auditors of the company and their report is reviewed by the Audit Committee from time to time.

## 13. FIXED ASSETS

The Fixed Assets of the Company as at the close of the year, stood ₹ 19.03 lacs (Previous year ₹ 27.29 lacs). In compliance with 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 year.



#### 14. CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement issued by the Securities and Exchange Board of India (SEBI), Corporate Governance is required if the paid up capital of the Company is ₹ 10 Crore and above or net worth is ₹ 25 Crore or more at any time in the history of the Company. Since the Company does not fall under the criteria mentioned above the Clause of Corporate Governance is not applicable to the Company.

#### 15. 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".

#### 16. 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 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 company as on March 31, March 2015.

Sr. No.	Name	Designation	Remuneration paid FY 2014-15 (Rs. Lakhs)	Remuneration paid FY 2013-14 (Rs. Lakhs)	Increase in Remuneration from previous Year (Rs. Lakhs)	Ratio/Times per median of employee remuneration
1	Mr. Anil Manghnani	Whole-time Director	10.71	10.32	0.39	2.69
2	Mr. R N Shenvi*	Executive Director/ CFO	10.26	11.23	(0.97)	2.57

\*Resign as Executive Director 18.2.2015 and was appointed as CFO on the same date.

#### 17. 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(2) 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.

#### 18. DEMATERIALISATION OF SHARES

96.15% of the Company's paid up equity share capital is in dematerialised form as on 31<sup>st</sup> March 2015 and balance 3.85% is in physical form. The Company's Registrar and Share transfer agent is M/s Link Intime India Pvt. Ltd. having office at C/13 Pannalal Silk Mills Compound, LBS Marg Bhandup west Mumbai 400078.

#### 19. ACKNOWLEDGEMENTS

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

#### 20. 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 S. Manghnani  
Whole Time Director  
(DIN-00012806)

Sd/-  
Narendra Advani  
Director  
(DIN-03351909)

Mumbai, dated May 29, 2015

#### Registered Office:

Wankhede Stadium, North Stand,  
Staircase No. 13, 'D' Road, Churchgate,  
Mumbai - 400 020.  
CIN: L45200MH1939PLC002958  
Website: www.modernshares.com

**Annexure A**

**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.**

Particulars		Details					
No	Name (s) of the related party & nature of relationship	Anil S Manghnani (Whole time Director)	Radhakrishna Shenvi (Executive Director/ CFO)	Lavina Manghnani (Wife of WTD)	Praveen Manghnani (Brother of WTD)	Bhagwanti Tex Overseas Pvt Ltd (Associate Co.)	Hira Advani Holdings Pvt Ltd (Associate Co.)
a	Nature of contracts/ arrangements/ transaction	Member Client Agreement	Member Client Agreement	Member Client Agreement	Member Client Agreement	Member Client Agreement	Member Client Agreement
b	Duration of the contracts/ arrangements/ transaction	3 years (09/08/2012 to 08/08/2015)	3 years (09/08/2012 to 08/08/2015)	3 years (09/08/2012 to 08/08/2015)	3 years (09/08/2012 to 08/08/2015)	3 years (09/08/2012 to 08/08/2015)	3 years (09/08/2012 to 08/08/2015)
c	Salient terms of the contracts or arrangements or transaction including the value, if any	Same as applicable to any other client	Same as applicable to any other client	Same as applicable to any other client	Same as applicable to any other client	Same as applicable to any other client	Same as applicable to any other client
d	Justification for entering into such contracts or arrangements or transactions'	Approval of Central Govt obtained under Section 297(1) of the Companies Act, 1956	Approval of Central Govt obtained under Section 297(1) of the Companies Act, 1956	Approval of Central Govt obtained under Section 297(1) of the Companies Act, 1956	Approval of Central Govt obtained under Section 297(1) of the Companies Act, 1956	Approval of Central Govt obtained under Section 297(1) of the Companies Act, 1956	Approval of Central Govt obtained under Section 297(1) of the Companies Act, 1956
e	Date of approval by the Board	01/06/2012	01/06/2012	01/06/2012	01/06/2012	01/06/2012	01/06/2012
f	Amount of brokerage earned during the year	₹ 0.40 Lakhs	₹ 0.12 Lakhs	₹ 0.42 Lakhs	₹ 0.85 Lakhs	₹ 0.01 Lakhs	₹ 0.09 Lakhs
g	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA	NA	NA	NA	NA	NA

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

**Sd/-**  
**Anil S. Manghnani**  
**Whole Time Director**  
**(DIN-00012806)**

**Sd/-**  
**Narendra Advani**  
**Director**  
**(DIN-03351909)**

**Mumbai, dated May 29, 2015**

**Annexure B**

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

**FOR THE FINANCIAL YEAR ENDED  
31ST MARCH, 2015**

*[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**

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 (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 Modern Shares and Stockbrokers Limited 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, 2015 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 Modern Shares and Stockbrokers Limited ("the Company") for the financial year ended on 31st March, 2015 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) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(v) Employees Provident Fund and Miscellaneous Provisions Act, 1952

(vi) Indian Contract Act, 1872

(vii) Income Tax Act, 1961 and Indirect Tax Laws

(viii) Indian Stamp Act, 1999

(vix) Negotiable Instruments Act, 1881

(x) Payment of Bonus Act, 1965

(xi) Payment of Gratuity Act, 1972

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India to the extent as applicable

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange(s) (BSE),

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

During the financial year under report as required U/s 203(1) of the Co's Act 2013, the Company has whole time Director and CFO (Chief Financial Officer) as KMP (Key Managerial Personnel) however the Company does not have full time Company Secretary as the Company's present Paid-up capital is only ₹. 2.93 crore. At present the functions of the Secretarial Department is being looked after by CFO cum Compliance Officer having finance & law background and more than 30 years of experience in the Company with the help of a Practicing Company Secretary.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**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, there were no instances of:

- (i) Public/ Rights/ Preferential issue of shares/ debentures/ sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger/amalgamation/reconstruction etc.
- (v) Foreign technical collaborations.

Sd/-  
Signature:

**CS. Janak A. Pandya**  
**ACS No.: 10841**  
**C P No.: 5940**

Place: **Mumbai**  
Date: **May 29, 2015**

**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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
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 Pandya  
Company Secretaries  
ACS No.:10841  
C P No.:5940

Place: Mumbai  
Date : 29th day of May, 2015

**Annexure C TO BOARD REPORT**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31st March, 2015**

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

**Form No. MGT-9**

**I. REGISTRATION AND OTHER DETAILS:**

1. CIN No.: **L45200MH1939PLC002958**
2. Registration Date: **01/07/1939**
3. Name of the Company: **MODERN SHARES AND STOCKBROKERS LIMITED**
4. Category/ Sub-Category of the Company: **COMPANY LIMITED BY SHARES and INDIAN NON-GOVERNMENT COMPANY**
5. Address of the Registered Office and Contact details: **Wankhede Stadium, North Stand, L and M Wing  
D Road, Churchgate, Mumbai - 400 020.  
TEL : 42122400/40 (F) 42122441  
EMAIL: modernshare@hotmail.com  
Website : www.modernshares.com**
6. Whether Listed Company **Yes**
7. Name, Address and Contact details of Registrar and Transfer agent, if any: **LINK INTIME INDIA PRIVATE LIMITED  
C/13, Pannalal Silk Mills Compound, LBS Marg,  
Bhandup (W)., Mumbai 400078.  
Tel No. 022-25963838 Fax 022-25946969  
Contact Person: Mr. Manohar Shirwadkar  
E-mail Id : rnt.helpdesk@linkintime.co.in**

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

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

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

**i) Category-wise Share Holding**

Category of	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
<b>A. Promoters</b>								
<b>(1) Indian</b>								
a. Individual/ HUF	1032995	00	1032995	35.24	1002275(*)	00	1002275(*)	34.19
b. Central Govt	-	-	-	-	-	-	-	-
c. State Govt (s)	-	-	-	-	-	-	-	-
d. Bodies Corp.	1132509	00	1132509	38.64	1132509	00	1132509	38.64
e. Banks / FI	-	-	-	-	-	-	-	-
f. Any Other....	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	2165504	00	2165504	73.88	2134784	00	2134784	72.83
<b>(2) Foreign</b>								
a. NRIs -								
Individuals	-	-	-	-	-	-	-	-
b. Other –								
Individuals	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-	-
d. Banks / FI	-	-	-	-	-	-	-	-
e. Any Other....	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	00	00	00	00	00	00	00	00
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	2165504	00	2165504	73.88	2134784	00	2134784	72.83
								1.05



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ii) Individual share-holders holding nominal share capital in excess of Rs. 1lakh	52590	0.00	52590	1.79	57188	0.00	57188	1.95	-0.16
c) Others (Declared as Pakistani) National by Custodian of Enemy Property in india)	0.00	16330	16330	0.56	0.00	16330	16330	0.56	0.00
i) Clearing member	2268	0.00	2268	0.08	3299	0.00	3299	0.11	-0.03
ii) NRI	314650	0.00	314650	10.73	316844	0.00	316844	10.81	-0.08
iii) Market maker									
iv) OBC									
<b>Sub-total (B)(2):-</b>	651430	114191	765621	26.12	683500	112841	796341	27.17	-1.05
<b>Total Public Shareholding (B) = (B) (1) + (B)(2)</b>	2816934	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Shares held by Custodian for GDRs & AD Rs.	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2816934</b>	<b>114191</b>	<b>2931125</b>	<b>100.00</b>	<b>2818284</b>	<b>112841</b>	<b>2931125</b>	<b>100.00</b>	<b>1.05</b>

(\*) Mr. U.K Mallik and his Relatives 30,720 shares were transferred from Promoters holdings to Public Holding on Mr. U.K.Mallik became Independent Director.

**(ii) Shareholding of Promoters**

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	1075075	36.68	0.00	1075075	36.68	0.00	0.00
2	Anil Manghnani	455010	15.52	0.00	455010	15.52	0.00	0.00
3	Narendra H Advani	428865	14.63	0.00	428865	14.63	0.00	0.00
4	Shalini Advani	19100	0.65	0.00	19100	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	7534	0.26	0.00	7534	0.26	0.00	0.00
7	Mr. Ghanshyam Shewakramani	49600	1.69	0.00	49600	1.69	0.00	0.00
8.	Mrs. Meena Shewakramani	32700	1.12	0.00	32700	1.12	0.00	0.00
9.	Mrs. Godhvari Shewakramani	17000	0.58	0.00	17000	0.58	0.00	0.00
10.	Brightland Hotels Pvt Ltd	49600	1.69	0.00	49600	1.69	0.00	0.00
11.	Mr. U.K. Mallik*	8420	0.29	0.00	0.00	0.00	0.00	0.29
12.	Mr. Raghav Mallik*	9480	0.32	0.00	0.00	0.00	0.00	0.32
13.	Mr. Vijay Mallik*	12820	0.44	0.00	0.00	0.00	0.00	0.44
	<b>TOTAL</b>	<b>2165504</b>	<b>73.88</b>	<b>0.00</b>	<b>2134784</b>	<b>72.83</b>	<b>0.00</b>	<b>1.05</b>

- **30,720 shares of Mr. U.K.Mallik and his relatives were transferred to Public Shareholdings at the end of the year.**

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

SI No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	<b>2165504</b>	<b>73.88</b>	<b>2165504</b>	<b>73.88</b>
	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):	On March 30, 2015 *30,720 (1.05%) shares of Mr. U.K.Mallik and his relatives were reclassified and regrouped to Public Shareholdings on his becoming Independent Director on the Board			
	At the End of the year	<b>2134784</b>	<b>72.83</b>	<b>2134784</b>	<b>72.83</b>

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

SI No.	Name	Shareholding at the beginning (01/04/2014)/ end of the year (31/03/2015)		Date	Change in Shareholding (No Of Shares)		Cumulative Shareholding During the year (01/04/2014 to 31/03/2015)	
		No. of Shares	% of total Shares of the company		Increase(+) /Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
1	Mr. Lal Hariram Ganwani	100000	3.41		0.00		100000	3.41
2	Mr. Mohan Chattaram	100000	3.41		0.00		100000	3.41
3	Mr. Kamal Ramesh Dhanwani	100000	3.41		0.00		100000	3.41
4	Mr. Deepak Kohli	19367	0.66				19367	0.66
				06/06/2014	+ 47	Transfer	19414	0.66
				13/06/2014	+ 4881	Transfer	24295	0.83
				20/06/2014	+ 177	Transfer	24472	0.83
				30/06/2014	187	Transfer	24659	0.84
				19/09/2014	1	Transfer	24660	0.84
				30/09/2014	1	Transfer	24661	0.84
5	Mr. Khemchand Manglani	12500	0.43		0.00		12500	0.43
6	Mr. Deepak Kohli	11647	0.40		0.00		11647	0.40
7	Mrs. Parpati Lalchand Lakhwani (Custodian of Enemy Property in India)	11480	0.39		0.00		11480	0.39
8	Mr. Ajay Agarwal	10880	0.37		0.00		10880	0.37
9	Mr. Dilip Kakubhai Kapadia	10000	0.34		0.00		10000	0.34
10	Mr. Raghav Mallik *	0.00	0.32	30/03/2015	+9480	Reclassified	9480	0.32

**\*Mr. Raghav Mallik shareholdings (Relatives of Mr. U.K.Mallik-Ind Director)) reclassified and regrouped with Public Shareholding at the end of the year.**

**(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 S. Manghnani	455010	15.52	0.00	0.00	455010	15.52
2	Ghansham Shewakramani	49600	1.69	0.00	0.00	49600	1.69
3	Udaykumar Mallik	8420	0.28	0.00	0.00	8420	0.28
4	Narendra H Advani	428865	14.63	0.00	0.00	428865	14.63
5	Radhakrishna Shenvi(**)	1200	0.04	0.00	0.00	1200	0.04

**(\*\*) Resigned as Director and appointed as CFO on 18/02/2015**

## 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				
• Reduction				
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i + ii + iii)	NIL	NIL	NIL	NIL

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SI No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (in ₹)
		Anil S. Manghnani	R.N. Shenvi (**)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1030480	891000	1921480
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	40200	–	40200
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	NA	NA	
3	Sweat Equity	NA	NA	
4	Commission- as % of profit- others, specify...			
5	Others, please specify	None	None	
	<b>Total (A)</b>	<b>1070680</b>	<b>891000</b>	<b>1961680</b>
	Ceiling as per the Act * ₹ 728,652 being 10% of the net profit of the Company calculated as per section 198 of the Companies Act, 2013.			

(\*\*) Part of the year from 1/4/2014 to 17/02/2015

**B. Remuneration to other directors:**

Sl No.	Particulars of Remuneration	Name of Directors				Total Amount (in ₹)
		Mr. U.K. Mallik	Mr. Ashok T. Kukreja (***)			
3.	<b>Independent Directors</b> Fee for attending board / committee Meetings (inc. Service Tax) • Commission • Others, please specify	56180	11236			67416
	<b>Total (1)</b>	56180	11236			67416
4.	<b>Other Non-Executive Directors</b>	Mr. Ghansham Shewakramani	Mr. Monish G Shewakramani (**)	Mr. Narendra N. Advani	Mrs. Roshan Advani Patheria	
	• Fee for attending board / committee meetings	42135	33708	8427	42135	
	• Commission					
	• Others, please specify					
	<b>Total (2)</b>	42135	33708	8427	42135	126405
	<b>Total (B)=(1+2)</b>					193821
	<b>Total Managerial Remuneration</b>					2155501
₹ 72,865 being 1% of the net profit of the Company calculated as per section 198 of Companies Act 2013.						
<b>Overall Ceiling as per the Act</b> ₹ 801517 being 11% of the net profit of the Company calculated as per section 198 of Companies Act 2013.						

Sl No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO(*)	Total (in ₹)
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	NIL	134500	134500
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission- as % of profit- others, specify...				
5	Others, please specify				
	<b>Total</b>			134500	134500

(\*) Part of the year from 18/02/2015 to 31<sup>st</sup> March 2015

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

## Independent Auditor's Report

### To the Members of Modern Shares & Stockbrokers Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of **Modern Shares & Stockbrokers Limited ("the Company")** which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the audit we have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on financial statement.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) in the case of the Balance Sheet, the state of affairs of the company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date;
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date;



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2015, we give in the Annexure a statement on matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.23 to the financial statements
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For Bhandari Dastur Gupta & Associates**  
**Chartered Accountants**  
**Firm Registration No.: 119739W**

**Sd/-**  
**Sunil Bhandari**  
**(Partner)**  
**(Membership No: 047981)**

**Place : Mumbai**  
**Date : May 29, 2015**

## Annexure to Independent Auditor's Report

The annexure referred to in our Independent Auditor's to members of the company on financials statement for the year ended 31 March, 2015, we report that :

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) Some of the fixed assets were physically verified during the year by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us no material discrepancies were noticed on such verification.
2. The company is a service company. Accordingly, it does not hold any physical inventories and, accordingly, paragraph 3 (ii) of the Order is not applicable.
3. The company has neither granted nor taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").
4. In our opinion and according to information and explanation given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, with regards to purchase of fixed assets and sale of services. During the course of our audit no major weakness has been noticed in the aforesaid internal control system.
5. The Company has not accepted any deposits from the public covered under section 73 to 76 of the Act.
6. In respect of the activities of the company, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

7. (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Professional Tax and other applicable Statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax and Professional Tax were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Professional Tax and other applicable Statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to records of the Company examined by us and information and explanations given to us, the company has transferred an amount of Rs. 24,445/- to investor education and protection fund in accordance with section 124 (5) of The Companies Act, 2013 and rules there under.
8. The company does not have any accumulated losses as at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
9. According to records of the Company examined by us and information and explanations given to us, the company has not defaulted in repayment of dues to banks. There are no borrowings from financial institutions and debenture holders.

10. According to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions or debenture holders and accordingly paragraph 3 (x) of the Order is not applicable to the company.

11. According to the records of the company and according to the information and explanation given to us, no term loan is availed by the company during the year and accordingly paragraph 3 (xi) of the Order is not applicable to the company.

12. 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 fraud on or by the Company, noticed or reported during the year, nor we have been informed of such by the management.

**For Bhandari Dastur Gupta & Associates**  
**Chartered Accountants**  
**Firm Registration No.: 119739W**

**Sunil Bhandari**  
**(Partner)**  
**(Membership No: 047981)**

**Place: Mumbai**  
**Date: May 29, 2015**

**BALANCE SHEET AS AT MARCH 31, 2015**

Particulars	Note No.	As at March 31, 2015 (Amount in Rs.)	As at March 31, 2014 (Amount in Rs.)
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
a Share Capital	2.1	29,311,250	29,311,250
b Reserves and Surplus	2.2	96,165,252	96,339,250
<b>2 Current Liabilities</b>			
a Trade Payables	2.4	43,953,700	19,811,717
b Other Current Liabilities	2.5	2,813,350	1,576,695
c Short-term Provisions	2.6	5,412,095	5,294,797
<b>Total</b>		<b>177,655,647</b>	<b>152,333,710</b>
<b>II ASSETS</b>			
<b>1 Non-current Assets</b>			
a Fixed assets			
i. Tangible Assets	2.7	1,897,042	2,714,818
ii. Intangible Assets	2.7	5,908	14,170
b Non-current investments	2.8a	7,259,500	6,459,400
c Deferred-tax Assets (net)	2.9	564,453	348,228
d Long-term Loans and Advances	2.10	8,679,996	8,716,996
<b>2 Current Assets</b>			
a Inventories	2.11	567,229	280,150
b Current Investments	2.8b	-	5,699,900
c Trade Receivables	2.12	7,137,192	6,228,623
d Cash and Cash Equivalents	2.13	148,520,951	118,374,772
e Short-term Loans and Advances	2.14	3,023,376	3,496,653
<b>Total</b>		<b>177,655,647</b>	<b>152,333,710</b>
Significant Accounting Policies & Notes to Accounts	1 & 2		

As per our attached report of even date

**For Bhandari Dastur Gupta & Associates**

**Chartered Accountants**

FRN No: 119739W

**Sunil Bhandari**

Partner

Membership No.047981

Place : Mumbai

Date : May 29, 2015

Mr. U K Mallik

Mr. Anil S Manghnani

Mr. Narendra H Advani

Mrs. Roshan Advani Patheria

Mr. Ghansham Shewakramani

Mr. Ashok T Kukreja

Mr. R N Shenvi

(Chairman)

(Whole-time Director)

(Director)

(Director)

(Director)

(Director)

(Chief Financial Officer)

DIN: 00012099

DIN: 00012806

DIN: 03351909

DIN: 00651144

DIN: 00413343

DIN: 00463526

For and on behalf of the Board of Directors

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015**

Particulars	Note No.	For the year ended March 31, 2015 (Amount in Rs.)	For the year ended March 31, 2014 (Amount in Rs.)
I Revenue from Operations	2.15	25,903,060	17,343,062
II Other Income	2.16	9,283,003	9,651,695
III <b>Total Revenue (I + II)</b>		<b>35,186,063</b>	<b>26,994,757</b>
IV <b>Expenses:</b>			
Operating Expenses	2.17	2,475,471	1,555,953
Employee Benefit Expenses	2.18	10,806,335	11,344,467
Administrative and Other Expenses	2.19	15,820,496	11,647,744
Financial Costs		131,204	131,471
Depreciation and Amortization Expenses	2.7	627,713	597,269
V <b>Total Expenses</b>		<b>29,861,219</b>	<b>25,276,905</b>
VI Profit before exceptional and extraordinary items and tax (III - V)		<b>5,324,844</b>	<b>1,717,852</b>
VII Exceptional Items		-	-
VIII Profit before extraordinary items and tax (VI - VII)		<b>5,324,844</b>	<b>1,717,852</b>
IX Extraordinary Items		-	-
X Profit before tax (VIII - IX)		<b>5,324,844</b>	<b>1,717,852</b>
XI Tax expense:			
1 Current tax		1,650,000	550,000
2 Deferred tax		(216,225)	(137,619)
3 Taxation of earlier years		133,039	-
		<b>1,566,814</b>	<b>412,381</b>
XII Profit(Loss) for the period from continuing operations		<b>3,758,030</b>	<b>1,305,471</b>
XIII Profit/(Loss) from discontinuing operations		-	-
XIV Tax expense of discounting operations		-	-
XV Profit/(Loss) from Discontinuing operations (XIII - XIV)		-	-
XVI Profit/(Loss) for the period (XII + XV)		<b>3,758,030</b>	<b>1,305,471</b>
XVII Earning per equity share: Basic & Diluted		1.28	0.45
Equity Shares of par value Rs.10 each			
Number of shares used in computing earnings per share			
Basic & Diluted		2,931,125	2,931,125
Significant Accounting Policies & Notes to Accounts	1 & 2		

As per our attached report of even date

**For Bhandari Dastur Gupta & Associates**

**Chartered Accountants**

FRN No: 119739W

**Sunil Bhandari**

Partner

Membership No.047981

Place : Mumbai

Date : May 29, 2015

For and on behalf of the Board of Directors

Mr. U K Mallik

(Chairman)

DIN: 00012099

Mr. Anil S Manghnani

(Whole-time Director)

DIN: 00012806

Mr. Narendra H Advani

(Director)

DIN: 03351909

Mrs. Roshan Advani Patheria

(Director)

DIN: 00651144

Mr. Ghansham Shewakramani

(Director)

DIN: 00413343

Mr. Ashok T Kukreja

(Director)

DIN: 00463526

Mr. R N Shenvi

(Chief Financial Officer)

### Cash Flow Statement for the year ended March 31, 2015

Particulars	Note No.	For the year ended March 31, 2015 (Amount in Rs.)	For the year ended March 31, 2014 (Amount in Rs.)
<b>A Cash Flow from Operating Activities</b>			
(a) Profit from operating activities		5,324,844	1,717,852
Adjustments:			
Depreciation and amortization		627,713	597,269
(Gain)/Loss on sale of fixed assets		-	30,656
Interest Received		(9,249,258)	(8,894,726)
Dividend on Investments		(33,745)	(409,568)
(b) Working capital changes:			
Decrease / (Increase) in inventories		(287,079)	9,750
Decrease / (Increase) in trade receivables		(908,570)	(3,765,411)
Decrease / (Increase) in long-term loans and advances		37,000	227,000
Decrease / (Increase) in short-term loans and advances		243,094	(655,239)
Decrease / (Increase) in trade payables		24,141,983	11,413,442
Increase / (Decrease) in other current liabilities		1,236,655	(395,460)
Increase / (Decrease) in provisions		29,365	382,481
(c) Direct taxes paid (Net of refunds)		(1,552,856)	(1,487,549)
Total of (A)		<b>19,609,146</b>	<b>(1,229,503)</b>
<b>B Cash Flow from Investing Activities</b>			
(a) Proceeds from sale of fixed assets		-	60,000
(b) Purchase of tangible assets / Capital work in progress		(216,500)	(105,000)
(c) Decrease / (Increase) in Investments		4,899,800	6,954,597
(d) Interest received		9,249,258	8,894,726
(e) Dividend received		33,745	409,568
Total of (B)		<b>13,966,303</b>	<b>16,213,891</b>
<b>C Cash Flow from Financing Activities</b>			
(a) Dividends paid (including distribution tax)		(3,429,270)	(3,406,627)
Total of (C)		<b>(3,429,270)</b>	<b>(3,406,627)</b>
Net (decrease)/increase in cash and cash equivalents (A+B+C)		30,146,179	11,577,761
Add: Cash and cash equivalents at the beginning of the period		118,374,772	106,797,011
Cash and cash equivalents at the end of the period		148,520,951	118,374,772
<b>Breakup of Cash Equivalents</b>			
Cash		26,174	23,033
Cheques in Hand		-	494,924
Balances in Bank in Current Accounts		43,701,826	18,181,816
Balances in Bank in Fixed Deposits		104,792,951	99,675,000
		<b>148,520,951</b>	<b>118,374,772</b>

As per our attached report of even date  
**For Bhandari Dastur Gupta & Associates**  
**Chartered Accountants**  
FRN No: 119739W

**Sunil Bhandari**  
Partner  
Membership No.047981

Place : Mumbai  
Date : May 29, 2015

For and on behalf of the Board of Directors

Mr. U K Mallik	(Chairman)	DIN: 00012099
Mr. Anil S Manghnani	(Whole-time Director)	DIN: 00012806
Mr. Narendra H Advani	(Director)	DIN: 03351909
Mrs. Roshan Advani Patheria	(Director)	DIN: 00651144
Mr. Ghansham Shewakramani	(Director)	DIN: 00413343
Mr. Ashok T Kukreja	(Director)	DIN: 00463526
Mr. R N Shenvi	(Chief Financial Officer)	

**Note 1. Significant Accounting Policies:**

**1. Basis of preparation of financial statements:**

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

**2. Use of Estimates:**

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

**3. Revenue Recognition:**

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

**4. Fixed Assets & Depreciation:**

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

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

**Depreciation on assets costing less than Rs 5,000/-**

Till year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than Rs 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciations of assets costing less than Rs 5,000/-. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

The change in accounting for depreciation of assets costing less than Rs 5,000/- did not have any material impact on financial statements of the company for the current year.

**5. Intangible Assets:**

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

**6. Impairment of Assets:**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If the carrying amount of fixed assets / cash generating unit exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The

recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

**7. Investments:**

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

**8. Stock in trade:**

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

**9. Retirement Benefits:-**

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

**10. Borrowing Costs:**

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

**11. Foreign Currency Transactions:**

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

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

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

**12. Taxes on Income:**

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

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

**13. Derivatives:**

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

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

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

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



**14. Provision, Contingent Liabilities and Contingent Assets:**

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

**15. Segment Accounting Policies:**

(a) Segment assets and liabilities:

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

Segment assets include all operating assets used by the segment and consist principally of stock in trade, sundry debtors and loans and advances. Segment assets and liabilities do not include share capital, reserves and surplus.

(b) Segment revenue and expenses:

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

**16. Earnings Per Share**

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted-average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	Amount	Number	Amount
<b>Note 2.1: Share Capital</b>				
<b>Authorised</b>				
Equity shares of Rs.10/- each.	6,000,000	60,000,000	6,000,000	60,000,000
<b>Issued, Subscribed &amp; Paid up</b>				
Equity shares of Rs.10/- each fully paid-up	2,931,125	29,311,250	2,931,125	29,311,250
	<b>2,931,125</b>	<b>29,311,250</b>	<b>2,931,125</b>	<b>29,311,250</b>

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. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2015 the Board of Directors has proposed dividend @ 10% (previous year 10%).

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

#### Reconciliation of the number of shares outstanding

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,931,125	29,311,250	2,931,125	29,311,250
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,931,125	29,311,250	2,931,125	29,311,250

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

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of shares held	% of Holding	No. of shares held	% of Holding
M/s. Bhagwanti Exports Pvt. Ltd.	1,075,075	36.68%	1,074,025	36.64%
Mr. Anil S Manghnani	455,010	15.52%	455,010	15.52%
Mr. Narendra H Advani	428,865	14.63%	428,865	14.63%

Particulars	As at March 31, 2015 Amount in Rs.	As at March 31, 2014 Amount in Rs.
<b>Note 2.2: Reserves and Surplus</b>		
<b>a Capital Reserve</b>	<b>145,831</b>	<b>145,831</b>
<b>b Securities Premium Account</b>	<b>16,884,184</b>	<b>16,884,184</b>
<b>c General Reserve</b>		
<b>Opening Balance</b>	<b>22,590,639</b>	<b>22,590,639</b>
(+) Current Year Transfer	-	-
(-) Depreciation due to change in depreciation rate on effect of adoption of Part C of schedule II of Companies Act, 2013	(414,824)	-
	<b>22,175,815</b>	<b>22,590,639</b>
<b>d Surplus</b>		
Opening Balance	56,718,595	58,842,394
(+) Net Profit/(Net Loss) for the Current Year	3,758,030	1,305,471
(-) Proposed Dividends	(2,931,125)	(2,931,125)
(-) Corporate Dividend Tax	(586,078)	(498,145)
Closing Balance	<b>56,959,422</b>	<b>56,718,595</b>
	<b>96,165,252</b>	<b>96,339,250</b>
<b>Note 2.3: Trade payables</b>		
<b>a Sundry Creditors</b>	<b>43,953,700</b>	<b>19,811,717</b>
	<b>43,953,700</b>	<b>19,811,717</b>
Trade Payable stated above include due to:		
Key Management Personnel	-	320,709
Relatives of Key Management Personnel	434,959	492,779
The Company has not received any instruction from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures if any, relating to amounts unpaid as at the year end together with interest payable as required under the said Act have not been given.		
<b>Note 2.4: Other Current Liabilities</b>		
<b>a Unclaimed dividends</b>	<b>333,337</b>	<b>306,862</b>
<b>b Other liabilities for expenses</b>	<b>2,126,281</b>	<b>941,708</b>
<b>c Mark-to-Market Margins</b>	-	-
<b>d Other sundry credits</b>	-	-
<b>e Outstanding statutory liabilities</b>	<b>353,733</b>	<b>328,125</b>
	<b>2,813,350</b>	<b>1,576,695</b>
<b>Note 2.5: Short Term Provisions</b>		
<b>a Provision for employee benefits</b>		
Leave Encashment	1,278,092	1,260,908
Bonus	616,800	604,619
<b>b Others</b>		
Proposed final dividend on equity shares	2,931,125	2,931,125
Tax on dividend	586,078	498,145
	<b>5,412,095</b>	<b>5,294,797</b>
<b>Note 2.6 Contingent liabilities</b>		
<b>a Contingent liability on account of guarantees issued by Banks in favour of National Securities Clearing Corporation Limited Rs.100 Lacs. (previous year Rs.100 Lacs.)</b>		
<b>b Contingent liability on account of property at Worli Naka towards property maintenance dues and market rent of the property, Rs.4,44,821/- (previous year Rs.3,62,626/-)</b>		

**Note 2.7: Details of Fixed Assets as on March 31, 2015**

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION /AMORTISATION					NET BLOCK	
	As at March, 31, 2014	Additions	Deductions	As at March, 31 2015	As at March, 31 2014	For the Year	Deduct-ions	As at March, 31 2015	As at March, 31 2015	As at March, 31 2014
<b>Tangible Assets</b>										
Leasehold Improvements	1,556,815	-	-	1,556,815	152,367	137,891	-	290,258	1,266,557	1,404,448
Airconditioner	593,388		572,388	21,000	491,540	9,224	488,883	11,881	9,119	101,848
Computer	6,391,490	216,500	5,889,186	718,804	6,048,425	213,892	5,765,598	496,719	222,086	343,066
Office Equipments	1,048,543	-	777,269	271,274	821,498	124,879	722,756	223,621	47,653	227,045
Motor Car	3,012,168	-	2,358,976	653,192	2,502,754	118,733	2,210,375	411,112	242,080	509,414
Office Furniture	557,080	-	122,505	434,575	428,084	14,832	117,887	325,029	109,546	128,996
<b>Intangible Assets</b>										
Trade Mark	58,000	-	-	58,000	43,830	8,262	-	52,092	5,908	14,170
<b>TOTAL</b>	<b>13,217,484</b>	<b>216,500</b>	<b>9,720,324</b>	<b>3,713,660</b>	<b>10,488,497</b>	<b>627,713</b>	<b>9,305,499</b>	<b>1,810,710</b>	<b>1,902,950</b>	<b>2,728,988</b>
<b>Previous year</b>	<b>14,807,019</b>	<b>105,000</b>	<b>866,426</b>	<b>14,045,593</b>	<b>11,495,107</b>	<b>597,269</b>	<b>775,770</b>	<b>11,316,606</b>	<b>2,728,988</b>	<b>3,311,913</b>

**Note:**

Effective from 1st April, 2014, The Company has provided depreciation on the basis of the remaining useful lives of the Fixed Assets, as assessed by the management, as specified in Schedule II of the Companies Act 2013. As a result, Rs.4,14,825 (Rs. 97,20,324- Rs. 93,05,499) has been adjusted against the opening balance of general reserve, being the carrying amount of assets after retaining the residual value in respect of assets where remaining useful lives have been completed.

Particulars	Face Value	Qty.	As at March 31, 2015 (Amount in Rs.)	Qty.	As at March 31, 2014 (Amount in Rs.)
<b>Note 2.8a: Non Current Investments</b>					
<b>A Quoted, long term, non-trade: (at cost)</b>					
a Fully Paid up Equity Shares Emmsons International Ltd.	10	10000	1,250,000	10000	1,250,000
<b>Sub-total</b>			<b>1,250,000</b>		<b>1,250,000</b>
<b>B Un-Quoted, long term, non-trade: (at cost)</b>					
Fully Paid up Equity Shares					
a Innovative B2B Logistics Solutions Ltd. (Refer Note 2.22)	10	50000	5,000,000	50000	5,000,000
b The Saraswat Co-op. Bank Ltd.	10	950	9,500	95	9,500
<b>Sub-total</b>			<b>5,009,500</b>		<b>5,009,500</b>
<b>C Un-Quoted Mutual Funds</b>					
a Sahara Banking & Financial Services Fund (Dividend)	10	-	-	13441	199,900
b Axis Hybrid Fund - Series 15 (1275 days) Growth(A5-GP)	10.00	30000	300,000		-
c Axis Hybrid Fund - Series 19 (42 months) Growth(A9-GP)	10.00	50000	500,000		-
d Axis Equity Fund - Growth (EFGPG)	19.70	10152	200,000		
<b>Sub-total</b>			<b>1,000,000</b>		<b>199,900</b>
<b>TOTAL OF NON CURRENT INVESTMENTS (A)</b>			<b>7,259,500</b>		<b>6,459,400</b>
<b>Note 2.8b: Current Investments</b>					
<b>A Un-Quoted Bonds:</b>					
a 6.00% Rural Electrification Corpn. Ltd. Capital Gain Tax Exemption Bonds Series V	-	500			5,000,000
<b>Sub-total</b>			<b>-</b>		<b>5,000,000</b>
<b>B Mutual Funds</b>					
<b>Un-Quoted, non-trade: (at cost)</b>					
a Birla Sunlife Fixed Term Plan (30Days)	-	20000			200,000
b Axis Capital Protection Oriented Fund S-1 (G)	-	49990			499,900
<b>Sub-total</b>			<b>-</b>		<b>699,900</b>
<b>TOTAL OF CURRENT INVESTMENTS (B)</b>			<b>-</b>		<b>5,699,900</b>
<b>TOTAL OF INVESTMENTS (A+B)</b>			<b>7,259,500</b>		<b>12,159,300</b>
<b>Aggregate Value of Quoted Investments</b>					
Cost			1,250,000		1,250,000
Market Value			161,200		331,000
<b>Aggregate Value of Unquoted Investments</b>					
Cost			6,009,500		10,909,300

Particulars	As at March 31, 2015 (Amount in Rs.)	As at March 31, 2014 (Amount in Rs.)
<b>Note 2.9: Deferred Tax</b>		
The net deferred tax asset as at March 31, 2015, comprises of the following components:		
Deferred Tax Asset		
On timing difference of Assets	169,523	-
Provision for Leave Encashment	394,930	389,621
	<u>564,453</u>	<u>389,621</u>
Deferred Tax Liability		
On timing difference of Assets	-	41,393
Net Deferred Tax Asset / (Liability)	<u><b>564,453</b></u>	<u><b>348,228</b></u>
<b>Note 2.10: Long Term Loans and Advances</b>		
<b>a Security Deposits</b>		
Unsecured, considered good	8,679,996	8,716,996
	<u><b>8,679,996</b></u>	<u><b>8,716,996</b></u>
<b>Note 2.11: Inventory</b>		
<b>a</b> 13000 (P. Y. 13000) shares of Shree Renuka Sugars Ltd.	165,750	280,150
<b>b</b> 100 (P. Y. 100) shares of S M Dye Chem Ltd.	-	-
<b>c</b> 2000 (P. Y. Nil) shares of Polaris Software Ltd.	289,065	-
<b>d</b> 2000 (P. Y. Nil) shares of Intellect Design Arena Ltd.	112,414	-
	<u><b>567,229</b></u>	<u><b>280,150</b></u>
Stock is valued at cost or market value which ever is lower.		
<b>Note 2.12: Trade Receivables:</b>		
Unsecured, considered good		
Trade receivables outstanding for a period less than six months from the date they are due for payment	4,620,103	5,256,407
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	<u><b>2,517,089</b></u>	<u>972,216</u>
	<u><b>7,137,192</b></u>	<u><b>6,228,623</b></u>
<b>Trade Receivable stated above include debts due by:</b>		
Key Management Personnel	-	34
Relatives of Key Management Personnel	-	119

Particulars	As at March 31, 2015 (Amount in Rs.)	As at March 31, 2014 (Amount in Rs.)
<b>Note 2.13: Cash and Cash Equivalents:</b>		
a Balances with Banks		
Current Account	43,368,489	17,874,954
FD towards margin money	57,875,000	55,675,000
FD against guarantees	5,417,951	5,000,000
FD against borrowings	34,000,000	39,000,000
Bank Deposits (more than 3 months, less than 12 months)	7,500,000	-
Unclaimed dividend	333,337	306,862
b Cheques, drafts on hand	-	494,924
c Cash on hand	26,174	23,033
	<b>148,520,951</b>	<b>118,374,772</b>
<b>Note 2.14: Short-term loans and advances</b>		
<b>a Loans and advances (others)</b>		
Unsecured, considered good		
Prepaid expenses	873,130	773,191
Loan to staff	602,000	645,100
Other Advances	531,506	430,656
Advance Against Investments	-	200,000
Interest accrued	282,971	483,754
	<b>2,289,607</b>	<b>2,532,701</b>
<b>b Taxes</b>		
Advance tax & tax deducted at source (net of provisions)	733,769	963,952
	<b>733,769</b>	<b>963,952</b>
	<b>3,023,376</b>	<b>3,496,653</b>

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

Particulars	For the Year ended March 31, 2015 (Amount in Rs.)	For the Year ended March 31, 2014 (Amount in Rs.)
<b>Note 2.15: Operating Income</b>		
Brokerage & Commission	25,640,464	17,587,301
Profit on Trading		
Sales	1,001,897	600,730
Less: Cost of Sale		
Opening Stock	280,150	289,900
Add: Purchase of Shares	1,408,939	616,248
Less: Closing Stock	567,229	280,150
	<u>1,121,859</u>	<u>336,098</u>
Profit/(Loss) on Trading	(119,962)	(25,268)
Profit on Sale of Investments	398,125	-
Profit on Vandha (Net)	-	260,516
Profit/(Loss) on Trading - Derivatives	(15,567)	(479,486)
	<u><b>25,903,060</b></u>	<u><b>17,343,062</b></u>
<b>Note 2.16: Other Income</b>		
Interest Income	9,249,258	8,894,726
Dividend Income	33,745	409,568
Sundry Balances Written Back	-	347,400
	<u><b>9,283,003</b></u>	<u><b>9,651,695</b></u>
<b>Note 2.17: Operating Expenses</b>		
Loss on Vandha (Net)	81,672	-
Brokerage Paid	142,582	70,646
Stamp Duty	2,251,218	1,485,307
	<u><b>2,475,471</b></u>	<u><b>1,555,953</b></u>
<b>Note 2.18: Employee Benefit Expenses</b>		
Salaries and Incentives	6,784,633	6,994,242
Directors' Remuneration	1,961,680	2,155,085
Remuneration to Key Management Personnel	134,500	-
Contributions to -		
i. Provident Fund	784,876	755,407
ii. Superannuation Scheme	401,000	379,000
Gratuity Fund Contributions	100,000	477,174
Staff Welfare Expenses	639,646	583,559
	<u><b>10,806,335</b></u>	<u><b>11,344,467</b></u>



Particulars	For the Year ended March 31, 2015 (Amount in Rs.)	For the Year ended March 31, 2014 (Amount in Rs.)
<b>Note 2.19: Administrative and other Expenses</b>		
Rent, Rates & Taxes	1,027,154	477,598
Directors' Sitting Fees	193,821	125,478
Legal and Professional Fees	7,465,407	4,071,606
Software Expenses	2,150,230	1,786,315
Sales Promotion Expenses	1,151,665	1,192,683
Membership Fees & Subscription	453,639	363,452
Loss on Sale of Fixed Assets (Net)	-	30,656
Electricity Charges	386,863	318,312
Motor car and Scooter Expenses	656,151	726,212
Postage and Telephone	462,045	616,634
Travelling and Conveyance	252,836	295,541
Printing and Stationery	228,586	329,576
Auditors' Remuneration	154,102	160,753
Repairs and Maintenance - others	220,337	264,798
Sundry Balances Written Off	13,912	-
Insurance	336,742	351,504
Other Expenses	667,005	536,626
	<b>15,820,496</b>	<b>11,647,744</b>
<b>Details of Managerial Remuneration:</b>		
<b>a. Remuneration to Directors</b>		
Salary	1,639,736	1,644,000
Contri. to PF & Other Funds	321,944	471,280
Other Perquisites	-	39,805
	<b>1,961,680</b>	<b>2,155,085</b>
<b>b. Remuneration to Key Management Perosonnel (part of the year)</b>		
Salary	121,964	-
Contri. to PF & Other Funds	12,536	-
Other Perquisites	-	-
	<b>134,500</b>	-
<b>Auditors' Remuneration consist of: (excluding service tax)</b>		
for Statutory Audit Fees	63,750	63,750
for Tax Audit fees	18,000	18,000
for Certification Services	72,352	79,003
	<b>154,102</b>	<b>160,753</b>

**Note 2.20: Remittance in foreign currencies:**

For dividends:

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. Particulars of dividends paid to non-resident shareholders on shares held on repatriation basis during the year 2013-2014 are as under:

	2014-2015	2013-2014
(i) Number of non-resident shareholders	6	5
(ii) Number of Ordinary shares held by them	3,14,650	3,12,750
(iii) Amount of dividends	Rs.314,650	Rs.156,375
(iv) Year to which dividend relates	2013-14	2012-13

Expenditure in Foreign Currency:

Particulars	2014-2015	2013-2014
	Nil	Nil

**Note 2.21: Segment Information for the year ended 31<sup>st</sup> March, 2015:**

(a) Information about primary business segments

Particulars	31st March 2015				31st March 2014			
	Broking Services	Proprietary Trading	Unallocated	Total	Broking Services	Proprietary Trading	Unallocated	Total
	(Rs.lakhs)	(Rs.lakhs)	(Rs.lakhs)	(Rs.lakhs)	(Rs.lakhs)	(Rs.lakhs)	(Rs.lakhs)	(Rs.lakhs)
Segment Revenue								
Income from external customers	256.40	2.63	92.83	351.86	178.48	(5.05)	96.52	269.95
Income from inter segments	-	-	-	-	-	-	-	-
Total Revenue	256.40	2.63	92.83	351.86	178.48	(5.05)	96.52	269.95
Segment result	119.44	2.63	(68.82)	53.25	86.17	(5.05)	(66.55)	17.18
Less : Income tax (including deferred tax)	-	-	-	(15.67)	-	-	(4.12)	(4.12)
Net Profit			37.58					13.05
Other Information								
Carrying amount of segment assets	554.37	5.67	1216.52	1776.56	297.11	2.80	1223.43	1523.34
Carrying amount of segment liabilities	439.54-	82.25	521.79	198.12	-	68.72		266.84
Cost to acquire tangible fixed assets	-	-	-	2.17	-	-	-	1.05
Depreciation	-	-	-	6.28	-	-	-	5.97

(b) Notes:

- (i) Unallocated expenses comprise of staff cost, depreciation & general administrative expenses provided at an enterprise level.
- (ii) Segment assets comprise of stock-in-trade, deposits with NSE and client accounts. Unallocated assets mainly comprise of fixed assets, investments and advances. Segment liabilities comprise of client accounts. Unallocated liabilities mainly include outstanding expenses, retirement benefits, statutory liabilities and loans.

**Note 2.22:**

The Company is a Minority Shareholder of Innovative B2B Logistics Solutions Limited (herein after referred to as B2B). The shares of B2B held by the Company was transferred to IL & FS Trust Company Limited - Trustee to the Innovative B2B Logistics Minority Shareholders Trust formed for the benefit and to protect the interest of the Minority Shareholders of B2B. In the event, if the new promoters namely India Value Fund (IVF) of B2B decides to exit by selling their stakes to other party/parties in future, all Minority Shareholders (Beneficial Owners of the Trust) shall get 50% of certain excess returns earned by IVF on sale of shares of B2B as one of the conditions agreed between B2B & Trustee. The necessary declaration for beneficial ownership in Form No II U/s 187(C) (2) of the Companies Act, 1956 has been filed by us with the company declaring the beneficial interest in the shares.

**Note 2.23:**

The Company is in possession of property at Kangra Mitra Mandal Co-op. Housing Society Ltd., at Worli Naka as tenant. However, the owner of the property has filed a suit against the Company demanding the property maintenance dues and market rent of the property / possession of the property. Being defendant, as directed by the Court, the Company has deposited the amount of Rs.4,44,821/- with the Court under protest pending disposal of the suit. With the legal recourse available to tenant, the Company expects to succeed the case.

**Note 2.24: Related Party Transactions:**

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

List of Related Parties and Relationships

Person/companies having significant influence over the Company	Mr.Narendra H.Advani Bhagwanti Exports Pvt. Ltd Hira Advani Holdings Pvt. Ltd. Neelgagan Investments Pvt. Ltd. Bhagwanti Tex Overseas Pvt Ltd
Key Management Personnel and also person having significant influence over the company	Mr. Anil Sugno Manghnani Mr. Radhakrishna Shenvi (part of the year)
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) Mrs. Roshan Advani Patheria-(sister) Ms. Ranjana H. Advani-(sister) Ms. Sheela R. Shenvi-(spouse) Mr. Shamu N. Shenvi-(brother) Mr. Ramachandra N. Shenvi-(brother) Ms. Tanushree Shenvi-(daughter) Ms. Vidya Shenvi-(brother's wife) Ms. Suchita Shenvi-(brother's wife) Ms. Aarti Ramchandra Shenvi-(brother's wife)

Transactions during the year with related parties:

	Person/companies having significant influence over the company		Key Management Personnel		Relatives of Key Management Personnel and Persons having significant influence over the company	
	2014-15 (Rs.lakhs)	2013-14 (Rs.lakhs)	2014-15 (Rs.lakhs)	2014-15 (Rs.lakhs)	2014-15 (Rs.lakhs)	2014-15 (Rs.lakhs)
<b>Rent paid:</b>						
Bhagwanti Exports Pvt. Ltd.	3.00	3.00	-	-	-	-
<b>Salary &amp; Perquisites :</b>						
Mr. Anil Manghnani	-	-	10.71	10.32	-	-
Mrs. Lavina Manghnani	-	-	-	-	3.87	3.71
Mr. Radhakrishna Shenvi (part of the year)	-	-	8.91	11.23	-	-
<b>Professional Fees Paid :</b>						
Vidya Shenvi	-	-	-	-	6.97	2.04
<b>Sitting Fees</b>	0.08	0.17	-	-	0.42	0.25
<b>Brokerage Earned:</b>						
Mr. Anil S Manghnani	-	-	0.40	0.24	-	-
Ms. Lavina Manghnani	-	-	-	-	0.42	-
Mr. Praveen Manghnani	-	-	-	-	0.85	0.11
Mr. Radhakrishna Shenvi	-	-	0.12	0.16	-	-
Mrs. Roshan H. Advani	-	-	-	-	-	0.01
Mr. Ramchandra Shenvi	-	-	-	-	-	0.44
Ms. Aarti Ramchandra Shenvi	-	-	-	-	0.09	0.10
Bhagwanti Tex Overseas Pvt Ltd.	0.01	-	-	-	-	-
Hira Advani Holdings Pvt Ltd.	0.09	-	-	-	-	-
<b>Closing Balances :</b>						
Mr. Anil S Manghnani	-	-	-	(3.20)	-	-
Ms. Lavina Manghnani	-	-	-	-	-	(4.52)
Mr. Praveen Manghnani	-	-	-	-	(4.35)	-
Ms. Suchita Shenvi	-	-	-	-	-	(0.41)

**Note 2.25:** Previous year figures have been re-grouped and re-arranged wherever necessary.

**Signatures to Note "1" to "2.25"**

For and on behalf of the Board of Directors

Mr. U K Mallik	(Chairman)	DIN: 00012099
Mr. Anil S Manghnani	(Whole-time Director)	DIN: 00012806
Mr. Narendra H Advani	(Director)	DIN: 03351909
Mrs. Roshan Advani Patheria	(Director)	DIN: 00651144
Mr. Ghansham Shewakramani	(Director)	DIN: 00413343
Mr. Ashok T. Kukreja	(Director)	DIN: 00463526
Mr. R N Shenvi	(Chief Financial Officer)	

Place : Mumbai  
Date : May 29, 2015

**MODERN SHARES AND STOCKBROKERS LIMITED**

CIN: L45200MH1939PLC002958

Registered office: Wankhede Stadium, North Stand, Staircase No. 13, D' Road, Churchgate, Mumbai - 400020.  
TEL : 42122400/40 (F) 42122441 EMAIL: modernshare@hotmail.com

**Form No. MGT-11**

**Proxy form**

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

Name of the member (s) : .....  
Registered Address : .....  
E-mail Id: .....  
Folio No/ Client Id: .....  
DP ID: .....

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

1. Name : .....  
Address : .....  
Email ID : .....  
Signature: ....., or failing him/her

2. Name : .....  
Address : .....  
Email ID : ..... Signature: .....

3. Name : .....  
Address : .....  
Email ID : ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 76th Annual general meeting of the company, to be held on the 4th day of August, 2015 at 11.15 a.m at Kilachand Hall, Indian Merchant Chambers, 2nd Floor, Opp. Churchgate Station, Churchgate, Mumbai-400020 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Item Ordinary Resolutions:**

No

- 1 Adoption of audited financial statements of the Company for the year ended March 31, 2015 and the Reports of the Board of Directors and the Auditors thereon.
- 2 Declaration of Dividend
- 3 Re-appointment of Mr. Ghansham Shewakramani as a Director of the Company
4. Re-appointment of Mr. Narendra Hira Advani as a Director of the Company
5. Ratification of re-appointment of Statutory Auditors of the Company.

**Special Resolution**

6. Adoption of New Set of Articles of Association.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2015

Affix  
Revenue  
Stamp

Signature of Proxy holder(s)

Signature of shareholder

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

U. C. P.  
BOOK - POST

If undelivered please return to :

**Modern Shares And Stockbrokers Limited**

**Registered Office :**

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