

*Creating
wealth
through
Equity*

Modern
Shares And
Stockbrokers
Limited

ANNUAL REPORT & ACCOUNTS
2015 - 2016

Board of Directors

Mr. U. K. Mallik - (Din No. 00012099)
Chairperson & Non-executive Director (Independent)

Mr. Ghansham Shewakramani - (Din No. 00413343)
Non - executive Director

Mrs. Roshan Salim Patheria - (Din No. 00651144)
Non - executive Director

Mr. Narendra H Advani - (Din No. 03351909)
Non - executive Director

Mr. Ashok T Kukreja - (Din No. 00463526)
Non - executive Director (Independent)

Mr. Anil S. Manghnani - (Din No. 00012806)
Whole Time Director

CFO (KMP) & Compliance Officer

Mr. R. N. Shenvi

Auditors :

M/s. Bhandari Dastur Gupta & Associates
Chartered Accountants

Registered Office :

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

Registrar and Share Transfer Agent :

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

Bankers

Axis Bank Limited

Audit Committee

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

Nomination And Remuneration Committee

Mr. U. K. Mallik (Chairperson)
Mr. Ashok T Kukreja
Mrs. Roshan Salim Patheria

Stake Holder & Grievance Committee

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

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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 Seventh** Annual General Meeting of the members of **Modern Shares and Stockbrokers Limited (CIN: L45200MH1939PLC002958)** will be held at Kilachand Hall, Indian Merchant Chambers, 2nd Floor, Opp. Churchgate Station, Churchgate, Mumbai - 400020 on Tuesday, July 12, 2016 at 11.15 a.m. to transact the following Business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements and Cash Flow Statement of the Company for the financial year ended March 31, 2016 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mrs. Roshan Salim Patheria (DIN: 00651144), who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Ghansham Shewakramani (DIN: 00413343), who retires by rotation and is eligible for re-appointment.
5. To ratify the appointment of Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s)

or re-enactment(s) thereof for the time being in force), M/s. Bhandari Dastur Gupta & Associates, Chartered Accountants, Mumbai having Firm Registration No. 119739W, who have offered themselves for re-appointment and have confirmed their eligibility, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, their appointment be and is hereby ratified by the members of the Company and re-appointed as Statutory Auditors of the Company for the financial year 2016-2017 to hold office from the conclusion of this Annual General Meeting until the conclusion of the 78th Annual General Meeting of the Company to be held in the year 2017(subject to the ratification of their appointment by the members at every Annual General Meeting)on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imburement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.”

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

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

Mumbai, dated May 20, 2016

Registered Office:

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

Notes:

1. A statement giving the relevant details of the Directors seeking re-appointment under Item Nos. 3 and 4 of the accompanying Notice, as required by Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges is annexed herewith.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than forty-eight hours before the meeting.

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

3. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

4. Shareholders are requested to bring their copies of the Annual Report to the Annual General Meeting and are requested to sign at the place provided on the attendance slip and hand it over at the entrance to the venue of the Annual General Meeting.

5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

6. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the

Company on all working days of the Company (except Saturdays) between 11:00 a.m. and 1:00 p.m. upto the date of the ensuing Annual General Meeting.

7. The Register of Members and Share Transfer Books of the Company shall remain closed from **Tuesday July 5, 2016 to Tuesday July 12, 2016 (both days inclusive)**, for payment of final dividend, if declared at the Meeting.

8. Members are required to send all the communication relating to shares to Company's **Registrar and Transfer agents-Link Intime India Pvt Ltd, C-13 Pannalal Silk Mills Compound, L B S Marg, Mulund West, Mumbai-400078**. Members holding the shares in electronic mode should address all the correspondence to their respective Depository Participants (DPs).

9. After the declaration of the dividend at the Annual General Meeting, the same will be paid to those Members of the Company whose names stand on the Register of Members of the Company on July 4, 2016. The dividend in respect of shares held in dematerialized form in the Depository System will be paid to the beneficial owners of shares as on July 4, 2016, as per the list provided by the Depositories for this purpose. The dividend will be payable on and from July 18, 2016.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company or to the Registrar and Share Transfer Agents of the Company.

11. Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants. The nomination form can be downloaded from the Company's website www.modernshares.com.

12. Pursuant to provisions of Section 101 and Section 136 of the Companies Act, 2013, read with Rules made there under, copies of Annual Report 2016, Notice of 77th AGM and instruction for e- voting along with the attendance slip and Proxy Form are being sent through electronic mode to all members whose email address are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of Annual Report 2016 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 quoting their folio number and Name of the Company.
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. Pursuant to the provisions of Section 125 of the Companies Act, 2013, (yet to be notified) (205C of the erstwhile 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.
16. Those members who have so far not en-cashed their Final Dividend for the years March 31, 2009, March 31, 2010, March 31, 2011, March 31, 2012 March 31, 2013 March 31, 2014 and March 31 2015 are requested to approach the Registrars and Share Transfer Agents of the Company for payment.
17. The Company has transferred all dividend up to financial year ended March 31, 2008 remained unpaid/unclaimed for a period of seven years from the date it became first due for payment to the Investor Education and Protection Fund (IEPF) constituted by the Central Government and no claim shall lie against the IEPF or the Company in respect of individual amount(s) so credited to the IEPF.
18. Pursuant to provisions of the Companies Act, 2013, final dividend for the financial year ended March 31, 2009 and dividends declared thereafter, which remain unclaimed for a period of seven years shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) pursuant to Section 125 of the Companies Act, 2013 (Section 205C of the Companies Act 1956).
19. 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 |
|-------------------------------|------------------------------|---|-------------------------------|
| 2008-09 | 24-Sep-09 | 23-Sep-16 | 23-Oct-16 |
| 2009-10 | 29-Sep-10 | 28-Sep-17 | 28-Oct-17 |
| 2010-11 | 23-Sep-11 | 22-Sep-18 | 22-Oct-18 |
| 2011-12 | 27-Sep-12 | 26-Sep-19 | 26-Oct-19 |
| 2012-13 | 19-Jul -13 | 18-Jul-20 | 18-Aug-20 |
| 2013-14 | 25-Sep-14 | 24-Sep-21 | 24-Oct-21 |
| 2014-15 | 04-Aug-15 | 03-Aug-22 | 03-Sep-22 |
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 August 4, 2015 (date of last Annual General Meeting) on the website of the company (www.modernshares.com), as also on the Ministry of Corporate Affairs website.
21. In compliance with provisions of Section 108 of the Companies Act, 2013 read with the Rules made there under and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to offer e-voting facility for the members to enable them to cast their votes electronically. A physical ballot form is also being sent to the members along with the Annual Report. The Member's,

whose name appears in the Register of Members/ List of Beneficial owners as on July 4, 2016 i.e the date prior to the commencement of book closure date are entitled to vote on Resolutions set forth in the notice. Members have option to vote either through e-voting or through the ballot form. If a member has opted for e-voting, then he/she should not vote by physical ballot 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 NSDL for facilitating e-voting.

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

23. Voting Options

(1) Voting through Electronic Means

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

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

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

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

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

Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

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

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

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

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

OTHER INSTRUCTIONS

- I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. The Members, whose names appear in the Register of Members/ list of Beneficial Owners as on Monday, 4th July, 2016, are entitled to vote on the Resolutions set forth in this Notice.**
- V. The remote e-voting period will commence at 9.00 a.m. on July 9, 2016 and will end at 5.00 p.m. on July 11, 2016. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 4, 2016 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date July 4, 2016.
- VII. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. July 4, 2016 may obtain the login ID and password by sending an email to contact@modernshares.com and / or rnt.helpdesk@linkintime.co.in or evoting@nsdl.co.in by mentioning their Folio No. / DP ID and Client ID No. However, if you are already Registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com
- VIII. A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting through ballot papers.
- X. Mr. Anil Jani, Practicing Company Secretary of Anil Jani & Company has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- XI. The Scrutinizer shall, immediately after the conclusion of voting at general meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutinizer shall within 3 days of conclusion of the meeting submit a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him in writing.
- XII. The results along with the Scrutinizers Report shall be placed on the website of the Company and on the website of NSDL and shall be communicated to BSE Limited.

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

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

Mumbai, dated May 20, 2016

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

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

Details of Directors seeking appointment/ re-appointment at the forth coming Annual General Meeting
Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure
Requirements) Regulations, 2015

| | | |
|--|--|---|
| Name of Directors | Mr. Ghansham Shewakramani (DIN-00413343) | Mrs. Roshan Advani Patheria (DIN-00651144) |
| Date of Birth | 08/04/1946 | 21/03/1960 |
| Date of Appointment on Board | 25/01/1995 | 31/01/2007 |
| Qualification | Graduate B.Sc. (Hons) | B Sc in Catering (1983) Management from U K |
| List of Directorship held in other Companies | 1. R. P. Hotels & Rest. Pvt. Ltd. 2. National Litho Works Pvt. Ltd. 3. Calicut Premises Pvt. Ltd. 4. Monish Financial Services Pvt. Ltd. 5. Garden Health Resort & Hotels Pvt. Ltd. 6. Ras Estate Pvt. Ltd. 7. Matheran Greenfield Hotel & Devl. Pvt. Ltd. 8. Narwani Investment Pvt. Ltd. 9. Surang Investment Pvt. Ltd. 10. Rangoli Hotels Pvt. Ltd. 11. Brightland Hotels Pvt. Ltd. 12. Mahabaleshwar Holiday Resort Pvt. Ltd. 13. Billimoria Marbles & Stones Pvt. Ltd. 14. Rasayani Hotels Pvt. Ltd. 15. Lotus Exhibitors Pvt. Ltd. 16. Ramani Builders Pvt. Ltd. 17. Monish Investments Pvt. Ltd. 18. Karmen Services Pvt. Ltd. 19. Excellent Co-op Bank Ltd. - Chairman | Indian Dreams Limited - Ireland |
| Expertise in specific functional areas | Personnel, Finance & Management | She has a rich experience in HR department and related Management Service and Serving on Board since last Several years. |
| Membership of Committees in other Public Limited Companies (includes only Audit & Investor Grievance Committee) | None | NIL |
| No. of shares held inthe Company as on March 31, 2016 | 49,600 (1.69%) | NIL |

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

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

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

Mumbai, dated May 20, 2016

Registered Office:

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

CIN: L45200MH1939PLC002958

Website: www.modernshares.com

DIRECTORS' REPORT

TO THE MEMBERS OF MODERN SHARES AND STOCKBROKERS LIMITED

(CIN: L45200MH1939PLC002958)

The Directors take pleasure in presenting the **Seventy Seventh** Annual Report together with the audited financial statements for the year ended March 31, 2016.

| FINANCIAL RESULTS: | 31/03/2016 Rupees (₹) | 31/03/2015 Rupees (₹) |
|---|--------------------------|--------------------------|
| GROSS PROFIT | 24,09,233 | 59,52,557 |
| Less: Depreciation | (4,21,261) | (6,27,713) |
| PROFIT / (LOSS) BEFORE TAXATION | 19,87,972 | 53,24,844 |
| PROVISION FOR TAXATION (net) | (6,71,907) | (15,66,814) |
| PROFIT / (LOSS) AFTER TAX | 13,16,065 | 37,58,030 |
| Add: Brought Forward Profit of Previous Year | 5,69,59,422 | 5,67,18,595 |
| AMOUNT AVAILABLE FOR APPROPRIATION | 5,82,75,487 | 6,04,76,625 |
| Less: Proposed Dividend | 14,65,563 | 29,31,125 |
| Less: Provision for Corporate tax on dividend | 2,93,039 | 5,86,078 |
| Less: Transfer to General Revenue | NIL | NIL |
| Balance carried to Balance Sheet | 5,65,16,886 | 5,69,59,422 |

2. BUSINESS ACTIVITIES AND OPERATIONS

The Company's operations resulted in a gross profit of ₹ 24.09 Lakhs as against ₹ 59.53 Lakhs in the previous year. After providing for depreciation of ₹ 4.21 Lakhs (previous year ₹ 6.28 Lakhs) and making net provision for taxation of ₹ 6.72 Lakhs (Previous year ₹ 15.67 Lakhs) the Company has earned a net profit of ₹ 13.16 Lakhs as against net profit of ₹ 37.58 Lakhs in the previous year.

The year gone by had been tough for both our company and the stock markets. After a very good run in 2014-15, the stock market witnessed a gradual fall over 11 months in 2015-16. The markets have recovered from March 2016 and we are seeing some stability. In the period from April

2015 to March 2016, we have seen large outflows by foreign funds from the Indian stock markets. Fortunately, Domestic Mutual Funds have seen large inflows in this same period which has helped to offset some of the pain from the Foreign Fund selling. In addition, since March 2016 the foreign inflows have been positive.

The company has seen a sharp decline in profits from the previous year due to the poor market conditions. We are hoping for a good monsoon, which help boost the performance of stocks and thus improve the brokerage business environment. We expect the first half of the year to be challenging; however from the third quarter onwards we are bullish that overall market sentiment will improve and we should see a better performance in the current year.

Although the economy is facing some challenges, we are confident that the measures taken by the RBI and the government will eventually lead to a pickup in demand and thus we expect overall business conditions to improve going forward. The regulation regarding NPA's of banks and the Bankruptcy bill are clear positive steps taken by the government which should bear fruits in the next few years. The lower interest rates and inflation will help maintain a good GDP growth over the next three years which should be a good sign for the stock markets.

3. DIVIDEND

Your Directors recommend a Dividend of 5% (previous year 10%) for the year ended 31st March 2016. The dividend will absorb ₹ 14,65,563/- 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 4th July, 2016.

4. DIRECTORS

The Board of Directors of the company is duly constituted and no appointment and resignation of directors have been made during the period under review.

In accordance with the Articles of Association of the Company Mr. Ghansham Shewakramani and

Mrs. Roshan Salim Patheria, retire by rotation and being eligible for re-appointment; have indicated their willingness to serve, if re-appointed.

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

5. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 (4) & 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration, and stakeholders Committees. The manner in which the evaluation has been carried out has been explained herein below:

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholders Committees. A structured questionnaire was prepared after inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committees,

Board culture, execution and performance of specific duties, obligation and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence judgment, safeguarding the interest of the Company and its stakeholders etc. The performance evaluation of independent Directors was carried out by the entire Board. The performance of the Chairman and non independent Directors was carried out by the independent Directors who also reviewed the performance of the compliance department. The Directors expressed their satisfaction with the evaluation process.

◆ Number of Board Meetings held:

The Board of Directors duly met 4 (Four) times during the financial year from 1st April, 2015 to 31st March, 2016. The dates on which the meetings were held are as follows:

| Dates on which Board Meetings held | Strength of the Board | No. of Directors Present |
|------------------------------------|-----------------------|--------------------------|
| 29th May, 2015 | 6 | 6 |
| 04th August, 2015 | 6 | 6 |
| 6th November, 2015 | 6 | 5 |
| 05th February, 2016 | 6 | 5 |

◆ **Relevant Details of Directors**

| Sr. No. | Name of the Director | Date of Appointment | Category | Number of Directorship held in other Indian Companies | Committee(s) Position Member and Chairperson in all Companies |
|---------|----------------------------|---------------------|---|---|---|
| 1 | Mr. U. K. Mallik | 20.11.1970 | Chairperson & Non Executive Director/ Independent | None | 3 and 2 |
| 2 | Mr. Anil S. Manghnani | 25.10.2000 | Whole Time Director | 2 | 1 |
| 3 | Mr. Narendra Hira Advani | 30.05.2011 | Non Executive Director | 4 | - |
| 4 | Mr. Ghansham Shewakramani | 25.01.1995 | Non Executive Director | 18 | 2 |
| 5 | Mrs. Roshan Salim Patheria | 31.01.2007 | Woman Non Executive Director | - | 1 |
| 6 | Mr. Ashok Kukreja | 18.02.2015 | Non-executive Director/Independent | 2 | 9 and 4 |

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

| Name of the Director | Attendance at the Board Meeting held on | | | | Attendance at the AGM held on 04/08/2015 |
|----------------------------|---|------------|------------|------------|--|
| | 29.05.2015 | 04.08.2015 | 06.11.2015 | 05.02.2016 | |
| Mr. Anil S. Manghnani | Attended | Attended | Attended | Attended | Attended |
| Mr. Narendra H. Advani | Attended | Attended | Leave | Leave | Attended |
| Mr. Uday Kumar Mallik | Attended | Attended | Attended | Attended | Attended |
| Ms. Roshan Salim Patheria | Attended | Attended | Attended | Attended | Attended |
| Mr. Ghansham Shewakramani | Attended | Attended | Attended | Attended | Attended |
| Mr. Ashok Tikamdas Kukreja | Attended | Attended | Attended | Attended | Attended |

◆ **Audit Committee Member**

| Name of the Member | 29.05.2015 | 04.08.2015 | 06.11.2015 | 05.02.2016 |
|--|------------|------------|------------|------------|
| Mr. Ashok Tikamdas Kukreja (Chairperson) | Attended | Attended | Attended | Attended |
| Mr. Uday Kumar Mallik | Attended | Attended | Attended | Attended |
| Mr. Anil S. Manghnani | Attended | Attended | Attended | Attended |

◆ **Stakeholder & Grievance Committee Member**

| Name of the Member | 29.05.2015 | 04.08.2015 | 06.11.2015 | 05.02.2016 |
|-------------------------------------|------------|------------|------------|------------|
| Mr. Uday Kumar Mallik (Chairperson) | Attended | Attended | Attended | Attended |
| Mr. Ghansham Shewakramani | Attended | Attended | Attended | Attended |
| Mr. Ashok Tikamdas Kukreja | Attended | Attended | Attended | Attended |

◆ **Nomination & Remuneration Committee Member**

| Name of the Member | 29.05.2015 | 04.08.2015 | 06.11.2015 | 05.02.2016 |
|-------------------------------------|------------|------------|------------|------------|
| Mr. Uday Kumar Mallik (Chairperson) | Attended | Attended | Attended | Attended |
| Mr. Ashok Tikamdas Kukreja | Attended | Attended | Attended | Attended |
| Mrs. Roshan Salim Patheria | Attended | Attended | Attended | Attended |

◆ **Independent Directors Meeting**

| Name of the Director | 23.03.2016 |
|-------------------------------------|------------|
| Mr. Uday Kumar Mallik (Chairperson) | Attended |
| Mr. Ashok Tikamdas Kukreja | Attended |

6. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(5)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively, and
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

7. BUSINESS RISK MANAGEMENT

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

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

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

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

8. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

operating systems, accounting procedures and policies of the Company. Based on the report of internal audit function, each department under take corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

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

9. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

10. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. An Omnibus Approval was taken for 1 Year from Audit Committee and Board at their Meeting held on 29.05.2015. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

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

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

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

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

12. AUDITORS

12.1 STATUTORY AUDITORS

M/s. Bhandari Dastur Gupta & Associates, Chartered Accountants, (Firm Registration No. 119739W), Mumbai have been appointed as statutory auditors of the company in the Annual General Meeting held on 24.09.2014 for a period of three years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of their appointment as Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

12.2 SECRETARIAL AUDITORS & EXPLANATION IN QUALIFICATION IN SECRETARIAL REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Janak A. Pandya, Company Secretary in Practice (CP No.: 5940, ACS: 10841), to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as '**Annexure B**'.

Explanation to the Observations in Secretarial Audit report

The Company did not have Company Secretary in employment as its paid-up capital is ₹2.93 crore only, which was less than prescribed paid up capital of ₹5 Crore

under the erstwhile Companies Act, 1956. The New Companies Act, 2013 requires every listed company to have a Company Secretary in employment as KMP. The Company is looking for a suitable person to fill in the post to commensurate with its size and area of operations. Presently, the Secretarial department is being headed by CFO cum compliance officer having experience of almost 31 years in finance & law looking after compliances in the Company under all the laws including the Companies Act, 2013 and the rules made there under with the help of a Practicing Company Secretary.

12.3 INTERNAL AUDITORS

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

13. FIXED ASSETS

The Fixed Assets of the Company as at the close of the year stood at Rs. 16.01 Lakhs (Previous year Rs. 19.03 Lakhs). In compliance with Accounting Standard AS-28 relating to "Impairment of Assets", the company has reviewed the carrying amount of its fixed assets as at the end of the year.

14. CORPORATE GOVERNANCE

As per Regulation 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance is required if the Paid-up Capital of the Company is ₹ 10 Crore and above or Net Worth is ₹ 25 Crore or more at any time in the history of the Company. Since the Company does not fall under the criteria mentioned above Regulations relating to Corporate Governance is not applicable to the Company.

15. EXTRACT OF ANNUAL RETURN

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

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

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

There were 19 permanent employees on the rolls of the company as on 31 March, 2016.

| Sr. No. | Name | Designation | Remuneration paid FY 2015-16 (₹ Lakhs) | Remuneration paid FY 2014-15 (₹ Lakhs) | Increase in Remuneration from previous Year (₹ Lakhs) | Ratio/ Times per median of employee remuneration |
|---------|--------------------|---------------------|---|---|---|--|
| 1 | Mr. Anil Manghnani | Whole-time Director | 10.30 | 10.71 | -(0.41) | 2.09 |
| 2 | Mr. R N Shenvi | CFO | 10.08 | 10.26 | -(0.18) | 2.05 |

17. DISCLOSURE

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

18. DEMATERIALISATION OF SHARES

96.46% of the Company's paid up equity share capital is in dematerialised form as on 31st March, 2016 and balance 3.54% is in physical form. The Company's Registrar and Share transfer agent is M/s Link Intime India Pvt. Ltd. having office at C/ 13 Pannalal Silk Mills Compound, LBS Marg Bhandup west Mumbai 400078.

19. ACKNOWLEDGEMENTS

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

20. CAUTIONARY STATEMENT

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

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

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

**Sd/-
Roshan Salim Patheria
Director
(DIN-00651144)**

Mumbai, dated May 20, 2016

Registered Office:

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

Annexure A

Form No. AOC-2

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

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

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

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

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

| Particulars | | Details | | | |
|-------------|---|---|--|--|--|
| No | Name (s) of the related party & nature of relationship | Bhagwanti Exports Private Limited (Associate Company) | Anil S Manghnani (Whole time Director) | Radhakrishna Shenvi (CFO) | Praveen Manghnani (Brother of WTD) |
| a | Nature of contracts/arrangements/transaction | Rent Agreement | Member Client Agreement | Member Client Agreement | Member Client Agreement |
| b | Duration of the contracts/arrangements/transaction | On Going | On Going | On Going | On Going |
| c | Salient terms of the contracts or arrangements or transaction including the value, if any | Use of office premises on monthly rental basis | Same as applicable to any other client | Same as applicable to any other client | Same as applicable to any other client |
| d | Justification for entering into such contracts or arrangements or transactions' | For Office use | To earn Brokerage income | To earn Brokerage income | To earn Brokerage income |
| e | Date of approval by the Board | 01/04/2011 | 29.05.2015 Omnibus Approval taken for 1 Year from Audit Committee and Board | 29.05.2015 Omnibus Approval taken for 1 Year from Audit Committee and Board | 29.05.2015 Omnibus Approval taken for 1 Year from Audit Committee and Board |
| f | Amount of brokerage/Rent earned during the year | 3.00 Lakhs (Rent) | 0.23 Lakhs | 0.32 Lakhs | 0.43 Lakhs |
| g | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | NA | NA | NA | NA |

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

Sd/-
Anil Sugno Manghnani Roshan Salim Patheria
Whole Time Director Director
(DIN-00012806) (DIN-00651144)

Annexure B

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

**FOR THE FINANCIAL YEAR ENDED
31ST MARCH, 2016**

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

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

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

Based on my verification of the Company s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

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

- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under:
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 for the part of the year and (Prohibition of Insider Trading) Regulations, 2015 effective May 15, 2015.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the company during the Audit Period)**
 - (d) The Securities and Exchange Board of India (Share based Employee benefits) Regulations, 2014. **(Not applicable to the company during the Audit Period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the Audit Period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the company during the Audit period);** and

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the company during the Audit Period)**
- (vi) A. Industry specific Laws applicable to the Company during the Audit period were:
- 1) The Securities and Exchange Board of India (Stock-Brokers and Sub-Brokers) Regulations, 1992;
 - 2) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating To Securities Market) Regulations, 2003; and
 - 3) The Securities and Exchange Board of India (Research Analysts) Regulations, 2014
- B. Other general Laws applicable to the company such as:
1. Employees Provident Fund and Miscellaneous Provisions Act, 1952
 2. Indian Contract Act, 1872
 3. Income Tax Act, 1961 and Indirect Tax Laws
 4. Indian Stamp Act, 1899 and Bombay Stamp Act, 1958
 5. Negotiable Instruments Act, 1881
 6. Payment of Bonus Act, 1965
 7. Payment of Gratuity Act, 1972
 8. Service Tax Acts and Rules 1994 as amended from time to time
 9. Maharashtra Profession Tax Act, 1975
 10. Maharashtra Value Added Tax, 2002
 11. Maharashtra Shop and Establishment Act, 1948
 12. Employees State Insurance Act, 1948

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meeting as applicable to the company effective July 1, 2015.
- (ii) The Listing Agreements requirements and Uniform Listing Agreement entered into by the

Company with BSE Limited (BSE) as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for part of the year.

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

During the financial year under report as required U/s 203(1) of the Co's Act 2013, the Company has whole time Director and CFO (Chief Financial Officer) as KMP (Key Managerial Personnel) however the Company' does not have full time Company Secretary as the Company's present Paid- up capital is only ₹ 2.93crore. At present the functions of the Secretarial department is being looked after by CFO cum Compliance Officer having finance & law background and more than 31 years of experience in the Company with the help of a Practicing Company Secretary.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. ***The Chairperson cum WTD had relinquished his post as Chairperson and replaced by an Independent Director as non executive Chairperson on the Board during the year under audit.*** The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

(iv) Merger/amalgamation/reconstruction etc.

(v) Foreign technical collaborations.

I further report that during the audit period, the Company has no instances of:

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

Sd/-

CS. Janak A. Pandya

Place : Mumbai

ACS No.: 10841

Date : 20th day of May, 2016

C P No.: 5940

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

'Annexure A'

To,
The Members
Modern Shares & Stockbrokers Limited
CIN No.: L45200MH1939PLC002958
Wankhede Stadium, North Stand,
Staircase No13, D Road,
Churchgate, Mumbai - 400 020.

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

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

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

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

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

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

Sd/-

CS Janak A. Pandya

Company Secretaries

Place: Mumbai

Date: 20th day of May, 2016

ACS No.:10841

C P No.:5940

Annexure C TO BOARD REPORT

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

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

Form No. MGT-9

I. REGISTRATION AND OTHER DETAILS:

1. CIN No.: **L45200MH1939PLC002958**
2. Registration Date: **01/07/1939**
3. Name of the Company: **MODERN SHARES AND STOCKBROKERS LIMITED**
4. Category/ Sub-Category of the Company: **COMPANY LIMITED BY SHARES and INDIAN NON-GOVERNMENT COMPANY**
5. Address of the Registered Office and Contact details: **Wankhede Stadium, North Stand, L and M Wing
D Road, Churchgate, Mumbai - 400 020.
TEL : 42122400/40 (F) 42122441
EMAIL: modernshare@hotmail.com
Website : www.modernshares.com**
6. Whether Listed Company **Yes**
7. Name, Address and Contact details of Registrar and Transfer agent, if any: **LINK INTIME INDIA PRIVATE LIMITED
C/13, PANNALAL SILK MILLS COMPOUND,
LBS MARG, BHANDUP (W)., MUMBAI - 400 078.
TEL NO: 022-25963838 FAX 022-25946969
CONTACT PERSON: Mrs. Supriya Yerondkar
E-MAIL ID: rnt.helpdesk@linkintime.co.in**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

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

i) Category-wise Share Holding

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

| | | | | | | | | | | | |
|---|---------|--------|---------|--------|---------|--------|---------|--------|---------|--------|--------|
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh / 2 Lakhs | 57188 | 0.00 | 57188 | 1.95 | 36927 | 00 | 36927 | 1.26 | 36927 | 1.26 | (0.69) |
| c) Others (15680* shares held by Custodian of Enemy Property in India for Pakistani National) | 00 | 16330* | 16330* | 0.56 | 7840* | 8490* | 16330* | 0.56 | 16330* | 0.56 | 0.00 |
| i) Clearing member | 3299 | 0.00 | 3299 | 0.11 | 5395 | 00 | 5395 | 0.18 | 5395 | 0.18 | 0.07 |
| ii) Market maker | - | - | - | - | - | - | - | - | - | - | - |
| iii) NRI | 316844 | 0.00 | 316844 | 10.81 | 316694 | 00 | 316694 | 10.81 | 316694 | 10.81 | 0.00 |
| iv) OBC | - | - | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(2):- | 683500 | 112841 | 796341 | 27.17 | 692465 | 103876 | 796341 | 27.17 | 796341 | 27.17 | 00.00 |
| Total Public Shareholding (B) = (B) (1) + (B)(2) | 683500 | 112841 | 796341 | 27.17 | 692465 | 103876 | 796341 | 27.17 | 796341 | 27.17 | 00.00 |
| C. Shares held by Custodian for GDRs & AD Rs. | - | - | - | - | - | - | - | - | - | - | - |
| Grand Total (A + B + C) | 2818284 | 112841 | 2931125 | 100.00 | 2827249 | 103876 | 2931125 | 100.00 | 2931125 | 100.00 | 00.00 |

(ii) Shareholding of Promoters/ Promoter Group

| SI No. | Shareholder's Name | Shareholding at the beginning of the Year | | | Shareholding at the end of the year | | | % change In share holding during the year |
|--------|---------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Bhagwanti Exports Pvt. Ltd. | 1075075 | 36.68 | 0.00 | 1075075 | 36.68 | 0.00 | 0.00 |
| 2 | Anil Sungo Manghnani | 455010 | 15.52 | 0.00 | 455010 | 15.52 | 0.00 | 0.00 |
| 3 | Narendra Hira Advani | 428865 | 14.63 | 0.00 | 428865 | 14.63 | 0.00 | 0.00 |
| 4 | Shalini Advani | 19100 | 0.65 | 0.00 | 19100 | 0.65 | 0.00 | 0.00 |
| 5 | Hira Advani Holdings Pvt. Ltd. | 300 | 0.01 | 0.00 | 300 | 0.01 | 0.00 | 0.00 |
| 6 | Neelgagan Investments Pvt. Ltd. | 7534 | 0.26 | 0.00 | 7534 | 0.26 | 0.00 | 0.00 |
| 7 | Ghansham Shewakramani | 49600 | 1.69 | 0.00 | 49600 | 1.69 | 0.00 | 0.00 |
| 8. | Meena Shewakramani | 32700 | 1.12 | 0.00 | 32700 | 1.12 | 0.00 | 0.00 |
| 9. | Godhvari Shewakramani | 17000 | 0.58 | 0.00 | 17000 | 0.58 | 0.00 | 0.00 |
| 10. | Brightland Hotels Pvt. Ltd. | 49600 | 1.69 | 0.00 | 49600 | 1.69 | 0.00 | 0.00 |
| | TOTAL | 2134784 | 72.83 | 0.00 | 2134784 | 72.83 | 0.00 | 0.00 |

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

| SI No. | Shareholder's Name | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| | At the beginning of the year | 2134784 | 72.83 | 2134784 | 72.83 |
| | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/ sweat equity etc): | No Change during the year | | | |
| | At the End of the year | 2134784 | 72.83 | 2134784 | 72.83 |

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

| SI No. | Name | Shareholding at the beginning of the year | | Date | Change in Shareholding (No Of Shares) | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|------------|---------------------------------------|---------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the company | | Increase (Purchase) | Reason | No. of Shares | % of total shares of the company |
| | FOR EACH OF THE TOP 10 SHAREHOLDERS | | | | | | | |
| 1 | Mr. Lal Hariram Ganwani | 100000 | 3.41 | — | 0.00 | — | 100000 | 3.41 |
| 2 | Mr. Mohan Chattaram | 100000 | 3.41 | — | 0.00 | — | 100000 | 3.41 |
| 3 | Mr. Kamal Ramesh Dhanwani | 100000 | 3.41 | — | 0.00 | — | 100000 | 3.41 |
| 4 | Mr. Deepak Kohli | 24661 | 0.84 | — | 0.00 | — | 24661 | 0.84 |
| | | 11647 | 0.40 | — | 0.00 | — | 36308 | 1.24 |
| | | 619 | 0.02 | — | 0.00 | — | 36927 | 1.26 |
| 5 | Mr. Chirayush Pravin Vakil | 9475 | 0.32 | 03/07/2015 | -20 | Transfer | 9455 | 0.32 |
| | | 9455 | 0.32 | 17/07/2015 | -45 | Transfer | 9410 | 0.32 |
| | | 9410 | 0.32 | 01/01/2016 | -238 | Transfer | 9172 | 0.31 |
| | | 9172 | 0.31 | 15/01/2016 | +200 | Transfer | 9372 | 0.32 |
| | | 9372 | 0.32 | 29/01/2016 | +2215 | Transfer | 11587 | 0.40 |
| | | 11587 | 0.40 | 05/02/2016 | +867 | Transfer | 12454 | 0.42 |
| | | 12454 | 0.42 | 12/02/2016 | +1388 | Transfer | 13842 | 0.47 |
| 6 | Mr. Sanjay Vijay Mallik | 4800 | 0.16 | 10/04/2015 | +8020 | Trans-mission | 12820 | 0.43 |
| 7 | Mr. Khemchand Manglani | 12500 | 0.43 | — | 0.00 | — | 12500 | 0.43 |
| 8 | Mrs. Parpati Lalchand Lakhwani (Custodian of Enemy Property in India) | 11480 | 0.39 | — | 0.00 | — | 11480 | 0.39 |
| 9 | Mr. Ajay Agarwal | 10880 | 0.37 | — | 0.00 | — | 10880 | 0.37 |
| 10 | Ms. Charudatta Dattatraya Vibhute | 9279 | 0.32 | — | 0.00 | — | 9279 | 0.32 |
| | | 950 | 0.03 | — | 0.00 | — | 10229 | 0.35 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl No. | For Each of the Directors and KMP | Shareholding at the beginning of the Year | | Change in Shareholding (No Of Shares) | | Cumulative Shareholding at the end of the year | |
|--------|-----------------------------------|---|----------------------------------|---------------------------------------|-----------------|--|----------------------------------|
| | | No. of Shares | % of total Shares of the company | Increase (Purchase) | Decrease (Sale) | No. of Shares | % of total Shares of the company |
| 1 | Udaykumar Mallik | 8420 | 0.28 | 0.00 | 0.00 | 8420 | 0.28 |
| 2 | Anil Sungo Manghnani (WTD) | 455010 | 15.52 | 0.00 | 0.00 | 455010 | 15.52 |
| 3 | Ghansham Shewakramani | 49600 | 1.69 | 0.00 | 0.00 | 49600 | 1.69 |
| 4 | Narendra Hira Advani | 428865 | 14.63 | 0.00 | 0.00 | 428865 | 14.63 |
| 5 | Ashok Tikamdas Kukreja | 00 | 0.00 | 0.00 | 0.00 | 00 | 0.00 |
| 6 | Roshan Salim Patheria | 00 | 0.00 | 0.00 | 0.00 | 00 | 0.00 |
| 7 | Radhakrishna Shenvi (CFO) | 1200 | 0.04 | 0.00 | 0.00 | 1200 | 0.04 |

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| SI No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total Amount (in ₹) |
|--------|--|-------------------------|-------------|---------------------|
| | | Anil S. Manghnani | | |
| 1 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | ₹1,030,480 | ₹1,030,480 |
| 2 | Stock Option | | NA | NA |
| 3 | Sweat Equity | | NA | NA |
| 4 | Commission- as % of profit- others, specify... | | NA | NA |
| 5 | Others, please specify | | None | None |
| | Total (A) | | ₹ 1,030,480 | ₹ 1,030,480 |
| | Ceiling as per the Act * | | - | ₹ 150,923 |

* Overall Ceiling as per the Act ₹ 150,923/- being 5% of the net profit of the Company calculated as per Section 198 of the Companies Act 2013. (Minimum Remuneration Paid in lieu of inadequate profit as per Sch. V Part II (Section II) of Companies Act, 2013)

B. Remuneration to other directors:

| SI No. | Particulars of Remuneration | Name of Directors | | | Total Amount (in ₹) |
|--------|--|---------------------------|------------------------|----------------------------|----------------------|
| | | Name | Name | Name | |
| | | Mr. U. K. Mallik | Mr. Ashok T. Kukreja | | |
| 1. | Independent Directors Fee for attending board / committee Meetings | ₹ 62,500/- | ₹ 62,500/- | | ₹ 125,000/- |
| | • Commission | | | | |
| | • Others, please specify | | | | |
| | Total (1) | | | | 125,000 |
| 2. | Other Non-Executive Directors | Mr. Ghansham Shewakramani | Mr. Narendra N. Advani | Mrs. Roshan Salim Patheria | |
| | • Fee for attending board / committee meetings | ₹ 40,000/- | ₹ 15,000/- | ₹ 40,000/- | ₹ 95,000/- |
| | • Commission | | | | |
| | • Others, please specify | | | | |
| | Total(2) | | | | ₹ 95,000/- |
| | Total (B) = (1+2) | | | | ₹ 2,20,000/- |
| | Total Managerial Remuneration (A+B) | | | | ₹ 1,250,480/- |

Ceiling is not applicable as non-executive Directors were paid only sitting fees.

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

| SI No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|--------|--|--------------------------|------------|--------------------|------------------|
| | | CEO | CS | CFO R.N. Shenvi | Total |
| 1 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NIL | NIL | 1,008,000 | 1,008,000 |
| 2 | Stock Option | NIL | NIL | NIL | NIL |
| 3 | Sweat Equity | NIL | NIL | NIL | NIL |
| 4 | Commission- as % of profit - others, specify... | NIL | NIL | | |
| 5 | Others, please specify | NIL | NIL | NIL | NIL |
| | Total | NIL | NIL | 1,008,000 | 1,008,000 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Mumbai, dated May 20, 2016

Registered Office:

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

CIN: L45200MH1939PLC002958

Website: www.modernshares.com

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

Sd/-

Anil Sugno Manghnani
Whole Time Director
(DIN-00012806)

Sd/-

Roshan Salim Patheria
Director
(DIN-00651144)

Independent Auditor's Report

To the Members of
Modern Shares & Stockbrokers Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Modern Shares & Stockbrokers Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March, 31, 2016, and its profit/ loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure B** a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March, 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March, 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure A**.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

(i) The Company does not have any pending litigations as at March, 31, 2016, which would impact its financial position.

(ii) The Company did not have any long-term contracts including derivative contracts as at March, 31, 2016.

(iii) The company has transferred an amount of Rs. 51,074/- (of unpaid dividend for the financial year ended 31st March 2008) to Investor Education and Protection Fund during the year in accordance with section 124 (5) of The Companies Act, 2013 and rules there under.

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

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

**Place : Mumbai
Date : May 20, 2016**

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of **Modern Shares & Stockbrokers Limited** on the standalone financial statements for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Modern Shares & Stockbrokers Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an

audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:
- (a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

- 7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

- 8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

**Place: Mumbai
Date: May 20, 2016**

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of **Modern Shares & Stockbrokers Limited** on the standalone financial statements as of and for the year ended March 31, 2016.

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The Company does not own any immovable properties as disclosed in Note 2.7 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
2. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
4. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
5. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
6. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, service tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax which have not been deposited on account of any dispute.
8. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
9. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
11. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
13. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For Bhandari Dastur Gupta & Associates
Chartered Accountants
Firm Registration Number: 119739W**

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

**Place: Mumbai
Date: May 20, 2016**

BALANCE SHEET AS AT MARCH 31, 2016

| Particulars | Note No. | As at March 31, 2016 (Amount in Rs.) | As at March 31, 2015 (Amount in Rs.) |
|--|----------|--|--|
| I EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| a Share Capital | 2.1 | 29,311,250 | 29,311,250 |
| b Reserves and Surplus | 2.2 | 95,722,716 | 96,165,252 |
| 2 Current Liabilities | | | |
| a Trade Payables | 2.3 | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 21,499,019 | 43,953,700 |
| b Other Current Liabilities | 2.4 | 3,190,836 | 2,813,350 |
| c Short-term Provisions | 2.5 | 4,129,707 | 5,412,095 |
| Total | | <u>153,853,528</u> | <u>177,655,647</u> |
| II ASSETS | | | |
| 1 Non-current Assets | | | |
| a Fixed assets | | | |
| i. Tangible Assets | 2.7 | 1,600,914 | 1,897,042 |
| ii. Intangible Assets | 2.7 | - | 5,908 |
| b Non-current investments | 2.8 | 7,259,500 | 7,259,500 |
| c Deferred-tax Assets (net) | 2.9 | 642,546 | 564,453 |
| d Long-term Loans and Advances | 2.10 | 8,680,646 | 8,679,996 |
| 2 Current Assets | | | |
| a Inventories | 2.11 | 190,450 | 567,229 |
| b Trade Receivables | 2.12 | 5,818,889 | 7,137,192 |
| c Cash and Cash Equivalents | 2.13 | 126,565,992 | 148,520,951 |
| d Short-term Loans and Advances | 2.14 | 3,094,591 | 3,023,376 |
| Total | | <u>153,853,528</u> | <u>177,655,647</u> |
| 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 : May 20, 2016

For and on behalf of the Board of Directors

Mr. U K Mallik

(Chairperson)

DIN: 00012099

Mr. Anil S Manghnani

(Whole-time Director)

DIN: 00012806

Mr. Ghansham Shewakramani

(Director)

DIN: 00413343

Mr. Ashok T Kukreja

(Director)

DIN: 00463526

Mrs. Roshan Salim Patheria

(Director)

DIN: 00651144

Mr. R N Shenvi

(Chief Financial Officer)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

| Particulars | Note No. | For the year ended March 31, 2016 (Amount in Rs.) | For the year ended March 31, 2015 (Amount in Rs.) |
|---|----------|--|--|
| I Revenue from Operations | 2.15 | 21,789,076 | 25,903,060 |
| II Other Income | 2.16 | 9,634,773 | 9,283,003 |
| III Total Revenue (I + II) | | 31,423,849 | 35,186,063 |
| IV Expenses: | | | |
| Operating Expenses | 2.17 | 1,948,756 | 2,475,471 |
| Employee Benefit Expenses | 2.18 | 12,077,384 | 10,806,335 |
| Administrative and Other Expenses | 2.19 | 14,856,242 | 15,820,496 |
| Financial Costs | | 132,234 | 131,204 |
| Depreciation and Amortization Expenses | 2.7 | 421,261 | 627,713 |
| V Total Expenses | | 29,435,877 | 29,861,219 |
| VI Profit before exceptional and extraordinary items and tax (III - V) | | 1,987,972 | 5,324,844 |
| VII Exceptional Items | | - | - |
| VIII Profit before extraordinary items and tax (VI - VII) | | 1,987,972 | 5,324,844 |
| IX Extraordinary Items | | - | - |
| X Profit before tax (VIII - IX) | | 1,987,972 | 5,324,844 |
| XI Tax expense: | | | |
| 1 Current tax | | 750,000 | 1,650,000 |
| 2 Deferred tax | | (78,093) | (216,225) |
| 3 Taxation of earlier years | | - | 133,039 |
| | | <u>671,907</u> | <u>1,566,814</u> |
| XII Profit for the period (X - XI) | | 1,316,065 | 3,758,030 |
| XIII Earning per equity share: Basic & Diluted Equity Shares of par value Rs.10 each | | 0.45 | 1.28 |
| Number of shares used in computing earnings per share Basic & Diluted | | 2,931,125 | 2,931,125 |
| Significant Accounting Policies & Notes to Accounts | 1 & 2 | | |

As per our attached report of even date

For Bhandari Dastur Gupta & Associates
Chartered Accountants

FRN No: 119739W

Sunil Bhandari

Partner

Membership No.047981

Place : Mumbai

Date : May 20, 2016

For and on behalf of the Board of Directors

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

Cash Flow Statement for the year ended March 31, 2016

| Particulars | For the year ended March 31, 2016 (Amount in Rs.) | For the year ended March 31, 2015 (Amount in Rs.) |
|---|--|--|
| A Cash Flow from Operating Activities | | |
| (a) Profit from operating activities | 1,987,972 | 5,324,844 |
| Adjustments: | | |
| Depreciation and amortization | 421,261 | 627,713 |
| (Gain)/Loss on sale of fixed assets | - | - |
| Interest Received | (9,341,617) | (9,249,258) |
| Dividend on Investments | (34,231) | (33,745) |
| (b) Working capital changes: | | |
| Decrease / (Increase) in inventories | 376,779 | (287,079) |
| Decrease / (Increase) in trade receivables | 1,318,304 | (908,570) |
| Decrease / (Increase) in long-term loans and advances | (650) | 37,000 |
| Decrease / (Increase) in short-term loans and advances | 368,517 | 243,094 |
| Decrease / (Increase) in trade payables | (22,454,681) | 24,141,983 |
| Increase / (Decrease) in other current liabilities | 377,485 | 1,236,655 |
| Increase / (Decrease) in provisions | 425,745 | 29,365 |
| (c) Direct taxes paid (Net of refunds) | (1,189,732) | (1,552,856) |
| Total of (A) | (27,744,847) | 19,609,146 |
| B Cash Flow from Investing Activities | | |
| (a) Proceeds from sale of fixed assets | - | - |
| (b) Purchase of tangible assets / Capital work in progress | (119,225) | (216,500) |
| (c) Decrease / (Increase) in Investments | - | 4,899,800 |
| (d) Interest received | 9,341,617 | 9,249,258 |
| (e) Dividend received | 34,231 | 33,745 |
| Total of (B) | 9,256,623 | 13,966,303 |
| C Cash Flow from Financing Activities | | |
| (a) Dividends paid (including distribution tax) | (3,466,735) | (3,429,270) |
| Total of (C) | (3,466,735) | (3,429,270) |
| Net (decrease)/increase in cash and cash equivalents (A+B+C) | (21,954,959) | 30,146,179 |
| Add: Cash and cash equivalents at the beginning of the period | 148,520,951 | 118,374,772 |
| Cash and cash equivalents at the end of the period | 126,565,992 | 148,520,951 |
| Breakup of Cash Equivalents | | |
| Cash | 46,929 | 26,174 |
| Cheques in Hand | - | - |
| Balances in Bank in Current Accounts | 21,726,113 | 43,701,826 |
| Balances in Bank in Fixed Deposits | 104,792,951 | 104,792,951 |
| | 126,565,992 | 148,520,951 |

As per our attached report of even date

For Bhandari Dastur Gupta & Associates
Chartered Accountants

FRN No: 119739W

Sunil Bhandari

Partner

Membership No.047981

Place : Mumbai

Date : May 20, 2016

Mr. U K Mallik

Mr. Anil S Manghnani

Mr. Ghansham Shewakramani

Mr. Ashok T Kukreja

Mrs. Roshan Salim Patheria

Mr. R N Shenvi

(Chairperson)

(Whole-time Director)

(Director)

(Director)

(Director)

(Chief Financial Officer)

DIN: 00012099

DIN: 00012806

DIN: 00413343

DIN: 00463526

DIN: 00651144

For and on behalf of the Board of Directors

Note 1. Significant Accounting Policies:

1. Basis of preparation of financial statements:

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

2. Use of Estimates:

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

3. Revenue Recognition:

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

4. Fixed Assets & Depreciation:

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

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From April 1, 2015, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

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

Till year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than Rs 5,000/- in the year of purchase. However, as per Schedule II to the Companies Act 2013, applicable from April 1, 2015, the company has changed its accounting policy for depreciations of assets costing less than Rs 5,000/-. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management.

5. Intangible Assets:

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

6. Impairment of Assets:

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

7. Investments:

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

8. Stock in trade:

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

9. Retirement Benefits:-

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

10. Borrowing Costs:

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

11. Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the exchange rate prevailing at the time of occurrence of the transactions. Monetary items denominated in foreign currency remaining unsettled at the end of the year are translated at the buying rates as at the last day of the year. Any gains or losses on account of exchange difference either on settlement or translation are recognized in Profit and Loss Account except in case where it relates to the acquisition of fixed assets from a country outside India in which case it is adjusted to the carrying cost of such asset.

12. Taxes on Income:

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

Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to the differences between accounting income and taxable income for a period that originate in one period and are capable of

reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only if there is a reasonable/virtual certainty of realization.

13. Derivatives:

In respect of futures contracts, the difference between the contract price and the settlement / square off price is accounted as profit/loss on trading. Provision is made in cases where the difference between the contract price and the market price on the date of the Balance Sheet is a loss. In respect of option contracts, the option premium is recognized as income/expense on the exercise/ expiry date of the contract. In case of square off, the difference between the premium paid and received is accounted as income/expense on the date of square off. Provision is made in cases where the difference between the premium paid/ received and the premium prevailing on the Balance Sheet date is a loss. The difference between the strike price and settlement price is recognized as income/ expense on the exercise/ expiry date of the contract.

14. Provision, Contingent Liabilities and Contingent Assets:

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

15. Segment Accounting Policies:

(a) Segment assets and liabilities:

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

- (b) Segment revenue and expenses:
Segment revenue and expenses are directly attributable to segment. It does not include provision for income tax.

16. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted-average number of equity shares outstanding during the year. The weighted-average number of equity shares outstanding during the year and for

all years presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

| Particulars | As at March 31, 2016 | | As at March 31, 2015 | |
|---|----------------------|-------------------|----------------------|-------------------|
| | Number | Amount | Number | Amount |
| Note 2.1: Share Capital | | | | |
| Authorised | | | | |
| Equity shares of Rs.10/- each. | 6,000,000 | 60,000,000 | 6,000,000 | 60,000,000 |
| Issued, Subscribed & Paid up | | | | |
| Equity shares of Rs.10/- each fully paid-up | 2,931,125 | 29,311,250 | 2,931,125 | 29,311,250 |
| | 2,931,125 | 29,311,250 | 2,931,125 | 29,311,250 |

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, 2016 the Board of Directors has proposed dividend @ 5% (previous year 10%).

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

Reconciliation of the number of shares outstanding

| Particulars | As at March 31, 2016 | | As at March 31, 2015 | |
|---|----------------------|------------|----------------------|------------|
| | 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, 2016 | | As at March 31, 2015 | |
|----------------------------------|----------------------|--------------|----------------------|--------------|
| | No. of shares held | % of Holding | No. of shares held | % of Holding |
| M/s. Bhagwanti Exports Pvt. Ltd. | 1,075,075 | 36.68% | 1,075,075 | 36.68% |
| Mr. Anil S Manghnani | 455,010 | 15.52% | 455,010 | 15.52% |
| Mr. Narendra H Advani | 428,865 | 14.63% | 428,865 | 14.63% |

| Particulars | As at March 31, 2016 Amount in Rs. | As at March 31, 2015 Amount in Rs. |
|---|--|--|
| Note 2.2: Reserves and Surplus | | |
| a Capital Reserve | <u>145,831</u> | <u>145,831</u> |
| b Securities Premium Account | <u>16,884,184</u> | <u>16,884,184</u> |
| c General Reserve | | |
| Opening Balance | 22,175,815 | 22,590,639 |
| (+) Current Year Transfer | - | - |
| Depreciation due to change in depreciation rate on effect of adoption of | | |
| (-) Part C of schedule II of Companies Act, 2013 | - | (414,824) |
| | <u>22,175,815</u> | <u>22,175,815</u> |
| d Surplus | | |
| Opening Balance | 56,959,422 | 56,718,595 |
| (+) Net Profit/(Net Loss) for the Current Year | 1,316,065 | 3,758,030 |
| (-) Proposed Dividends | (1,465,563) | (2,931,125) |
| (-) Corporate Dividend Tax | (293,039) | (586,078) |
| Closing Balance | <u>56,516,886</u> | <u>56,959,422</u> |
| | <u>95,722,716</u> | <u>96,165,252</u> |
| Note 2.3: Trade payables | | |
| a Total outstanding dues of micro enterprises and small enterprises* | - | - |
| b Total outstanding dues of creditors other than micro enterprises and small enterprises | 21,499,019 | 43,953,700 |
| | <u>21,499,019</u> | <u>43,953,700</u> |
| Note 2.3.1: Disclosure in accordance with section 22 of the Micro, Small and Medium Enterprises Development Act, 2006. | | |
| Principal amount remaining unpaid | - | - |
| Interest paid in terms of section 16 | - | - |
| Interest due & payable for the period of delay in payments | - | - |
| Interest accrued & remaining unpaid | - | - |
| Interest due & payable even in succeeding years | - | - |
| * Note :- | | |
| The above information regarding dues to Micro & Small Enterprises has been determined to the extent such parties have been identified on basis of information collected with the Company. This has been relied upon by the auditor. | | |
| Note 2.4: Other Current Liabilities | | |
| a Unclaimed dividends | 331,897 | 333,337 |
| b Other liabilities for expenses | 2,249,386 | 2,126,281 |
| c Outstanding statutory liabilities | 609,553 | 353,733 |
| | <u>3,190,836</u> | <u>2,813,350</u> |
| Note 2.5: Short Term Provisions | | |
| a Provision for employee benefits | | |
| Leave Encashment | 1,674,588 | 1,278,092 |
| Bonus | 646,050 | 616,800 |
| b Others | | |
| Proposed final dividend on equity shares | 1,465,563 | 2,931,125 |
| Tax on dividend | 343,507 | 586,078 |
| | <u>4,129,708</u> | <u>5,412,095</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.) | | |

Note 2.7: Details of Fixed Assets as on March 31, 2016

| PARTICULARS | GROSS BLOCK | | | ACCUMULATED DEPRECIATION / AMORTISATION | | | | | NET BLOCK | |
|--------------------------|-----------------------|----------------|------------------|---|----------------------|----------------|------------------|----------------------|----------------------|----------------------|
| | As at March, 31, 2015 | Additions | Deductions | As at March, 31 2016 | As at March, 31 2015 | For the Year | Deduct-ions | As at March, 31 2016 | As at March, 31 2016 | As at March, 31 2015 |
| Tangible Assets | | | | | | | | | | |
| Leasehold Improvements | 1,556,815 | - | - | 1,556,815 | 290,258 | 124,353 | - | 414,611 | 1,142,204 | 1,266,557 |
| Airconditioner | 21,000 | - | - | 21,000 | 11,881 | 4,585 | - | 16,466 | 4,534 | 9,119 |
| Computer | 718,804 | 106,725 | - | 825,529 | 496,719 | 170,375 | - | 667,094 | 158,436 | 222,086 |
| Office Equipments | 271,274 | 12,500 | - | 283,774 | 223,621 | 26,117 | - | 249,738 | 34,036 | 47,653 |
| Motor Car | 653,192 | - | - | 653,192 | 411,112 | 79,662 | - | 490,774 | 162,418 | 242,080 |
| Office Furniture | 434,575 | - | - | 434,575 | 325,029 | 10,261 | - | 335,289 | 99,286 | 109,546 |
| Intangible Assets | | | | | | | | | | |
| Trade Mark | 58,000 | - | - | 58,000 | 52,092 | 5,908 | - | 58,000 | - | 5,908 |
| TOTAL | 3,713,660 | 119,225 | - | 3,832,885 | 1,810,710 | 421,261 | - | 2,231,971 | 1,600,914 | 1,902,950 |
| Previous year | 13,217,484 | 216,500 | 9,720,324 | 3,713,660 | 10,488,497 | 627,713 | 9,305,499 | 1,810,710 | 1,902,950 | 2,728,988 |

| Particulars | Face Value | Qty. | As at March 31, 2016 (Amount in Rs.) | Qty. | As at March 31, 2015 (Amount in Rs.) |
|---|------------|-------|--|-------|--|
| Note 2.8: Non Current Investments | | | | | |
| A Quoted, long term, non-trade: (at cost) | | | | | |
| a Fully Paid up Equity Shares Emmsons International Ltd. | 10 | 10000 | 1,250,000 | 10000 | 1,250,000 |
| Sub-total | | | 1,250,000 | | 1,250,000 |
| B Un-Quoted, long term, non-trade: (at cost) | | | | | |
| Fully Paid up Equity Shares | | | | | |
| a Innovative B2B Logistics Solutions Ltd. (Refer Note 2.22) | 10 | 50000 | 5,000,000 | 50000 | 5,000,000 |
| b The Saraswat Co-op. Bank Ltd. | 10 | 950 | 9,500 | 95 | 9,500 |
| Sub-total | | | 5,009,500 | | 5,009,500 |
| C Un-Quoted Mutual Funds | | | | | |
| a Axis Hybrid Fund - Series 15 (1275 days) Growth(A5-GP) | 10.00 | 30000 | 300,000 | | 300,000 |
| b Axis Hybrid Fund - Series 19 (42 months) Growth(A9-GP) | 10.00 | 50000 | 500,000 | | 500,000 |
| c Axis Equity Fund - Growth (EFGPG) | 19.70 | 10152 | 200,000 | | 200,000 |
| Sub-total | | | 1,000,000 | | 1,000,000 |
| TOTAL OF INVESTMENTS (A) | | | 7,259,500 | | 7,259,500 |
| Aggregate Value of Quoted Investments | | | | | |
| Cost | | | 1,250,000 | | 1,250,000 |
| Market Value | | | 80,000 | | 161,200 |
| Aggregate Value of Unquoted Investments | | | | | |
| Cost | | | 6,009,500 | | 6,009,500 |
| Note 2.9: Deferred Tax | | | | | |
| The net deferred tax asset as at March 31, 2016, comprises of the following components: | | | | | |
| Deferred Tax Asset | | | | | |
| On timing difference of Assets | | | 125,098 | | 169,523 |
| Provision for Leave Encashment | | | 517,448 | | 394,930 |
| Net Deferred Tax Asset / (Liability) | | | 642,546 | | 564,453 |
| Note 2.10: Long Term Loans and Advances | | | | | |
| a Security Deposits | | | | | |
| Unsecured, considered good | | | 8,680,646 | | 8,679,996 |
| | | | 8,680,646 | | 8,679,996 |
| Note 2.11: Inventory | | | | | |
| a 13000 (P. Y. 13000) shares of Shree Renuka Sugars Ltd. | | | 190,450 | | 165,750 |
| b 100 (P. Y. 100) shares of S M Dye Chem Ltd. | | | - | | - |
| c 0 (P. Y. 2000) shares of Polaris Software Ltd. | | | - | | 289,065 |
| d 0 (P. Y. 2000) shares of Intellect Design Arena Ltd. | | | - | | 112,414 |
| | | | 190,450 | | 567,229 |
| Stock is valued at cost or market value which ever is lower. | | | | | |

| Particulars | As at March 31, 2016 (Amount in Rs.) | As at March 31, 2015 (Amount in Rs.) |
|---|--|--|
| Note 2.12: Trade Receivables: | | |
| Unsecured, considered good | | |
| Trade receivables outstanding for a period less than six months from the date they are due for payment | 3,297,110 | 4,620,103 |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | 2,521,779 | 2,517,089 |
| | 5,818,889 | 7,137,192 |
| Trade Receivable stated above include debts due by: | | |
| Key Management Personnel | - | - |
| Relatives of Key Management Personnel | 117 | - |
| Note 2.13: Cash and Cash Equivalents: | | |
| a Balances with Banks | | |
| Current Account | 21,394,216 | 43,368,489 |
| FD towards margin money | 58,292,951 | 57,875,000 |
| FD against guarantees | 5,000,000 | 5,417,951 |
| FD against borrowings | 29,000,000 | 34,000,000 |
| Bank Deposits (more than 3 months, less than 12 months) | 12,500,000 | 7,500,000 |
| Unclaimed dividend | 331,897 | 333,337 |
| b Cheques, drafts on hand | - | - |
| c Cash on hand | 46,929 | 26,174 |
| | 126,565,992 | 148,520,951 |
| The Company has transferred Rs. 51,074/- to the Investor Education and Protection Fund under section 125 and section 124 (5) of the Companies Act, 2013 as at the year end. | | |
| Note 2.14: Short-term Loans and Advances | | |
| a Loans and Advances (others) | | |
| Unsecured, considered good | | |
| Prepaid expenses | 622,719 | 873,130 |
| Loan to staff | 528,000 | 602,000 |
| Other Advances | 36,006 | 531,506 |
| Interest accrued | 734,365 | 282,971 |
| | 1,921,090 | 2,289,607 |
| b Taxes | | |
| Advance tax & tax deducted at source (net of provisions) | 1,173,501 | 733,769 |
| | 1,173,501 | 733,769 |
| | 3,094,591 | 3,023,376 |

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, 2016 (Amount in Rs.) | For the Year ended March 31, 2015 (Amount in Rs.) |
|--|---|---|
| Note 2.15: Operating Income | | |
| Brokerage & Commission | 21,646,609 | 25,640,464 |
| Profit on Trading | | |
| Sales | 2,104,129 | 1,001,897 |
| Less: Cost of Sale | | |
| Opening Stock | 567,229 | 280,150 |
| Add: Purchase of Shares | 1,453,197 | 1,408,939 |
| Less: Closing Stock | <u>190,450</u> | <u>567,229</u> |
| | 1,829,976 | 1,121,859 |
| Profit/(Loss) on Trading | 274,153 | (119,962) |
| Profit on Sale of Investments | - | 398,125 |
| Profit/(Loss) on Trading - Derivatives | <u>(131,687)</u> | <u>(15,567)</u> |
| | <u>21,789,076</u> | <u>25,903,060</u> |
| Note 2.16: Other Income | | |
| Interest Income | 9,341,617 | 9,249,258 |
| Dividend Income | 34,231 | 33,745 |
| Sundry Balances Written Back | <u>258,926</u> | <u>-</u> |
| | <u>9,634,773</u> | <u>9,283,003</u> |

| Particulars | For the Year ended March 31, 2016 (Amount in Rs.) | For the Year ended March 31, 2015 (Amount in Rs.) |
|---|---|---|
| Note 2.17: Operating Expenses | | |
| Loss on Vandha (Net) | 33,857 | 81,672 |
| Brokerage Paid | 73,114 | 142,582 |
| Stamp Duty | 1,841,784 | 2,251,218 |
| | 1,948,756 | 2,475,471 |
| Note 2.18: Employee Benefit Expenses | | |
| Salaries and Incentives | 7,934,745 | 6,784,633 |
| Directors' Remuneration | 1,030,480 | 1,961,680 |
| Remuneration to Key Management Personnel | 1,008,000 | 134,500 |
| Contributions to - | | |
| i. Provident Fund | 887,512 | 784,876 |
| ii. Superannuation Scheme | 527,000 | 401,000 |
| Gratuity Fund Contributions | 100,000 | 100,000 |
| Staff Welfare Expenses | 589,647 | 639,646 |
| | 12,077,384 | 10,806,335 |
| Note 2.19: Administrative and other Expenses | | |
| Rent, Rates & Taxes | 1,004,814 | 1,027,154 |
| Directors' Sitting Fees | 251,075 | 193,821 |
| Legal and Professional Fees | 7,077,280 | 7,465,407 |
| Software Expenses | 1,564,557 | 2,150,230 |
| Sales Promotion Expenses | 719,861 | 1,151,665 |
| Membership Fees & Subscription | 492,114 | 453,639 |
| Electricity Charges | 472,159 | 386,863 |
| Motor car and Scooter Expenses | 655,992 | 656,151 |
| Postage and Telephone | 464,218 | 462,045 |
| Travelling and Conveyance | 347,143 | 252,836 |
| Printing and Stationery | 177,986 | 228,586 |
| Auditors' Remuneration | 156,063 | 154,102 |
| Repairs and Maintenance - others | 285,236 | 220,337 |
| Sundry Balances Written Off | - | 13,912 |
| Insurance | 330,496 | 336,742 |
| Water Charges | 270,768 | 97,000 |
| Other Expenses | 586,480 | 570,005 |
| | 14,856,242 | 15,820,496 |
| Details of Managerial Remuneration: | | |
| a. Remuneration to Directors | | |
| Salary | 804,000 | 1,639,736 |
| Contri. to PF & Other Funds | 226,480 | 321,944 |
| | 1,030,480 | 1,961,680 |
| b. Remuneration to Key Management Personnel | | |
| Salary | 900,000 | 121,964 |
| Contri. to PF & Other Funds | 108,000 | 12,536 |
| | 1,008,000 | 134,500 |
| Auditors' Remuneration consist of: (excluding service tax) | | |
| for Statutory Audit Fees | 85,000 | 85,000 |
| for Tax Audit fees | 24,000 | 24,000 |
| for Certification Services | 47,063 | 45,102 |
| | 156,063 | 154,102 |

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 2015-2016 are as under:

| | 2015-2016 | 2014-2015 |
|---|-------------|------------|
| (i) Number of non-resident shareholders | 6 | 6 |
| (ii) Number of Ordinary shares held by them | 3,16,694 | 3,14,650 |
| (iii) Amount of dividends | Rs.3,16,694 | Rs.314,650 |
| (iv) Year to which dividend relates | 2014-15 | 2013-14 |

Expenditure in Foreign Currency:

| Particulars | 2015-2016 | 2014-2015 |
|-------------|-----------|-----------|
| | Nil | Nil |

Note 2.21: Segment Information for the year ended 31st March, 2016:

(a) Information about primary business segments

| Particulars | 31st March 2016 | | | | 31st March 2015 | | | |
|--|------------------|---------------------|-------------|------------|------------------|---------------------|-------------|------------|
| | 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 | 216.47 | 1.42 | 96.35 | 314.24 | 256.40 | 2.63 | 92.83 | 351.86 |
| Income from inter segments | - | - | - | - | - | - | - | - |
| Total Revenue | 216.47 | 1.42 | 96.35 | 314.24 | 256.40 | 2.63 | 92.83 | 351.86 |
| Segment result | 98.44 | 1.42 | (79.98) | 19.88 | 119.44 | 2.63 | (68.82) | 53.25 |
| Less : Income tax (including deferred tax) | - | - | | (6.72) | - | - | | (15.67) |
| Net Profit | | | | 13.16 | | | | 37.58 |
| Other Information | | | | | | | | |
| Carrying amount of segment assets | 330.57 | 1.90 | 1206.06 | 1538.53 | 554.37 | 5.67 | 1216.52 | 1776.56 |
| Carrying amount of segment liabilities | 214.99 | - | 73.21 | 288.20 | 439.54 | - | 82.25 | 521.79 |
| Cost to acquire tangible fixed assets | - | - | 1.19 | - | - | - | | 2.17 |
| Depreciation | - | - | 4.21 | - | - | - | | 6.28 |

(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: Related Party Transactions:

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

List of Related Parties and Relationships

| | |
|---|---|
| Person/companies having significant influence over the Company | Mr.Narendra H.Advani Bhagwanti Exports Pvt. Ltd Hira Advani Holdings Pvt. Ltd. Neelgagan Investments Pvt. Ltd. Bhagwanti Tex Overseas Pvt Ltd |
| Key Management Personnel and also person having significant influence over the company | Mr. Anil Sugno Manghnani Mr. Radhakrishna Shenvi (CFO) |
| Relatives of Key Management personnel and persons having significant influence over the company | Ms. Lavina Manghnani-(spouse) Mr. Praveen Manghnani-(brother) Ms. Sarla H. Advani-(mother) Ms. Shalini N. Advani-(spouse) Ms. Roshan H. Advani-(sister) Ms. Ranjana H. Advani-(sister) |

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 | |
|-----------------------------------|--|-----------------------|--------------------------|-----------------------|---|-----------------------|
| | 2015-16 (Rs.lakhs) | 2014-15 (Rs.lakhs) | 2015-16 (Rs.lakhs) | 2014-15 (Rs.lakhs) | 2015-16 (Rs.lakhs) | 2014-15 (Rs.lakhs) |
| Rent paid: | | | | | | |
| Bhagwanti Exports Pvt. Ltd. | 3.00 | 3.00 | - | - | - | - |
| Salary & Perquisites : | | | | | | |
| Mr. Anil Manghnani | - | - | 10.30 | 10.71 | - | - |
| Mrs. Lavina Manghnani | - | - | - | - | 4.48 | 3.87 |
| Mr. Radhakrishna Shenvi | - | - | 10.08 | 8.91 | - | - |
| Sitting Fees | 0.15 | 0.08 | - | - | 0.40 | 0.42 |
| Brokerage Earned: | | | | | | |
| Mr. Anil S Manghnani | - | - | 0.16 | 0.40 | - | - |
| Ms. Lavina Manghnani | - | - | - | - | - | 0.42 |
| Mr. Praveen Manghnani | - | - | - | - | 0.43 | 0.85 |
| Mr. Radhakrishna Shenvi | - | - | 0.32 | 0.12 | - | - |
| Bhagwanti Tex Overseas Pvt. Ltd. | - | 0.01 | - | - | - | - |
| Hira Advani Holdings Pvt. Ltd. | - | 0.09 | - | - | - | - |
| Closing Balances : | | | | | | |
| Mr. Praveen Manghnani | | | | | (0.76) | (4.35) |

Note 2.24: Previous year figures have been re-grouped and re-arranged wherever necessary.

Signatures to Note "1" to "2.24"

For and on behalf of the Board of Directors

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

Place : Mumbai
Date : May 20, 2016

MODERN SHARES AND STOCKBROKERS LIMITED

CIN: L45200MH1939PLC002958

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

Form No. MGT-11

Proxy form

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

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 77th Annual general meeting of the company, to be held on the 12th day of July, 2016 at 11.15 a.m at Kilachand Hall, Indian Merchant Chambers, 2nd Floor, Opp. Churchgate Station, Churchgate, Mumbai-400020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item **Ordinary Resolutions:**

No

1. To consider and adopt the Audited Financial Statements and Cash Flow Statement of the Company for the financial year ended March 31, 2016 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mrs. Roshan Salim Patheria (DIN: 00651144), who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Ghansham Shewakramani (DIN: 00413343), who retires by rotation and is eligible for re-appointment.
5. To ratify the appointment of Auditors and to fix their remuneration

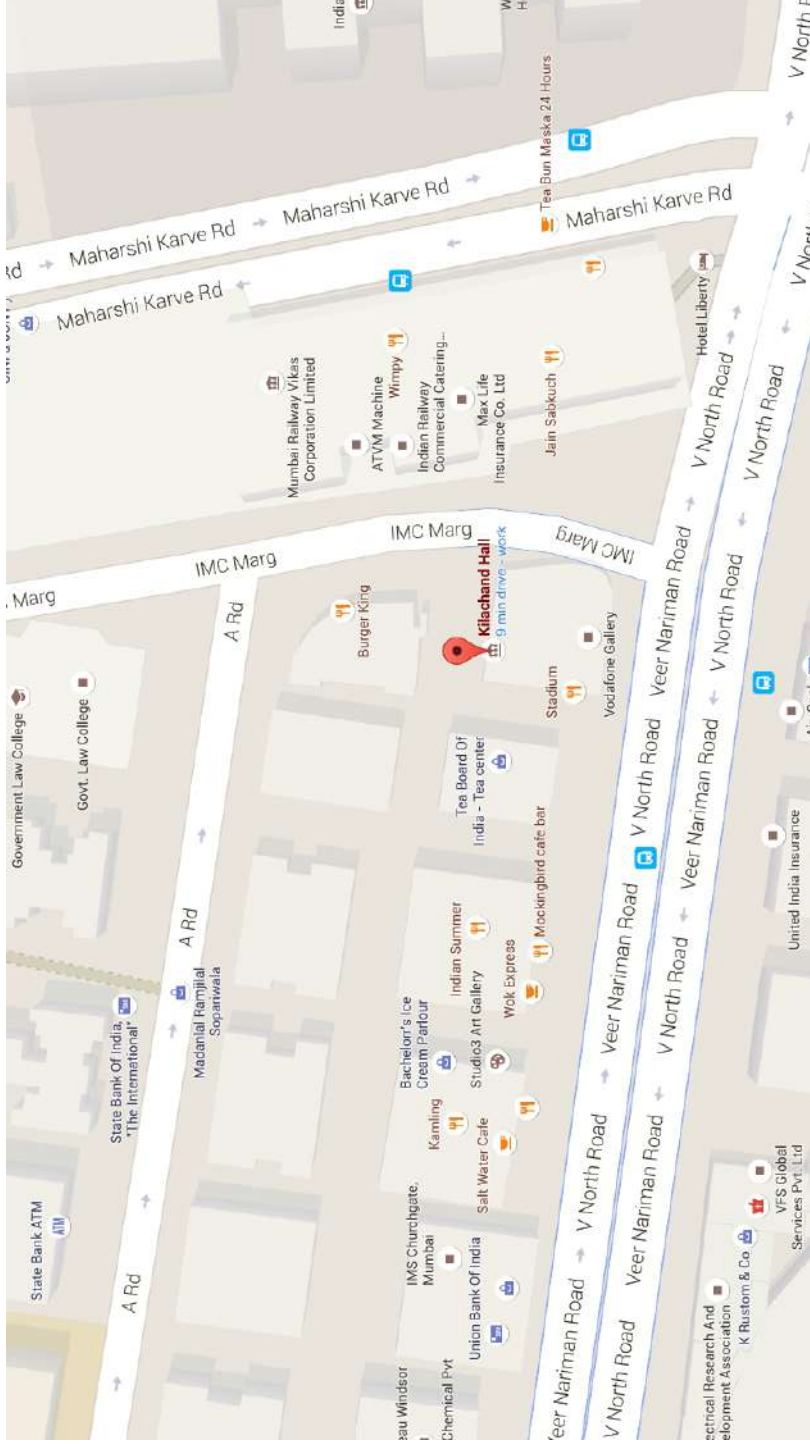
| |
|---------------------------|
| Affix Revenue Stamp |
|---------------------------|

Signature of Proxy holder(s)

Signature of shareholder

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

Route Map



 Venue of the 77th Annual General Meeting

U. C. P.
BOOK - POST

If undelivered please return to :

Modern Shares And Stockbrokers Limited

Registered Office :

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