

*Creating  
wealth  
through  
Equity*

Modern  
Shares *And*  
Stockbrokers  
Limited

ANNUAL REPORT & ACCOUNTS  
2013 - 2014

**Board of Directors :**

**Mr. Anil S. Manghnani (DIN No. 00012806)** - Chairman & Whole Time Director

**Mr. U. K. Mallik (DIN No. 00012099)**

**Mr. G. Shewakramani (DIN No. 00413343)**

**Mr. Monish G. Shewakramani (DIN No. 00413477)**

**Mrs. Roshan Advani Patheria (DIN No. 00651144)**

**Mr. Narendra Hira Advani (DIN No. 03351909)**

**Mr. Radhakrishna N Shenvi (DIN No. 01005410)** - Executive Director

Directors

**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.

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

## NOTICE

NOTICE is hereby given that the **Seventy Fifth** Annual General Meeting of the Members of Modern Shares and Stockbrokers Limited will be held at Kilachand Hall, Indian Merchant Chambers, 2nd Floor, Opp. Churchgate Station, Churchgate, Mumbai-400020, on Thursday, September 25, 2014 at 11.45 a.m. to transact the following business:

### A. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares of the company for the year ended March 31, 2014.
3. To appoint a Director in place of Mrs. Roshan Patheria (DIN No.00651144) who retires by rotation and, being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Monish Shewakramani, (DIN No. 00413477) who retires by rotation and, being eligible, offers himself for re-appointment.
5. Appointment of Auditors

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

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, (including any statutory modification (s) or re-enactment thereof for the time being in force), the retiring Auditors, M/s. Bhandari Dastur Gupta & Associates, Chartered Accountants, (Firm Registration No. 119739W) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 78<sup>th</sup> AGM to be held in the year 2017 (subject to ratification of their appointment by the members at every Annual General Meeting) at a remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### B. SPECIAL BUSINESS:

6. To re-appoint Anil Sugno Manghnani (DIN No. 00012806) as Whole Time Director of the Company.

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

“**RESOLVED THAT** subject to the provisions of Sections 196,197,203 and any other applicable provisions of the Companies Act, 2013 and the rules made there-under(including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and subject to the approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Anil Sugno Manghnani (DIN No. 00012806) as whole-time director of the Company with effect from July 1, 2014 for a period of five years on the following terms and conditions.’

1. **Salary** : Rs. 67,000/- per month

2. **Perquisites :**

- (a) All perquisites, the amount of which shall in aggregate not exceed one- month salary in every year.
- (b) Provident Fund, Superannuation, Leave Encashment and Gratuity as specified at Section IV(1) of Part II of Schedule V of the Act shall not be included in the computation of the ceiling on the remuneration specified in section II & Section III of part II of Schedule V of the Act..
- (c) **Medical Facility :** For Self and family in accordance with the Company's policy but subject to a ceiling of one month's salary for every year and aggregate of three months' salary in a block of three years
- (d) **Leave Travel Concession:** For Self and family once a year, payable in accordance with the rules of the Company.
- (e) **Car:** Provision for car for use on Company business. Use of car for private purposes shall be billed by the Company.
- (f) **Telephone:** Telephone at residence, personal long distance calls shall be billed by the Company.

3. **Commission :** at 2% of the net profits of the Company as calculated and prescribed by the Act.

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

'**RESOLVED FURTHER THAT** the Board be and is hereby authorized to add, amend, later, modify such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V of the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors.

Mumbai, dated 7<sup>th</sup> July, 2014

By Order of the Board of Directors

*Registered Office:*

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

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

**NOTES :**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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.** Pursuant to the provisions of Section 105 of the Companies Act, 2013 a proxy shall not be entitled to vote except on a poll. Further a proxy shall not have any right to speak at the Meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a 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.
3. Members/proxies are requested to bring duly filled attendance slips and ballot form sent herewith to attend the meeting.
4. The details of Director seeking appointment/re-appointment at this Annual General Meeting, as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed hereto.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from **Thursday 18th September 2014 to Thursday 25th September 2014** (both days inclusive).
6. Members are requested 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- 400 078. Members holding the shares in electronic mode should address all the correspondence to their respective Depository Participants (DPs).
7. In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members holding shares in single and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from website of the Company's Registrar and Transfer Agent.
9. Pursuant to Section 101 and Section 136 of the Companies Act 2013 read with Rules made thereunder. Copies of Annual Report 2014, Notice of 75<sup>th</sup> AGM and instructions for e-voting alongwith 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 a hard copy of the same. For members who have not registered their email addresses, physical copies of Annual Report 2014 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.
10. Pursuant to the provisions of Section 125 of the Companies Act, 2013, (Section 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.

Those members who have so far not encashed their Final Dividend for the years March 31, 2007, March 31, 2008, March 31, 2009, March 31, 2010, March 31, 2011, March 31, 2012 and March 31, 2013 are requested to approach the Registrars and Share Transfer Agents of the Company for payment.

Pursuant to provisions of the Companies Act, 2013, final dividend for the financial year ended March 31, 2007 and dividends declared thereafter, which remain unclaimed for a period of seven years will 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).

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
2006-07	28-Sep-07	27-Sep-14	27-Oct-14
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

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 July 19, 2013 (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.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agents of the Company.
12. All documents referred to in this Notice are open for inspection at the Registered Office of the Company 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.
13. 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.
14. 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.
15. In compliance with provisions of Section 108 of the Companies Act, 2013 read with the Rules made thereunder 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. A physical ballot form is also being sent to the members alongwith the Annual Report. The Members, whose name appears in the Register of Members/List of Beneficial owners as on Wednesday September 17, 2014 ie the date prior to the commencement of book closure date are entitled

to vote on Resolutions set forth in the notice. Members have option to vote either through e-voting or through the ballot form. If a member has opted for e-voting, then he/she should not vote by physical ballot also and vice-versa. However, in case members cast their vote both via physical ballot and e-voting, then voting through electronic mode shall prevail and voting done by physical ballot shall be treated as invalid. For e-voting facility, the Company has entered into an agreement with the CDSL for facilitating e-voting.

The instructions for members for voting electronically are as under :

**A. In case a Member receives Notice of AGM through email (for members whose email addresses are registered with the Companies/Depositories)**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Select EVSN no that is 140725014 along with company Name i.e. Modern Shares And Stockbrokers Limited from drop down list and "SUBMIT"
- (iv) Now Enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN *	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b> .

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xviii) The Portal will remain open for voting from : **Thursday, September 18, 2014 (9.30a.m) till Saturday, September 20, 2014 (5.30p.m).**
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**B. In case a Member receives physical copy of Notice of AGM through email (for members whose email addresses are not registered with the Companies/Depositories).**

- (i) Initial password is provided in the enclosed Ballot Form: EVEN (e-voting Event Number), User ID and Password.

- (ii) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

**C. For members who wish to vote using Ballot Form:**

Pursuant to clause 35B of the Listing agreement with the Stock Exchanges, members may fill in the Ballot Form enclosed with the Notice and submit the same in a sealed envelope to the Scrutinizer, M/s. Anil Jani & Co Practicing Company Secretaries, C/o Link Intime India Pvt. Ltd , C-13 Pannalal Silk Mills Compound, L B S Marg, Mulund West, Mumbai- 400 078 so as to reach by 5.30 p.m on Saturday, September 20, 2014. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

**D. GENERAL INSTRUCTIONS**

- (i) The e-voting commences from 9.30 a.m on Thursday, September 18, 2014 and ends on 5.30p.m on Saturday, September 20, 2014. During this period, the members of the Company, holding shares either in physical form or in demat form, as on Wednesday, September 17, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (iii) In the event a member casts his vote through both the processes ie. E-voting and Ballot Form, the votes in the electronic system would be considered and Ballot form would be ignored.
- (iv) The Company has appointed M/s. Anil Jani & Co, Practicing Company Secretaries Mumbai as Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process), in a fair and transparent manner.
- (v) The Scrutinizer, shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (vi) Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer not later than Saturday, September 20, 2014 (5.30pm IST). Members have the option to request for physical copy of Ballot form 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) by mentioning their Folio/DPID and Client ID no.
- (vii) The results declared alongwith the Scrutinizer Report shall be placed on the Company's website of CDSL – [www.evotingindia.com](http://www.evotingindia.com), within two days of passing the resolution at the 75<sup>th</sup> Annual General Meeting of the Company and shall also be communicated to the Bombay Stock Exchange Limited.

Mumbai, dated 7<sup>th</sup> July, 2014

By Order of the Board of Directors

*Registered Office:*

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

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

## EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act 2013, the following explanatory statement sets out the material facts relating to Item No. 6 mentioned in the accompanying Notice Dated July 7, 2014.

The appointment of Mr. Anil Sugno Manghnani (DIN No. 00012806) was approved by the members in the annual general meeting of the company held on 24<sup>th</sup> September 2009 for a period of 5 years w.e.f 01-07-2009 the terms of appointment expires on 30-06-2014. However the Board of Directors deemed it fit to renew his appointment for a further period of 5 years w.e.f 01-07-2014.

The Company has received a notice in writing from the members of the Company under section 160 of the Companies Act, 1956 proposing the candidature of Mr. Anil Sugno Manghnani (DIN No. 00012806) for the office of the Whole Time Director. Mr. Anil Sugno Manghnani (DIN No. 00012806) is a qualified MBA (Finance) from Scranton, Pennsylvania, U.S.A and possesses ample experience of Finance and Stock broking of almost 18 years. The Board of Directors considers his appointment will be in the interest of the Company.

The remuneration payable and the other terms and conditions of his appointment are set out in the agreement proposed to be entered into by the Company and Mr. Anil Sugno Manghnani (DIN No. 00012806).

The draft agreement referred to above entered into between the Company and Mr. Anil Sugno Manghnani (DIN No. 00012806) is open for inspection by members at the Registered office of the Company on any working day between 11.00A.M. to 1.00 P.M. except on Saturdays.

None of the Directors of the Company other than Mr. Anil Sugno Manghnani (DIN No. 00012806) is concerned or interested in this resolution.

## ANNEXURE TO THE NOTICE

### Annexure to items no. 3, 4 of the Notice

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

Name of Directors	Mr. Anil S. Manghnani	Mrs. Roshan Patheria	Mr. Monish Shewakramani
DIN No.	00012806	00651144	00413477
Date of Birth	11-10-1971	21-03-1960	11-01-1974
Date of Appointment on Board	25-10-2000	31-01-2007	29-06-2007
Qualification	MBA (Finance) from Scranton, Pennsylvania, U.S.A	B Sc in Catering (1983) Management from U K	B.Com
Expertise in specific functional areas	He is the Chief Strategist and having about 18 yrs experience and brings to the table his Swing Trading expertise learnt from the professionals of SITM Institute, Australia.	She has a rich experience in HR department and related management service and serving on board since last several years	He has vast experience of financial and stratgic management and is serving the board of the company since last several years

List of Directorship held in other Companies	Bhagwanti Exports Pvt. Ltd ASM Agro Farms Pvt. Ltd	Indian Dreams Limited Ireland	Rosewood Resort & Club Pvt Ltd Supercoal Industries Pvt. Ltd Quality Construction Pvt. Ltd National Litho Works Pvt. Ltd Calicut Premises Pvt. Ltd Monish Financial Services Pvt. Ltd. Garden Health Resort & Hotel Pvt. LtdVirani Capital Services Pvt. Ltd Rohan Premises Pvt. Ltd Ras Estate Pvt. Ltd. Matheran Greenfield Hotel & Devl. Pvt. Ltd. Narwani Investments Pvt. Ltd.. Rangoli Hotels Pvt. Ltd. Brightland Hotels Pvt. Ltd. Rustom Business & Financial Ser. Pvt. Ltd. Billimoria Marbles & Stones Pvt. Ltd Rasayani Hotels Pvt. Ltd Lotus Exhibitors Pvt. Ltd Ritika Properties & Premises Pvt. Ltd Silver Caterers Pvt. Ltd Elite Cinemas Pvt. Ltd Surang Investments Pvt. Ltd
Membership of Committees in other Public Limited Companies (includes only Audit & Investor Grievance Committee)	NIL	NIL	NIL
No. of shares held in the Company as on March 31, 2014	455010	NIL	NIL

Mumbai, dated 7<sup>th</sup> July, 2014

By Order of the Board of Directors

*Registered Office:*

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

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

**DIRECTORS' REPORT**

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

Your Directors are pleased to present the **Seventy Fifth** Annual Report, together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March 2014.

<b>FINANCIAL RESULTS:</b>	<b>31/03/2014 Rupees</b>	<b>31/03/2013 Rupees</b>
GROSS PROFIT	<b>2,315,121</b>	7,237,165
Less: Depreciation	<b>(597,269)</b>	(817,840)
PROFIT / (LOSS) BEFORE TAXATION	<b>1,717,852</b>	6,419,325
PROVISION FOR TAXATION (net)	<b>(412,381)</b>	(2,049,504)
PROFIT / (LOSS) AFTER TAX	<b>1,305,471</b>	4,369,821
Add: Brought Forward Profit of Previous Year	<b>58,842,394</b>	57,879,200
AMOUNT AVAILABLE FOR APPROPRIATION	<b>60,147,865</b>	62,249,021
Less: Proposed Dividend	<b>2,931,125</b>	2,931,125
Provision for Corporate tax on dividend	<b>498,145</b>	475,502
Less: Transfer to General Revenue	<b>NIL</b>	NIL
Balance carried to Balance Sheet	<b>56,718,596</b>	58,842,394

**BUSINESS ACTIVITIES AND OPERATIONS:**

The Company's operations resulted in a gross profit of Rs.23.15 lacs against Rs. 72.37 lacs in the previous year. After providing for depreciation of Rs.5.97 lacs (previous year Rs. 8.18 lacs) and making net provision for taxation of Rs.4.12 lacs. (Previous year Rs 20.50 lacs) the Company has earned a net profit of Rs.13.06 lacs as against net profit of Rs. 43.70 lacs in the previous year.

It was another difficult year for the stock markets. For the first 11 months, the markets were driven by only a few stocks in the defensive sectors of Information Technology, FMCG and Pharmaceuticals. In fact, when the markets corrected in August last year, we witnessed many of the mid-cap and small cap stocks breaking their 2008-09 lows. However, from March this year we have seen a rebound and renewed hope and optimism in the markets.

The market is now in the midst of a good bull run with great expectations from the new government. Given that the new government has a clear majority, we expect that the new government will be able to pass more reforms that will overall benefit the economy and the stock markets. We feel that there will be focus on growth, job creation and infrastructure spending. There will be renewed focus on PSU companies and many will be revived that are struggling and thus we expect these stocks to do well too.

This fiscal year has started on a positive note for the company. We expect to do much better this year both in terms of revenue and profit growth. We continue to look at ways to reduce costs and we remain committed to our shareholders. We are optimistic that the markets will have a good year ahead and overall the outlook remains

positive for the next 6-8 quarters. There will be possible hurdles such as weak monsoon but we are hopeful that good and sound economic decisions will be taken by the government to bring down Inflation and Interest rates efforts to improve our performance going forward.

**DIVIDEND:**

Your Directors recommend a Dividend of 10% (previous year 10%) for the year ended 31<sup>st</sup> March 2014. The dividend will absorb Rs.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 September 29, 2014.

**DIRECTORS:**

Mr. Anil Sugno Manghnani (DIN No. 00012806) Whole Time Director whose reappointment is due for renewal and is hereby recommended by the Board of Directors for his re-appointment. The Company has received notices from a members under section 160 for the new Companies Act, 2013 proposing his candidature for the office of the Whole Time Director.

In accordance with the Articles of Association of the Company Mrs. Roshan Patheria (DIN No.00651144) and Mr. Monish Shewakramani (DIN No.00413477) retire by rotation and being eligible for re-appointment and have indicated their willingness to serve, if re-appointed.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to section 217(2AA) of the Companies Act, 1956, the Directors based on the representations received from the Management, confirms that

- (a) In the preparation of annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same
- (b) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March 2014 and of the profit of the Company for the year ended 31<sup>st</sup> March, 2014.
- (c) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis.

**SECRETARIAL COMPLIANCE CERTIFICATE:**

Since the paid-up capital of the company is less than 5 crores and the company does not have full time Company Secretary in employment a Secretarial Compliance Certificate u/s. 383A of the Companies Act. 1956 as amended from a practicing Company Secretary Mr. Janak Pandya PCA is annexed herewith as a part of Directors Report.

**FIXED ASSETS:**

The Fixed Assets of the Company as at the close of the year, stood at Rs.27.29 lacs (Previous year Rs. 33.12 lacs).

**DISCLOSURES:**

The particulars of the conservation of energy, technology and absorption, foreign exchange earning and outgo as required u/s.217 (1) (e) of the Companies Act, 1956 duly amended by the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, the same are not applicable to the Company. Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) (Amendments) Rules, 1975 as amended till date, is not given as none of the employees of the company exceeds the limit.

**AUDITORS:**

M/s. Bhandari Dastur Gupta & Associates Chartered Accountants retires at the close of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. A Certificate u/s. 139 (1) of the New Companies Act, 2013 to act as auditors if appointed has been obtained showing their eligibility to that effect that their appointment for a period of three years , if considered will be in order. Your Board of Directors recommends their appointment at the ensuing Annual General Meeting.

**APPRECIATION:**

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.

Mumbai, dated 30<sup>th</sup> May, 2014

By Order of the Board of Directors

**Registered Office:**

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

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

FORM  
(See Rule 3)

Compliance Certificate of **MODERN SHARES & STOCKBROKERS LIMITED**  
Registration CIN No. of the Company: **L45200MH1939PLC002958**  
Authorized Share Capital: **Rs. 6,00,00,000/-**  
Paid Up Share Capital: **Rs. 2,93,11,250/-**

To,  
The Members  
**MODERN SHARES & STOCKBROKERS LIMITED**  
Wankhede Stadium North Stand,  
L And M Wings, D Road,  
Mumbai -400020

I have examined the register, records, books and papers of **MODERN SHARES & STOCKBROKERS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31<sup>st</sup> March 2014** (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. the company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a public limited company Listed on Stock Exchange Mumbai has the minimum prescribed paid up capital and the restrictions relating to its maximum number of members, invitation to public to subscribe for its shares, debentures or deposit and acceptance of deposits from persons other than its members, directors or their relatives are not applicable. The Company's paid Up Capital is **Rs.2,93,11,250/-**.
4. The Board of Directors duly met **Four (4)** times respectively on **17/05/2013, 19/07/2013, 25/10/2013 & 31<sup>st</sup> January 2014** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company has closed its Register of Members during the financial year from **12<sup>th</sup> July 2013 to 19<sup>th</sup> July 2013** for the purpose of A.G.M & Dividend.
6. The Annual General Meeting for the financial year ended **31<sup>st</sup> March 2013** was held on **19<sup>th</sup> July, 2013** after giving due notice to the members of the company and resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. According to the information and explanation given to us, the company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. According to the information and explanation given to us, there were transactions during the year falling under the provisions of section 297 of the Act in respect of contracts specified in that section. **The Company has obtained necessary prior approval from Regional Director, Western Region for carrying out the transactions with related parties.**
10. The Company has made necessary entries in the Register maintained under section 301 of the Act.

11. There was remuneration drawn by the directors within the parameters of Schedule XIII and the company has also obtained necessary approvals from the board of directors pursuant to limit prescribed under section 314 of the Act and approval from members accordingly. The approvals from Central Government were not required.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) There was no allotment of securities during the financial year. The company has delivered all the certificates on lodgment thereof for transfer after duly transferred in accordance with the provisions of the Act.  
(ii) The company has declared **10%** dividend during the year and as required, deposited Dividend money in a separate bank account during the financial year.  
(iii) The company had posted Dividend warrants to all members of the company during the financial year.  
(iv) The Company was required to transfer **Rs. 34,767/-** to Investor Education and Protection Fund (IEPF Fund) for the financial year ended **31/03/2006** and was transferred within the time limit prescribed U/s 205 C of the Act with the Investors & Education Protection Fund.  
(v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted during the financial year under scrutiny.
15. The Company has One Whole-time Director & one Executive Director on the Board.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares/debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance, the rights to dividend, rights shares and bonus shares pending registration of transfer of shares during the financial year.
23. the company has not invited/accepted any deposits with in the provisions of sections 58A of the Act, 1956 during the financial year.
24. The Company has no secured loan outstanding during the financial year under scrutiny.
25. The company has made investments during the financial year in compliance with the provisions of the Act.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of Memorandum with respect to the objects of the Company during the year under scrutiny and complied with the provisions of the Act.
28. The Company has not altered the provisions of Memorandum with respect to name of the Company during the year under scrutiny and complied with the provisions of the Act.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny and complied with the provisions of the Act.
30. The Company has not altered provisions of the Articles of Association of the Company during the financial year.

31. There were no prosecutions initiated against or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. According to explanation and information given, I am of the opinion that the provisions relating to the Provident Fund are applicable to the company and company has opted for Government EPF and hence section 418 is not applicable to the company.

**FOR JANAK A. PANDYA**  
COMPANY SECRETARIES

Place : Mumbai  
Date : 30/05/2014

Sd/-  
**CS. JANAK A. PANDYA**  
(C.P. NO: 5940)

### Annexure A

#### MODERN SHARES & STOCKBROKERS LIMITED.

Registers as maintained by the Company

- |                                       |                                   |
|---------------------------------------|-----------------------------------|
| 1. REGISTER OF APPL & ALLOT           | u/s 75 OF THE CO'S ACT, 1956      |
| 2. REGISTER OF MEMBERS                | u/s 150 OF THE CO'S ACT, 1956     |
| 3. REGISTER OF TRANSFERS              | u/s 108 OF THE CO'S ACT, 1956     |
| 4. REGISTER OF DIRECTORS              | u/s 303 OF THE CO'S ACT, 1956     |
| 5. REGISTER OF DIR'S S/HOLDINGS       | u/s 307 OF THE CO'S ACT, 1956     |
| 6. REGISTER OF CHARGES                | u/s 143 OF THE CO'S ACT, 1956     |
| 7. REGISTER OF CONTRACTS              | u/s 301 OF THE CO'S ACT, 1956     |
| 8. DISCLOSURES OF INTEREST            | u/s 301 (3) OF THE CO'S ACT, 1956 |
| 9. REGISTER OF B/ SHEET SIGNED        | u/s 220 OF THE CO'S ACT, 1956     |
| 10. REGISTER OF A.G.M/E.G.M. DATE     | u/s 166/169 OF THE CO'S ACT, 1956 |
| 11. REGISTER OF BOARD MEETING MINUTES | u/s 193 OF THE CO'S ACT, 1956     |
| 12. REGISTER OF A.G.M.\E.G.M MINUTES  | u/s 193 OF THE CO,S ACT,1956.     |

### Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on **31<sup>st</sup> March, 2014**.

Sr. No	Forms Filed with ROC under Co's Act 1956	Under Section of the Co's Act 1956	Roc Challan/ Receipt Number	Date of Filing of Forms with ROC	Whether Additional Fees paid Yes/No.
1.	23B	224(1A)	S21640842	25/07/2013	No
2.	20B	159	Q09836842	02/08/2013	No
3.	23AC & 23ACA(XBRL)	220	Q11361789	18/09/2013	Yes
4.	66	383A	Q09677774	24/07/2013	No
5.	1INV (unclaimed Dividend)	205C	B88760566	11/11/2013	No
6.	5 INV	IEPF Rules,2012	S21814157	13/08/2013	NA

**FOR JANAK A. PANDYA**  
COMPANY SECRETARIES

Place : Mumbai  
Date : 30/05/2014

Sd/-  
**CS. JANAK A. PANDYA**  
(C.P. NO: 5940)

### Auditor's Report

We have audited the attached Balance Sheet of M/s **Modern Shares & Stockbrokers Limited** as at March 31, 2014 and the Profit and Loss Account for the year ended on that date annexed thereto and we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of this certificate.
- b) In our opinion, proper books of account and records as specified in Rule 15 of the Securities Contracts (Regulation) Rules, 1957 have been kept so far as appears from our examination of such books.
- c) The member has complied with the requirements of the Exchange, so far as they relate to maintenance of accounts and was regular in submitting the required accounting information to the Exchange.
- d) The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of accounts.
- e) In our opinion and to the best of our information, and based on the audited accounts produced to us, the said Balance Sheet and the Profit & Loss Account read together with the notes thereon give a true and fair view insofar as it relates to the Balance Sheet, of the state of affairs of M/s Modern Shares & Stockbrokers Limited and in so far as it relates to the Profit and Loss Account, of the Profit of M/s Modern Shares & Stockbrokers Limited for the year ended on that date.

**For Bhandari Dastur Gupta & Associates**  
Chartered Accountants  
FRN: 119 739W

**Sd/-**  
**Sunil Bhandari**  
Partner  
Membership Number: 047981

Mumbai, 2<sup>nd</sup> June 2014

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MODERN SHARES & STOCK BROKERS LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **Modern Shares & Stock Brokers Limited** ("the Company") which comprise the balance sheet as at March 31, 2014 and the statement of Profit and loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation 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 Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, of the state of affairs of the Company as at 31 March 2014;
- (b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

**Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
  - (e) on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Bhandari Dastur Gupta & Associates**

Chartered Accountants  
FRN: 119 739W

Sd/-

**Sunil Bhandari**

Partner

Membership Number: 047981

**Date : 2<sup>nd</sup> June 2014**  
**Place : Mumbai**

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF MODERN SHARES & STOCKBROKERS LIMITED**

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its 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 explanations given to us no material discrepancies were noticed on such verification.
- c) The Company has not disposed off substantial parts of its fixed assets.
- ii. The Company is a service Company. Accordingly, it does not hold any physical inventories and, accordingly, paragraphs 4 (ii) of the Order is not applicable
- iii. a) 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 301 of the Act and, accordingly, paragraphs 4 (iii) (b), (c) (d), (f) and (g) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system 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.
- v. (a) Based on our audit procedures and according to the information and explanations provided to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs. 5 Lac with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits as defined under section 58A and 58 AA of the Companies Act, 1956 and the Rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. In respect of the activities of the Company, maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956.
- ix. (a) On the basis of our examination of books of accounts and according to the information and explanation provided to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth Tax, Service Tax, professional tax and other applicable statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, there are no undisputed liabilities of Income-tax, Sales-tax, Wealth Tax, Service Tax, professional tax and Investor Education and Protection Fund were outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs duty, which have not been deposited on account of any disputes.

- x. The Company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year under audit and in the immediately preceding financial year.
- xi. In our opinion and according to the 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.
- xii. According to records of the Company and according to the information and explanation provided to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and, accordingly, paragraph 4 (xii) of the Order is not applicable to the Company.
- xiii. The Company is not a chit fund or a nidhi / mutual benefit fund / society and, accordingly, the paragraph 4(xiii) of the Order is not applicable to the Company.
- xiv. Based on our audit procedures and according to the information and explanation provided to us, we are of the opinion that the Company has maintained proper records of the transactions and contracts in respect of dealing and trading in shares, derivatives, securities, debentures and other investments during the year.
- xv. According to information and explanations provided to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions and, accordingly, paragraph 4(xv) of the Order is not applicable to the Company.
- xvi. According to the records of the Company and according to the information and explanations given to us, no term loan is availed by the Company during the year and, accordingly, paragraph 4 (xvi) of the Order is not applicable to the Company.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for the purpose of long term investments.
- xviii. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act and, accordingly, paragraph 4 (xviii) of the Order is not applicable to the Company.
- xix. There are no debentures issued by the Company and, accordingly, paragraph 4 (xix) of the Order is not applicable to the Company.
- xx. The Company has not raised any money by public issue, and accordingly paragraph 4(xx) of the Order is not applicable to the Company.
- xxi. 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 have we been informed of such by the Management.

**For Bhandari Dastur Gupta & Associates**  
Chartered Accountants  
FRN: 119 739W

Sd/-  
**Sunil Bhandari**  
Partner  
Membership Number: 047981

**Date : 2<sup>nd</sup> June 2014**  
**Place : Mumbai**

**BALANCE SHEET AS AT MARCH 31, 2014**

Particulars	Note No.	As at March 31, 2014 (Amount in Rs.)	As at March 31, 2013 (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	96,339,250	98,463,049
<b>2 Current Liabilities</b>			
a Trade Payables	2.3	19,811,717	8,398,275
b Other Current Liabilities	2.4	1,576,695	1,972,155
c Short-term Provisions	2.5	5,294,797	4,889,673
<b>Total</b>		<b><u>152,333,710</u></b>	<b><u>143,034,402</u></b>
<b>II ASSETS</b>			
<b>1 Non-current Assets</b>			
a Fixed assets			
i. Tangible Assets	2.7	2,714,818	3,257,793
ii. Intangible Assets	2.7	14,170	54,120
b Non-current investments	2.8a	6,459,400	11,971,800
c Deferred-tax Assets (net)	2.9	348,228	210,609
d Long-term Loans and Advances	2.10	8,716,996	8,943,996
<b>2 Current Assets</b>			
a Inventories	2.11	280,150	289,900
b Current Investments	2.8b	5,699,900	7,142,097
c Trade Receivables	2.12	6,228,623	2,463,212
d Cash and Cash Equivalents	2.13	118,374,772	106,797,011
e Short-term Loans and Advances	2.14	3,496,653	1,903,865
<b>Total</b>		<b><u>152,333,710</u></b>	<b><u>143,034,402</u></b>

Significant Accounting Policies & Notes

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 : 02 June, 2014**

For and on behalf of the Board

**ANIL S. MANGHNANI** (Din No. 00012806)- Chairman & Whole Time Director

**U. K. Mallik** (Din No.00012099)

**MONISH SHEWAKRAMANI** (Din No. 00413477)

**ROSHAN A.PATHERIA** (Din No. 00651144)

**RADHAKRISHNA N SHENVI** (Din No. 01005410) - Executive Director

Directors

**Date : May 30, 2014**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014**

Particulars	Note No.	For the year ended March 31, 2014 (Amount in Rs.)	For the year ended March 31, 2013 (Amount in Rs.)
I Revenue from Operations	2.15	17,343,062	20,011,179
II Other Income	2.16	9,651,695	10,339,317
<b>III Total Revenue (I + II)</b>		<b>26,994,757</b>	<b>30,350,496</b>
<b>IV Expenses:</b>			
Operating Expenses	2.17	1,555,953	1,726,144
Employee Benefit Expenses	2.18	11,344,467	10,381,267
Administrative and Other Expenses	2.19	11,647,744	10,872,390
Financial Costs		131,471	133,531
Depreciation and Amortization Expenses	2.7	597,269	817,840
<b>Total Expenses</b>		<b>25,276,905</b>	<b>23,931,171</b>
V Profit before exceptional and extraordinary items and tax		<b>1,717,852</b>	<b>6,419,325</b>
VI Exceptional Items		-	-
VII Profit before extraordinary items and tax (V - VI)		<b>1,717,852</b>	<b>6,419,325</b>
VIII Extraordinary Items		-	-
IX Profit before tax (VII - VIII)		<b>1,717,852</b>	<b>6,419,325</b>
X Tax expense:			
1 Current tax		550,000	2,100,000
2 Deferred tax		(137,619)	(107,178)
3 Taxation of earlier years		-	56,682
		412,381	2,049,504
XI Profit(Loss) for the period from continuing operations		<b>1,305,471</b>	<b>4,369,821</b>
XII Profit/(Loss) from discontinuing operations		-	-
XIII Tax expense of discounting operations		-	-
XIV Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV Profit/(Loss) for the period (XI + XIV)		<b>1,305,471</b>	<b>4,369,821</b>
XVI Earning per equity share: Basic & Diluted		0.45	1.49
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	1 & 2		

As per our attached report of even date

For and on behalf of the Board

For **Bhandari Dastur Gupta & Associates**

Chartered Accountants

FRN No: 119739W

**Sunil Bhandari** -Partner

Membership No.047981

**Place : Mumbai**

**Date : 02 June, 2014**

**ANIL S. MANGHNANI** (Din No. 00012806)- Chairman & Whole Time Director

**U. K. Mallik** (Din No.00012099)

**MONISH SHEWAKRAMANI** (Din No. 00413477)

**ROSHAN A.PATHERIA** (Din No. 00651144)

**RADHAKRISHNA N SHENVI** (Din No. 01005410) - Executive Director

Directors

**Date : May 30, 2014**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

Particulars	For the year ended March 31, 2014 (Amount in Rs.)	For the year ended March 31, 2013 (Amount in Rs.)
<b>A Cash Flow from Operating Activities</b>		
(a) Profit from operating activities	1,717,852	6,419,325
Adjustments:		
Depreciation and amortization	597,269	817,840
(Gain)/Loss on sale of fixed assets	30,656	-
Interest Received	(8,894,726)	(9,851,974)
Dividend on Investments	(409,568)	(267,456)
(b) Working capital changes:		
Decrease / (Increase) in inventories	9,750	644,255
Decrease / (Increase) in trade receivables	(3,765,411)	2,848,382
Decrease / (Increase) in long-term loans and advances	227,000	-
Decrease / (Increase) in short-term loans and advances	(655,239)	1,032,820
Decrease / (Increase) in Long term liabilities	-	(300,000)
Decrease / (Increase) in trade payables	11,413,442	(8,187,806)
Increase / (Decrease) in other current liabilities	(395,460)	158,083
Increase / (Decrease) in provisions	382,481	28,880
(c) Direct taxes paid (Net of refunds)	(1,487,549)	(1,483,086)
Total of (A)	<u>(1,229,503)</u>	<u>(8,140,736)</u>
<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	(105,000)	(1,052,089)
(c) Decrease / (Increase) in Investments	6,954,597	(5,093,137)
(d) Interest received	8,894,726	9,851,974
(e) Dividend received	409,568	267,456
Total of (B)	<u>16,213,891</u>	<u>3,974,204</u>
<b>C Cash Flow from Financing Activities</b>		
(a) Dividends paid (including distribution tax)	(3,406,627)	(3,406,627)
Total of (C)	<u>(3,406,627)</u>	<u>(3,406,627)</u>
Net (decrease)/increase in cash and cash equivalents (A+B+C)	11,577,761	(7,573,159)
Add: Cash and cash equivalents at the beginning of the period	106,797,011	114,370,170
Cash and cash equivalents at the end of the period	118,374,772	106,797,011
<b>Breakup of Cash Equivalents</b>		
Cash	23,033	10,709
Balances in Bank in Current Accounts	18,181,816	12,611,302
Balances in Bank in Fixed Deposits	99,675,000	94,175,000
Cheques in Hand	494,924	-
	<u>118,374,772</u>	<u>106,797,011</u>

As per our attached report of even date

For and on behalf of the Board

For **Bhandari Dastur Gupta & Associates**

Chartered Accountants

FRN No: 119739W

**Sunil Bhandari** -Partner

Membership No.047981

Place : Mumbai

Date : 02 June, 2014

**ANIL S. MANGHNANI** (Din No. 00012806)- Chairman & Whole Time Director

**U. K. Mallik** (Din No.00012099)

**MONISH SHEWAKRAMANI** (Din No. 00413477)

**ROSHAN A.PATHERIA** (Din No. 00651144)

**RADHAKRISHNA N SHENVI** (Din No. 01005410) - Executive Director

Directors

Date : May 30, 2014

## NOTES OF ACCOUNT

### Note 1. Significant Accounting Policies:

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

- a. 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 the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013 (to the extent notified), the Companies Act 1956 (to the extent applicable) 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 conformity 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 their original cost less accumulated depreciation till date. Depreciation is being charged on written down value basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Assets costing individually Rs.5,000 or less are fully depreciated in the year of purchase.

#### 5. Intangible Assets:

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

#### 6. Impairment of Assets:

The carrying amount of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal or external factors. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**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:**

Current tax is determined as the amount of tax payable in respect of taxable income for the period computed in accordance with the relevant tax regulation. 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.

Particulars	As at March 31, 2014		As at March 31, 2013	
	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, 2014 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 Equity shares outstanding:**

Particulars	As at March 31, 2014		As at March 31, 2013	
	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, 2014		As at March 31, 2013	
	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 DIN No. 00012806)	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, 2014 (Amount in Rs.)	As at March 31, 2013 (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>22,590,639</b>	<b>22,590,639</b>
<b>d Surplus</b>		
Opening Balance	58,842,394	57,879,200
(+) Net Profit for the Current Year	1,305,471	4,369,821
(-) Proposed Dividends	(2,931,125)	(2,931,125)
(-) Corporate Dividend Tax	(498,145)	(475,502)
Closing Balance	<b>56,718,595</b>	<b>58,842,394</b>
	<b>96,339,250</b>	<b>98,463,049</b>
<b>Note 2.3: Trade payables</b>		
<b>a Trade payables</b>		
Sundry Creditors	19,811,717	8,398,275
	<b>19,811,717</b>	<b>8,398,275</b>
<b>Trade Payable stated above include due to:</b>		
Key Management Personnel	320,709	-
Relatives of Key Management Personnel	492,779	74,061
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>		
a Unclaimed dividends	306,862	279,676
b Other liabilities for expenses	941,708	1,075,178
c Mark-to-Market Margins	-	74,276
d Other sundry credits	-	242,092
e Outstanding statutory liabilities	328,125	300,934
	<b>1,576,695</b>	<b>1,972,155</b>

Particulars	As at March 31, 2014 (Amount in Rs.)	As at March 31, 2013 (Amount in Rs.)
<b>Note 2.5: Short Term Provisions</b>		
<b>a Provision for employee benefits</b>		
Leave Encashment	1,260,908	933,775
Bonus	604,619	549,271
<b>b Others</b>		
Proposed final dividend on equity shares	2,931,125	2,931,125
Tax on dividend	498,145	475,502
	<u><b>5,294,797</b></u>	<u><b>4,889,673</b></u>

**Note 2.6 Contingent liabilities**

- a Contingent liability on account of guarantees issued by Banks in favour of National Securities Clearing Corporation Limited Rs.100Lacs. (previous year Rs.100Lacs.)
- b Contingent liability on account of property at Worli Naka towards property maintenance dues and market rent of the property, Rs.3,62,626/- (previous year Rs.Nil.) (Also refer Note no. 2.23)

**Note 2.7: Details of Fixed Assets as on March 31, 2014**

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION /AMORTISATION				NET BLOCK	
	As at March, 31, 2013	Additions	Deductions	As at March, 31 2014	For the Year	Deduct- ions	As at March, 31 2014	As at March, 31 2013	As at March, 31 2014
<b>Tangible Assets</b>									
Leasehold Improvements	1,556,815	-	-	1,556,815	73,918	-	152,367	1,404,448	1,478,366
Airconditioner	572,388	21,000	-	593,388	16,149	-	491,540	101,848	96,997
Computer	6,307,490	84,000	-	6,391,490	207,963	-	6,048,425	343,066	467,029
Office Equipments	1,048,543	-	-	1,048,543	36,685	-	821,498	227,045	263,730
Motor Car	3,878,594	-	866,426	3,012,168	194,096	775,770	2,502,754	509,414	794,166
Office Furniture	557,080	-	-	557,080	28,508	-	428,084	128,996	157,504
<b>Intangible Assets</b>									
Computer Software	828,109	-	-	828,109	31,656	-	828,109	-	31,656
Trade Mark	58,000	-	-	58,000	8,294	-	43,830	14,170	22,464
<b>TOTAL</b>	<b>14,807,019</b>	<b>105,000</b>	<b>866,426</b>	<b>14,045,593</b>	<b>597,269</b>	<b>775,770</b>	<b>11,316,606</b>	<b>2,728,988</b>	<b>3,311,913</b>
<b>Previous year</b>	<b>13,754,930</b>	<b>1,052,089</b>	<b>-</b>	<b>14,807,019</b>	<b>817,840</b>	<b>-</b>	<b>11,495,107</b>	<b>3,311,913</b>	<b>3,077,664</b>

Particulars	Face Value	Qty.	As at March 31, 2014 (Amount in Rs.)	As at March 31, 2013 Qty. (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. (Out of the above 10000 shares, 5000 shares have been received as Bonus during the current year)	10	10000	1,250,000	5000 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 New India Co-op. Bank Ltd.	10	-	-	1250 12,500
c The Saraswat Co-op. Bank Ltd.	10	950	9,500	950 9,500
<b>Sub-total</b>			<b>5,009,500</b>	<b>5,022,000</b>
<b>C Un-Quoted Bonds:</b>				
a 6.00% Rural Electrification Corpn. Ltd. Capital Gain Tax Exemption Bonds Series V	10000	-	-	500 5,000,000
<b>Sub-total</b>			<b>-</b>	<b>5,000,000</b>
<b>D Mutual Funds</b>				
<b>Un-Quoted, non-trade: (at cost)</b>				
a Axis Capital Protection Oriented Fund S-1	10	-	-	49990 499,900
b Sahara Banking & Financial Services Fund (Dividend)	10	13441.37	199,900	13441.37 199,900
<b>Sub-total</b>			<b>199,900</b>	<b>699,800</b>
<b>TOTAL OF NON CURRENT INVESTMENTS (A)</b>			<b>6,459,400</b>	<b>11,971,800</b>
<b>Note 2.8b: Current Investments</b>				
<b>C Un-Quoted Bonds:</b>				
a 6.00% Rural Electrification Corpn. Ltd. Capital Gain Tax Exemption Bonds Series V	10000	500	5,000,000	- -
<b>Sub-total</b>			<b>5,000,000</b>	<b>-</b>
<b>D Mutual Funds</b>				
<b>Un-Quoted, non-trade: (at cost)</b>				
a Reliance Money Manager Fund (Daily Dividend.)	1000	0	-	2,079 2,082,150
b UTI Floating Rate Fund (Daily Dividend.)	1000	0	-	4,699 5,059,947
c Birla Sunlife Fixed Term Plan (30Days)	10	20000	200,000	- -
d Axis Capital Protection Oriented Fund S-1	10	49990	499,900	- -
<b>Sub-total</b>			<b>699,900</b>	<b>7,142,097</b>
<b>TOTAL OF CURRENT INVESTMENTS (A)</b>			<b>5,699,900</b>	<b>7,142,097</b>
<b>TOTAL OF INVESTMENTS (A+B)</b>			<b>12,159,300</b>	<b>19,113,897</b>
<b>Aggregate Value of Quoted Investments</b>				
Cost		1,250,000		1,250,000
Market Value		331,000		591,500
<b>Aggregate Value of Unquoted Investments</b>				
Cost		10,909,300		17,863,897

Particulars	As at March 31, 2014 (Amount in Rs.)	As at March 31, 2013 (Amount in Rs.)
<b>Note 2.9: Deferred Tax</b>		
The net deferred tax asset as at March 31, 2014, comprises of the following components:		
Deferred Tax Asset		
On timing difference of Assets	-	-
Provision for Leave Encashment	389,621	288,536
	<u>389,621</u>	<u>288,536</u>
Deferred Tax Liability		
On timing difference of Assets	41,393	77,927
Net Deferred Tax Asset / (Liability)	<u><b>348,228</b></u>	<u><b>210,609</b></u>
<b>Note 2.10: Long Term Loans and Advances</b>		
a Security Deposits		
Unsecured, considered good	8,716,996	8,943,996
	<u><b>8,716,996</b></u>	<u><b>8,943,996</b></u>
<b>Note 2.11: Inventory</b>		
a 13000 (P. Y. 13000) shares of Shree Renuka Sugars Ltd.	280,150	289,900
b 100 (P. Y. 100) shares of S M Dye Chem Ltd.	-	-
	<u><b>280,150</b></u>	<u><b>289,900</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	5,256,407	1,112,996
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	972,216	1,350,216
	<u><b>6,228,623</b></u>	<u><b>2,463,212</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, 2014 (Amount in Rs.)	As at March 31, 2013 (Amount in Rs.)
<b>Note 2.13: Cash and Cash Equivalents:</b>		
a Balances with Banks		
Current Account	17,874,954	12,331,626
FD towards margin money	55,675,000	66,675,000
FD against guarantees	5,000,000	5,000,000
FD against borrowings	39,000,000	10,000,000
Bank Deposits (more than 3 months, less than 12 months)	-	12,500,000
Unclaimed dividend	306,862	279,676
b Cheques, drafts on hand	494,924	-
c Cash on hand	23,033	10,709
	<b><u>118,374,772</u></b>	<b><u>106,797,011</u></b>
<b>Note 2.14: Short-term loans and advances</b>		
a <b>Loans and advances (others)</b>		
Unsecured, considered good		
Prepaid expenses	773,191	690,486
Loan to staff	645,100	600,100
Other Advances	430,656	91,974
Mutual Fund Application Money	200,000	-
Interest accrued	483,754	481,452
Mark-to-Market Margins:		
Equity Stock Option Premium A/c.	-	13,450
	<b><u>2,532,701</u></b>	<b><u>1,877,462</u></b>
b <b>Taxes</b>		
Advance tax & tax deducted at source (net of provisions)	963,952	26,404
	<b><u>963,952</u></b>	<b><u>26,404</u></b>
	<b><u>3,496,653</u></b>	<b><u>1,903,865</u></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, 2014 (Amount in Rs.)	For the Year ended March 31, 2013 (Amount in Rs.)
<b>Note 2.15: Operating Income</b>		
Brokerage, Commission & Advisory Fees	17,587,301	19,881,729
Profit on Trading		
Sales	600,730	2,477,758
Less: Cost of Sale		
Opening Stock	289,900	934,155
Add: Purchase of Shares	616,248	1,881,157
Less: Closing Stock	<u>280,150</u>	<u>289,900</u>
	625,998	2,525,412
Profit/(Loss) on Trading	(25,268)	(47,655)
Profit on Vandha	260,516	2,980
Profit on Trading - Derivatives	<u>(479,486)</u>	<u>174,125</u>
	<b><u>17,343,062</u></b>	<b><u>20,011,179</u></b>
<b>Note 2.16: Other Income</b>		
Interest Income	8,894,726	9,851,974
Dividend Income	409,568	267,456
Sundry Balances Written Back	347,400	9,887
Other non-operating Income	-	210,000
	<b><u>9,651,695</u></b>	<b><u>10,339,317</u></b>
<b>Note 2.17: Operating Expenses</b>		
Brokerage Paid	70,646	76,687
Stamp Duty	<u>1,485,307</u>	<u>1,649,457</u>
	<b><u>1,555,953</u></b>	<b><u>1,726,144</u></b>
<b>Note 2.18: Employee Benefit Expenses</b>		
a Salaries and Incentives	6,994,242	6,476,240
b Directors' Remuneration	2,155,085	1,980,625
c Contributions to -		
i. Provident Fund	755,407	696,508
ii. Superannuation Scheme	379,000	353,000
d Gratuity Fund Contributions	477,174	382,448
e Staff Welfare Expenses	583,559	492,446
	<b><u>11,344,467</u></b>	<b><u>10,381,267</u></b>

Particulars	For the Year ended March 31, 2014 (Amount in Rs.)	For the Year ended March 31, 2013 (Amount in Rs.)
<b>Note 2.19: Administrative and other Expenses</b>		
Rent, Rates & Taxes	477,598	419,818
Directors' Sitting Fees	125,478	98,062
Legal and Professional Fees	4,071,606	3,232,419
Software Expenses	1,786,315	1,709,722
Sales Promotion Expenses	1,192,683	1,118,644
Membership Fees & Subscription	363,452	436,192
Loss on Sale of Fixed Assets (Net)	30,656	-
Loss on Sale of Investments (Net)	-	216,858
Electricity Charges	318,312	343,009
Motor car and Scooter Expenses	726,212	711,301
Postage and Telephone	616,634	647,301
Travelling and Conveyance	295,541	247,451
Printing and Stationery	329,576	401,150
Auditors' Remuneration	160,753	161,504
Repairs and Maintenance - others	264,798	250,488
Insurance	351,504	358,890
Other Expenses	536,626	519,582
	<b>11,647,744</b>	<b>10,872,390</b>
<b>Details of Managerial Remuneration:</b>		
Salary	1,644,000	1,506,000
Contri. to PF & Other Funds	471,280	434,720
Other Perquisites	39,805	39,905
	<b>2,155,085</b>	<b>1,980,625</b>
<b>Auditors' Remuneration consist of: (excluding service tax)</b>		
for Statutory Audit Fees	85,000	85,000
for Tax Audit fees	24,000	24,000
for limited review	36,000	36,000
for Certification Services	15,753	16,504
	<b>160,753</b>	<b>161,504</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:

	2013-2014	2012-2013
(i) Number of non-resident shareholders	5	5
(ii) Number of Ordinary shares held by them	3,12,750	312,750
(iii) Amount of dividends	Rs.156,375	Rs.156,375
(iv) Year to which dividend relates	2012-13	2011-12

Expenditure in Foreign Currency:

Particulars	2013-2014	2012-2013
	Nil	Nil

**Note 2.21: Segment Information for the year ended 31<sup>st</sup> March, 2014:**

(a) Information about primary business segments

Particulars	31st March 2014				31st March 2013			
	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	178.48	(5.05)	96.52	269.95	198.85	1.26	103.39	303.50
Income from inter segments	-	-	-	-	-	-	-	-
Total Revenue	178.48	(5.05)	96.52	269.95	198.85	1.26	103.39	303.50
Segment result	86.17	(5.05)	(66.55)	17.18	116.62	1.26	(53.69)	64.19
Less : Income tax (including deferred tax)	-	-	(4.12)	(4.12)	-	-	(20.50)	(20.50)
Net Profit			13.05					43.69
Other Information								
Carrying amount of segment assets	297.11	2.80	1223.43	1523.34	185.79	2.90	1241.65	1430.35
Carrying amount of segment liabilities	198.12	-	68.72	232.54	83.98	-	68.63	152.61
Cost to acquire tangible fixed assets	-	-	-	1.05	-	-	-	10.52
Depreciation	-	-	-	5.97	-	-	-	8.18

(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.3,62,626/- 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 (DIN No. 00012806) Mr. Radhakrishna Shenvi (Din No. 01005410)
Relatives of Key Management personnel and persons having significant influence over the company	Mrs. Lavina Manghnani-(spouse) Mr. Praveen Manghnani-(brother) Mrs. Sarla H. Advani-(mother) Mrs. Shalini N. Advani-(spouse) Ms. Roshan H. Advani-(sister) Ms. Ranjana H. Advani-(sister) Mrs.Sheela R. Shenvi-(spouse) Mr. Shamu N. Shenvi-(brother) Mr. Ramachandra N. Shenvi-(brother) Ms. Tanushree Shenvi-(daughter) Ms. 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	
	2013-14 (Rs.lakhs)	2012-13 (Rs.lakhs)	2013-14 (Rs.lakhs)	2012-13 (Rs.lakhs)	2013-14 (Rs.lakhs)	2012-13 (Rs.lakhs)
<b>Rent paid:</b>						
Bhagwanti Exports Pvt. Ltd.	3.00	3.00	-	-	-	-
<b>Salary &amp; Perquisites :</b>						
Mr. Anil S.Manghnani	-	-	10.32	9.55	-	-
Mrs. Lavina Manghnani	-	-	-	-	3.71	3.55
Mr. Radhakrishna Shenvi (Din No. 01005410)	-	-	11.23	10.26	-	-
<b>Professional Fees Paid :</b>						
Vidya Shenvi	-	-	-	-	2.04	0.66
<b>Sitting Fees</b>	0.17	0.13	-	-	0.25	0.20
<b>Brokerage Earned:</b>						
Mr. Anil S. Manghnani	-	-	0.01	0.24	-	-
Mr. Radhakrishna Shenvi (Din No. 01005410)	-	-	0.16	0.05	-	-
Mrs. Lavina Manghnani	-	-	-	-	-	0.64
Mr. Praveen Manghnani	-	-	-	-	-	-
Mrs. Sarla H. Advani	-	-	-	-	-	-
Mr. Narendra H Advani	-	-	-	-	-	-
Ms. Roshan H. Advani	-	-	-	-	0.01	0.01
Ms. Ranjana H. Advani	-	-	-	-	-	-
Bhagwanti Exports Pvt Ltd.	-	-	-	-	-	-
Bhagwanti Tex Overseas Pvt Ltd.	-	-	-	-	-	-
Hira Advani Holdings Pvt Ltd.	-	-	-	-	-	-
Mr. Shamu Shenvi	-	-	-	-	-	-
Mr. Ramachandra Shenvi	-	-	-	-	0.44	1.50
Mrs. Sheela R. Shenvi	-	-	-	-	-	0.01
Ms. Tanushree Shenvi	-	-	-	-	-	-
Ms. Suchita Shenvi	-	-	-	-	-	-

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	
	2013-14 (Rs.lakhs)	2012-13 (Rs.lakhs)	2013-14 (Rs.lakhs)	2012-13 (Rs.lakhs)	2013-14 (Rs.lakhs)	2012-13 (Rs.lakhs)
<b>Closing Balances :</b>						
Mr. Anil S. Manghnani	-	-	(3.20)	-	-	-
Mr. Radhakrishna Shenvi (Din No. 01005410)	-	-	-	-	-	-
Mrs. Lavina Manghnani	-	-	-	-	(4.52)	-
Mr. Praveen Manghnani	-	-	-	-	-	(0.74)
Mrs. Sarla H. Advani	-	-	-	-	-	-
Mr. Narendra H Advani	-	-	-	-	-	-
Ms. Roshan H. Advani	-	-	-	-	-	-
Ms. Ranjana H. Advani	-	-	-	-	-	-
Bhagwanti Exports Pvt Ltd.	-	-	-	-	-	-
Bhagwanti Tex Overseas Pvt Ltd.	-	-	-	-	-	-
Hira Advani Holdings Pvt Ltd.	-	-	-	-	-	-
Mr. Shamu Shenvi	-	-	-	-	-	-
Mr. Ramachandra Shenvi	-	-	-	-	-	-
Mrs. Sheela R. Shenvi	-	-	-	-	-	-
Ms. Tanushree Shenvi	-	-	-	-	-	-
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

**ANIL S. MANGHNANI** (Din No. 00012806)- Chairman & Whole Time Director

**U. K. Mallik** (Din No.00012099)

**MONISH SHEWAKRAMANI** (Din No. 00413477)

**ROSHAN A.PATHERIA** (Din No. 00651144)

**RADHAKRISHNA N SHENVI** (Din No. 01005410) - Executive Director

Directors

**Date : May 30, 2014**

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**MODERN SHARES AND STOCKBROKERS LIMITED**

CIN : L45200MH1939PLC002958

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

**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]

CIN : L45200MH1939PLC002958

Name of the Company : **MODERN SHARES AND STOCKBROKERS LIMITED**

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

Name of the member : .....

Registered Address : .....

Email 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 : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 75th ANNUAL GENERAL MEETING  
of the Company, to be held on Thursday, September 25, 2014 at 11.30 a.m. at Killachand Hall, Indian Merchant  
Chambers, 2nd Floor, Churchgate, Mumbai - 400 020, and at any adjournment thereof in respect of such resolutions as  
are indicated below:

1 To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Profit and Loss Account for  
the year ended on that date together with the Reports of the Directors and Auditors thereon.

2 To declare dividend.

3 To appoint a Director in place of Mrs. Roshan Patheria (DIN No.00651144) who retires by rotation and, being  
eligible, offers herself for re-appointment.

4 To appoint a Director in place of Mr. Monish Shewakramani, (DIN No. 00413477) who retires by rotation and, being  
eligible, offers himself for re-appointment.

5 Appointment of Auditors

6 Re-appointment Mr. Anil Sugno Manghnani (DIN No. 00012806) as Whole Time Director of the Company

Signed this ..... day of..... 2014

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

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



**MODERN SHARES AND STOCKBROKERS LIMITED**

CIN : L45200MH1939PLC002958

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

**ATTENDANCE SLIP**

PLEASE FILL IN THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL Joint shareholder(s) may obtain additional Attendance Slip(s) at the venue of the meeting

*DP.Id		@Folio No.	
--------	--	------------	--

*Client.Id		No. of Share(s) held	
------------	--	----------------------	--

Name and address of the Shareholder

.....  
.....  
.....

I hereby record my presence at the 75th ANNUAL GENERAL MEETING of the members of **Modern Shares And Stockbrokers Limited** at Killachand Hall, Indian Merchant Chambers, 2nd Floor, Churchgate, Mumbai - 400 020, on Thursday, September 25, 2014 at 11.30 a.m. (IST)

.....  
Signature of the shareholder or Proxy

\* Applicable for members holding Shares in dematerialised form.  
@ Applicable for members holding Shares in Physical form.



## Modern Shares And Stockbrokers Limited

CIN : L45200MH1939PLC002958

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

Tel.: (022) 4212 2400 (10 Lines) | Fax : (022) 42122441

Email: [investorgrievance@modernshares.com](mailto:investorgrievance@modernshares.com) | Website : [www.modernshares.com](http://www.modernshares.com)

### Ballot Form

1. Name & Registered address of the Sole / First Named Member :
2. Name(s) of the Joint Shareholder(s), if any
3. Registered Folio No. / DP ID No. / Client ID No :\*  
\*Applicable to investors holding shares in dematerialized form)
4. Number of Equity Shares held

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of 75<sup>th</sup> Annual General Meeting of the Company to be held on September 25, 2014 by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below :

Item No.	Description	No. of Equity Shares	I/we assent to the resolution (FOR)	I/we dissent to the resolution (AGAINST)
	<b>Ordinary Business</b>			
1	To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.			
2	To declare dividend.			
3	To appoint a Director in place of Mrs. Roshan Patheria (DIN No.00651144) who retires by rotation and, being eligible, offers herself for re-appointment.			
4	To appoint a Director in place of Mr. Monish Shewakramani, (DIN No. 00413477) who retires by rotation and, being eligible, offers himself for re-appointment.			
5	Appointment of Auditors			
	<b>Special Business</b>			
6	Re-appointment Mr. Anil Sugno Manghnani (DIN No. 00012806) as Whole Time Director of the Company			

Place :

Date :

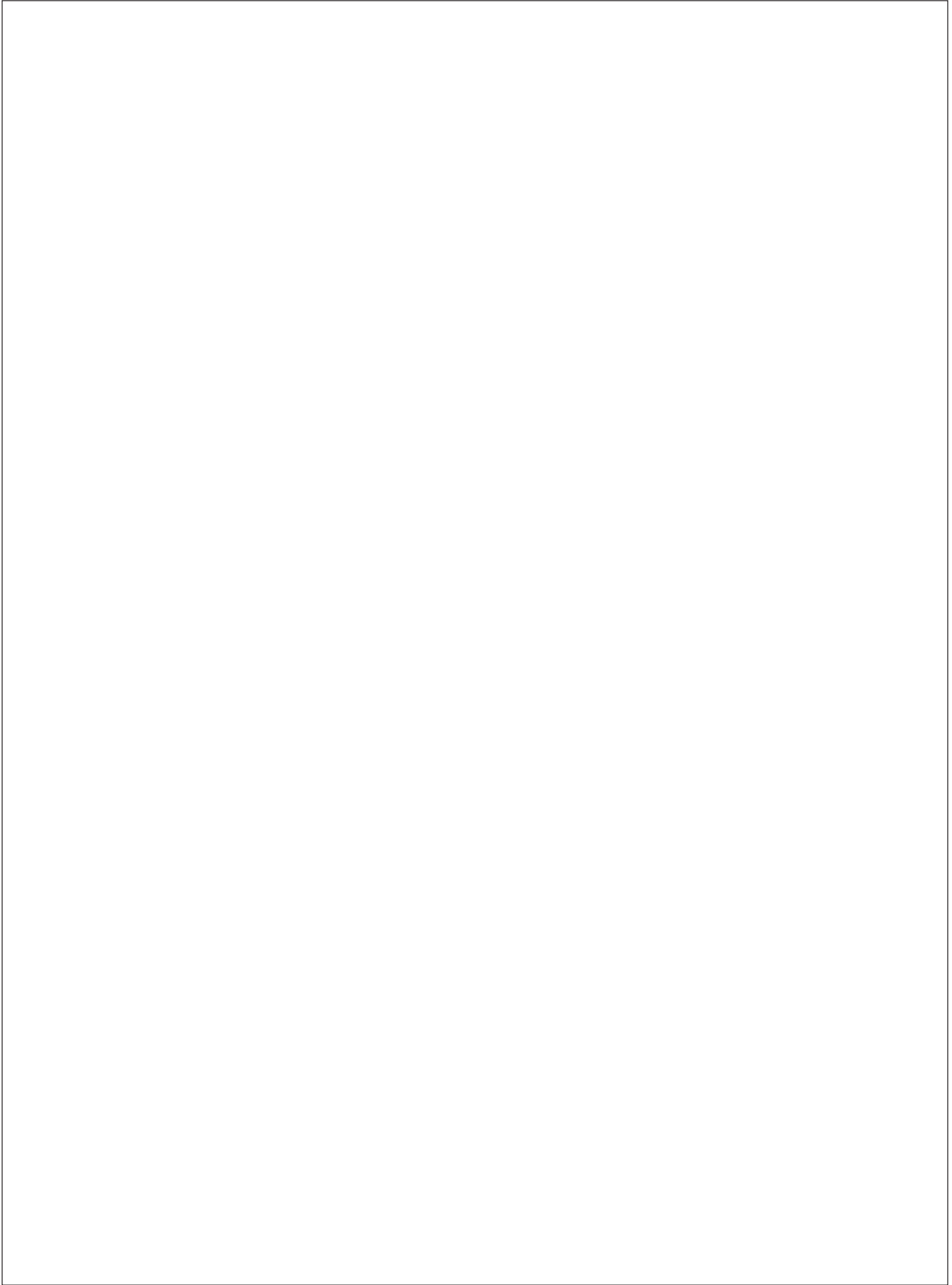
\_\_\_\_\_  
Signature of Shareholder

Note : Kindly read the instructions printed overleaf before filling the form. Valid Ballot Forms received by the Scrutinizer by 5.30 p.m. on September, 20, 2014 shall only be considered

.....  
Please follow steps for e-voting procedure as given in the Notice of AGM by logging on to

## INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutiniser, Anil Jani & Co., Company Secretaries, S/8 Sej Plaza 2nd Floor Near Nutan High School, Marve Road, Malad (W), Mumbai - 400 068 or to here mail id agjani@gmail.com, so as to reach latest by, 5.30 p.m. on September 20, 2014. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutiniser on the validity of the forms will be final.
4. In the event member casts his votes through both the processes i.e. e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/ demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the Registrar and Transfer Agent of the Company (i.e. Link Intime India Private Limited). Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio/DP ID/Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot Form signed by a joint holder shall be treated valid if signed as per records available with the companies Registrar and Transfer Agent and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an Authorised Representative of the Body Corporate/Trust/Society, etc. a certified copy of the relevant authorisation/Board Resolution to vote should accompany the Ballot Form.
10. Instructions for e-voting procedure are available in the Notice of Annual General Meeting and are also placed on the website of the Company, [www.modernshares.com](http://www.modernshares.com)



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.