

*Creating  
wealth  
through  
Equity*

Modern  
Shares And  
Stockbrokers  
Limited

ANNUAL REPORT & ACCOUNTS  
2016 - 2017

**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. B D G & 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-101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai 400083.

**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 Eighth** 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 Friday July 28, 2017 at 11.00 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, 2017 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Narendra Hira Advani (DIN: 03351909) who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Ms. Roshan Salim Patheria (DIN: 00651144) who retires by rotation and is eligible for re-appointment.
5. To appoint 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 provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, for the time being in force M/s. Baheti & Co. Chartered Accountants, (Firm Reg. No. 006287C) be and are hereby appointed as the Statutory Auditors of the Company in place of M/s BDG & Associates, Chartered Accountants, the retiring Auditors for a term of five years commencing from the Company's Financial year 2017-18 and to hold the office from the conclusion of this 78<sup>th</sup> Annual General Meeting till the conclusion of 83<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2022, subject to ratification as to the said appointment at every Annual General Meeting, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit'

**‘RESOLVED FURTHER THAT** the Board of Directors of the Company (Including its committee thereof) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

### SPECIAL BUSINESS:

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

**“RESOLVED THAT** pursuant to applicable provisions of the Companies Act, 2013 read with rules issued thereunder (“Act”) and other applicable statutory /regulatory provisions and with relocation of the office of the Company's Registrar and Share Transfer Agent (RTA) i.e. Link Intime India Private Limited from C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400078 to C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083, all the Registers to be kept and maintained by the Company under Section 88 of the Act including Register of Members and copies of Annual Returns prepared under the Act together with copies of certificates and documents, be kept and maintained at the office of the Company's RTA i.e. Link Intime India Private Limited, located at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083, Maharashtra or at any office of the RTA as may be changed/shifted/ relocated by RTA within the local limits of Mumbai(Maharashtra), with effect from February 25, 2017, instead of keeping, maintaining and preserving the said Registers/Index of Members at the Registered Office 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 24<sup>th</sup> May 2017**

#### Registered Office:

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

**CIN: L45200MH1939PLC002958**

Website:www.modernshares.com

**Notes:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of the business at items nos. 6 set out in the Notice, wherever applicable, is annexed hereto.

2. A statement giving the relevant details of the Directors seeking re-appointment under Item Nos. 3 and 4 of the accompanying Notice, as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges is annexed herewith.

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

A person can act as a proxy on behalf of 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.

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

5. Members are requested to bring their attendance slips and ballot form sent herewith duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.

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

7. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Company's 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.

8. The Register of Members and Share Transfer Books of the Company shall remain closed from **Friday July 21, 2017 to Friday July 28, 2017 (both days inclusive)**, for payment of final dividend, if declared at the Meeting.

9. Members are required to send all the communication relating to shares to Company's **Registrar and Transfer agents-Link Intime India Pvt Ltd, C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai 400083**. Members holding the shares in electronic mode should address all the correspondence to their respective Depository Participants (DPs).

10. After the declaration of the dividend at the Annual General Meeting, the same will be paid to those Members of the Company whose names stand on the Register of Members of the Company on Friday July 28, 2017. 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 Friday July 28, 2017 as per the list provided by the Depositories for this purpose. The dividend will be payable on and from August 7, 2017.

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

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

13. Pursuant to provisions of Section 101 and Section 136 of the Companies Act, 2013, read with Rules made there under. Copies of Annual Report 2017, Notice of 78th 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 2017 are being sent by the permitted mode. Members holding shares in physical form can send their email address for registration to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) quoting their folio number and Name of the Company.
14. Members who have not registered their email addresses so far are requested to register their email address for receiving all communication including Annual Report, Notices, and Circulars etc from the Company electronically.
15. Members desiring any information with regard to the Accounts are requested to write to the Company at least 7 days in advance so as to enable the Company to keep the information ready at the Annual General Meeting.
16. Pursuant to the provisions of Section 125 of the Companies Act, 2013, (205C of the Companies Act, 1956) any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date they become due for payment, shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government.
17. Those members who have so far not en-cashed their Final Dividend for the years March 31, 2010, March 31, 2011, March 31, 2012, March 31, 2013, March 31, 2014, March 31, 2015 and March 31, 2016 are requested to approach the Registrars and Share Transfer Agents of the Company for payment.
18. The Company has transferred all dividend up to financial year ended March 31, 2009 remained unpaid/unclaimed for a period of seven years from the date it became first due for payment to the Investor Education and Protection Fund (IEPF) constituted by the Central Government and no claim shall lie against the IEPF or the Company in respect of individual amount(s) so credited to the IEPF.
19. Pursuant to provisions of the Companies Act, 2013, final dividend for the financial year ended March 31, 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). Equity shares on which dividend unclaimed for seven consecutive years will be transfer to the IEPF as per section 125 of the Act and the applicable rules.
20. Information in respect of such unclaimed dividends due for transfer to the said fund is given below:
- | Financial Year Ended Dividend | Date of Declaration Dividend | Last Date for Claiming Unclaimed Dividend | Due Date for Transfer to IEPF |
|-------------------------------|------------------------------|---|-------------------------------|
| 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                     |
| 2015-16                       | 12-Jul-16                    | 11-Jul-23                                 | 11-Aug-23                     |
21. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 12<sup>th</sup> July, 2016 (date of last Annual General Meeting) on the website of the company ([www.modernshares.com](http://www.modernshares.com)), as also on the Ministry of Corporate Affairs website.
22. In compliance with provisions of Section 108 of the Companies Act, 2013 read with the Rules made there under and 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. The Members, whose name appears in the Register of Members/List of Beneficial owners as on July 20, 2017 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.

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

#### 24. Voting Options

##### (1) Voting through Electronic Means

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

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

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

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

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

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

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

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

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

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

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

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

#### OTHER INSTRUCTIONS

- I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password /PIN for casting your vote.
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. **The Members, whose names appear in the Register of Members/ list of Beneficial Owners as on July 20, 2017, 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 25, 2017 and will end at 5.00 P.M on July 27, 2017 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 20, 2017 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of July 20, 2017
- 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 20, 2017 may obtain the login ID and password by sending an email to [contact@modernshares.com](mailto:contact@modernshares.com) and/ or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) by mentioning their Folio No. /DP ID and Client ID No. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/ Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- VIII. A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting through ballot papers.
- X. Mr. Anil Jani, Practicing Company Secretary of Anil Jani & Company has been appointed as the 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 favor 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 24<sup>th</sup> May 2017**

**Registered Office:**

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

**CIN: L45200MH1939PLC002958**

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

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

**ITEM NO. 6:**

Your Company's Registrar and Share Transfer Agent, Link Intime India Private Limited (Link Intime) has shifted their Registered Office from C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400078 to C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083 with effect from February 25, 2017. Thus, all the registers to be maintained by the Company under section 88 of the Companies Act, 2013 and copies of annual return filed under section 92 of the Companies Act, 2013 and which were kept at the erstwhile premises are now being maintained at the new premises. Accordingly, the approval of the members by way of special resolution is being sought for keeping the Registers, Returns, etc. pursuant to the provisions of Section 88 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder.

Your Board recommends the Special Resolution as set out in Item No.6 for your approval.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution.

**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 24<sup>th</sup> May 2017**

**Registered Office:**

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

**CIN: L45200MH1939PLC002958**

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

**ANNEXURE TO THE NOTICE**

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

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

<b>Name of Directors</b>	<b>Mrs. Roshan Salim Patheria</b> (Din No. 00651144)	<b>Mr. Narendra Hira Advani</b> (Din No. 03351909)
<b>Date of Birth</b>	21/03/1960	20-09-1966
<b>Date of Appointment on Board</b>	31/01/2007	30/05/2011
<b>Qualification</b>	Bsc in Catering (1983) Management from UK	BBA (Int'l Mgmt & Business) world College West, Petaluma, California USA
<b>List of Directorship held in other Companies</b>	None	BHAGWANTI EXPORTS PVT LTD BHAGWANT TEX OVERSEAS PVT LTD HIRA ADVANI HOLDINGS PVT LTD NEELGAGAN INVESTMENTS PVT LTD
<b>Expertise in specific functional areas</b>	She has rich experience in HR department and related Management Service and serving on Board since last several years.	He has been an avid businessman and having rich experience of int'l business environment.
<b>Membership of Committees in other Public Limited Companies (includes only Audit &amp; Investor Grievance Committee)</b>	None	None
<b>No. of shares held in the Company as on March 31, 2017</b>	Nil	428865

Mr. Narendra Hira Advani non-executive director and Mrs. Roshan Salim Patheria who is a Non-Executive Woman Director are brother and sister 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 24<sup>th</sup> May 2017**

**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 Eighth** Annual Report together with the audited financial statements for the year ended March 31, 2017.

<b>FINANCIAL RESULTS:</b>	<b>31/03/2017 Rupees (₹)</b>	<b>31/03/2016 Rupees (₹)</b>
GROSS PROFIT	22,58,898	24,09,233
Less: Depreciation	(3,18,749)	(4,21,261)
PROFIT / (LOSS) BEFORE TAXATION	19,40,149	19,87,972
PROVISION FOR TAXATION (net)	(5,64,268)	(6,71,907)
PROFIT / (LOSS) AFTER TAX	13,75,881	13,16,065
Add: Brought Forward Profit of Previous Year	5,65,16,886	5,69,59,422
AMOUNT AVAILABLE FOR APPROPRIATION	5,78,92,767	5,82,75,487
Less: Proposed Dividend #	—	14,65,563
Less: Provision for Corporate tax on dividend #	—	2,93,039
Less: Transfer to General Revenue	NIL	NIL
Balance carried to Balance Sheet	5,78,92,767	5,65,16,886

**# The Proposed equity dividend and dividend distribution Tax are not accounted as liabilities in F Y ended March 31, 2017 in accordance with revised As-4 'Contingences and events occurring after the Balance Sheet Date.'**

## 2. BUSINESS ACTIVITIES AND OPERATIONS

The Company's operations resulted in a gross profit of ₹ 22.59 lakhs as against ₹ 24.09 Lakhs in the previous year. After providing for depreciation of ₹ 3.19 lakhs (previous year ₹ 4.21 Lakhs) and making net provision for taxation of ₹ 5.64 Lakhs (Previous year ₹ 6.72 Lakhs) the Company has earned a net profit of ₹13.76 as against net profit of ₹ 13.16 Lakhs in the previous year.

The past year has seen the company perform almost the same as the previous year. The stock markets have seen a volatile year rallying in the first half of the year, then a sharp correction due to Demonetization and then followed by a spectacular rally. In the last few months we have seen participation from all segments of the market be it Retail, Foreign Funds and Domestic Mutual Funds and Institutions. It will be fair to say most of us miscalculated the impact of Demonetization. The general consensus was that markets would be subdued for a minimum of two quarters and not just two months. The sentiment has drastically changed from negative to positive and overall India is being viewed as a good Investment destination for the next 5 years.

Our own Industry continues to face challenges from falling brokerage rates and the online trading portals. While the markets are doing well and Domestic Mutual Funds are seeing record inflows, we continue to try and increase the overall business via our existing clients and new ones too. We have been focusing on the retail side of the business too in the past few months. In addition, the company has also increased its own proprietary trading and investment book.

The markets are clocking life highs on a regular basis. Overall fund inflows are robust and expected to continue in the next few quarters. We expect markets to remain positive barring any unforeseen global event. In addition, interest rates should stay at the lower end of the curve for the next few months and Inflation is expected to drop once GST is in place. The government, on its part, has been pro active on the reforms front; and with forecast for another good monsoon it overall bodes well both for the economy and the stock market

## 3. DIVIDEND

Your Directors recommend a Dividend of 5% (previous year 5%) for the year ended 31st March 2017. 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 July 28, 2017.

#### 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 Mrs. Roshan Salim Patheria and Mr. Narendra Hira Advani, 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 and 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, 2016 to 31st March, 2017. The dates on which the meetings were held as follows:

Dates on which Board Meetings held	Strength of the Board	No. of Directors Present
20 <sup>th</sup> May, 2016	6	5
12 <sup>th</sup> July, 2016	6	5
27 <sup>th</sup> October, 2016	6	5
25 <sup>th</sup> January, 2017	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	25	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 12/07/2016
	20 <sup>th</sup> May, 2016	12th July, 2016	27th October, 2016	25th January, 2017	
Mr. Anil S. Manghnani	Attended	Attended	Attended	Attended	Attended
Mr. Narendra H. Advani	leave	Attended	Leave	Leave	Attended
Mr. Uday Kumar Mallik	Attended	Attended	Attended	Attended	Attended
Ms. Roshan Patheria	Attended	Attended	Attended	Attended	Attended
Mr. Ghansham Shewakramani	Attended	leave	Attended	Attended	Attended
Mr. Ashok Tikamdas Kukreja	Attended	Attended	Attended	Attended	Attended

◆ **Audit Committee Member**

Name of the Member	20.05.2016	12.07.2016	27.10.2016	25.1.2017
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	20.05.2016	12.07.2016	27.10.2016	25.1.2017
Mr. Uday Kumar Mallik (Chairperson)	Attended	Attended	Attended	Attended
Mr. Ghansham Shewakramani	Attended	Leave	Attended	Attended
Mr. Ashok Tikamdas Kukreja	Attended	Attended	Attended	Attended

◆ **Nomination & Remuneration Committee Member**

Name of the Member	20.05.2016	12.07.2016	27.10.2016	25.1.2017
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	25.01.2017
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, 2017, 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, 2017 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 undertake 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](http://www.modernshares.com) under investors/policy documents/Vigil Mechanism Policy link.

## 10. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. An Omnibus Approval was taken for 1 Year from Audit Committee and Board at their Meeting held on 20.05.2016 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. Baheti & Co. Chartered Accountants, (Firm Reg. No. 006287C), have been recommended by your Board to be appointed as Statutory Auditors of the Company in place of M/s BDG & Associates in compliance of Section 139(2) of the Companies Act, 2013 read with Rule 6 of Cos (Audit and Auditors) Rules, 2014 at the ensuing Annual General Meeting for a period of 5years subject to ratification by members at every consequent Annual General Meeting. Therefore, approval of thier appointment as Statutory Auditor is being sought from the members of the Company.

##### 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 for the financial year ended March 31, 2018. The Secretarial Audit Report for the Financial Year ended March 31, 2018 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 Secretarial department is being headed by CFO cum compliance officer having experience of almost 33 years in finance & law looking after compliances in the Company under all the laws including the Companies Act, 2013 and the rules made thereunder 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 ₹ 13.80 Lakhs (Previous year ₹ 16.01 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 in Regulation 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, 2017.

Sr. No.	Name	Designation	Remuneration paid FY 2016-17 (₹ Lakhs)	Remuneration paid FY 2015-16 (₹ Lakhs)	Increase in Remuneration from previous Year (₹ Lakhs)	Ratio/ Times per median of employee remuneration
1	Mr. Anil Manghnani	Whole-time Director	10.34	10.34	Nil	N.A.
2	Mr. R N Shenvi	CFO	10.08	10.08	Nil	N.A.

## 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

96.47% of the Company's paid up equity share capital is in dematerialized form as on 31st March, 2017 and balance 3.53% is in physical form. The Company's Registrar and Share transfer agent is M/s Link Intime India Pvt. Ltd. Having Registered

Office and Mumbai Operations at C/101, 247 Park, L.B. S Marg, Vikhroli (west) Mumbai 400083.

## 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 and to the Shareholders for their continuous support.

## 20. CAUTIONARY STATEMENT

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

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

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

**Mumbai, dated 24th May, 2017**

### 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.**

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

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

No	Particulars	Details			
		Bhagwanti Exports Private Limited (Associate Company)	Anil S Manghnani (Whole time Director)	Radhakrishna Shenvi (CFO)	Praveen Manghnani (Brother of WTD)
a	Name (s) of the related party & nature of relationship				
b	Nature of contracts/arrangements/transaction	Rent Agreement	Member Client Agreement	Member Client Agreement	Member Client Agreement
c	Duration of the contracts/arrangements/transaction	On Going	On Going	On Going	On Going
d	Salient terms of the contracts or arrangements or transaction including the value, if any	Use of office premises on monthly rental basis	Same as applicable to any other client	Same as applicable to any other client	Same as applicable to any other client
e	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
f	Date of approval by the Board	01/04/2011	20.05.2016 Omnibus Approval taken for 1 Year from Audit Committee and Board	20.05.2016 Omnibus Approval taken for 1 Year from Audit Committee and Board	20.05.2016 Omnibus Approval taken for 1 Year from Audit Committee and Board
g	Amount of brokerage/Rent earned during the year	3.00 Lakhs (Rent)	0.23 Lakhs	0.32 Lakhs	0.43 Lakhs
h	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA	NA	NA	NA

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)

Mumbai, 24th May, 2017

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

FOR THE FINANCIAL YEAR ENDED  
**31ST MARCH, 2017**

*[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, 2017 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, 2017 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, 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.
- (ii) The Uniform Listing Agreement entered into by the Company with BSE Limited (BSE) as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 33 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.

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.

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.

- (iv) Merger /amalgamation/reconstruction etc.
- (v) Foreign technical collaborations.

Sd/-

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

**Place : Mumbai**

**Date : 24th day of May, 2017**

**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  
ACS No.:10841  
C P No.:5940

**Place: Mumbai**  
**Date: 24th May, 2017**

**Annexure C TO BOARD REPORT**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31st March, 2017**

[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. 101, 247 PARK, L.B.S. MARG,  
VIKHROLI (WEST), MUMBAI 400083.  
TEL (022) 49186270, (F).(022) 49186060  
CONTACT PERSON: MR. PRAJVAL SUVERNA  
E-MAIL ID: rnt.helpdesk@linltime.co.in**

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

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

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

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

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

**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	Demat	Physical	Total	
<b>A. Promoters (1) Indian</b>							
a. Individual/ HUF	1002275	00	1002275	1002275	00	1002275	00.00
b. Central Govt	-	-	-	-	-	-	-
c. State Govt (s)	-	-	-	-	-	-	-
d. Bodies Corp.	1132509	00	1132509	1132509	00	1132509	00.00
e. Banks / FI	-	-	-	-	-	-	-
f. Any Other....	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>2134784</b>	<b>00</b>	<b>2134784</b>	<b>2134784</b>	<b>00</b>	<b>2134784</b>	<b>00.00</b>
<b>(2) Foreign</b>							
a. NRIs - Individuals	-	-	-	-	-	-	-
b. Other - Individuals	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-
d. Banks / FI	-	-	-	-	-	-	-
e. Any Other....	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00.00</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>2134784</b>	<b>00</b>	<b>2134784</b>	<b>2134784</b>	<b>00</b>	<b>2134784</b>	<b>00.00</b>



ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh / 2 Lakhs	36927	00	36927	1.26	42882	00	42882	1.46	0.20
c) Others (15680* shares held by Custodian of Enemy Property in India for Pakistani National)	7840*	8490*	16330*	0.56	7840*	8490*	16330*	0.56	0.00
i) Clearing member	5395	00	5395	0.18	2261	00	2261	0.08	(0.10)
ii) Market maker	—	—	—	—	—	—	—	—	—
iii) NRI	316694	00	316694	10.81	315828	00	315828	10.77	(0.04)
iv) OBC	—	—	—	—	—	—	—	—	—
<b>Sub-total (B)(2):-</b>	692465	103876	796341	27.17	692818	103523	796341	27.17	00
<b>Total Public Shareholding (B)= (B) (1) + (B)(2)</b>	692465	103876	796341	27.17	692818	103523	796341	27.17	00
C. Shares held by Custodian for GDRs & AD Rs.	—	—	—	—	—	—	—	—	—
<b>Grand Total (A + B + C)</b>	<b>2827249</b>	<b>103876</b>	<b>2931125</b>	<b>100.00</b>	<b>2827602</b>	<b>103523</b>	<b>2931125</b>	<b>100.00</b>	<b>00.00</b>

**(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
	<b>TOTAL</b>	<b>2134784</b>	<b>72.83</b>	<b>0.00</b>	<b>2134784</b>	<b>72.83</b>	<b>0.00</b>	<b>0.00</b>

**(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				
	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):	<b>NOT APPLICABLE</b>			
	At the End of the year				

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

SI No.	Name	Shareholding at the beginning of the year		Date	Change in Shareholding (No Of Shares)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company		Increase (Purchase)	Reason	No. of Shares	% of total shares of the company
	<b>FOR EACH OF THE TOP 10 SHAREHOLDERS</b>							
1	Lal Hariram Ganwani	100000	3.41	—	0.00	—	100000	3.41
2	Mohan Chattaram	100000	3.41	—	0.00	—	100000	3.41
3	Kamal Ramesh Dhanwani	100000	3.41	—	0.00	—	100000	3.41
4	Deepak Kohli	24661	0.84	—	0.00	—	24661	0.84
		11647	0.40	15/04/2016	-11647	Transfer	0	0.84
		0	0	15/04/2016	+11647	Transfer	36308	1.24
		0	0	08/07/2016	+3050	Purchase	39358	1.34
		0	0	21/10/2016	+619	Transfer	39977	1.36
		619	0.02	21/10/2016	-619	Transfer	39358	1.34
		0	0	28/10/2016	+2905	Purchase	42882	1.46
5	Chirayush Pravin Vakil	13842	0.47	11/11/2016	-125	Sale	13717	0.47
				09/12/2016	-10	Sale	13707	0.47
				20/01/2017	-46	Sale	13661	0.47
				10/02/2017	-100	Sale	13561	0.46
6	Sanjay Vijay Mallik	12820	0.43	0	0	0	12820	0.43
7	Khemchand Manglani	12500	0.43	—	0.00	—	12500	0.43
8	Parpati Lalchand Lakhwani (Custodian of Enemy Property in India)	11480	0.39	—	0.00	—	11480	0.39
9	Ajay Agarwal	10880	0.37	—	0.00	—	10880	0.37
10	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:**

SI No.	For Each of the Directors and KMP	Shareholding at the beginning of the Year		Change in Shareholding (No Of Shares)		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	Increase (Purchase)	Decrease (Sale)	No. of Shares	% of total Shares of the company
1	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
<b>Indebtedness at the beginning of the financial year</b>	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL
<b>Change in Indebtedness during the financial year</b>	NIL	NIL	NIL	NIL
• Addition				
• Reduction				
<b>Net Change</b>	NIL	NIL	NIL	NIL
<b>Indebtedness at the end of the financial year</b>	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

SI No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (in ₹)
		Anil S. Manghnani		
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		₹10,30,480	₹10,30,480
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)		₹ 10,30,480	₹ 10,30,480
	Ceiling as per the Act *		-	₹ 1,49,356

\*Overall Ceiling as per the Act ₹ 1,49,356/- being 5% of the net profit of the Company calculated as per Section 198 of the Companies Act 2013. (Minimum Remuneration \* Paid as per Sch. V Part II (Section II) of 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.	<b>Independent Directors</b> Fee for attending board / committee Meetings	₹ 60,000/-	₹ 60,000/-		₹ 1,20,000/-
	• Commission				
	• Others, please specify				
	<b>Total (1)</b>				<b>₹ 1,20,000/-</b>
2.	<b>Other Non-Executive Directors</b>	Mr. Ghansham Shewakramani	Mr. Narendra N. Advani	Mrs. Roshan Salim Patheria	
	• Fee for attending board / committee meetings	₹ 30,000/-	₹ 7,500/-	₹ 40,000/-	₹ 77,500/-
	• Commission				
	• Others, please specify				
	<b>Total(2)</b>				<b>₹ 77,500/-</b>
	<b>Total (B) = (1+2)</b>				<b>₹ 1,97,500/-</b>
	<b>Total Managerial Remuneration (A+B)</b>				<b>₹ 12,31,980/-</b>

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
	<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>1,008,000</b>	<b>1,008,000</b>

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

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

Mumbai, dated 24th May, 2017  
**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/- Sd/-  
**Anil Sugno Manghnani** **Roshan Salim Patheria**  
**Whole Time Director** **Director**  
**(DIN-00012806)** **(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, 2017, 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, 2017, 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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March, 31, 2017, 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, 2017, which would impact its financial position.
- (ii) The Company did not have any long-term contracts including derivative contracts as at March, 31, 2017.
- (iii) The company has transferred an amount of Rs. 30,324/- (of unpaid dividend for the financial year ended 31st March 2009) to Investor Education and Protection Fund during the year in accordance with section 124 (5) of The Companies Act, 2013 and rules there under.
- (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealing in Specified Bank Notes during the period 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by Company.

**For B D G & Associates**  
**Firm Registration No.: 119739W**  
**Chartered Accountants**

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

**Place: Mumbai**  
**Date: 24th May, 2017**

### **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, 2017

#### **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, 2017 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 B D G & Associates  
Chartered Accountants  
Firm Registration No.: 119739W**

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

**Place: Mumbai  
Date: 24th May, 2017**

### 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, 2017.

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 B D G & Associates**  
**Firm Registration No.: 119739W**  
**Chartered Accountants**

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

**Place: Mumbai**  
**Date: 24th May, 2017**

**BALANCE SHEET AS AT MARCH 31, 2017**

Particulars	Note No.	As at March 31, 2017 (Amount in Rs.)	As at March 31, 2016 (Amount in Rs.)
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
a Share Capital	2.1	2,93,11,250	2,93,11,250
b Reserves and Surplus	2.2	9,70,98,597	9,57,22,716
<b>2 Current Liabilities</b>			
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		1,01,66,023	2,14,99,019
b Other Current Liabilities	2.4	24,29,832	31,90,836
c Short-term Provisions	2.5	25,15,092	41,29,707
<b>Total</b>		<b>14,15,20,794</b>	<b>15,38,53,528</b>
<b>II ASSETS</b>			
<b>1 Non-current Assets</b>			
a Fixed assets			
i. Tangible Assets	2.7	13,79,865	16,00,914
ii. Intangible Assets	2.7	-	-
b Non-current investments	2.8	72,59,500	72,59,500
c Deferred-tax Assets (net)	2.9	6,77,810	6,42,546
d Long-term Loans and Advances	2.10	86,90,646	86,80,646
<b>2 Current Assets</b>			
a Inventories	2.11	26,73,662	1,90,450
b Trade Receivables	2.12	59,92,408	58,18,889
c Cash and Cash Balances	2.13	11,15,30,750	12,65,65,992
d Short-term Loans and Advances	2.14	33,16,153	30,94,591
<b>Total</b>		<b>14,15,20,794</b>	<b>15,38,53,528</b>
Significant Accounting Policies & Notes	1 & 2		

As per our attached report of even date

**For For B D G & Associates**

**Chartered Accountants**

FRN No: 119739W

**Sunil Bhandari**

Partner

Membership No.047981

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)

For and on behalf of the Board of Directors

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

Particulars	Note No.	For the year ended March 31, 2017 (Amount in Rs.)	For the year ended March 31, 2016 (Amount in Rs.)
I Revenue from Operations	2.15	2,04,16,257	2,17,89,076
II Other Income	2.16	84,04,640	96,34,773
III <b>Total Revenue (I + II)</b>		<b>2,88,20,897</b>	<b>3,14,23,849</b>
IV <b>Expenses:</b>			
Operating Expenses	2.17	19,29,379	19,48,756
Employee Benefit Expenses	2.18	1,20,07,225	1,20,77,384
Administrative and Other Expenses	2.19	1,24,78,454	1,48,56,242
Financial Costs		1,46,941	1,32,234
Depreciation and Amortization Expenses	2.7	3,18,749	4,21,261
V <b>Total Expenses</b>		<b>2,68,80,748</b>	<b>2,94,35,877</b>
VI Profit before exceptional and extraordinary items and tax (III - V)		<b>19,40,149</b>	<b>19,87,972</b>
VII Exceptional Items		-	-
VIII Profit before extraordinary items and tax (VI - VII)		<b>19,40,149</b>	<b>19,87,972</b>
IX Extraordinary Items		-	-
X Profit before tax (VIII - IX)		<b>19,40,149</b>	<b>19,87,972</b>
XI Tax expense:			
1 Current tax		6,50,000	7,50,000
2 Deferred tax		(35,264)	(78,093)
3 Taxation of earlier years		(50,468)	-
		5,64,268	6,71,907
XII Profit for the period (X - XI)		<b>13,75,881</b>	<b>13,16,065</b>
XIII Earning per equity share: Basic & Diluted Equity Shares of par value Rs.10 each		0.47	0.45
Number of shares used in computing earnings per share Basic & Diluted		29,31,125	29,31,125

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 : 24th May, 2017

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, 2017**

Particulars	For the year ended March 31, 2017 (Amount in Rs.)	For the year ended March 31, 2016 (Amount in Rs.)
<b>A Cash Flow from Operating Activities</b>		
(a) Profit from operating activities	19,40,149	19,87,972
Adjustments:		
Depreciation and amortization	3,18,749	4,21,261
Interest Received	(83,83,967)	(93,41,617)
Dividend on Investments	(9,949)	(34,231)
(b) Working capital changes:		
Decrease / (Increase) in inventories	(24,83,212)	3,76,779
Decrease / (Increase) in trade receivables	(1,73,520)	13,18,304
Decrease / (Increase) in long-term loans and advances	(10,000)	(650)
Decrease / (Increase) in short-term loans and advances	(35,647)	3,68,517
Decrease / (Increase) in trade payables	(1,13,32,996)	(2,24,54,681)
Increase / (Decrease) in other current liabilities	(761,004)	3,77,485
Increase / (Decrease) in provisions	1,94,455	4,25,745
(c) Direct taxes paid (Net of refunds)	(7,85,447)	(11,89,732)
Total of (A)	<b>(2,15,22,388)</b>	<b>(2,77,44,847)</b>
<b>B Cash Flow from Investing Activities</b>		
(a) Purchase of tangible assets / Capital work in progress	(97,700)	(1,19,225)
(b) Interest received	83,83,967	93,41,617
(c) Dividend received	9,949	34,231
Total of (B)	<b>82,96,216</b>	<b>92,56,623</b>
<b>C Cash Flow from Financing Activities</b>		
(a) Dividends paid (including distribution tax)	(18,09,070)	(34,66,735)
Total of (C)	<b>(18,09,070)</b>	<b>(34,66,735)</b>
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(1,50,35,242)	(2,19,54,959)
Add: Cash and cash equivalents at the beginning of the period	12,65,65,992	14,85,20,951
Cash and cash equivalents at the end of the period	11,15,30,750	12,65,65,992
<b>Breakup of Cash Equivalents</b>		
Cash	52,825	46,929
Balances in Bank in Current Accounts	1,32,34,529	2,17,26,113
Balances in Bank in Fixed Deposits	9,82,43,396	10,47,92,951
	<b>11,15,30,750</b>	<b>12,65,65,992</b>

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

**Sunil Bhandari**  
Partner  
Membership No. 047981  
Place : Mumbai  
Date : 24th May, 2017

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)	

**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, 2017		As at March 31, 2016	
	Number	Amount	Number	Amount
<b>Note 2.1: Share Capital</b>				
<b>Authorised</b>				
Equity shares of Rs.10/- each.	60,00,000	6,00,00,000	60,00,000	6,00,00,000
<b>Issued, Subscribed &amp; Paid up</b>				
Equity shares of Rs.10/- each fully paid-up	29,31,125	2,93,11,250	29,31,125	2,93,11,250
	<b>29,31,125</b>	<b>2,93,11,250</b>	<b>29,31,125</b>	<b>2,93,11,250</b>

No shares out of the issued, subscribed and paid up shares have been issued for a consideration other than cash, bonus etc. in past 5 years.

The Company has only one class of shares referred to as equity shares having par value of Rs.10. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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, 2017		As at March 31, 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	29,31,125	2,93,11,250	29,31,125	2,93,11,250
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	29,31,125	2,93,11,250	29,31,125	2,93,11,250

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

Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of shares held	% of Holding	No. of shares held	% of Holding
M/s. Bhagwanti Exports Pvt. Ltd.	10,75,075	36.68%	10,75,075	36.68%
Mr. Anil S Manghnani	4,55,010	15.52%	4,55,010	15.52%
Mr. Narendra H Advani	4,28,865	14.63%	4,28,865	14.63%

Particulars	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.
<b>Note 2.2: Reserves and Surplus</b>		
<b>a Capital Reserve</b>	<u>1,45,831</u>	<u>1,45,831</u>
<b>b Securities Premium Account</b>	<u>1,68,84,184</u>	<u>1,68,84,184</u>
<b>c General Reserve</b>		
Opening Balance	2,21,75,815	2,21,75,815
(+) Current Year Transfer	-	-
(-) Depreciation due to change in depreciation rate on effect of adoption of Part C of schedule II of Companies Act, 2013	-	-
	<u>2,21,75,815</u>	<u>2,21,75,815</u>
<b>d Surplus</b>		
Opening Balance	5,65,16,886	5,69,59,422
(+) Net Profit/(Net Loss) for the Current Year	13,75,881	13,16,065
(-) Proposed Dividends	-	(14,65,563)
(-) Corporate Dividend Tax	-	(2,93,039)
Closing Balance	<u>5,78,92,767</u>	<u>5,65,16,886</u>
	<u>9,70,98,597</u>	<u>9,57,22,716</u>
<b>Note 2.3: Trade payables</b>		
a Total outstanding dues of micro enterprises and small enterprises*		
b Total outstanding dues of creditors other than micro enterprises and small enterprises	1,01,66,023	2,14,99,019
	<u>1,01,66,023</u>	<u>2,14,99,019</u>
<b>Note 2.3.1: Disclosure in accordance with section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.</b>		
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	-	-
<b>* Note :-</b>		
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.		
<b>Note 2.4: Other Current Liabilities</b>		
a Unclaimed dividends	3,37,535	3,31,897
b Other liabilities for expenses	15,73,238	22,49,386
d Other sundry credits	10,000	-
c Outstanding statutory liabilities	5,09,059	6,09,553
	<u>24,29,832</u>	<u>31,90,836</u>
<b>Note 2.5: Short Term Provisions</b>		
<b>a Provision for employee benefits</b>		
Leave Encashment	18,14,292	16,74,588
Bonus	7,00,800	6,46,050
<b>b Others</b>		
Proposed final dividend on equity shares	-	14,65,563
Tax on dividend	-	3,43,507
	<u>25,15,092</u>	<u>41,29,708</u>
<b>Note 2.6 Contingent liabilities</b>		
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, 2017

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION /AMORTISATION			NET BLOCK	
	As at March, 31, 2016	Additions	Deductions	As at March, 31 2016	For the Year	Deduct-ions	As at March, 31 2017	As at March, 31 2016
<b>Tangible Assets</b>								
Leasehold Improvements	15,56,815	-	-	4,14,611	1,12,143	-	5,26,754	11,42,204
Airconditioner	21,000	-	-	16,466	2,280	-	18,746	4,534
Computer	8,25,529	13,300	-	6,67,094	90,393	-	7,57,487	1,58,436
Office Equipments	2,83,774	84,400	98,720	2,49,738	52,963	98,720	2,03,981	34,036
Motor Car	6,53,192	-	-	4,90,774	53,447	-	5,44,221	1,62,418
Office Furniture	4,34,575	-	-	3,35,289	7,523	-	3,42,812	99,286
<b>Intangible Assets</b>								
Trade Mark	58,000	-	-	58,000	-	-	58,000	-
<b>TOTAL</b>	<b>38,32,885</b>	<b>97,700</b>	<b>98,720</b>	<b>22,31,971</b>	<b>3,18,749</b>	<b>98,720</b>	<b>24,52,000</b>	<b>16,00,914</b>
<b>Previous Year</b>	<b>37,13,660</b>	<b>1,19,225</b>	<b>-</b>	<b>18,10,710</b>	<b>4,21,261</b>	<b>-</b>	<b>22,31,971</b>	<b>19,02,950</b>

Particulars	Face Value	Qty.	As at March 31, 2017 (Amount in Rs.)	Qty.	As at March 31, 2016 (Amount in Rs.)
<b>Note 2.8: Non Current Investments</b>					
<b>A Quoted, long term, non-trade: (at cost)</b>					
a Fully Paid up Equity Shares Emmsons International Ltd.	10	10000	12,50,000	10000	12,50,000
<b>Sub-total</b>			<b>12,50,000</b>		<b>12,50,000</b>
<b>B Un-Quoted, long term, non-trade: (at cost)</b>					
Fully Paid up Equity Shares					
a Innovative B2B Logistics Solutions Ltd. (Refer Note 2.24)	10	50000	50,00,000	50000	50,00,000
b The Saraswat Co-op. Bank Ltd.	10	950	9,500	950	9,500
<b>Sub-total</b>			<b>50,09,500</b>		<b>50,09,500</b>
<b>C Un-Quoted Mutual Funds</b>					
a Axis Hybrid Fund - Series 15 (1275 days) Growth(A5-GP)	10.00	30000	3,00,000		3,00,000
b Axis Hybrid Fund - Series 19 (42 months) Growth(A9-GP)	10.00	50000	5,00,000		5,00,000
c Axis Equity Fund - Growth (EFGPG)	19.70	10152	2,00,000		2,00,000
<b>Sub-total</b>			<b>10,00,000</b>		<b>10,00,000</b>
<b>TOTAL OF INVESTMENTS (A)</b>			<b>72,59,500</b>		<b>72,59,500</b>
<b>Aggregate Value of Quoted Investments</b>					
Cost			1,2,50,000		12,50,000
Market Value			68,500		80,000
<b>Aggregate Value of Unquoted Investments</b>					
Cost			60,09,500		60,09,500
<b>Note 2.9: Deferred Tax</b>					
The net deferred tax asset as at March 31, 2017, comprises of the following components:					
Deferred Tax Asset					
On timing difference of Assets			1,17,194		1,25,098
Provision for Leave Encashment			5,60,616		5,17,448
			<b>6,77,810</b>		<b>6,42,546</b>
Deferred Tax Liability					
On timing difference of Assets			-		-
Net Deferred Tax Asset / (Liability)			<b>6,77,810</b>		<b>6,42,546</b>
<b>Note 2.10: Long Term Loans and Advances</b>					
<b>a Security Deposits</b>					
Unsecured, considered good			86,90,646		86,80,646
			<b>86,90,646</b>		<b>86,80,646</b>

Particulars	As at March 31, 2017 (Amount in Rs.)		As at March 31, 2016 (Amount in Rs.)	
	Qty.	Amt.	Qty.	Amt.
<b>Note 2.11: Inventory</b>				
a Shree Renuka Sugars Ltd.	13000	1,89,150	13000	1,90,450
b S M Dye Chem Ltd.	100	-	100	-
c ABB India Ltd.	150	1,90,239	-	-
d Apollo Tyres Ltd.	500	1,03,203	-	-
e Brigade Enterprises Ltd.	500	1,12,618	-	-
f Chambal Fertilizers & Chemicals Ltd.	1000	79,772	-	-
g Engineers India Ltd.	500	65,694	-	-
h Greaves Cotton Ltd.	500	87,091	-	-
i The India Cements Ltd.	300	48,930	-	-
j Jain Irrigation Systems Ltd.	1000	93,650	-	-
k Kirloskar Electric Company Ltd.	1000	40,350	-	-
l The Karnataka Bank Ltd.	892	72,342	-	-
m Kwalitiy Ltd.	500	77,750	-	-
n Larsen & Toubro Ltd.	125	1,96,400	-	-
o Manugraph India Ltd.	750	41,250	-	-
p Monsanto India Ltd.	75	1,86,710	-	-
q National Aluminium Company Ltd.	750	57,375	-	-
r Nava Bharat Ventures Ltd.	750	94,088	-	-
s NCC Ltd.	1000	81,900	-	-
t Power Finance Corporation Ltd.	400	55,699	-	-
u PTC India Ltd.	1000	91,996	-	-
v Schneider Electric Infrastructure Ltd.	1000	1,42,000	-	-
w Tata Coffee Ltd.	900	1,13,130	-	-
x Tata Power Company Ltd.	1000	90,294	-	-
y Tata Sponge Iron Ltd.	200	1,36,734	-	-
z Torrent Power Ltd.	500	1,08,222	-	-
aa Union Bank of India	750	1,17,075	-	-
e Others (specify nature)				
		<b>26,73,662</b>		<b>1,90,450</b>

Stock is valued at cost or market value which ever is lower.

Particulars	As at March 31, 2017 (Amount in Rs.)	As at March 31, 2016 (Amount in Rs.)
<b>Note 2.12: Trade Receivables:</b>		
Unsecured, considered good		
Trade receivables outstanding for a period less than six months from the date they are due for payment	34,74,736	32,97,110
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	25,17,672	25,21,779
	<u>59,92,408</u>	<u>58,18,889</u>
<b>Trade Receivable stated above include debts due by:</b>		
Key Management Personnel	-	-
Relatives of Key Management Personnel	1,22,410	117
<b>Note 2.13: Cash and Cash Equivalents:</b>		
a Balances with Banks		
Current Account	1,28,96,994	2,13,94,216
FD towards margin money	5,82,92,951	5,82,92,951
FD against guarantees	50,00,000	50,00,000
FD against borrowings	2,90,00,000	2,90,00,000
Bank Deposits (more than 3 months, less than 12 months)	59,50,445	1,25,00,000
Unclaimed dividend	3,37,535	3,31,897
b Cheques, drafts on hand	-	-
c Cash on hand	52,825	46,929
	<u>11,15,30,750</u>	<u>12,65,65,992</u>
The Company has transferred Rs.30,324/- to the Investor Education and Protection Fund under section 125 and section 124 (5) of the Companies Act, 2013 as at the year end.		
<b>Note 2.14: Short-term loans and advances</b>		
<b>a Loans and advances (others)</b>		
Unsecured, considered good		
Prepaid expenses	12,64,393	6,22,719
Loan to staff	4,04,500	5,28,000
Other Advances	20,452	36,006
Interest accrued	2,67,392	7,34,365
	<u>19,56,737</u>	<u>19,21,090</u>
<b>b Taxes</b>		
Advance tax & tax deducted at source (net of provisions)	13,59,416	11,73,501
	<u>13,59,416</u>	<u>11,73,501</u>
	<u>33,16,153</u>	<u>30,94,591</u>

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, 2017 (Amount in Rs.)	For the Year ended March 31, 2016 (Amount in Rs.)
<b>Note 2.15: Operating Income</b>		
Brokerage & Commission	2,07,80,796	2,16,46,609
Profit on Trading		
Sales	30,36,008	21,04,129
Less: Cost of Sale		
Opening Stock	1,90,450	5,67,229
Add: Purchase of Shares	55,24,690	14,53,197
Less: Closing Stock	<u>26,73,662</u>	<u>1,90,450</u>
	30,41,479	18,29,976
Profit/(Loss) on Trading	(5,471)	2,74,153
Profit on Vandha (Net)	824	-
Profit/(Loss) on Trading - Derivatives	<u>(3,59,893)</u>	<u>(1,31,687)</u>
	<b><u>2,04,16,257</u></b>	<b><u>2,17,89,076</u></b>
<b>Note 2.16: Other Income</b>		
Interest Income	83,83,967	93,41,617
Dividend Income	9,949	34,231
Sundry Balances Written Back	10,725	2,58,926
	<b><u>84,04,640</u></b>	<b><u>96,34,773</u></b>

Particulars	For the Year ended March 31, 2017 (Amount in Rs.)	For the Year ended March 31, 2016 (Amount in Rs.)
<b>Note 2.17: Operating Expenses</b>		
Loss on Vandha (Net)	-	33,857
Brokerage Paid	1,35,681	73,114
Stamp Duty	17,93,698	18,41,784
	<b>19,29,379</b>	<b>19,48,756</b>
<b>Note 2.18: Employee Benefit Expenses</b>		
Salaries and Incentives	80,42,004	79,30,745
Directors' Remuneration	10,34,480	10,34,480
Remuneration to Key Management Personnel	10,08,000	10,08,000
Contributions to -		
i. Provident Fund	9,29,240	8,87,512
ii. Superannuation Scheme	5,27,000	5,27,000
Gratuity Fund Contributions	1,00,000	1,00,000
Staff Welfare Expenses	3,66,501	5,89,647
	<b>1,20,07,225</b>	<b>1,20,77,384</b>
<b>Note 2.19: Administrative and other Expenses</b>		
Rent, Rates & Taxes	5,94,694	10,04,814
Directors' Sitting Fees	2,05,738	2,51,075
Legal and Professional Fees	67,30,869	70,77,280
Software Expenses	3,18,057	15,64,557
Sales Promotion Expenses	6,35,867	7,19,861
Membership Fees & Subscription	5,29,037	4,92,114
Electricity Charges	4,21,886	4,72,159
Motor car and Scooter Expenses	8,17,641	6,55,992
Postage and Telephone	4,39,962	4,64,218
Travelling and Conveyance	2,62,883	3,47,143
Printing and Stationery	1,46,821	1,77,986
Auditors' Remuneration	1,56,020	1,56,063
Repairs and Maintenance - others	2,60,674	2,85,236
Insurance	3,35,063	3,30,496
Water Charges	1,03,347	2,70,768
Other Expenses	5,19,894	5,86,480
	<b>1,24,78,454</b>	<b>1,48,56,242</b>
<b>Details of Managerial Remuneration:</b>		
<b>a. Remuneration to Directors</b>		
Salary	8,04,000	8,04,000
Contri. to PF & Other Funds	2,30,480	2,30,480
	<b>10,34,480</b>	<b>10,34,480</b>
<b>b. Remuneration to Key Management Personnel</b>		
Salary	9,00,000	9,00,000
Contri. to PF & Other Funds	1,08,000	1,08,000
	<b>10,08,000</b>	<b>10,08,000</b>
<b>Auditors' Remuneration consist of: (excluding service tax)</b>		
for Statutory Audit Fees	85,000	85,000
for Tax Audit fees	24,000	24,000
for Certification Services	47,020	47,063
	<b>1,56,020</b>	<b>1,56,063</b>

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

For dividends:

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. Particulars of dividends paid to non-resident shareholders on shares held on repatriation basis during the year 2016-2017 are as under:

	2016-2017	2015-2016
(i) Number of non-resident shareholders	6	6
(ii) Number of Ordinary shares held by them	3,16,694	3,16,694
(iii) Amount of dividends	Rs.1,58,347	Rs.314,650
(iv) Year to which dividend relates	2015-16	2014-15

Expenditure in Foreign Currency:

Particulars	2016-2017	2015-2016
	Nil	Nil

**Note 2.21: Proposed Dividend:**

The final dividend proposed for the year is as follows:

	As at March 31, 2017	As at March 31, 2016
On Equity Shares of Rs.10 each		
Amount of dividend proposed	Rs.14,65,563	Rs.14,65,563
Dividend per Equity Share	Rs.0.50 per share	Rs.0.50 per share

**Note 2.22: Transaction in Specified Bank Notes:**

Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016:

Particulars	SBNs	Other denomination notes	Total
<b>Closing cash in hand as on 08 Nov. 2016</b>	<b>1,05,000</b>	<b>11,940</b>	<b>1,16,940</b>
(+) Permitted receipts	0	2,70,000	2,70,000
(-) Permitted payments	0	1,88,898	1,88,898
(-) Amount deposited in Banks	1,05,000	0	1,05,000
Closing cash in hand as on 30 Dec. 2016	0	93,042	93,042

**Note 2.23: Segment Information for the year ended 31<sup>st</sup> March, 2017:**

(a) Information about primary business segments

Particulars	31st March 2017				31st March 2016			
	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	207.81	(3.65)	84.05	288.21	216.47	1.42	96.35	314.24
Income from inter segments	-	-	-	-	-	-	-	-
Total Revenue	207.81	(3.65)	84.05	288.21	216.47	1.42	96.35	314.24
Segment result	106.37	(3.65)	(83.32)	19.40	98.44	1.42	(79.98)	19.88
Less : Income tax (including deferred tax)	-	-	-	(5.64)	-	-	-	(6.72)
Net Profit				13.76				13.16
Other Information								
Carrying amount of segment assets	228.53	26.74	1159.94	1415.21	330.57	1.90	1206.06	1538.53
Carrying amount of segment liabilities	101.66	-	49.45	151.11	214.99	-	73.21	288.20
Cost to acquire tangible fixed assets	-	-	-	0.98	-	-	-	1.19
Depreciation	-	-	-	3.19	-	-	-	4.21

(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 2.24:**

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 2.25:**

The Company had entered into an agreement with Bata India Ltd., for the shop at Kalbadevi on 18<sup>th</sup> May 1994 for a period of 10 years w.e.f.01/04/1994, which was extended for a further period of five years up to 31/03/2009. As Bata India Ltd., had not vacated our shop on due date, we filed suit in the Court of Small Causes at Bombay for mesne profits and re-possession of the shop. The Company is confident of getting all outstanding dues plus additional amount as mesne profits.

**Note 2.26: 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
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	
	2016-17 (Rs.lakhs)	2015-16 (Rs.lakhs)	2016-17 (Rs.lakhs)	2015-16 (Rs.lakhs)	2016-17 (Rs.lakhs)	2015-16 (Rs.lakhs)
<b>Rent paid:</b>						
Bhagwanti Exports Pvt. Ltd.	3.00	3.00	-	-	-	-
<b>Salary &amp; Perquisites :</b>						
Mr. Anil Manghnani	-	-	10.34	10.34	-	-
Mrs. Lavina Manghnani	-	-	-	-	4.48	4.48
Mr. Radhakrishna Shenvi	-	-	10.08	10.08	-	-
<b>Sitting Fees</b>	0.08	0.15	-	-	0.40	0.40
<b>Brokerage Earned:</b>						
Mr. Narendra H. Advani	0.02	-	-	-	-	-
Ms. Sarla H. Advani	-	-	-	-	0.02	-
Mr. Anil S Manghnani	-	-	0.08	0.16	-	-
Ms. Lavina Manghnani	-	-	-	-	-	-
Mr. Praveen Manghnani	-	-	-	-	0.68	0.43
Bhagwanti Tex Overseas Pvt Ltd.	-	-	-	-	-	-
Hira Advani Holdings Pvt Ltd.	-	-	-	-	-	-
<b>Closing Balances :</b>						
Mr. Praveen Manghnani					1.22	(0.76)

**Note 2.27:** Previous year figures have been re-grouped and re-arranged wherever necessary.

**Signatures to Note “1” to “2.27”**

For and on behalf of the Board

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 : 24th May, 2017

**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 .....Equity shares of the above named company, hereby appoint

1. Name : .....

Address : .....

Email I .....Signature: ....., or failing him/her

2.Name : .....

Address : .....

Email ID : .....Signature:..... or failing him/her

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 78th Annual general meeting of the company, to be held on Friday the 28th day of July, 2017 at 11.00 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 set out in the Notice convening the meeting as are indicated below:

Sr. No.	Resolution	Vote*	
		For	Against
<b>Ordinary Business</b>			
1	To consider and adopt the Audited Financial Statements and Cash Flow Statement of the Company for the financial year ended March 31, 2017 and the Reports of the Board of Directors and the Auditors thereon.		
2	To declare dividend.		
3	To appoint a Director in place of Mr. Narendra Hira Advani (Din No.03351909) , who retires by rotation and is eligible for re-appointment		
4	To appoint a Director in place of Mrs. Roshan Salim Patheria (DIN: 00651144), who retires by rotation and is eligible for re-appointment.		
5	To Appoint M/s Baheti & Company, Chartered Accountants having Firm Regn. No. 006287C as Statutory Auditors of the Company to hold office until the conclusion of the 83rd Annual general meeting of the Company and to authorise the Board of Directors to fix their remuneration.		
<b>Special Business</b>			
6	To approve change in place of keeping, maintaining, preserving and inspection of register, returns etc.		

Signed this \_\_\_\_\_ Day of \_\_\_\_\_ 2017

Affix  
Revenue  
Stamp

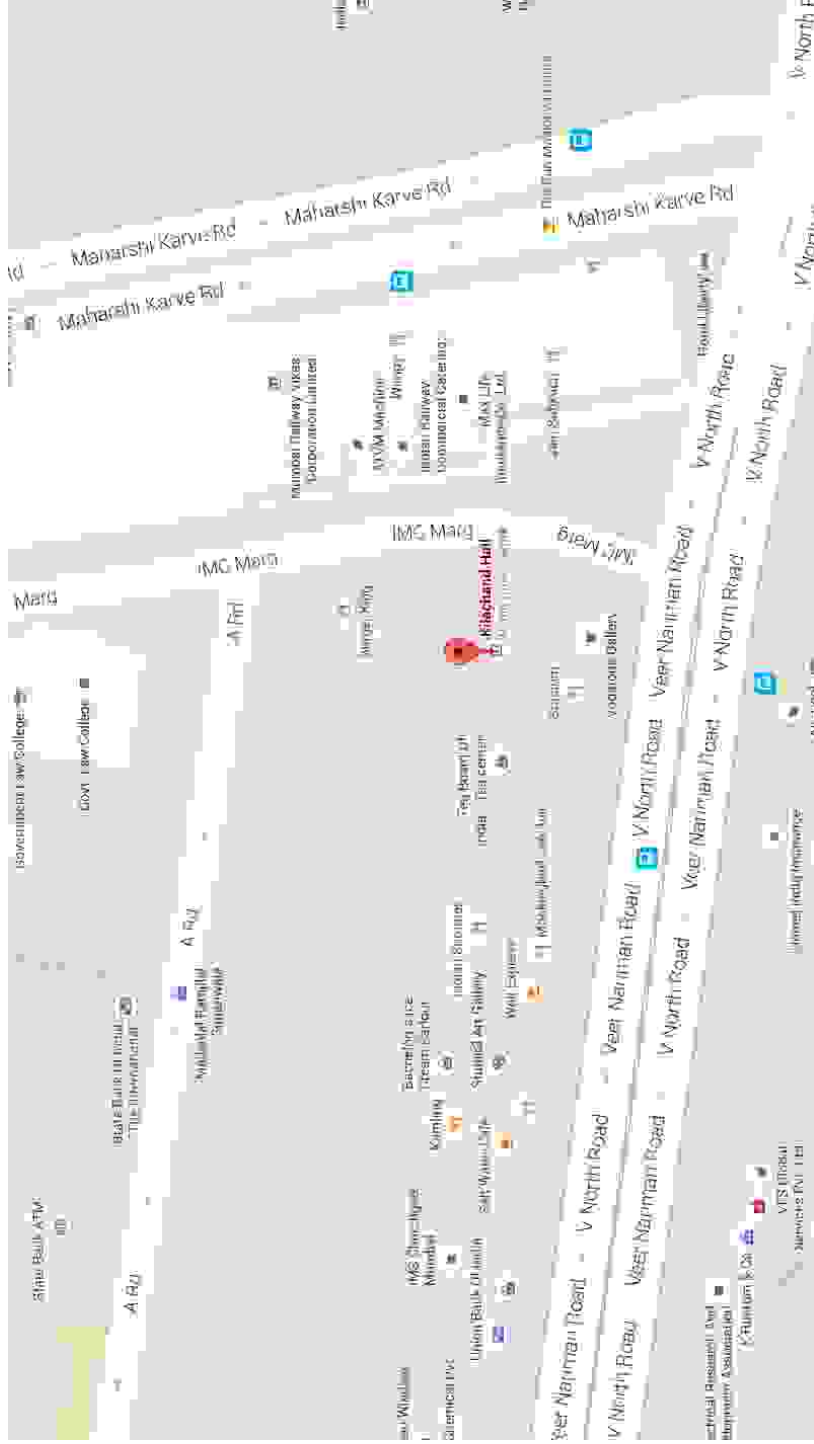
Signature of Proxy holder(s)

Signature of shareholder

Note: (1) 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. (2) Proxy need not be a member of the Company.

\*It is optional to put 'x' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate

# Route Map



 Venue of the 78th 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.